

TOWN OF PLYMOUTH  
11 Lincoln Street  
Plymouth, MA 02360  
(508) 747-4620  
Fax (508) 830-4140

OFFICE OF TOWN MANAGER

TO: Board of Selectmen  
FR: Melissa Arrighi, Town Manager  
RE: Annual Town Meeting Article 13 - Entergy PILOT  
DT: January 18, 2017

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*ARTICLE To see if the Town will vote to approve a payment in lieu of taxes agreement between the Town and Entergy Nuclear Generation Company for the property known as the Pilgrim Nuclear Generation Station, as on file with the Town Clerk, or take any other action relative thereto.*

*BOARD OF SELECTMEN*

The Town has been negotiating with Entergy on a successor Payment in Lieu of Tax Agreement that has been approved by the Board of Selectmen. This agreement will extend through June 30, 2019 and will provide for payments of \$9M in Fiscal Year 2018, and \$8.5M in Fiscal Year 2019. Although issues outside of the tax payment are typically outside of the scope of a PILOT agreement, the Town had always retained 'restrictive covenant' language on the approximately 1500 acres owned by Entergy. This land is commonly known as "the burdened parcel". In this round of negotiations, Entergy was quite insistent on the elimination of that language and the Town ultimately agreed to that request. However, we did negotiate a Right of First Refusal option on that "burdened parcel" so that we could retain some ability for the Town to weigh in on the future of that property.

In addition, approval of this article will eliminate the possibility of Entergy filing for an abatement on a Town assessed value of the property. The abatement process is lengthy and may take upwards 12 – 18 months. During that time, the Town would not be able to include this revenue amount in the budget and would have to set aside a portion of the revenue into overlay reserve for the abatement process. Without question, this would leave a glaring hole in the budget that would have to be made up with cuts or raising more taxes.

We are respectfully requesting that you recommend this article to Town Meeting.

Thank you.

**SECOND AMENDMENT TO PAYMENT  
IN LIEU OF TAX AGREEMENT**

This Second Amendment (this "Second Amendment"), dated as of October 14, 2016, is by and between the Town of Plymouth, a municipal corporation and political subdivision of the Commonwealth of Massachusetts, with offices at 11 Lincoln Street, Plymouth, Massachusetts 02360 ("Town") and Entergy Nuclear Generation Company, a Massachusetts corporation, with its principal place of business at the Pilgrim Nuclear Generation Station, Rocky Hill Road, Plymouth, Massachusetts 02360 ("Entergy"), each individually, a "Party" and collectively, the "Parties."

WHEREAS, the Town and Entergy are Parties to the Payment In Lieu of Tax Agreement, dated as of August 13, 2013 (the "PILOT Agreement"), and capitalized terms used but not otherwise defined in this Second Amendment shall have the meaning given them in the PILOT Agreement; and

WHEREAS, the Town and Entergy are Parties to a First Amendment to PILOT Agreement dated December 17, 2014 that extends the PILOT Agreement through Fiscal Year 2017; and

WHEREAS, the Town and Entergy now wish to extend the term of the PILOT Agreement through Fiscal Year 2019, amending certain sections of the PILOT Agreement accordingly.

NOW THEREFORE, the Town and Entergy, in accordance with Section 22 of the PILOT Agreement, in consideration of mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

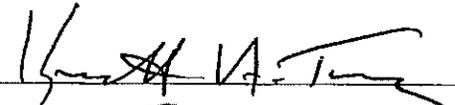
1. The term of the PILOT Agreement shall be extended to and inclusive of June 30, 2019.
2. The Annual Payment for Fiscal Year 2018 shall be \$9,000,000 subject to the limitations set forth in Paragraph 10 of the PILOT Agreement and the Annual Payment for Fiscal Year 2019 shall be \$8,500,000 also subject to the limitations set forth in Paragraph 10 of the PILOT Agreement. The sixth "Whereas" clause, Paragraph 6, Paragraph 8, and Paragraph 10 shall each be amended accordingly by striking the phrase "through 2016" and inserting in its place the phrase "through 2019"; and Paragraph 1 shall be amended by adding "2018" and "\$9,000,000" and "2019" and "\$8,500,000" to the bottom of the existing columns for "Fiscal Year" and "Payment," respectively.
3. Section 14 of the PILOT Agreement is amended by inserting the following as the second paragraph thereof:

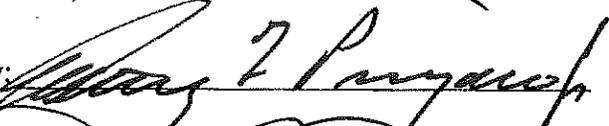
The obligations of the Parties under this Second Amendment are conditioned upon (i) the Town promptly submitting this Second Amendment to the Massachusetts Department of Revenue ("DOR"), and DOR having no objection within the thirty (30) day review period, and (ii) approval of the Second Amendment by the Town acting by vote of its Town Meeting no later than April 30, 2017. In the event that DOR objects to the Second Amendment or the Second Amendment is not approved by Town Meeting, the Second Amendment shall become null and void and of no further effect unless otherwise agreed by the Parties in writing.
4. Section 20 of the PILOT Agreement is amended by striking the existing text in full and inserting in its place the following:

6. The Parties shall commence the process of negotiating another Payment in Lieu of Tax Agreement for the Plant for Fiscal Year 2020, and possibly future years, not later than March 31, 2018.

IN WITNESS WHEREOF, THE Town and Entergy have executed this Second Amendment as of the date first above written.

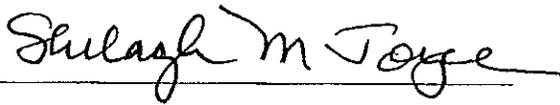
BOARD OF SELECTMEN OF THE  
TOWN OF PLYMOUTH

By: 

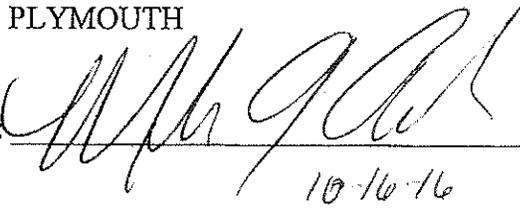
By: 

By: 

By: \_\_\_\_\_

By: 

TOWN MANAGER OF THE TOWN  
OF PLYMOUTH

By:   
10-16-16

ENTERGY NUCLEAR GENERATION  
COMPANY

By: 