

MINUTES OF THE REGULAR MEETING OF THE NEW YORK STATE CANAL CORPORATION

September 26, 2017

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Minutes of the Regular Meeting of the New York State Canal Corporation held at the Clarence D. Rappleyea Building, 123 Main Street, White Plains, New York at approximately 9:50 a.m.

Members of the Board present were:

John R. Koelmel, Chairman Eugene L. Nicandri, Vice Chairman Tracy McKibben, Trustee Michael A.L. Balboni, Trustee Dennis G. Trainor, Trustee

Dr. Anne M. Kress, Trustee - Excused Anthony J. Picente, Jr., Trustee - Excused

Gil Quiniones President and Chief Executive Officer

Justin Driscoll Executive Vice President and General Counsel

Jill Anderson Executive Vice President and Chief Commercial Officer
Joseph Kessler Executive Vice President and Chief Operating Officer
Robert Lurie Executive Vice President and Chief Financial Officer

Parija Soubhagya Senior Vice President and Chief Risk Officer

Ken Lee Senior Vice President and Chief Information Officer Kimberly Harriman Senior Vice President – Public & Regulatory Affairs

Kristine Pizzo Senior Vice President – Human Resources

Bradford Van Auken Senior Vice President – Operations Support Services & Chief Engineer

Karen Delince Vice President and Corporate Secretary

Joseph Gryzlo Vice President and Chief Ethics and Compliance Officer

John Canale Vice President – Strategic Supply Management Ruth Colón Vice President – Enterprise Shared Services Keith Hayes Vice President – Economic Development

Joseph Leary Vice President – Community & Government Relations

Patricia Lombardi Vice President - Project Management

Ethan Riegelhaupt Vice President - Corporate Communications

Scott Tetenman Vice President – Finance
Thomas Concadoro Vice President and Controller

Kenneth Carnes Chief Information Security Officer – Cyber Security

Christopher Carey Operations Superintendent
Tim Zandes Regional Manager – SENY
Susan Craig Director – Media Relations
Ronald Johnston Director – Marketing Strategy

Genevieve Fabela Treasurer

Mary Cahill Manager – Executive Office

Jillian Nelson Chief of Staff – Public and Regulatory Affairs
Lorna Johnson Senior Associate Corporate Secretary
Sheila Quatrocci Senior Assistant Corporate Secretary

Peter Prunty Senior Director – Infrastructure

Jaiah Gottor Manager – Network Services – Infrastructure

Joseph Rivera Network Architect – Infrastructure
Glenn Martinez Senior Network Analyst – Infrastructure

Brian McElroy Retiree

Chairman Koelmel presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chairman Koelmel welcomed the Trustees and staff members who were present at the meeting.

He said that the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to the Authority's Bylaws, Article III, Section 3.

1. Adoption of the September 26, 2017 Proposed Meeting Agenda

Upon motion made by Vice Chairman Nicandri and seconded by Trustee McKibben, the meeting Agenda was adopted.

2. <u>Motion to Conduct an Executive Session</u>

Mr. Chairman, I move that conduct an executive session to discuss the financial and credit history of a particular corporation (pursuant to §105 of the Public Officers Law). Upon motion made by Vice Chairman Nicandri and seconded by Trustee McKibben, the members held an executive session.

3. <u>Motion to Resume Meeting in Open Session</u>

Mr. Chairman, I move to resume the meeting in Open Session. Upon motion made by Vice Chairman Nicandri and seconded by Trustee McKibben, the meeting resumed in Open Session.

No votes were taken during the Executive Session.

4. CONSENT AGENDA:

Upon motion made by Trustee Balboni and seconded by Trustee Trainor, the Consent Agenda was approved.

a. Governance Matters

i. Minutes of the Regular Meeting of the New York State Canal Corporation Board of Directors' Meeting held July 25, 2017

The Minutes of the Regular Meeting held on July 25, 2017 were unanimously adopted.

ii. Appointment of Canal Corporation Treasurer

The Chair of the Governance Committee submitted the following report:

"SUMMARY

The Canal Board of Directors is requested to appoint Genevieve Fabela to serve as Treasurer of the Canal Corporation, effective immediately.

BACKGROUND AND DISCUSSION

The appointment of officers is governed by Article IV of the Canal Corporation Bylaws, which provides that the officers shall be appointed by formal resolution adopted by the Board.

RECOMMENDATION

It is recommended, pursuant to the Canal Corporation By-laws, that Genevieve Fabela be appointed as Treasurer, effective immediately, to hold such office until her successor is chosen and qualified or her earlier removal, resignation or death.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the Chair of the Governance Committee, was unanimously approved by the Board of Directors.

RESOLVED, That pursuant to Article IV, of the Canal Corporation By-Laws, Genevieve Fabela is hereby appointed as Treasurer, effective immediately, to hold office until her successor is chosen and qualified or her earlier removal, resignation or death.

iii. Review and Approval of the 2017 Guidelines for the Disposal of Personal Property by the Canal Corporation

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to review and approve the 2017 Guidelines for the Disposal of Personal Property by the Canal Corporation ('Personal Property Disposal Guideline') for the disposal of Canal Corporation Personal Property. The Guideline is set forth in Exhibit '4a iii-A,' attached hereto.

