

**TAX INCREMENT FINANCING AGREEMENT  
BY AND BETWEEN  
THE TOWN OF NEEDHAM  
and  
NBCUNIVERSAL MEDIA, LLC**

This AGREEMENT is made this \_\_ day of \_\_\_\_\_, 2017 by and between the TOWN OF NEEDHAM, a municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, with a principal place of business at Town Hall, 1471 Highland Avenue, Needham, MA 02492 (the "TOWN") and NBCUniversal Media, LLC, a Delaware limited liability company authorized to do business in Massachusetts with a principal office at 30 Rockefeller Plaza, New York, New York 10112, and its subsidiaries or affiliates (the "COMPANY").

**WITNESSETH**

WHEREAS Needham Nine Owner, LLC (the "PROPERTY OWNER") owns approximately 22.12 acres (approximately 963,000 square feet) of land in Needham, Massachusetts consisting of Units 1, 2 and 3 of that certain Condominium known as Center 128 East Condominium, together with declarant's rights (including Development and Phasing Rights) in and to the said Center 128 East Condominium, situated at 77 A Street, 156 B Street, A Street (Rear), and 189 B Street, in the Town of Needham, County of Norfolk and Commonwealth of Massachusetts, together with an undivided percentage in the common elements therein as established by Master Deed of Center 128 East Condominium, dated July 5, 2016, and recorded with the Norfolk County Registry of Deeds on July 7, 2016 recorded at Book 34247, Page 1, in the related By-Laws, in the Declaration of Trust of Center 128 East Condominium Trust, dated July 5, 2016, and recorded on July 7, 2016 at Book 34247, Page 44, and/or Site Plans and Floor Plans as recorded at Plan Book 650, Page 23 and 24, ("DEVELOPMENT"); and

WHEREAS the DEVELOPMENT includes, inter alia, a building which is currently approximately 171,000 square feet, having a street address of 189 B Street, Needham, Massachusetts (herein "CONDO UNIT 2"); and

WHEREAS CONDO UNIT 2 is located on a portion of Parcel 74 on the Town of Needham Assessor's Map No. 300, as shown on a Plan entitled "NBCUniversal Media Economic Opportunity Area," dated March 22, 2017 and prepared by the Town of Needham Engineering Division, with a street address of 189 B Street and which comprises approximately 7.81 acres ("the PROPERTY"); and

WHEREAS the PROPERTY OWNER intends to sell rights to CONDO UNIT 2, together with its appurtenant and related rights, to the COMPANY, and the COMPANY then intends to make improvements to CONDO UNIT 2, to approximately 165,000 square feet, in order to make it suitable for use as a media and television broadcast facility, serving corporate functions, digital media broadcast and production, including cable news, sports and Spanish-speaking channels ("the PROJECT"); and

WHEREAS, the PROPERTY is located within the boundaries of the Needham Economic Target Area (the "ETA") as designated by the Massachusetts Economic Assistance Coordinating Council (the "EACC") pursuant to Chapter 23A, Section 3D(a)(ii)(J) of the Massachusetts General Laws;

WHEREAS, through the PROJECT, the COMPANY is expected to create 375 new, permanent, full-time jobs ("NEW JOBS") in the TOWN, and retain these 375 permanent full-time jobs as part of the PROJECT ("JOBS RETAINED");

WHEREAS the PROJECT is expected to result in an estimated capital investment of approximately \$125 million, including an estimated \$63.4 million paid for by the COMPANY for acquisition and soft and hard construction and development costs and an estimated \$61.6 million paid for by the COMPANY for personal property and other investment expenses;

WHEREAS the COMPANY is seeking a Tax Increment Financing Exemption from the TOWN for all development related to the PROJECT, in accordance with the Massachusetts Economic Development Incentive Program and Chapter 23A of the Massachusetts General Laws;

WHEREAS, the COMPANY intends to apply for status as a Certified Project under the Massachusetts Economic Development Incentive Program;

WHEREAS the PROPERTY is currently substantially vacant;

