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Re: Payments in Lieu of Tax and Nonprofits

Dear Council Member,

I am writing to commend Memphis City Council Members for their thoughtful and responsible comments leading up to tonight's consideration of a recommendation that the City reach out to nonprofit, tax-exempt organizations to request – and not pressure – voluntary support to help alleviate the fiscal challenges of local government. It is well known and appreciated that Memphis' nonprofit community contributes *every day* to the economic, social, and cultural vibrancy of our city. Our community's nonprofits deliver essential services, enhance the quality of life of our fellow citizens, and uplift the spirit of faith, innovation, and inspiration. As a result of our work, the economic challenges that the City is facing today are less severe because the load on government is lighter.

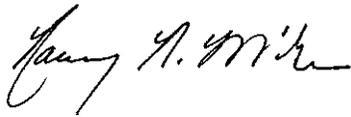
The positive tone that Memphis leaders have taken comes in stark contrast to the acrimony that frequently surrounds calls by public officials for payments in lieu of taxes. Elected officials in Boston, Pittsburgh, and elsewhere have inflicted perhaps irreversible damage on their relationships with the very nonprofit organizations that help to make their cities great. While officially labeled "voluntary" in public statements, nonprofits have found elected officials engaging in aggressive, offensive, and legally unsupportable threats and actions that are unbecoming of individuals sworn to uphold the public trust and to serve the public good. Asking nonprofit organizations dedicated to the community to help solve local problems is the right way to go, because it respects our mission as problem solvers.

Nonprofits exist to solve community problems and welcome the opportunity to work with City officials to address all issues, whether fiscal, social, or cultural. No one in government should feel embarrassed about asking nonprofits to help in new or expanded ways. At the same time, no local nonprofit organization should feel in any way compelled, as has been the case in cities like Boston and Pittsburgh, to divert essential and needed resources away from their missions of improving life in Memphis. All of us – elected officials, nonprofit leaders, and government and nonprofit employees – are dedicated to the public good. And we work best when we work together to address the immediate and the long-term needs of our community.

As highlighted in our report, *Downstream and in Demand*, (<http://www.npexcellence.org/PDF/DownstreamIII.pdf>), most nonprofits in our area are significantly strained due to the prolonged economic downturn, increased demands for services, and decline in donations. We ask that every policymaker understand that to nonprofit leaders, their mission is fundamental. We must weigh requests for assistance from the City – whether through existing services, temporary financial support, or expanded assistance in targeted areas – based on whether any of these activities meet our mission upon which tens of thousands of Memphians rely.

The Alliance for Nonprofit Excellence and our 220+ members stand ready to assist the City in confronting and overcoming the numerous challenges that our citizens face. Because many of the problems we face are familiar and likely to continue, we encourage the Council and the Mayor to establish a more formal mechanism that will permanently engage *with* Memphis nonprofits so we can all work together to better serve our communities, such as through a Nonprofit Liaison or a nonprofit advisory panel. I look forward to following up with you in the coming months to address these challenges and opportunities.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy A. McGee". The signature is fluid and cursive, with the first name "Nancy" being the most prominent.

Nancy McGee
Chief Executive Officer
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