



Authorities Budget Office

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Authorities Budget Office  
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**RE: Statement Pursuant to Public Authorities Law §2897(6)(d)  
New York State Urban Development Corporation d/b/a Empire State Development**

Dear Sir or Madam:

This explanatory statement is given pursuant to Public Authorities Law §2897(6)(d) on behalf of for UDC-Ten Eyck Development Corporation - II ("TEDC"), a subsidiary of the New York State Urban Development Corporation d/b/a Empire State Development ("ESD"), regarding the proposed sale of a commercial building to 10 North Pearl Street, LLC ("NPS") located at 10 North Pearl Street in the City of Albany, New York (the "Property").

The Property's construction was part of a larger development project begun in the mid-1970s to reverse a marked decline in downtown Albany's commercial activity. In 1974, TEDC leased the Property to Albany Savings Bank. The initial lease term expired on January 14, 2018 and was subsequently renewed. In 1998, Albany Savings Bank was acquired by Charter One Bank and in late 2004, Charter One Bank was in turn acquired by Citizens Financial Group, Inc., the parent of Citizens Bank ("Citizens"). In January of 2021, Citizens, the primary tenant in the building, informed ESD that it would vacate the property on March 31, 2021. During its tenancy and as part of its lease with TEDC, Citizens had been covering all capital and operating expenses for the Property including an approximately \$100,000 annual PILOT expense and approximately \$150,000 in other building maintenance and operating expenses. After Citizens vacated the Property, ESD became responsible for all expenses related to the Property including the PILOT to the City of Albany, property management of the building and building operating expenses.



These expenses are estimated to be at least \$250,000 per year and escalating annually while under ESD ownership.

In 2021, ESD hired CBRE to market and sell the Property. CBRE listed the Property and in October of 2021, ESD received an offer to purchase from NPS. The transfer of the Property will be for \$1,500,000 and will permit NPS to relocate its corporate headquarters to the Property, bringing jobs and creating new jobs for downtown Albany and also to reactivate the now vacant building.

Additional information about the transaction is as follows:

1. Description of the parties involved in the property transaction: UDC-Ten Eyck Development Corporation - II and 10 North Pearl Street, LLC.
2. Justification for disposing of the property by negotiation: The transfer 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. In the present case, the transfer of the Property will permit and incentivize development in downtown Albany by reactivating a vacant property and allow the new owner to locate its headquarters in the city.
3. Identification of the property, including location: Four-story building located at 10 North Pearl Street, Albany, New York.
4. Estimated fair market value of the property: \$1,450,000 based on an independent appraisal.
5. Proposed sale price of the property: \$1,500,000.
6. Size of the property: Four-story, 40,921 square foot building located on a 0.26 acre lot.
7. Expected date of sale of the property: July 15, 2022.

Thank you for your consideration in this matter.

Very truly yours,

Stephen Gawlik  
Senior Counsel