



Authorities Budget Office

July 21, 2020

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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)
USA Niagara Development Corporation a subsidiary of the 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 the USA Niagara Development Corporation ("USAN") a subsidiary of the New York State Urban Development Corporation d/b/a Empire State Development, regarding the proposed sale of property to SJI Main, LLC ("SJI") located at 554 and 558 Third Street in the City of Niagara Falls, New York (the "Property"). The Property is a vacant lot adjoining property owned by SJI consisting of three vacant buildings (including the historic "Betty Shop"). The transfer of the Property will be for one dollar to incentivize development of the adjoining SJI property into a mixed use development that will create 36 high quality residential units, and six commercial spaces for both retail and office tenants (the "Project"). Absent sale of the vacant Property to SJI, the Project will an expected investment of \$3.7 million, will not move forward.

Additional information about the transaction is as follows:

1. Description of the parties involved in the property transaction: USA Niagara Development Corporation and SJI Main, 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 be to the adjoining land owner to permit and incentivize development in downtown Niagara Falls. Absent acquisition of the Property by SJI, the Project will not move forward. As such, transfer of the Property to SJI which will permit construction of the Project is consistent with USAN's corporate purpose to promote development in the City of Niagara Falls:
3. Identification of the property, including location: vacant lot located at 554 and 558 Third Street, Niagara Falls, New York.
4. Estimated fair market value of the property: \$195,000 based on an independent appraisal
5. Proposed sale price of the property: \$1
6. Size of the property: vacant lot consisting of approximately 11,000 square feet.
7. Expected date of sale of the property: October 2020

Thank you for your consideration in this matter.

Very truly yours,

Stephen Gawlik
Senior Counsel