BACKGROUND

The purpose of the Personal Property Disposal Guideline, that complies with Title 5-A, Article 9 of the Public Authorities Law, is to establish a procedure that details the Canal Corporation's ('Corporation') policy and instructions regarding the disposal of personal property. In addition, the Guideline designates a Contracting Officer who is responsible for the Corporation's compliance with, and enforcement of, the Guideline.

The powers and duties relating to the New York State canal system, which were transferred to and merged with the Power Authority ('Power Authority') pursuant to Canal Law Section 5, may be exercised by the Power Authority directly or through the Corporation on behalf of the people of the State of New York.

DISCUSSION

The 2017 Personal Property Disposal Guideline set forth the methodology detailing the Corporation's policy regarding the use, award, monitoring and reporting of contracts for the disposal and acquisition of real property and designates a Contracting Officer responsible for the Corporation's compliance with, and enforcement of, the Guideline.

The Directors are now requested to review and approve the Corporation's Personal Property Disposal Guideline. If approved, it will be posted on the Corporation's internet website. On or before March 31, 2018, the Personal Property Disposal Guideline, as reviewed and approved by the Directors, will be filed with the State Comptroller.

FISCAL INFORMATION

There will be no financial impact on the Canal Corporation.

RECOMMENDATION

The Director of Canals and the Vice President – Enterprise Shared Services recommend that the Board of Directors approve the Guideline for the Disposal of Personal Property, as set forth in the attached Exhibit.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That pursuant to the provisions of Title 5-A, Article 9 of the Public Authorities Law, the Board of Directors hereby review and approve the 2017 Guidelines for the Disposal of Personal Property by the Canal Corporation for the disposal of Canal Corporation Personal Property as set forth in Exhibit "4a iii-A" attached hereto; and be it further

RESOLVED, That the Chairman, the Director of Canals, the Vice President – Strategic Supply Management and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel, and be it further

iv. Review and Approval of the 2017 Guidelines for the Disposal of Real Property by the Canal Corporation and the Guidelines for the Acquisition of Real Property by the Canal Corporation

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to review and approve the 2017 Guidelines for the Disposal of Real Property by the Canal Corporation ('Real Property Disposal Guidelines') for disposals of land or interests in land; and the 2017 Guidelines for the Acquisition of Real Property by the Canal Corporation ('Real Property Acquisition Guidelines'). The Guidelines are set forth in Exhibits '4a iv-A' and '4a iv-B,' respectively, attached hereto.

BACKGROUND

The purpose of the Real Property Disposal Guidelines and the Real Property Acquisition Guidelines, which comply with Title 5-A, Article 9 of the Public Authorities Law, is to establish the procedures that detail the Canal Corporation's ('Corporation') policy and instructions regarding the disposal and acquisition of real property. In addition, the Guidelines designate a Contracting Officer who is responsible for the Corporation's compliance with, and enforcement of, the Guidelines.

The powers and duties relating to the New York State canal system, which were transferred to and merged with the Power Authority ('Power Authority') pursuant to Canal Law Section 5, may be exercised by the Power Authority directly or through the Corporation on behalf of the people of the State of New York.

DISCUSSION

The 2017 Real Property Disposal Guidelines and the 2017 Real Property Acquisition Guidelines set forth the methodology detailing the Corporation's policy regarding the use, award, monitoring and reporting of contracts for the disposal and acquisition of real property and designate a Contracting Officer responsible for the Corporation's compliance with, and enforcement of, such Guidelines.

The Directors are now requested to review and approve the Corporation's Real Property Disposal Guidelines and Real Property Acquisition Guidelines. If approved, they will be posted on the Corporation's internet website. As required by the Public Authorities Law, the Real Property Disposal Guidelines and the Real Property Acquisition Guidelines, as reviewed and approved by the Directors, will be filed with the State Comptroller on or before March 31st.

FISCAL INFORMATION

There will be no financial impact on the Canal Corporation.

RECOMMENDATION

The Director of Canals and the Vice President – Enterprise Shared Services recommend that the Board of Directors approve the Guidelines and Procedures for the Disposal of Real Property, and the Guidelines and Procedures for the Acquisition of Real Property as set forth in the attached Exhibits.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That pursuant to the provisions of Title 2, Article 9 of the Public Authorities Law, the Board of Directors hereby review and approve the 2017 Guidelines for the Disposal of Real Property by the Canal Corporation and the 2017 Guidelines for the Acquisition of Real Property by the Canal Corporation as set forth in Exhibits "4a iv-A" and "4a iv-B," respectively, attached hereto; and be it further

RESOLVED, That the Chairman, the Director of Canals, the Vice President - Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel, and be it further

b. Real Estate

 Acquisition of Real Property – DeRuyter Reservoir Town of Cazenovia, County of Madison Town of Fabius, County of Onondaga

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to authorize the acquisition by purchase or eminent domain fee interests in four parcels of vacant real property ('Property') located adjacent to the Corporation's DeRuyter Dam ('Dam') in the Towns of Cazenovia, Madison County and Fabius, Onondaga County, in support of pending Dam rehabilitation work. As shown on the map attached hereto as Exhibit '4b i-A,' the Property comprises approximately 7.52 acres. The four individual landowners have agreed to sell their respective portions thereof to the Corporation for a total consideration of \$27,460.

