

March 24, 2025

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516.880.8484

Lisa M.G. Mulligan, CEO
Town of Brookhaven Industrial Development Agency
One Independence Hill
Farmingville, New York 11738

ANDREW D. KOMAROMI
MEMBER
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RE: *Request for Additional Sales and Use Tax and an Extension of the Completion Date for the Town of Brookhaven Industrial Development Agency Project with Sunrise Wind LLC Transmission Cable Project – 4702-23-04A*

Dear Ms. Mulligan:

This firm represents Sunrise Wind LLC and its affiliates in connection with the proposed amendment of the Lease and Project and Assignment of Easement Agreement for the Sunrise Wind Offshore and Onshore electricity transmission cable, onshore converter station and connection to an existing substation owned by the Long Island Power Authority.

Sunrise Wind LLC entered into a Straight Lease Transaction with the Town of Brookhaven Industrial Development Agency (the “Agency”) on or about July 1, 2023 (the “Existing IDA Transaction”) for the Project (as defined in the Existing IDA Transaction documents), which provided for, among other things, a Maximum Company Sales and Use Tax saving amount of \$24,150,000.00 (the “Sales and Use Tax Benefit”). Such Sales and Use Tax Benefit must also be utilized by the Completion Date (as defined in the Existing IDA Transaction documents) of December 31, 2025.

Sunrise Wind LLC has been constructing the improvements contemplated by the Existing IDA Transaction since July of 2023. Due to the complexity of the offshore and onshore improvements and ongoing supply-chain constraints for the specialty equipment and materials, the Project construction has been delayed. Further, rising costs of civil and installation works, large increases on high voltage equipment, and post-pandemic inflation have increased the budgeted cost of the materials for the Project that are subject to Sales and Use Tax by approximately 20%.

Request for Additional Agency Benefits and Extension of the Completion Date

Sunrise Wind LLC hereby requests the additional financial assistance for the Project through the increase of the maximum Sales and Use Tax Benefit in the amount of \$4,700,000.00. In connection with this request, enclosed herewith are amended portions of the application reflecting the revised total project costs, financing and modified request to the Maximum Company Sales and Use Tax in for the Agency’s review.

Further, Sunrise Wind LLC requests that the Agency extend the Completion Date until June 2027. Here, we note that the land-based improvements are anticipated to be completed by

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June of 2026. The offshore components of the Project have a longer timeframe for completion, necessitating the June 2027 date to avoid the need for an additional extension request.

We look forward to continuing working with the Agency in connection with the foregoing and stand ready to answer any questions the Agency may have.

Thank you in advance for your courtesy and consideration.

Very truly yours,

HARRIS BEACH PLLC

A handwritten signature in black ink, appearing to read "Andrew Komaromi". The signature is fluid and cursive, with the first name "Andrew" written in a larger, more prominent script than the last name "Komaromi".

Andrew D. Komaromi

CC via email only:
Nixon Peabody LLP
Barry Carrigan, Esq. (via electronic mail)
Sunrise Wind LLC
Amy Ellis (via electronic mail)

**FORM APPLICATION FOR FINANCIAL ASSISTANCE
TOWN OF BROOKHAVEN INDUSTRIAL DEVELOPMENT AGENCY
1 Independence Hill, 2nd Floor, Farmingville, New York 11738**

DATE: April 15, 2021 - Amended March 20, 2025

APPLICATION OF: Sunrise Wind LLC
Name of Owner and/or User of Proposed Project

ADDRESS: 437 Madison Avenue, Suite 1903
New York, NY 10022

Type of Application: ☐ Tax-Exempt Bond ☐ Taxable Bond
 ☒ Straight Lease ☐ Refunding Bond

Please respond to all items either by filling in blanks, by attachment (by marking space “see attachment number 1”, etc.) or by N.A., where not applicable. Application must be filed in two copies. A non-refundable application fee is required at the time of submission of this application to the Agency. The non-refundable application fee is \$3,000 for applications under \$5 million and \$4,000 for applications of \$5 million or more.

