



# Pomp and Whine

## Can College Towns Keep the Sims Happy?

KATHLEEN LEAHY BORN

In *Sim City 2000*, the popular computer simulation game that debuted in 1993, a player designs an ideal city, arranging key elements in various sizes and proximities. These include not only natural resources like mountains and lakes, but man-made institutions as well, the most desirable being airports, sports stadiums, landmarks and, in particular, universities. After the initial design, the city takes on a not entirely predictable life of its own, which the player can tweak by raising or lowering taxes, building more housing, offices, stores, schools, roads or other civic amenities. Interestingly, in the earliest version of the game, the primary measures by which the success of a player's *Sim City* is gauged are its rate of growth, its rate of increase in property values, the rising educational level of its residents and the continual creation of jobs to ensure consistent employment.

When my husband and I chose Cambridge, Mass., in 1971 as a place to settle with our growing family, we had no ties as alumni or employees of the city's universities or colleges. Instead, we relied on a few unsatisfying tours of homes on suburban *cul de sacs* miles from the nearest coffee shop and our brief residence in several other university cities to tell us what the creators of *Sim City* postulated in 1993 and countless urban theorists have since confirmed: that cities with universities have a distinct leg up. They have a leg up microeconomically in the volume of *pad thai* a restaurateur can sell on any night of the week. And they have a leg up macroeconomically in the mindset of the CEO of an international company seeking to site a new research facility near an educated workforce that includes graduates or affiliates of top universities, and a vibrant cultural scene that will attract the most talented pool of employees from all over the world. Finally university cities tend to have steadier than average real estate values, and that ensures a stable tax base for providing a full array of municipal services.

Although other New England cities such as Burlington Vt., Hanover N.H., Providence R.I., Northampton Mass., and Worcester, Mass., reap the

benefits of college and university presences, Cambridge is the quintessential "college town."

So, with an appreciation for this extraordinary value-added aspect of universities, why was I so uncomfortable in 1993 when, as a newly elected city councilor, I found myself sitting in the offices of an affable VP for government affairs at one of Cambridge's well-known universities? We were reviewing a glossy booklet that explained all the ways the university contributed to the economic and cultural health of the city, the number of hours university students spent volunteering in tutoring or other social service programs, the dollars spent by students and faculty and other employees in local businesses, the tourism dollars generated, some payments made to the city in lieu of taxes and all the new businesses magically spawned by university research.

Supposedly, the VP wanted my insight into growing local political unrest over the university's plans to build new classroom and laboratory buildings, residence halls, graduate student housing and parking facilities.

Perhaps the real reason I had been summoned was a comment I had recently made, as a novice politician, to the *Boston Globe* to the effect that when a particular university needed permits for a project, it should be prepared to offer something in return. I remember receiving a letter of stern rebuke from a Cambridge resident who identified himself as a member of that university's corporation. He advised me that what I suggested amounted to institutional blackmail, which in retrospect I guess it did.

Or the reason for my summons might have been my suggestion in a televised City Council meeting that some of the research conducted in campus buildings exempt from local property taxes on account of their educational nonprofit mission was actually being patented and licensed at a significant financial profit to, not only the universities, but individual professors. By 10 a.m. the next day, I had fielded calls from senior officials at both major universities in the city wanting to educate me about the benefits of this research to the city, such as new spinoff businesses and the global benefits of this research.

I continued to feel uncomfortable in similar discussions in the ensuing decade of my public service when I and my colleagues were regularly reminded that we

owed much, if not all, of the city's prosperity to the universities because I knew that the universities were right ... but only up to a point.

Here's where they were right: while Sim City intuited general positive effects of universities on cities, Cambridge was witnessing nothing short of a new industrial revolution, completing its transformation from a soap, margarine, glass and wire manufacturing hub in the 20th century to an international center of biotech research in the 21st century. When other New England cities in the early 1990s were slashing budgets and services to reflect the fluctuating tax base of a volatile real estate market, Cambridge enjoyed atypical stability. This stability was grounded in part on steadily increasing residential real estate values driven by home-seekers who wanted *latte*, *pad thai* and live music within an easy walk of their homes and, in even greater part, by the more cyclical, but still remarkably robust, commercial development market fueled by scientific research and all the service businesses related to it.

Here's where the discomfort occurs: all the positive effects of the strong economy were beginning to spin out of control, and elected officials were hearing about it loud and clear. The high cost of housing (rents and taxes) was making the city inaccessible to long-time residents. New development was replacing older smaller buildings and changing the historic look and feel of the urban texture. Traffic generated by a new development was choking city streets. Locally owned retail establishments were being replaced by familiar national chain stores. Now, there were too many places to buy *latte*.

Each year, the universities would present their "Town-Gown" reports to the City Council. I secretly called these the "pomp and whine" meetings. The VP for government affairs would enumerate all the ways the city should be grateful for what the university does. Elected officials, not to be outdone by one another in front of the local press, would take turns dressing down the VP for the university's failure to ease high cost of housing, for not stopping development that exacerbates the traffic, for not subsidizing with low

## Home Remedies *Colleges Look to Ease Housing Burdens*

LIZ ADAMS

One area in which many New England colleges and universities impact their local economies is the housing market. In Massachusetts, where a survey by the policy think tank MassINC found lack of affordable housing to be the No. 1 quality of life problem, college students—bankrolled by their parents and living off campus in large numbers—are often blamed for driving up rents. "Three or four students getting together to rent a Brighton triple-decker are going to outbid Joe Lunchbucket every time," says Tom Meagher, president of Northeast Apartment Advisors, a Boston-area consulting firm.

