

AGREEMENT TO REIMBURSE THE TOWN OF DURHAM FOR THE COSTS ASSOCIATED WITH SENDING CHILDREN RESIDING IN UNH OWNED, TAX EXEMPT PROPERTY TO THE OYSTER RIVER COOPERATIVE SCHOOL DISTRICT (ORCSD)

ALSO TO BE KNOWN AS "THE SCHOOL AGREEMENT"

Between

TOWN OF DURHAM

And

UNIVERSITY SYSTEM OF NEW HAMPSHIRE

This agreement is entered into this 19 day of April, 2016, with an effective date of January 1, 2016, by and between the **Town of Durham** ("Town"), a New Hampshire municipal corporation, and the **University System of New Hampshire** ("USNH"), a State supported university system established by the State of New Hampshire operating through its component institution, the **University of New Hampshire** ("UNH").

WHEREAS, the Town and UNH ("Parties") work cooperatively for their collective well-being and future; and

WHEREAS, the Town recognizes that UNH is part of the University System of New Hampshire, a tax-exempt entity under the laws of the State of New Hampshire, and further is aware of USNH Board of Trustee (BOT) policy governing payments for municipal services; and

WHEREAS, UNH acknowledges that Durham provides it with certain municipal services funded by property taxes for which the Town and its taxpayers should be fairly compensated; and

WHEREAS, the Town acknowledges certain economic, educational, recreational, and cultural benefits of having the University as part of the community; and

WHEREAS, UNH acknowledges the importance of contributing to and sustaining an attractive and economically viable community,

NOW THEREFORE IN CONSIDERATION of the foregoing preamble and mutual covenants herein contained, the parties hereto agree as follows:

1. UNH acknowledges that children residing in University owned, tax exempt properties while attending the Oyster River Cooperative School District (ORCSD) have a financial impact

to the taxpayers in Durham due to the funding formula in existence with the three ORCSD communities.

2. UNH agrees to compensate the Town for the cost associated with these students attending the district as calculated by determining the average cost to the Town per child based on the amount it pays to the ORCSD with the children residing in UNH-owned tax exempt property (hereinafter "children") included in the formula. A sample calculation is provided as Addendum A to this agreement.

3. The reimbursement amount shall be calculated on December 1st of each year with half of the total payment due on December 31st and the balance due on May 31st. However, the amount due May 31, 2016, shall be as calculated under the previous agreement as of December 1, 2015.

4. This Agreement shall be construed under and in accordance with the laws of the State of New Hampshire.

5. This Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives and successors.

6. The above action by UNH is predicated on continuation of its current tax and regulatory status, and UNH reserves the right to cease payments if any change to that status occurs in the next Legislative session or in any subsequent session.

7. If one or more of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and the Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

8. The term of this Agreement is in effect for ten (10) years from the effective date stated above. Thereafter this agreement will automatically renew for successive one year terms unless one of the Parties provides notice to the other in advance of the expiration date that it does not wish to automatically renew the term of this agreement. The Town and University enter into this agreement understanding that changes may occur over the life of the agreement. To the extent possible, the terms and conditions anticipate reasonably foreseeable growth and development. However, in the event that either the University or Town experience changes that materially affect the overall equity or fairness of this agreement, or if relevant new information becomes available, the affected party may initiate and the other party agrees to participate in discussion of amended terms and conditions to this agreement so as to preserve equity and fairness in the allocation of cost and responsibility. Any modification or amendment shall be made by written mutual agreement and shall become effective only when signed by both parties. Either party may terminate this agreement by giving written notice to the other party one year in advance of when the termination is to take effect.

IN WITNESS THEREOF, the parties have executed this AGREEMENT as of the day and year indicated above.

TOWN OF DURHAM

Jessie Berry
Witness

Todd I. Selig
Todd I. Selig
Town Administrator

3/22/16
Date

UNIVERSITY SYSTEM OF NEW HAMPSHIRE

Jean Richard
Witness

Catherine Provencher
Catherine Provencher
Vice Chancellor and Treasurer

4/19/2016
Date

UNIVERSITY OF NEW HAMPSHIRE

Jean Richard
Witness

Christopher Clement
Christopher Clement
Vice President for Finance
and Administration

4/6/2016
Date

ADDENDUM A

SAMPLE FUNDING CALCULATION FOR UNH CHILDREN ATTENDING ORCSD

All figures used are from 2015-2016

DURHAM WITH 7 UNH STUDENT INCLUDED						
TOWN	AVERAGE DAILY MEMBERSHIP (ADM)	% ADM	EQUALIZED VALUE	% EQUALIZED VALUATION	50/50 WEIGHT	
DURHAM	914.1	46.80%	\$ 930,568,820	59.3002%	53.0490%	
LEE	676.9	34.65%	\$ 424,852,476	27.0736%	30.8639%	
MADBURY	362.3	18.55%	\$ 213,829,357	13.6262%	16.0872%	
TOTAL	1953.3	100%	\$ 1,569,250,653	100.000%	100%	
TOWN	APPORTION MENT	RETAINED STATE TAX	STATE GRANT	TOTAL ASSESSMENT	AVERAGE PER ADM	
DURHAM	53.05%	\$ 19,221,874	\$ 2,232,279.00	\$ 1,358,282.00	\$ 15,631,313	\$ 17,100.22
LEE	30.86%	\$ 11,183,284	\$ 1,015,473.00	\$ 2,432,890.00	\$ 7,734,921	\$ 11,426.98
MADBURY	16.09%	\$ 5,829,053	\$ 498,983.00	\$ 1,079,725.00	\$ 4,250,345	\$ 11,731.56
TOTAL		\$ 36,234,212	\$ 3,746,735	\$ 4,870,897	\$ 27,616,580	
NUMBER OF UNH CHILDREN			\$	7		
AVERAGE DURHAM COST PER ADM			\$	17,100		
COST TO UNH FOR ACADEMIC YEAR			\$	119,702		