WHEREAS the COMPANY intends to apply to the Commonwealth for an Abandoned Building Renovation Deduction;

WHEREAS the TOWN strongly supports increased economic development in the TOWN, to expand commercial and industrial activity within the TOWN, and to develop a healthy economy and stronger tax base;

WHEREAS the PROJECT furthers the economic development goals and the criteria established for the ETA; and

WHEREAS, the TOWN intends to place on the warrant for its May 2017 Annual Town Meeting, for consideration by its members, an article requesting authorization for the Board of Selectmen of the Town of Needham to enter into a Tax Increment Financing Agreement for the PROPERTY.

NOW THEREFORE, in consideration of the mutual promises of the parties contained herein and other good and valuable consideration, each to the other paid, the receipt of which is hereby acknowledged, the parties hereby agree as follows:

1. The Board of Selectmen of the Town of Needham intends to execute this AGREEMENT on behalf of the TOWN. Should the AGREEMENT fail to be

approved by the Massachusetts Economic Assistance Coordinating Council, it will not be binding on any of the parties.

2. This AGREEMENT provides a 10-year Tax Increment Financing Exemption (the "EXEMPTION"), to commence on July 1, 2018 and to end on June 30, 2028, which shall be applicable to the new incremental value of real property associated with the PROJECT. At the election of the COMPANY, the 10-year term can be shifted forward in time to begin on July 1 of the year immediately following the issuance of a permanent certificate of occupancy for the PROJECT if such certificate has not been issued by July 1, 2018 provided also that the COMPANY has taken possession of the PROPERTY.
3. The EXEMPTION formula for the PROPERTY shall be calculated as prescribed by Chapter 23A, Section 3E; Chapter 40, Section 59 and Chapter 59, Section 5, Clause Fifty-first, of the Massachusetts General Laws. The EXEMPTION formula shall apply to the incremental increase in the assessed valuation of the PROPERTY due to the PROJECT, excluding parking, landscaping and accessory facilities associated therewith (the "REAL ESTATE INCREMENT").
  - a. The parties hereby agree that the base valuation for the PROPERTY shall be \$15,232,000.
  - b. The base valuation shall be adjusted annually by an adjustment factor, which reflects increased commercial and industrial property values within the community, as provided in Chapter 40, Section 59 of the Massachusetts General Laws. The adjustment factor for each fiscal year shall be equal to the product of the inflation factors for each fiscal year after the PROPERTY first becomes eligible for the EXEMPTION, provided that the inflation factor for each fiscal year shall be a ratio:
    - i. The numerator of which shall be the total assessed value of all parcels of commercial and industrial real estate that are assessed at full and fair cash value from the current fiscal year minus the new growth adjustment for the current fiscal year attributable to the commercial and industrial real estate as determined by the Commissioner of Revenue under Chapter 59, Section 21C(f) of the Massachusetts General Laws; and,
    - ii. The denominator of which shall be the total assessed value for the preceding fiscal year of all the parcels included in the numeratorprovided, however, that the ratio shall not be less than 1.
  - c. The annual revaluation of the PROPERTY shall be performed in accordance with the methodology described in Exhibit A, attached hereto.
  - d. The REAL ESTATE INCREMENT created by the PROJECT is the amount eligible for exemption from real estate taxation.

- e. This AGREEMENT provides an EXEMPTION from real estate taxation on only the REAL ESTATE INCREMENT, subject to the requirements described below, commencing on July 1, 2018 (or July 1 of the year immediately following the issuance of a permanent certificate of occupancy if such certificate has not been issued by July 1, 2018) according to the following “TIF SCHEDULE”:

Fiscal Year 1	70% exemption from real estate taxation
Fiscal Year 2	70% exemption from real estate taxation
Fiscal Year 3	70% exemption from real estate taxation
Fiscal Year 4	70% exemption from real estate taxation
Fiscal Year 5	5% exemption from real estate taxation
Fiscal Year 6	1% exemption from real estate taxation
Fiscal Year 7	1% exemption from real estate taxation
Fiscal Year 8	1% exemption from real estate taxation
Fiscal Year 9	1% exemption from real estate taxation
Fiscal Year 10	1% exemption from real estate taxation

