



TOWN OF EAST HAMPTON

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East Hampton, New York 11937

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SUMMARY OF PROPOSED HOST COMMUNITY AGREEMENT BETWEEN THE TOWN AND TOWN TRUSTEES AND SOUTH FORK WIND, LLC (DEVELOPER)

Up to 15 wind turbines are to be installed in federal waters over 30 miles east of Montauk Point, New York to deliver power, via a single 138-kilovolt transmission line and associated equipment and facilities and “Interconnection Facilities,” to the existing LIPA substation located on Cove Hollow Road in East Hampton (the “Project”).

The proposed Host Community Agreement, and the Developer’s undertakings and obligations thereunder, are contingent upon the Developer obtaining approval of the Project from the Public Service Commission, except for the first of two “milestone payments,” in the amount of \$500,000.00, which is to be paid to the Town and the Trustees within 90 days of the Effective Date of the Host Community Agreement. A second milestone payment, in the amount of \$500,000.00, is payable within 90 days of the Commencement of Construction.

Local Economic Development. If, prior to or within four years following the Commencement of Construction Date, the Developer identifies a suitable location in Montauk that is available for lease or purchase on commercially-reasonable terms, the Developer shall require its turbine maintenance contractor to establish and maintain an operations and maintenance support facility for the Wind Farm in Montauk, New York, and that same location shall serve as a base for the Project’s crew transfer vessel(s). This provision shall be null and void if the Developer is unable to locate and acquire the right to lease or purchase a suitable location, or to obtain the applicable permits needed.

Fisheries Liaison. The Developer shall employ an individual to facilitate communications between the Developer and members of the East Hampton commercial fishing community until such time as the Wind Farm ceases commercial operations.

Annual Payments. Within six (6) months after the Commercial Operation Date (COD), the Developer shall pay to the Town and the Trustees the amount of \$870,000.00 as the first of 25 annual installments; thereafter, the Developer shall pay such installment amount, plus a 2% per year escalation factor, to the Town and the Trustees within thirty (30) days of each anniversary of the COD, for the following 24 subsequent calendar years; the aggregate of such annual payments shall be \$27,866,361.00.

The Town shall grant a conditional access easement for a term of years, as well as a temporary installation easement, to install and maintain the transmission cable within the boundaries of Town road rights-of-way.

The Trustees shall grant a lease to install and maintain the transmission cable beneath the beach at the southerly terminus of Beach Lane in Wainscott.