BACKGROUND

The Dam was constructed in 1863 to create the DeRuyter Reservoir, a water supply reservoir to the Old Erie Canal. New York State Department of Environmental Conservation regulations classify the DeRuyter Dam as a 'High Hazard dam,' signifying that its failure could result in loss of life or widespread or severe damage to property, economic activity and the environment. Recent engineering analysis at the Dam has identified structural deficiencies which require immediate repair and rehabilitation.

DISCUSSION

Since certain portions of the Dam and its appurtenant infrastructure are on lands not owned or controlled by the Corporation, acquisition of those properties is necessary to facilitate the required repairs and to secure the Corporation's, or its successors in interest, the long-term ability to operate and maintain the Dam in a safe and secure condition.

The four affected landowners have agreed to convey their portions of the Property to the Corporation as follows:

- a) Jean P. Pitt Revocable Trust: 0.62 acres for \$1,860;
- b) Paul F. Barber Trust: 3.6 acres for \$10.800:
- c) Jeremiah Dennis: 1.6 acres for \$4,800; and
- d) Jason J. Tong: 1.70 acres for \$10,000.

The Property is currently vacant and unimproved and does not generally appear suitable for future improvement. Staff believes the consideration set forth herein to be reasonable for vacant land in the DeRuyter Dam area.

Acquisition of the Property is subject to completion of appropriate due diligence, including verification of title and environmental testing, if required.

FISCAL INFORMATION

Funds required for the property acquisition will come from the Corporation's Capital Fund.

RECOMMENDATION

The Director of Canals and the Vice President - Enterprise Shared Services recommend that the Board of Directors approve the foregoing.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That pursuant to the provisions of the Canal Law and the Canal Real Property Management Policy, the Corporation hereby finds it necessary to acquire by purchase or eminent domain the real property shown on the map attached hereto as Exhibit "4b i-A" and hereby finds and determines that such real property is necessary for the repair and maintenance of the DeRuyter Dam, and be it further

RESOLVED, That in the opinion of the Corporation the acquisition of the real property shown on the map attached hereto as Exhibit "4b i-A" is *de minimis* in nature so that the public interest will not be prejudiced by the acquisition of such real property without a public hearing; and be it further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the General Counsel; and be it further

RESOLVED, That the Chairman, the Director of Canals, the Vice President - Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the General Counsel, and be it further

ii. Abandonment and Sale of Approximately 7.16 Acres of Canal Land - Village of Waterloo, Seneca County

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to authorize the abandonment and sale at public auction of 7.16± acres of canal land ('Property') located in the Village of Waterloo, Seneca County, for not-less-than \$66,000, its appraised value. The Property is shown on the map attached hereto as Exhibit '4b ii-A.'

BACKGROUND

The Property is a portion of a 25± acre tract of canal lands located on the north side of the Cayuga and Seneca Canal appropriated by the State in 1914. The Property has been used by the adjoining property owner for recreational and access purposes associated with a campground and marina under revocable permit since 1952.

The Property has been determined by staff to be no longer needed for canal purposes. However, a permanent easement to overflow and flood the Property will be reserved by the Canal Corporation.

DISCUSSION

As shown on Exhibit '4b ii-A,' the Property is an irregularly shaped waterfront parcel located on the north side of the Cayuga and Seneca Canal, south of the Waterloo Geneva Road. The Property was requested by the adjoining owner to facilitate an expansion of his campground and marina, however, generally, costly permanent improvements are not permissible under revocable permit. Other than by boat, the Property, along with the approximately 18 additional acres west of the Property is inaccessible to any other party other than the upland owner. A significant portion of the Property is low-lying and level with the river and is mainly wet, marshy and poorly drained. Since the Property is vacant and unencumbered, and its market value exceeds \$15,000, it must be publicly offered pursuant to the Public Authorities Law ('PAL').

An independent appraiser estimated the value of the Property as if hypothetically assembled with the adjoining commercially developed campground/marina property at \$66,000. Canal land management staff has reviewed the appraisal report and has found the report and the appraiser's value conclusion to be reasoned and credible.

Pursuant to Section 51 of the Canal Law, a Notice of Proposed Abandonment of the Property was published for three consecutive weeks in a newspaper published in Seneca County and a public hearing was held on this matter. After the notice and hearing, two other requests to purchase portions of the additional land west of the Property were received and are at or nearing the appraisal phase of the Corporation's disposal process.

Title 5-A of Article 9 of the PAL and the Canal Corporation's Real Property Management Policy (the 'Policy') allow the Canal Corporation, with the approval of the Directors, to dispose of Corporation real property pursuant to Section 2897 of the PAL. The proposed sale of the Property at public auction on the terms recommended herein complies with all applicable provisions of law, including the Canal Law, Title 5-A of Article 9 of the PAL, and with the Policy.

As the Property is owned by the People of the State of New York, acting by and through the Corporation, the deed is subject to approval by the NYS Department of Law Real Property Bureau.

FISCAL INFORMATION

Revenues received by the Canal Corporation are required by statute to be deposited into the Canal Development Fund.

RECOMMENDATION

The Director of Canals and the Vice President - Enterprise Shared Services recommend that the Board of Directors approve the foregoing.