- 4. The TOWN is granting the EXEMPTION in consideration of the respective agreement by the COMPANY to:
  - a. create a minimum of 375 NEW JOBS within one (1) year after the commencement date described in Section 2 of this Agreement. For the purposes of this AGREEMENT, a NEW JOB shall be defined to include only permanent, full-time jobs newly created in the Town of Needham;
  - b. give priority, in its hiring of new employees, subject to applicable law and assuming equal qualification, to the hiring of qualified residents of the TOWN; develop and submit to the TOWN for approval, within thirty (30) days of execution of this Agreement, a plan reasonably designed to facilitate such employment; and thereafter implement all applicable measures called for in the plan as approved by the Town. At a minimum, the COMPANY shall advertise in local newspapers and online job sites encouraging such qualified residents to apply for employment with the COMPANY whenever advertisements are otherwise placed by the COMPANY for employment at the facility.

The COMPANY, however, will retain all authority regarding hiring decisions and recruitment activities;

- c. retain jobs as necessary to maintain a total number of employees at the PROJECT equal to the number of NEW JOBS created in the first calendar year;
- d. invest approximately \$63.4 million in acquisition and soft and hard construction and development costs;
- e. invest approximately \$61.1 million for initial personal property and other investment expenses as part of the PROJECT;
- f. give priority in its procurement practices, subject to applicable law and assuming equal qualification, to the contracting of qualified local contractors, vendors and suppliers, in connection with the construction and operation of the PROJECT; develop and submit to the TOWN for approval, within thirty (30) days of execution of this Agreement, a plan reasonably designed to facilitate such contracting; and thereafter implement all applicable measures called for in the plan as approved by the Town. At a minimum, the COMPANY shall advertise in local newspapers and online procurement sites encouraging such qualified local contractors, vendors and suppliers to submit bids and proposals to the COMPANY whenever advertisements are otherwise placed by the COMPANY for such bids and proposals. The COMPANY, however, will retain all authority regarding the contracting of contractors, vendors and suppliers;
- g. place in service \$52,000,000 of personal property by the conclusion of Fiscal Year 1 of the EXEMPTION and commit to maintaining a personal property valuation at the PROPERTY of not less than \$16,000,000 for the term of this AGREEMENT; provided, however, that the COMPANY may seek a revaluation of its personal property by the TOWN in the event of an unexpected and substantial change, not within the COMPANY's control, in the nature of the COMPANY's business activities at the PROPERTY;
- h. except as provided in Section 4.g of this Agreement, refrain from applying to the TOWN for any other abatement of property taxes during any period in which the COMPANY receives an EXEMPTION pursuant to this AGREEMENT. For purposes of this AGREEMENT, an "abatement" shall include any reduction in the amount of a committed property tax pursuant to the procedure set forth in Sections 59-69 of Chapter 59 of the Massachusetts General Laws;
- i. for the term of this AGREEMENT, the COMPANY shall refrain from seeking classification pursuant to *M.G.L. c.58, §2, and 830 CMR 58.2.1* as a manufacturing corporation or pursuant to *M.G.L. c.58, §2, and 830 CMR 64H.6.4* as a research and development corporation for its

operations at the PROJECT. Throughout the term of the AGREEMENT, in the event the COMPANY seeks such classification for Massachusetts operations other than the PROJECT, the COMPANY and the TOWN agree that CMR 58.2.1(4)(a) shall not be applicable for the PROJECT.

j. build and operate the PROJECT in the Town of Needham.

