



Massachusetts Port Authority
One Harborside Drive, Suite 200S
East Boston, MA 02128-2909
Telephone (617) 568-5000
www.massport.com

November 20, 2018

VIA ELECTRONIC AND U.S. MAIL

Austin Faison, Town Manager
Town of Winthrop
1 Metcalf Square
Winthrop, MA 02152
afaison@town.winthrop.ma.us

RE: Town of Winthrop PILOT Agreement

Dear Town Manager Faison:

In accordance with the November 15, 2018 vote of the Members of the Authority (the "Board") regarding the Amended and Restated Payment In Lieu of Taxes ("PILOT") Agreement, between the Massachusetts Port Authority (the "Authority") and the Town of Winthrop (the "Town"), dated as of December 22, 2005 (the "PILOT Agreement"), the Town and the Authority hereby agree that the following shall be incorporated into the PILOT Agreement and be part of the PILOT Agreement as though originally set forth therein:

By inserting at the end of Section 3, Amount of Annual Payments, Use, the following:

Notwithstanding any other provision to the contrary contained herein, for each fiscal year commencing on and after July 1, 2018, the Authority agrees to make to the Town the following annual in lieu of tax payments:

Fiscal Year 2019	\$1,200,000.00
Fiscal Year 2020	\$1,350,000.00
Fiscal Year 2021	\$1,500,000.00
Fiscal Year 2022	\$1,650,000.00
Fiscal Year 2023	\$1,800,000.00
Fiscal Year 2024	\$1,900,000.00
Fiscal Year 2025	\$2,000,000.00

The Town agrees that to the terms of the PILOT Agreement shown in the attached **Exhibit A**.

Thank you for maintaining this correspondence in your official records as a supplement to the existing PILOT Agreement.

Exhibit A

Winthrop PILOT

The following vote is recommended:

WHEREAS, the Town of Winthrop ("Winthrop") is a host community for Logan Airport, and approximately one-third of Logan Airport's runways are located within Winthrop; and

WHEREAS, Chapter 465 of the Acts of 1956 of the Commonwealth of Massachusetts, as amended (the "Enabling Act"), authorizes the Massachusetts Port Authority (the "Authority") to enter into an agreement with Winthrop for annual payments-in-lieu-of-taxes ("PILOT"); and

WHEREAS, the Enabling Act sets forth that the amount of the annual PILOT payment is to be based on four factors: (1) the general level of property taxation in effect; (2) the effect of the Authority's projects, facilities, and activities; (3) the general economic condition of the users of the Authority; and (4) the needs of the Authority to maintain or improve its facilities and projects; and

WHEREAS, the Authority and Winthrop last entered into a PILOT payment agreement in 2005 ("PILOT Agreement") for a twenty year period, under which the Authority makes annual PILOT payments of \$900,000 to Winthrop; and

WHEREAS, the amount of the annual PILOT payment to Winthrop from the Authority has not been adjusted since the commencement of the PILOT Agreement thirteen (13) years ago; and

WHEREAS, under the terms of the PILOT Agreement, Winthrop may use the payment from the Authority for any lawful capital or operating cost or expense, but may not use the annual payment to fund, directly or indirectly, any lawsuit or other legal action against the Authority; and

WHEREAS, in 2016, in recognition of the impact of the Authority's addition of seven new international gates to Terminal E, lifting of the parking freeze, and potentially building new parking facilities, the Authority and Winthrop agreed that the Authority would provide \$2.5 Million in additional PILOT payments to the Winthrop Foundation as mitigation for those projects, consistent with the Authority's Enabling Act and the Authority's Community & Regulatory Mitigation Policy; and

WHEREAS, since 2016, the effects of the Authority's facilities and projects on Winthrop have continued to increase, including additional impacts in Winthrop during more hours of the day, particularly during early morning and evening hours, as a result of the 50% increase in the number of international flights to and from Logan Airport, many of which have late and/or early arrival and departure times; and

WHEREAS, the FAA Fiscal Year 2017 Terminal Area Forecast has forecasted continued passenger growth, including at Logan Airport, in the future, and:

WHEREAS, it is anticipated, and Winthrop acknowledges, that both passenger and flight volume will continue to grow at Logan Airport over the next seven (7) years, during which time the PILOT Agreement will be in effect; and it is also anticipated, and Winthrop acknowledges, that the Authority will continue to maintain and improve its facilities at Logan Airport to accommodate the passenger and flight volume growth; and

WHEREAS, taking into consideration the effect of the Authority's projects and facilities on Winthrop, as well as the cost and value of the benefits conferred upon the Authority and its patrons, tenants and other users by Winthrop in the form of specific services and general government by the Winthrop as instructed by the Enabling Act, an adjustment to the PILOT Agreement with Winthrop is appropriate, and the payment agreed upon in this Amendment does not exceed the apparent level of such conferred benefits.