For the reasons stated, I recommend the approval of the above-requested actions by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That 7.16± acres of land located in the Village of Waterloo, County of Seneca is no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes, excepting and reserving a permanent easement to overflow and flood the property; and be it further

RESOLVED, That pursuant to the provisions of the Canal Law, Section 2897 (6) of the Public Authorities law, Section IV. I. of the Canal Real Property Management Policy, including Article 9, Title 5-A of the Public Authorities Law, the Board hereby authorize the abandonment and sale of certain lands totaling 7.16+ acres, in the Village of Waterloo, Seneca County; and be it further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the General Counsel; and be it further

RESOLVED, That the Chairman, the Director of Canals, the Vice President - Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the General Counsel, and be it further

iii. Abandonment and Sale of Approximately 18.0 Acres of Canal Land - Village of Waterloo, Seneca County

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to authorize the abandonment and sale of 18.0± acres of canal land ('Property') located in the Village of Waterloo, Seneca County, for not-less-than its to-be-determined fair market value. The Property is shown on the map attached hereto as Exhibit '4b iii-A.'

BACKGROUND

The Property is a portion of a 25.0± tract of canal land located on the north side of the Cayuga and Seneca Canal/ Seneca River that is comprised of some Canal Blue Line Lands and land appropriated for canal purposes in 1914. The Property has been used for decades under a revocable permit by several upland adjoining owners, two of whom have recently applied to purchase their respective permit areas.

The Property has been determined by staff to be no longer needed for canal purposes. However, a permanent easement to overflow and flood the Property will be reserved by the Canal Corporation.

DISCUSSION

As shown on Exhibit '4b iii-A,' the Property is a portion of canal land located on the north side of the Cayuga and Seneca Canal, south of the Waterloo Geneva Road. The Property measures approximately 2,000 feet along the top of the north bank of the Canal and averages 350 feet in depth. The Canal Corporation does not have any land-side access to the Property and there are no records that the State has used it for any purpose since it was appropriated. Ten (10) adjoining tax parcels bound the Property on the north. Several of the adjoining owners have permits for temporary use of portions of the Property that abut their properties.

Based on discussions between staff and a consultant appraisal firm regarding value of the Property, as the same may be subdivided and hypothetically assembled with the respective upland owners property, the unit value of the Property as subdivided may vary depending on numerous factors such as size of the adjoining owners land, utility, water frontage and other physical characteristics of the individual portions of the Property to be sold. Conservatively, the value of the Property if subdivided into a maximum of ten (10) lots and sold to the upland owners is anticipated to exceed \$150,000. If any portions of the Property appraise in excess of \$15,000, in accord with Section 2897 of the Public Authorities Law ('PAL'), those parcels would be disposed via a public bid process rather than negotiation.

Pursuant to Section 51 of the Canal Law, a Notice of Proposed Abandonment of the Property or any portions thereof must be published for three consecutive weeks in a newspaper published in Seneca County inviting interested parties to either support or oppose the proposed abandonment(s). All administrative process steps such as surveying and appraising the Property once staff has secured applications from the adjoining owners will be undertaken should the Directors authorize this proposal.

Title 5-A of Article 9 of the PAL and the Canal Corporation's Real Property Management Policy (the 'Policy') allow the Canal Corporation, with the approval of the Directors, to dispose of Corporation real property pursuant to Section 2897 of the PAL. The proposed sale of the Property complies with all applicable provisions of law, including the Canal Law, Title 5-A of Article 9 of the PAL, and with the Policy.

As the Property is owned by the People of the State of New York, acting by and through the Corporation, the deed(s) will be subject to approval by the NYS Department of Law Real Property Bureau.

FISCAL INFORMATION

Revenues received by the Canal Corporation are required by statute to be deposited into the Canal Development Fund.

RECOMMENDATION

The Director of Canals and the Vice President - Enterprise Shared Services recommend that the Board of Directors approve the foregoing.

For the reasons stated, I recommend the approval of the above-requested actions by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That 18.0± acres of land located in the Village of Waterloo, County of Seneca, or any portion thereof, is no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes, excepting and reserving a permanent easement to over flow the property; and be it further

RESOLVED, That pursuant to the provisions of the Canal Law, Section 2897 (6) of the Public Authorities law, Section IV. I. of the Canal Real Property Management Policy, including Article 9, Title 5-A of the Public Authorities Law, the Board hereby authorize the abandonment and sale of certain lands totaling 18.0± acres, in the Village of Waterloo, Seneca County; and be it further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the General Counsel; and be it further

RESOLVED, That the Chairman, the Director of Canals, the Vice President - Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the General Counsel, and be it further

iv. Abandonment and Sale of Approximately 18.48 Acres of Canal Land - Town of Rotterdam, Schenectady County

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to authorize the abandonment and sale at public auction of 18.48± acres of canal land ('Property') located in the Town of Rotterdam, Schenectady County, for not-less-than \$90,000. The Property is shown on the map attached hereto as Exhibit '4b iv-A.'

BACKGROUND

The Property is a portion of an approximately 20.35± acre tract of canal land located on the south side of the Erie Canal/ Mohawk River acquired in 1938. The Property is an irregularly shaped parcel with approximately 1,000 feet of frontage on NYS Route 5S, 1,100 feet of frontage on the Erie Canal/ Mohawk River, and over 850 feet of frontage along an active rail line. The Property was used by the Corporation as an Upland Disposal Site ('UDS') up until the 1980's but has not been used for any canal purpose since that time and is currently vacant.

