

Cornell Increases Payments To Ithaca for City Services

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Ending a long dispute with Ithaca, Cornell University agreed today to increase its annual payment to the city nearly sevenfold, to \$1 million, by 2007.

"We would have liked to get more," said Mayor Benjamin Nichols, a former Cornell engineering professor who is running for re-election next week. But Mr. Nichols said he was pleased with the outcome of a battle that began when he withheld permits for construction at the university unless the payments in lieu of taxes increased.

Under the agreement, which was signed today, the payments will rise, to \$250,000 this year from \$143,000. Mr. Nichols said the costs for services that the university used ran to \$2.5 million a year.

The new president of the university, Hunter R. Rawlings 3d, said the city and Cornell now had an "excellent working relationship" and could address other issues. The agreement calls for creating a group of city and university officials to work on areas like zoning, housing and access to university events.

Negotiations about the payments ground to a standstill in the winter, when the Mayor denied requests for building permits, saying the university had to start paying more of its fair share for services. Mr. Nichols said the "whole climate of negotiations" would change if Cornell increased its payments. University officials said they had no obligation to pay anything. They added that they would not increase the payments while the city was withholding the permits.

In May, after hundreds of construction workers marched to City Hall to protest the freeze on permits, Mr. Nichols lifted the ban. He said his decision had nothing to do with the demonstration, but was based on an understanding that discussions on the payments would proceed at a "much more accelerated pace."