NOW, THEREFORE, BE IT RESOLVED AND VOTED THAT:

1. The CEO & Executive Director, or his designee, is hereby authorized to negotiate on behalf of the Authority, and execute and deliver on behalf of the Authority an amendment (the "Amendment") to the PILOT Agreement, which Amendment shall be substantially consistent with this Vote, and shall contain such other terms and conditions not inconsistent with this Vote as the Authorized Officer executing such Amendment may determine are necessary or desirable.
2. The PILOT Agreement shall be amended by inserting at the end of Section 3, Amount of Annual Payments, Use, the following:

Notwithstanding any other provision to the contrary contained herein, for each fiscal year commencing on and after July 1, 2018, the Authority agrees to make to the Town the following annual in lieu of tax payments:

Fiscal Year	Adjustment to PILOT	Total Payment to Winthrop
FY2019	\$300,000	\$1,200,000.00
FY2020	\$150,000	\$1,350,000.00
FY2021	\$150,000	\$1,500,000.00
FY2022	\$150,000	\$1,650,000.00
FY2023	\$150,000	\$1,800,000.00
FY2024	\$100,000	\$1,900,000.00
FY2025	\$100,000	\$2,000,000.00

3. The PILOT Agreement shall also be amended to reflect Winthrop's acknowledgement that the PILOT payment has been adjusted based on the anticipated growth in passenger and flight volume at Logan Airport over the next seven (7) years, and that the Authority will maintain and improve its facilities at Logan Airport accordingly. In addition, the PILOT Agreement shall continue to reflect that Winthrop is prohibited from using PILOT payments for legal action against the Authority.

4. The execution and delivery of the Amendment by the Authorized Officer is subject to the prior or simultaneous acceptance of the Winthrop Foundation Agreement by Winthrop.



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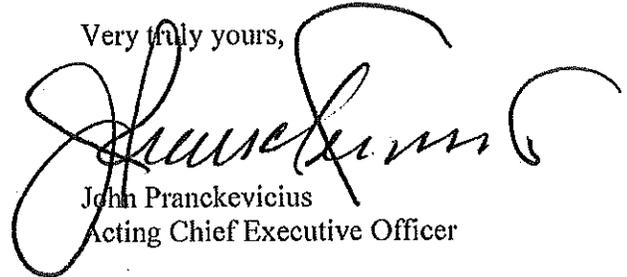
RE: Town of Winthrop PILOT Agreement

Dear Town Manager Faison:

In accordance with the ongoing discussions between the Massachusetts Port Authority (the "Authority") and the Town of Winthrop (the "Town") regarding the Amended and Restated Payment In Lieu of Taxes ("PILOT") Agreement, between the Authority and the Town, dated as of December 22, 2005 (the "PILOT Agreement"), the Authority agrees to make a one-time additional PILOT payment of \$150,000 to the Town.

Thank you for maintaining this correspondence in your official records as a supplement to the existing PILOT Agreement.

Very truly yours,



John Prankevicius
Acting Chief Executive Officer

Acknowledged and agreed:

TOWN OF WINTHROP

By: [Signature]

Title: Town Manager

(Authorized Signatory)

Date: 1/9/2019



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RE: Town of Winthrop PILOT Agreement - Foundation Payment

Dear Town Manager Faison:

On behalf of the Massachusetts Port Authority ("Massport"), I am pleased to offer the Town of Winthrop a community portion of PILOT payment ("Supplemental PILOT") under the Amended and Restated PILOT Agreement between Massport and the Town dated as of December 22, 2005 (the "PILOT Agreement"), earmarked for the to-be-established Winthrop Foundation. This Supplemental PILOT is in recognition of the impacts of certain currently pending projects and provides a means for representatives of the community, through the Winthrop Foundation, to implement environmental and other mitigation measures as shall be set forth in a community agreement (the "Community Agreement") between Massport and the Winthrop Foundation, a copy of which is attached hereto. In order to provide for this Supplemental PILOT payment, the Town and Massport hereby agree that the following paragraph shall be incorporated into and be part of the PILOT Agreement:

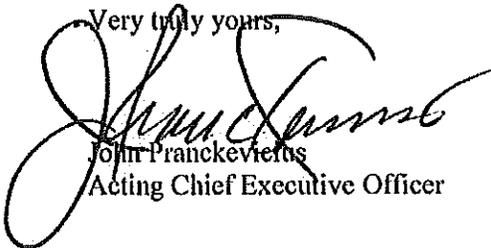
"In anticipation of a certain agreement (the "Community Agreement") to be executed by the Authority and a to-be-established foundation (the "Winthrop Foundation"), the Authority agrees it shall present to the Town a final Foundation Grant ("Grant") and Declaration of Trust ("Trust") regarding the Winthrop Foundation, and the Town shall submit said Trust and Grant to the Town Council for acceptance as required by law. Upon the acceptance of said Trust and Grant by order of the Town Council and by the Trustees of the Winthrop Foundation, the Authority shall remit to the Collector-Treasurer of the Town payments as due in accordance with the Community Agreement. Upon acceptance by the Town Council and receipt of the agreed upon funds by said Collector-Treasurer, said funds shall be held in a separate account, to be expended by the Trustees of the Winthrop Foundation, without further appropriation, all in accordance with the terms of said Trust, Grant, and Community Agreement."

Mr. Austin Faison, Town Manager
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The Supplemental PILOT shall be paid to the Town in the amount of up to Two Million Five Hundred Thousand Dollars (\$2,500,000) as approved by Massport (the "Massport Grant" attached hereto) for the benefit of the Winthrop Foundation in accordance with the terms and payment schedule as set forth in the Community Agreement. A draft Order to be adopted by the Town to document its acceptance of the Winthrop Foundation Declaration of Trust and Massport's Grant are also attached.

We very much look forward to completing this process for the benefit the Winthrop community. Thank you for maintaining this correspondence in your official records as a supplement to the existing PILOT Agreement.

Very truly yours,



John Franckevietus
Acting Chief Executive Officer

Acknowledged and agreed:

TOWN OF WINTHROP

By: [Signature]

Title: Town Manager

Date: 1/9/2019