5. The COMPANY commits to implement its job relocation and retention obligations set forth in this AGREEMENT, commencing on July 1, 2018 (or July 1 of the year immediately following the issuance of a permanent certificate of occupancy if such certificate has not been issued by July 1, 2018), according to the following annual schedule:

Calendar Year 1: (six-month period)	375 NEW JOBS created and 100% of JOBS RETAINED
Calendar Year 2:	100% of JOBS RETAINED
Calendar Year 3:	100% of JOBS RETAINED
Calendar Year 4:	100% of JOBS RETAINED
Calendar Year 5:	100% of JOBS RETAINED
Calendar Year 6:	100% of JOBS RETAINED
Calendar Year 7:	100% of JOBS RETAINED
Calendar Year 8:	100% of JOBS RETAINED
Calendar Year 9:	100% of JOBS RETAINED
Calendar Year 10:	100% of JOBS RETAINED
By end of term:	375 NEW JOBS created and 100% of JOBS RETAINED

For the purposes of determining if the COMPANY has met an obligation to create a certain number of NEW JOBS in a particular calendar year, the NEW JOBS created shall both be counted on a cumulative basis from the beginning of the term of the AGREEMENT.

6. The COMPANY's job retention and creation plans are outlined in the Employment and Job Creation section of the application submitted to the state by the COMPANY in connection with its request for a TIF exemption. The COMPANY agrees to submit annual reports on job creation, retention and new investment to the State Economic Assistance Coordinating Council

and to the TOWN Board of Assessors on or before February 28 of each year, with the first report due to the Town on the February 28 following the commencement date described in Section 2 of this Agreement, for the duration of the Tax Increment Financing Exemption. These reports shall include the number of NEW JOBS created at the PROJECT, the number of JOBS RETAINED to the PROJECT, the number of people hired from within the ETA, and the value of PROJECT investments for the prior calendar year and on a cumulative basis. The annual report shall also describe the COMPANY's activities pursuant to the plans required by Section 4.b and 4.g of this Agreement; and inform the Town of the COMPANY's valuation of each PROJECT investment, with the Town retaining all rights to reach an independent assessment in due course.

7. Should the COMPANY fail to submit a required annual report, or should the annual report indicate that the COMPANY has failed to meet 100% of the JOBS RETAINED requirements and 100% of the NEW JOBS created requirements listed in the schedule set forth in Section 5 of this Agreement on a cumulative basis, or should the TOWN provide a notice of default to the COMPANY pursuant to Section 8 of this Agreement, the exemption from real property taxation shall be zero percent (0%) for the subsequent fiscal year, and shall remain at 0% until the COMPANY is able to submit evidence demonstrating it has come to meet the requirements of the Section 5 schedule on a cumulative basis.
8. Should the COMPANY be in default of this AGREEMENT, the TOWN, acting through its Board of Selectmen, may, at its sole discretion, after providing notice to the COMPANY, together with providing the opportunity to cure as described in this Section, notify the EACC and/or take action to request decertification of the project by the EACC. Prior to any decertification proceeding, however, the COMPANY shall have the opportunity to cure, correct or remedy its default. Upon receiving written notice of such a default from the TOWN, the COMPANY shall have 30 days to respond to the Town regarding any alleged default, and shall complete any necessary cure, correction or remedy within 120 days of the receipt of such written notice, or, with respect to defaults that cannot be remedied within such 120-day period, within such additional period of time as is reasonably required to remedy such default in the exercise of due diligence. The TOWN agrees to meet with the COMPANY within (30) days of receipt of written notice in order to determine and memorialize the specific period of time to reasonably remedy such default. The specific period of time to reasonably remedy such default will be agreed to in writing by the parties within seven (7) days of such meeting. Should the COMPANY opt not to cure the default, the COMPANY agrees that it will not oppose any request for decertification prospectively, commencing with the first fiscal year in which the PROJECT is decertified, or if such benefits have already been received by the COMPANY for the fiscal year in which the PROJECT has been decertified, commencing as of the fiscal year immediately following that fiscal year. Nothing in this Section shall preclude the TOWN from also seeking recoupment from the COMPANY of

the value of prior economic benefits granted by the TOWN under this AGREEMENT, as described in 402 CMR 2.16(4).