The Property has been determined by staff to be no longer needed for canal purposes. However, a permanent easement to overflow and flood the Property will be reserved by the Canal Corporation.

DISCUSSION

As shown on Exhibit '4b iv-A,' the Property is located on the south side of the Erie Canal/ Mohawk River. The Property is almost entirely located within the high hazard flood zone which greatly diminishes its development potential.

In November 2015, an independent appraiser estimated the value of the Property at \$64,000. The appraiser has recently been engaged to update his November 2015 estimated market value. Based on discussions with the appraiser, the new value is not expected to be materially different since there have been no discernable changes in market values since the time the appraisal was prepared and no known new comparable sales were found based on his cursory review.

In addition to the market value of the Property, staff is aware that there may be value to the dredged spoil material contained in the berms located on the Property due to its historic use as a Upland Disposal Site and is therefore recommending a minimum bid price for the Property be set at \$25,000 higher than its fair market value. Since April 2016, when an 'Available at Public Auction' sign was posted on the Property, over a dozen interested bidders have contacted staff expressing an interest in participating in the auction.

Prior to advertising and conducting the auction, pursuant to Section 51 of the Canal Law, a Notice of Proposed Abandonment will be published for three consecutive weeks in a newspaper published in Schenectady County and a public hearing will be held on this matter after the notice.

Title 5-A of Article 9 of the PAL and the Canal Corporation's Real Property Management Policy (the 'Policy') allow the Canal Corporation, with the approval of the Directors, to dispose of Corporation real property pursuant to Section 2897 of the PAL. The proposed sale of the Property at public auction on the terms recommended herein complies with all applicable provisions of law, including the Canal Law, Title 5-A of Article 9 of the PAL, and with the Policy.

As the Property is owned by the People of the State of New York, acting by and through the Corporation, the deed is subject to approval by the NYS Department of Law Real Property Bureau.

FISCAL INFORMATION

Revenues received by the Canal Corporation are required by statute to be deposited into the Canal Development Fund.

RECOMMENDATION

The Director of Canals and the Vice President - Enterprise Shared Services recommend that the Board of Directors approve the foregoing.

For the reasons stated, I recommend the approval of the above-requested actions by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That 18.48± acres of land located in the Town of Rotterdam, County of Schenectady is no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes, excepting and reserving a permanent easement to overflow and flood the property; and be it further

RESOLVED, That pursuant to the provisions of the Canal Law, Section 2897 (6) of the Public Authorities law, Section IV. I. of the Canal Real Property Management Policy, including Article 9, Title 5-A of the Public Authorities Law, the Board hereby authorize the abandonment and sale of certain lands totaling 18.48± acres, in the Town of Rotterdam, Schenectady County; and be it further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the General Counsel; and be it further

RESOLVED, That the Chairman, the Director of Canals, the Vice President- Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the General Counsel, and be it further

v. Abandonment and Sale of Approximately 1.87 Acres of Canal Land Town of Rotterdam, Schenectady County

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to authorize the abandonment and sale of 1.87± acres of canal land ('Property') located in the Town of Rotterdam, Schenectady County, to Michael Aldi ('Applicant') for its fair market value to cure a partial residential home encroachment. The Property is shown on the map attached hereto as Exhibit '4b v-A.'

BACKGROUND

The Property is a portion of a 20.35± acre tract of canal land located on the south side of the Erie Canal/ Mohawk River acquired in 1938. The Property is permitted to the Applicant for property enhancement and beautification purposes. Canal Corporation staff, while conducting a survey of the adjoining canal land in 2014 discovered the encroachment of a small portion of the Applicant's home.

The Property has been determined by staff to be no longer needed for canal purposes. However, a permanent easement to overflow and flood the Property will be reserved by the Canal Corporation.

DISCUSSION

As shown on Exhibit '4b v-A,' the Property is a rectangular, non-waterfront parcel situated off the east side of NYS Route 5S. The Property has approximately 225 feet of road frontage and is approximately 350 feet deep.

In November 2015, an independent appraiser estimated the value of the Property at \$24,000. The appraiser has been requested to update his value estimate to adjust for any changes in the market since November 2015. Any change in value is not expected to be materially different.

Pursuant to the Public Authorities Law ('PAL') as amended by Chapter 156 of the Laws of 2012, a disposal may be negotiated up to \$75,000 to cure an encroachment that has existed prior to April 1, 1992. It is recommended that the Property be sold to the Applicant via negotiation.

Pursuant to Section 51 of the Canal Law, a Notice of Proposed Abandonment of the Property will be published for three consecutive weeks in a newspaper published in Schenectady County soliciting written comments either in support or opposed to the proposed abandonment.

Title 5-A of Article 9 of the PAL and the Canal Corporation's Real Property Management Policy (the 'Policy') allow the Canal Corporation, with the approval of the Directors, to dispose of Corporation real property pursuant to Section 2897 of the PAL. The proposed sale of the Property on the terms recommended herein complies with all applicable provisions of law, including the Canal Law, Title 5-A of Article 9 of the PAL, and with the Policy.

As the Property is owned by the People of the State of New York, acting by and through the Corporation, the deed is subject to approval by the NYS Department of Law Real Property Bureau.