Expanding universities also buy up land to build new facilities, sometimes gobbling up housing in the process. In Northampton, Mass., Smith College is building a new science and engineering building on land occupied by 35 residential apartments. To offset the impact on tenants, Smith has created a Housing Replacement Fund to support construction of new units.

Smith's awareness of its impact in the housing market is hardly unique. Several New England colleges and universities are building dorms, refurbishing run-down homes, helping faculty buy homes, and otherwise working to ease the variety of housing woes that economists and others fear compromises the region's competitiveness.

In conjunction with major new developments in the Allston section of Boston, Harvard University promised to provide \$20 million in low-interest loans to nonprofit groups that provide affordable housing in Boston and Cambridge. As part of its \$200 million revitalization of a 15-square block section of Hartford, Trinity College and its partners have built or rehabbed about 30 houses, with 20 more in the pipeline.

In Holyoke, Mass., where the Latino population has increased by 170 percent, the University of Massachusetts Amherst has funds from the U.S. Department of Housing and Urban Development to provide a series of community financial education and sustainable home ownership workshops with support material in English and Spanish.

In New Haven, Conn., the Yale Homebuyer Program makes Yale employees eligible for up to \$5,000 in closing bonuses and \$2,000 a year for up to 10 years if they continue to own and live in their home in New Haven. Wheaton College offers land at discounted prices to faculty who want to build their own houses on it.

In Boston, a new remedy may be on the horizon. Local leaders have called on Hub colleges to ease pressure on local rents by taking responsibility for housing their students. In response, Boston colleges and universities added 10,511 dorm beds between 1990 and 1998, freeing an estimated 2,600 housing units for local residents, according to the Boston Redevelopment Authority. And since 1998, Northeastern, Boston University, Wentworth, Boston College, Emmanuel, Mass College of Art and Suffolk have all provided at least 300 more beds each. But college towns like Boston face a Catch-22: students living in dorms draw heavily on city services such as fire and police but pay no local property taxes. Meagher, for one, envisions a hybrid in which colleges refer students to taxable housing built by private developers, on or off campus. That, he says, could be a boon for both colleges and their tax-strapped host cities.

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rents the little retail businesses which carry such sentimental value, for not making payments in lieu of taxes that really reflected the actual value of their properties.

Cambridge, like a lot of college towns, was experiencing a “benefit boomerang.”

To be fair, things have changed, slowly, since my first uncomfortable sit-down in 1993. There have been some real, if carefully calculated, gestures of generosity on the part of the universities: the below-market value sale to the city of 100 units of formerly rent-controlled housing, a \$10 million low-interest loan program for affordable housing, a shelter for homeless drug abusers, several lovely parks, a tangible increase in on-campus student housing to ease the citywide housing crunch and a recent landmark tax agreement occasioned by one university’s controversial purchase of a large piece of prime commercial property.

Contrary to the cynicism of the constituent who accused me of blackmail, universities in Cambridge now accept that to get major projects built in the city, they have to offer some tangible benefit in the form of a donation of real estate, a park, help with funding for an educational or social service program or, at the minimum, just plain payments in lieu of taxes.

Intermittent rumblings in places like Madison Wis., Palo Alto, Calif., and closer to home in Providence, have raised the tax-exemption issue as it relates to research buildings. In Connecticut, cities are reimbursed by the state for some of the taxes institutions don’t pay. Perhaps with Harvard’s unprecedented major expansion planned in Boston’s Allston neighborhood, there will finally be the resolve to make fundamental changes in state law that could offer Massachusetts cities compensation for tax revenue unrealized when universities expand.

Sim City has changed in the last decade too. The 2004 version, Sim City 4, places far greater value on the contentment of the “Sims,” the people who live there,

and less value on continued growth. Quality of life is now equally or more important to the success of the city than its rate of growth. This quality of life theme, played out in various guises—affordable housing to ensure diversity, affordable commercial rents to support small businesses, less traffic, less noise, preservation of historic buildings and open spaces—has moved front and center in Cambridge politics.

Furthermore, after voters abolished rent control in 1993 and the city was grappling with demographic change and gentrification, an interesting phenomena emerged almost unnoticed: Cambridge began to be seen as a retirement community. Empty-nesters are attracted by the walkability of the city, the restaurants, shops and the abundance of cultural attractions, many of them university-related. Many of these new residents are *actually* returning to the city where they spent their college days in the 1950s and the ’60s. They remember when cars were fewer, parking was easier, a meal out and a movie was a cheap date. Increasingly we find these savvy new residents at the forefront of political issues involving escalating property taxes, civic developments such as a new library, parks, natural areas, recreational facilities, changes to roads and traffic patterns, the mix of retail in the squares and, ironically, university expansion and the effects of new development related to university spinoff businesses. Maybe this group will be the key to bridging the old “pomp and whine” divide between the universities and elected officials in Cambridge. Maybe they will be the ones with the clout to finally convince their alma maters to offer the city the substantial resources, both financial and knowledge-based, that will be needed to help Cambridge survive its own success.

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## Comic Relief for White River Junction

JAMES STURM

When I decided to start a college for cartoonists in Vermont, I knew I would be tapping into an unprecedented excitement about graphic novels in the literary, publishing and art worlds. What I didn’t know was that I would

also be tapping into the energy swirling around New England’s so-called “Creative Economy.”

This Creative Economy encompasses a rich array of arts and culture organizations from commercial design shops to symphony orchestras as well as nearly a quarter-million New Englanders working as individual