Transaction Counsel to the Agency may require a retainer which will be applied to fees incurred and actual out-of-pocket disbursements made during the inducement and negotiation processes and will be reflected on their final statement at closing.

Information provided herein will not be made public by the Agency prior to the passage of an official Inducement Resolution, but may be subject to disclosure under the New York State Freedom of Information Law.

Prior to submitting a completed final application, please arrange to meet with the Agency’s staff to review your draft application. Incomplete applications will not be considered. The Board reserves the right to require that the applicant pay for the preparation of a Cost Benefit Analysis, and the right to approve the company completing the analysis.

PLEASE NOTE: It is the policy of the Brookhaven IDA to encourage the use of local labor and the payment of the area standard wage during construction on the project.

Part IV – Project Costs and Financing

1. Project Costs:

- A. Give an accurate estimate of cost necessary for the acquisition, construction, renovation, improvement and/or equipping of the project location:

<u>Description</u>	<u>Amount</u>
Land and/or building acquisition	\$ <u>11,650,000.00</u>
Building(s) demolition/construction	\$ <u>Materials and Equipment: \$530,000,000; Labor \$176,000,000</u>
Building renovation	\$ <u>-</u>
Site Work	\$ <u>-</u>
Machinery and Equipment	\$ <u>-</u>
Legal Fees	\$ <u>2,500,000</u>
Architectural/Engineering Fees	\$ <u>4,900,000</u>
Financial Charges	\$ <u>1,200,000</u>
Other (Specify)	\$ <u>Rt, Surveys:\$1,300,000; Admin/Overhead:\$2,500,000</u>
Total	\$ <u>730,050,000</u>

Please note, IDA fees are based on the total project costs listed above. At the completion of your project, you are required to provide both a certificate of completion along with a cost affidavit certifying the final project costs. The IDA fees may be adjusted as a result of the certified cost affidavit. Money will not be refunded if the final project cost is less than the amount listed above.

2. Method of Financing:

	<u>Amount</u>	<u>Term</u>
A. Tax-exempt bond financing:	\$ <u> </u>	<u> </u> years
B. Taxable bond financing:	\$ <u> </u>	<u> </u> years
C. Conventional Mortgage:	\$ <u> </u>	<u> </u> years
D. SBA (504) or other governmental financing:	\$ <u> </u>	<u> </u> years
E. Public Sources (include sum of all State and federal grants and tax credits):	\$ <u> </u>	
F. Other loans:	\$ <u> </u>	<u> </u> years
G. Owner/User equity contribution:	\$ <u>730,050,000</u>	<u>N/A</u> years

Total Project Costs \$ 730,050,000

- i. What percentage of the project costs will be financed from public sector sources?

Zero %

Part V – Project Benefits

1. Mortgage Recording Tax Benefit:

- A. Mortgage Amount for exemption (include sum total of construction/permanent/bridge financing):

\$ Not Applicable

- B. Estimated Mortgage Recording Tax Exemption (product of Mortgage Amount and .75%):

\$ Not Applicable

2. Sales and Use Tax Benefit:

- A. Gross amount of costs for goods and services that are subject to State and local Sales and Use Tax (such amount to benefit from the Agency's exemption):

\$ 331,000,000.00

- B. Estimated State and local Sales and Use Tax exemption (product of 8.625% and figure above):

\$ 28,852,201.00

- C. If your project has a landlord/tenant (owner/user) arrangement, please provide a breakdown of the number in "B" above:

i. Owner: \$ Not Applicable

ii. User: \$ Not Applicable

3. Real Property Tax Benefit:

- A. Identify and describe if the project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit: Not Applicable

- B. Agency PILOT Benefit:

i. Term of PILOT requested: 25 years (Previously granted)

ii. Upon acceptance of this application, the Agency staff will create a PILOT schedule and attach such information to Exhibit A hereto. Applicant hereby requests such PILOT benefit as described on Exhibit A.

***** This application will not be deemed complete and final until Exhibit A hereto has been completed. *****