FISCAL INFORMATION

Revenues received by the Canal Corporation are required by statute to be deposited into the Canal Development Fund.

RECOMMENDATION

The Director of Canals and the Vice President - Enterprise Shared Services recommend that the Board of Directors approve the foregoing.

For the reasons stated, I recommend the approval of the above-requested actions by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That $1.87\pm$ acres of land located in the Town of Rotterdam, County of Schenectady is no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes, excepting and reserving a permanent easement to overflow and flood the property; and be it further

RESOLVED, That pursuant to the provisions of the Canal Law, Section 2897 (6) of the Public Authorities law, Section IV. I. of the Canal Real Property Management Policy, including Article 9, Title 5-A of the Public Authorities Law, the Board hereby authorize the abandonment and sale of certain lands totaling 1.87± acres, in the Town of Rotterdam, to Michael Aldi for not-less-than fair market value; and be it further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the General Counsel; and be it further

RESOLVED, That the Chairman, the Director of Canals, the Vice President- Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the General Counsel, and be it further

vi. Abandonment and Sale of Approximately 1.68 Acres of Canal Land Town of Gates, County of Monroe

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to authorize the abandonment and sale of 1.68± acres of canal land ('Property'), located in the Town of Gates, Monroe County, to Buffalo Roads LLC ('Applicant') for \$61,000. The Property is shown on the map attached hereto as Exhibit '4b vi-A.'

BACKGROUND

The Property is an irregularly configured non-waterfront parcel comprised of portions of three (3) parcels appropriated for canal purposes in 1905. The Property is located in an industrially developed area on the west side of the Erie Canal south and fronting on Buffalo Road. The Property is developed with asphalt pavement, fencing, a 4,300 square foot warehouse/equipment facility, subsurface utilities, culverts and other improvements attendant to the Property and the adjacent industrial developed lands owned by the Applicant. The Property is bounded on the north by Buffalo Road, on the south by an active rail line, on the west by lands owned by the Applicant and on the east by additional canal land necessary for canal purposes that will remain with the Canal Corporation.

The Property has been determined by staff to be no longer needed or anticipated to be needed for canal purposes.

DISCUSSION

The Property was formerly the site of a Cumberland Farm facility associated with its petroleum tank farm operated under a permit issued in the 1960's. The Applicant purchased the 12 acre former Cumberland Farms property including the permitted improvements located on the Property and has since, mitigated the properties to the NYS Department of Environmental Conservations ('DEC') satisfaction. The Applicant currently operates a scrap metal recycling business on this location.

An independent appraiser estimated the fair market value of the Property to be \$61,000. Canal land management staff have reviewed the appraisal report and have found the appraiser's value conclusion to be reasoned and credible.

Since the Property contains encroachments, pursuant to the Public Authorities Law ('PAL') as amended by Chapter 156 of the Laws of 2012, which provides that a disposal may be negotiated up to \$75,000 to cure an encroachment that existed prior to April 1, 1992, it is recommended that the Property be sold to the Applicant via negotiation.

Pursuant to Section 51 of the Canal Law, a Notice of Proposed Abandonment will be published for three consecutive weeks in a newspaper published in Monroe County inviting interested parties to file written statements either supporting or opposing the proposed abandonment and sale. As further required by Section 51, staff will hold a hearing on this matter where the public will be provided an additional opportunity to comment on the proposal.

This recommendation is in compliance with the Public Authorities Law ('PAL') and Section IV. I. of the Canal Real Property Management Policy ('Policy'). The Real Estate Contracting Officer has determined that the proposed disposal of the Property fulfills the requirements of Section 2897 (6) of the PAL and that the sale of the Property on the terms stated herein also complies in all other respects with applicable law, including Article 9, Title 5- A of the PAL, and with the Policy as it applies to disposals.

As the Property is owned by the People of the State of New York, acting by and through the Corporation, the Deed is subject to approval by the NYS Department of Law Real Property Bureau.

FISCAL INFORMATION

Revenues received by the Canal Corporation are required by statute to be deposited in to the Canal Development Fund.

RECOMMENDATION

The Director of Canals and the Vice President - Enterprise Shared Services recommend that the Board of Directors approve the foregoing.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That $1.68\pm$ acres of land located in the Town of Gates, County of Monroe is no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes; and be it further

RESOLVED, That in accord with the provisions of the Canal Law, Section 2897 (6) of the Public Authorities Law, Section IV.I. of the Canal Real Property Management Policy, including Article 9, Title 5-A of the Public Authorities law, the Board hereby authorize the abandonment and sale of certain lands totaling 1.68± acres, in the City of Rochester, Monroe County, to Buffalo Roads LLC for a price not less than \$61,000; and be it further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the General Counsel; and be it further

RESOLVED, That the Chairman, the Director of Canals, the Vice President - Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the General Counsel, and be it further

vii. Procurement (Equipment) Contract – Canal Corporation Push Boats – Contract Award

"SUMMARY

The Board of Directors ('Board') is requested to approve a competitively bid contract award for two Push Boats, in the amount of \$275,797.00 and \$288,805.00, respectively, for a total amount of \$564,602.00 manufactured by Sisco Marine, LLC, dba Marine Inland Fabricators, of Panama City, FL.

