

SEP 09 2024

RECEIVED

August 28, 2024

Hon. Thomas P. DiNapoli
Comptroller of the State of New York
110 State Street
Albany, New York 12236

Hon. Blake D. Washington, Director
State of New York Division of Budget
State Capitol Building 128
Albany, New York 12207

Hon. Jeanette M. Moy, Commissioner
New York State Office of General Services
Corning Tower, 41st Floor
Empire State Plaza
Albany, New York 12242

Hon. Andrea Stewart-Cousins
Temporary President and
Majority Leader of the New York State Senate
Room 330, State Capital Building
Albany, New York 12247

Hon. Carl E. Heastie
Speaker of the New York State Assembly
Legislative Office Building, Room 932
Albany, New York 12248

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

**Re: Wayne County Industrial Development Agency
Notice of Disposition of Property by Negotiation
Former Butler Correctional Facility
Towns of Butler and Wolcott, New York**

To Whom It May Concern:

Pursuant to Section 2897(6)(d) of the New York State Public Authorities Law (“PAL”), the following explanatory statement (“Statement”) is being provided at least ninety (90) days prior to the disposal of property by negotiation.

EXPLANATORY STATEMENT

The proposed disposition of real property (the “Disposition”, as further described herein) is within the purpose, mission and governing statutes of the **WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (the “Agency”) and the Disposition is thereby exempted from (i) publicly advertising for bids pursuant to PAL §2897(6)(c)(v) and (ii) obtaining fair market value pursuant to PAL §2897(7)(ii).

The Agency was created by Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 916 of the Laws of 1969 of the State of New York, (the “Act”), with the authority and power to promote, develop, encourage and assist in acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research, and recreational facilities as authorized by the Act, and in connection therewith to issue its revenue bonds, and/or enter into straight lease transactions and provide other forms of financial assistance.

The former Bulter Correctional Facility was owned and operated by the New York State Department of Correctional Services from 1989 through 2014 as a minimum and medium security campus, which is located in the Towns of Wolcott and Butler and generally comprised of approximately 201 acres of real property (the “Land, being comprised of TMID Nos. 78117-00-219284, 78117-00-383283 and 78117-00-271416), upon which approximately 183,000 square feet of building space is contained within 44 building structures, along with related roadway, security, infrastructure and related improvements (the “Improvements”, and collectively with the Land, the “Facility”).

Since the Facility’s closure in 2014, Wayne County (the “County”) has worked with current owner New York State Urban Development Corporation (“NYSUDC”) and its parent Empire State Development (“ESD”), the NYS Prison Redevelopment Commission, the Agency, the County-led Butler Prison Steering Committee and other stakeholders to study redevelopment concepts for the Facility and evaluate the steps necessary for the redevelopment of the Facility, with major milestones that have included:

- (i) The County and Agency selected a consultant in 2023 to conduct a Site Reuse Study, which was completed in spring of 2024;
- (ii) The County issued a non-binding Request for Expressions of Interest (“RFEI”) to developers in January 2024 to evaluate market conditions and potential reuse strategies.
- (iii) Based on the Site Reuse Study and the responses to the RFEI, the County determined that it was in the community’s best interest to pursue a transfer of Facility ownership from NYSUDC to the Agency to facilitate commercial and/or industrial development;
- (iv) The County submitted a proposal to ESD and NYSUDC (the “Site Transfer Proposal”) to begin the transfer process;
- (v) ESD acknowledged the Site Transfer Proposal, and on April 3, 2024 issued a letter expressing support for the Agency’s proposed undertaking of the marketing and disposition of the Facility through a competitive Request for Proposals (“RFP”);
- (vi) The Agency issued an RFP on May 9, 2024 and received proposals that were reviewed by the Agency and competitively scored.

Based upon the Agency’s review of the RFP responses, the weighted scoring matrix utilized to review same, and various qualitative and quantitative factors reviewed and considered in connection with same, the Agency by resolution adopted August 27, 2024 selected Smoothbore International, Inc. d/b/a Westbury Lumber Company, for itself and/or on behalf of an entity or

entities to be formed (collectively herein, the “Company”) as “Preferred Developer” to acquire and redevelop the Facility.

In accordance with the applicable provisions of PAL and Policy Guidance No. 15-13 issued by the State of New York Authorities Budget Office, the following additional details regarding the Disposition are provided:

1) Description of the Parties Involved In the Property Transaction

The Agency will acquire the Facility from UDC and immediately transfer fee title to same to the Company.

2) Justification for Disposing of the Property by Negotiation

The Agency is exempt from publicly advertising for bids pursuant to PAL §2897(6)(c)(v), as the Disposition is within the Agency’s purposes and powers as set forth within the Act. Notwithstanding the foregoing, the Agency conducted the RFP to solicit competitive proposals for the proposed Disposition (as defined herein).

3) Identification of Property, Including Its Location

The Facility is located in the Towns of Wolcott and Butler and generally comprised of approximately 201 acres of real property comprised of TMID Nos. 78117-00-219284, 78117-00-383283 and 78117-00-271416, upon which approximately 183,000 square feet of abandoned building space is contained within 44 building structures, along with related roadway, security, infrastructure and related improvements.

4) Estimated Fair Market Value of the Property

The Agency procured an Appraisal Report dated August 19, 2024, which indicates that the Fair Market Value (FMV) for fee title to the Facility is \$750,000.

5) Proposed Sale Price for the Property

The Company will pay to the Agency the sum of \$250,000 for fee title to the Facility (the “Disposition”). In addition to this purchase price to be paid in connection with the Disposition, the Company has committed to undertake a phased redevelopment project (the “Project”), to be comprised of 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, and, subject to future permitting, the potential use of certain vacant areas of the Facility to establish an educational and job training program for forestry, logging and timber harvesting, the proposed co-location of commercial mulch production and sales operations, and the installation and operation of kiln equipment to dry milled lumber.

6) Size of the Property

Collectively, the Land is approximately 201 acres.

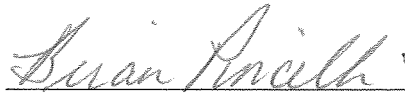
7) Expected Date of Sale of the Property

The Corporation reasonably expects to have a closing date scheduled no sooner than Ninety (90) days after the date of this Statement.

Any questions or comments relating to the Disposition may be sent to the Corporation at the address noted on the first page hereof, Attention: Brian Pincelli, Executive Director.

Sincerely,

WAYNE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY



By: Brian Pincelli
Title: Executive Director