10. This AGREEMENT is being executed simultaneously with a Host Community Agreement between the TOWN and the COMPANY (the "HCA"). Application of the tax exemptions in this AGREEMENT shall be contingent upon the COMPANY satisfying all obligations set forth in the HCA, the terms of which are incorporated herein by reference and shall be deemed to be obligations of this Agreement.
11. If and to the extent that either party is prevented from performing its obligations hereunder by an event of *force majeure*, such party shall be excused from performing hereunder and shall not be liable in damages or otherwise, and the parties instead shall negotiate in good faith with respect to appropriate modifications to the terms hereof. For purposes of this AGREEMENT, the term *force majeure* shall mean the supervening causes described here, each of which is beyond the reasonable control of the affected party: acts of God, fire, earthquake, floods, explosion, actions of the elements, war, terrorism, riots, mob violence, a general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, actions of labor unions, condemnation, laws or orders of governmental or military authorities, or any other cause similar to the foregoing, not within the control of such party obligated to perform such obligation.
12. During any period in which the COMPANY receives an EXEMPTION pursuant to this AGREEMENT, the COMPANY shall give written notice to the TOWN at least 30 days prior to any relocation of operations from the PROPERTY, or of any transfer of its leasehold on the PROPERTY or its business to any other entity; provided, however, that, if the COMPANY determines in good faith that such notice cannot be given 30 days in advance because of the requirements of securities laws or related regulations, or any contractual, regulatory, or other similar types of obligations or prohibitions, such notice shall be given promptly after such prohibitions no longer apply. Such notice shall not operate to terminate any other obligation set forth in this AGREEMENT.
13. Pursuant to 760 C.M.R. 22.05(8)(d), this AGREEMENT shall be binding upon the COMPANY, its successors and assigns.
14. If any provision of this AGREEMENT shall be found invalid for any reason, such invalidity shall be construed as narrowly as possible and the balance of the contract shall be deemed to be amended to the minimum extent necessary to provide to the parties substantially the benefits set forth in this AGREEMENT.



AGREED TO:

TOWN OF NEEDHAM  
BY ITS BOARD OF SELECTMEN

NBC UNIVERSAL MEDIA, LLC

\_\_\_\_\_  
Matthew Borrelli, Chairman

By: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Marianne Cooley, Vice Chairman

\_\_\_\_\_  
Date

\_\_\_\_\_  
Daniel P. Matthews, Clerk

\_\_\_\_\_  
John A. Bulian

\_\_\_\_\_  
Maurice P. Handel

\_\_\_\_\_  
Date

## EXHIBIT A

### ANNUAL REVALUATION METHODOLOGY

For commercial office buildings, property revaluation is conducted using an income-capitalization method. For the first revaluation of the PROPERTY after issuance of a permanent certificate of occupancy for the facility, the revaluation is conducted as follows:

1. The prevailing rental rate for first-class office space in the Town of Needham (\$33.00 per square foot as of the date of this AGREEMENT) is multiplied by the number of rentable square feet contained within the facility. This produces the facility's EXPECTED GROSS INCOME.
2. The facility's EXPECTED GROSS INCOME is multiplied by .9 (based on an assumed 10% vacancy rate). This produces the facility's EXPECTED EFFECTIVE GROSS INCOME.
3. The facility's EXPECTED EFFECTIVE GROSS INCOME is multiplied by .65 (based on an assumed 35% expense allowance). This produces the facility's EXPECTED NET INCOME.
4. The facility's EXPECTED NET INCOME is divided by .11 (the Town's current standard capitalization rate). This produces the PROPERTY's assessed value.

In subsequent years, the revaluation calculation is repeated, with the presumption that the prevailing rental rate and the standard capitalization rate will remain unchanged. However, if circumstances in the real estate market so require, either of these two rates may change to reflect general market conditions within the Town (rather than specific conditions at the PROPERTY). Upon request by the COMPANY, the TOWN will provide to the COMPANY a written explanation of any changes to the specific rates noted in Exhibit A in accordance with information required to be provided to the Massachusetts Department of Revenue.