In accordance with the Canal Corporation's Expenditure Authorization Procedure, the award of Equipment purchases and/or Purchase Order in excess of \$500,000.00 in value require the approval of the Board. An interim approval for \$260,000.00 was granted by the Vice President of Procurement to initiate production and remain on schedule.

BACKGROUND

Push boats are being purchased to replace aging and outdated small tugboats. They provide a more versatile work platform for the various maintenance activities conducted by the Canal Corporation. They will be used primarily for pushing small barges with excavators or other equipment to perform routine maintenance work on canal structures including debris removal and dredging. They will also be used as support vessels for larger dredging operations.

One of the primary benefits of the push boats is that they are under 26 feet long and therefore do not require Canal Corporation's operators to possess a USCG license and towing endorsement. This exemption from the USCG regulations will enable the Canal Corporation to be more efficient in its operations and will provide greater flexibility for maintenance efforts.

DISCUSSION

In response to the NYS Canal Corporation's advertisement in the New York State *Contract Reporter*, dated June 15, 2017, for the design, fabrication and delivery of two Push Boats, one bid was received on July 7, 2017. The Bidder and summation of the unit pricing is set forth below:

Bidder	Item 1 Fixed Pilot House	Item 2 Telescoping Pilot House	Item 3 Fixed Pilot House - Single Crew	Item 4 Fixed Pilot House w/ deck house	Item 5 Optional 21KW Generator
Sisco Marine LLC dba Marine Inland Fabricators Panama City, FL	\$261,740.00	\$275,797.00	\$207,315.00	\$274,305.00	\$14,500.00

The proposal was reviewed by an Evaluation Committee consisting of Canal Corporation staff from the Engineering and Procurement Departments. Overall cost was assessed and a Vendor Responsibility review was performed. Sisco Marine, LLC, dba Marine Inland Fabricators was contacted to confirm the fair and reasonableness of the price proposed. Sisco Marine, LLC, dba Marine Inland Fabricators indicated that they do not have a sample invoice of a similar item, as the vessel specifications are custom, as most of their vessels are, and that the price offered is the same or less than would be offered to any other entity. Sisco Marine, LLC, dba Marine Inland Fabricators bid was identified as reasonable and their proposal was found to be responsive and responsible.

Inquiries were made by Canal Procurement Department to the vendors that downloaded RFP K17-10256503SN from the Canal Corporation website, and to vendors on the bidders list that were notified of the solicitation, but did not submit a bid, to inquire as to the reason for not bidding. Responses were; they do not provide Push Boats, or that the manufacturer was bidding and they could not be competitive with their pricing.

An interim award to Sisco Marine, LLC, dba Marine Inland Fabricators of \$260,000.00 was made on August 14, 2017 to begin manufacturing the vessels so that delivery can be made by early spring 2018 when cleanup and lock openings begin.

FISCAL INFORMATION

Payments associated with this project will be made from the Corporation's Capital Fund.

RECOMMENDATION

The Deputy Director of Engineering and Maintenance recommends that the Board approve a contract award to Sisco Marine, LLC, dba Marine Inland Fabricators, in the amount of \$564,602.00, for the purchase of two Push Boats.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That pursuant to the Corporation's Expenditure Authorization Procedures, Approval is hereby granted to award a contract to Sisco Marine, LLC., dba Inland Marine Fabricators, Panama City, FL, in the amount of \$564,602.00 for the design, fabrication and delivery of two (2) Push Boats, as recommended in the foregoing memorandum of the President and Chief Executive Officer;

Contractor

Contract Approval

Sisco Marine, LLC, dba Marine Inland Fabricators Panama City, FL

\$564,602.00

K17-10256503SN

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer, and all other officers of the Canal Corporation are, and each of them hereby is, authorized on behalf of Canal to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.

viii. Canal Vegetation Management – Capital Expenditure Authorization Request and Contract Awards

"SUMMARY

The Canal Corporation Board of Directors ('Board') is requested to authorize capital expenditures for the Canal Vegetation Management Project ('Project') in the amount of \$2,386,381.73. The Board is also requested to approve the award of a contract in the amount of \$2,386,381.73 to Mohawk Valley Materials, Inc. for the construction work associated with the Project. Mohawk Valley Materials, Inc. was the low bidder.

In accordance with the Canal Corporation's Expenditure Authorization Procedure, the award of Contracts and/or Purchase Order Releases exceeding one year in term or in excess of \$500,000.00 in value when awarded to the low bidder or \$250,000.00 in value when awarded to sole-source or non-low bidder require the approval of the Board.

BACKGROUND

The western embankments of the Barge Canal were constructed in the 1900's and 1910's. At the time of their construction the embankments of the Canal were cleared of trees and heavy vegetation. Over the past 50-75 years vegetation on the Canal has grown unchecked and in many places mature trees and heavy vegetation covers the embankments from toe to crest to water's edge. The overgrown vegetation potentially compromises the integrity of the embankments, as the root systems provide pathways for water seepage from the canal or reservoirs. Further, the overgrown vegetation limits access to the embankment sections preventing effective inspection, especially at the toes of the embankments where there is a higher risk of seepage.

The Project will address the vegetation removal needs of numerous sites selected along the Western Erie Canal, focusing the priority of vegetation removal on and along embankments that have been identified as high hazard or high urgency based on the Quantitative Screening Level Risk Analysis completed by Rizzo Associates in 2016. The work will include establishing erosion and sediment controls, cutting and removal of trees, brush and other deleterious vegetation, chipping and offsite disposal of wood waste, site clean-up and establishment of temporary soil stabilization measures.

