

Authorities Budget Office
January 10, 2025
Received

KATHY HOCHUL
Governor

HOPE KNIGHT
President, CEO & Commissioner

January 9, 2025

CERTIFIED MAIL RETURN RECEIPT REQUESTED

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New York State Comptroller
Office of the State Comptroller
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Albany, New York 12236

Carl Heastie
Speaker
New York State Assembly
Legislative Office Building, Room 932
Albany, New York 12248

Andrea Stewart-Cousins
President Pro Tempore
New York State Senate
Legislative Office Building, Room 907
Albany, New York 12247

Blake G. Washington
Budget Director
New York State Division of Budget
State Capitol
Albany, New York 12224

Jeanette M. Moy
Commissioner
Office of General Services
Corning Tower, 36th Floor
Empire State Plaza
Albany, New York 12242

State of New York Authorities Budget Office
P.O. Box 2076
Albany, New York 12220-0076

**Re: Statement Pursuant to Public Authorities Law §2897(6)(d)
New York State Urban Development Corporation d/b/a Empire State Development
Former Butler Correctional Facility – Disposition of Property**

Dear Sir or Madam:

This explanatory statement is given pursuant to Public Authorities Law §2897(6)(d) for the New York State Urban Development Corporation d/b/a Empire State Development (“ESD”), regarding the proposed disposition of property to the Wayne County Industrial Development Agency (“WCIDA”), an agency created by Title I of Article 18-A of the New York State General Municipal Law, as amended, and Chapter 916 of the Laws of 1969 of the State of New York. The property is currently owned by ESD and comprises approximately 201 acres of land located at 14003 Westbury Cutoff Road in the Towns of Butler and Wolcott, Wayne County, New York (the “Property”). The Property is improved with 46 one-story structures containing approximately 193,860 square feet of gross building area, along with roadway, security, infrastructure, and related improvements formerly used as the Butler Correctional Facility (the “Facility”).

Background

The Butler Correctional Facility was formerly operated by the New York State Department of Corrections and Community Supervision as a minimum- and medium-security prison campus from 1989 until 2014. The Facility closed in July 2014 along with a number of other prisons in New York State in response to a shrinking prison population. The Property has since remained vacant.

In 2018, ESD issued a public Request for Proposals (“RFP”) soliciting offers to purchase and redevelop the Facility for economic development and job creation purposes. That RFP was not successful.

In 2022, Governor Hochul formed the Prison Redevelopment Commission (the “Commission”) to reimagine closed prisons for innovative redevelopment opportunities. The Commission includes the leaders of the relevant State agencies, regional leaders, stakeholders, and economic development experts. The Commission’s current purview includes the Property, among other sites, and the proposed disposition advances the Commission’s recommendations.

ESD and the Commission have been working with Wayne County (the “County”), WCIDA, and local stakeholders to consider redevelopment concepts for the Facility. Following the completion of a Site Reuse Study in spring of 2024 and the County’s issuance of a non-binding Request for Expressions of Interest to potential developers in January 2024, the County determined that it was in the community’s best interest to pursue a transfer of the Facility from ESD to WCIDA to facilitate commercial and/or industrial development. With ESD’s support for the County’s site transfer proposal, WCIDA issued an RFP on May 9, 2024 and received proposals that were reviewed and competitively scored by WCIDA.

Based on WCIDA’s review of the RFP responses, WCIDA has selected Smoothbore International, Inc. d/b/a Westbury Lumber Company, for itself and/or on behalf of an entity or entities to be formed, as the preferred developer (“Preferred Developer”) to acquire the Property from WCIDA and redevelop the Facility. The Preferred Developer currently operates a lumber supply business adjacent to the Property and seeks to expand its growing operations. The Preferred Developer proposes to undertake a phased redevelopment project involving: (i) initial site investigations, site stabilization and security, select demolition and building stabilization activities, and the use of existing buildings and lands for commercial logging and milled lumber storage; (ii) the improvement and use of certain vacant areas upon the Property to establish a forestry and logging educational and job training program; and (iii) the improvement of certain existing structures for the installation and operation of kiln equipment to dry milled lumber, along with external utility and other site improvements (collectively, the “Project”).

Upon approval of the Board of Directors of ESD, the Property will be transferred to WCIDA for no consideration. WCIDA will then immediately transfer title to the Property to the Preferred Developer to facilitate the Project.

In accordance with the applicable provisions of the Public Authorities Law, additional information regarding the proposed disposition is as follows:

1. Description of the Parties Involved in the Property Transaction

ESD currently owns the Property. ESD will convey the Property to WCIDA, and WCIDA will immediately convey the Property to the Preferred Developer.

2. Justification for Disposing of the Property by Negotiation

The disposition is permitted pursuant to Sections 2897(6)(c)(v) and 7(a)(ii) of the Public Authorities Law, which permits disposal of property by negotiation when the disposal is within the purpose, mission, or governing statute of the public authority. Section 2 of the UDC Act notes that ESD was created “to promote the sound growth and development of our municipalities” through, among other things, “the undertaking of . . . private improvement programs related thereto.” In the present case, the transfer will facilitate the productive reuse of the vacant and underutilized Property for economic development purposes, which will result in benefits to the public, including creating increased

employment opportunities, returning currently tax-exempt property to the local tax rolls, and relieving the State of the financial burden of carrying costs associated with ownership of surplus property.

As discussed above, following ESD's transfer to WCIDA, the Property will ultimately be transferred to the Preferred Developer selected by WCIDA through a competitive RFP process.

3. Identification of the Property, Including Location

The Property comprises approximately 201 acres of land including existing buildings and improvements formerly used as the Butler Correctional Facility, located in the Towns of Butler (tax parcels 78117-00-219284 and 78117-00-383283) and Wolcott (tax parcel 78117-00-27416), Wayne County, New York.

4. Estimated Fair Market Value of the Property

The estimated fair market value of the Property is approximately \$887,000 based on an independent appraisal.

5. Proposed Sale Price of the Property

ESD will transfer the Property to WCIDA for no financial consideration. However, the transfer will relieve ESD and the State from the financial burden of residual carrying costs associated with ownership of the Property. The transfer will also result in economic development benefits to the State and local communities by allowing locally-directed redevelopment of the Property that will result in increased employment opportunities and place the currently tax-exempt property on the local tax rolls.

In addition, ESD's bond counsel has advised that transferring the Property for \$0 consideration is the preferred approach to preserve the tax-exempt status of any bonds that were issued to finance the Facility under applicable federal tax compliance requirements.

6. Size of the Property

The Property is approximately 201 acres.

7. Expected Date of the Sale of the Property

ESD anticipates that the closing and transfer of title will occur on a date not less than ninety (90) days from the date of this notice.

Thank you for your consideration in this matter.

Very truly yours,



Kasey Brenner
Associate Counsel