DISCUSSION

Construction Scope of Project:

In response to the NYS Canal Corporation's advertisement in the New York State *Contract Reporter*, dated June 9, 2017, for the 2017 Vegetation Management Project (PO #4400001226), two bids were received on July 14, 2017. The Bidders and summation of the unit pricing are set forth below:

Ranking	<u>Bidder</u>	Base Bid Price
1	Terry Tree Service Rochester, NY	\$3,345,911.00
2	Mohawk Valley Materials* Marcy, NY	\$2,447,571.00*

^{*}Mohawk Valley Materials offered 2.5% discount for bid pricing if awarded multiple project sites, bringing the total down to \$2,386,381.73.

The proposals were reviewed by an Evaluation Committee consisting of Canal Corporation staff from Engineering and Procurement Departments. Overall cost was assessed and a Vendor Responsibility

review was performed. Mohawk Valley Materials' bid was identified as the lowest-cost and the Vendor was found to be responsive and responsible.

Construction completion is scheduled by November 24, 2017.

The capital expenditure authorization request is comprised of the following:

Construction \$ 2,386,381.73

TOTAL \$ 2,386,381.73

FISCAL INFORMATION

Payments associated with this assignment will be made from the Canal Corporation's Capital Fund.

RECOMMENDATION

The Deputy Director of Engineering and Maintenance, Manager of Engineering and Maintenance, Director of Construction Management, Dam Safety Engineer, and Western Division Construction Manager recommend that the Board authorize capital expenditures in the amount of \$2,386,381.73, and approve the award of a Contract for Canal Vegetation Management on the Western Erie Canal to Mohawk Valley Materials in the amount of \$2,386,381.73.

For the reasons stated above, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That pursuant to the Corporation's Expenditure Authorization Procedures, capital expenditures in the amount of \$ 2,386,381.73 are hereby authorized in accordance with, and as recommended in, the foregoing report of the President and Chief Executive Officer;

Capital Expenditure
Authorization

Canal Vegetation \$2,386,381.73

PO # 4400001226

Management Project

AND BE IT FURTHER RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Corporation and the Corporation's Authorization Expenditure Procedures, approval is hereby granted to award a contract to Mohawk Valley Materials in the amount of \$2,386,381.73 for the Canal Vegetation Management on the Western Erie Canal as recommended in the foregoing report of the President and Chief Executive Officer;

Contractor

Contract Approval

Mohawk Valley Materials Marcy, NY

\$2,386,381.73

AND BE IT FURTHER RESOLVED, That the Board of Directors and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Deputy Director of Engineering and Maintenance and the Executive Vice President and General Counsel.

5. DISCUSSION AGENDA

a. Financial Report - Canal Update

Mr. Robert Lurie provided an update of the financial report to the members. He said that the Canal Corporation continues to operate according the breakdown provided to the members at earlier meetings.

b. <u>Utility Operations Report - Canal Corporation Update</u>

Mr. Joseph Kessler provided an update of the Canal Corporation report to the members.

Canal Corporation – Update

- Improvements in employee and public safety;
- Implementation of programs to improve Canal Corporation's assets and to increase efficiencies within operations and maintenance:
 - o Dam safety programs; capital improvements; transfer of jurisdiction
 - o Code compliance review of all major maintenance facilities; implementation of new policies and procedures
 - o Assessment of over 100 vessels; development of fleet repair, retrofit and replacement schedules
- Implementation of Maximo Work Order Asset Management system to plan, schedule and track maintenance activities
- Completion of 25 of 41 Transitional Service Agreement Exit Plans

6. **Board Committee Reports**:

a. Audit Committee

Chairman Nicandri reported that some changes in personnel have been made in the Internal Audit Department in order for it to be more aligned with the goals of the Audit Committee. He said that, in the meantime, Mr. Joseph Gryzlo and Ms. Angela Gonzales has been assigned to head the Internal Audit Department with assistance from Deloitte, filling in the gaps on the Authority's Internal Audit program for 2017. The Audit Committee has started the process for a search to fill the vacant position.

b. Governance Committee

Vice Chairman Nicandri said he acted as Chair of the Governance Committee earlier in Trustee Kress' absence. At that meeting, the Committee recommended that the Authority's Trustees and the Canal Corporation's Board of Directors approve the appointment of Ms. Genevieve Fabela as Treasurer. Upon motion duly made and seconded, the recommendation was unanimously approved.

- c. Finance Committee No Report
- d. Strategic Planning Committee No Report

7. Next Meeting

Chairman Koelmel said that the next meeting of the Canal Corporation's Board of Directors will be held on December 12, 2017, at the Clarence D. Rappleyea Building, White Plains, New York, at a time to be determined, unless otherwise designated by the Chairman with the concurrence of the Trustees.

Closing

Upon motion made by Trustee Picente and seconded by Vice Chairman Nicandri, the meeting was adjourned at approximately 1:00 p.m.

Karen Delince

Karen Delince Corporate Secretary

EXHIBITS

For
September 26, 2017
Regular Meeting
Minutes



MINUTES OF THE REGULAR MEETING OF THE NEW YORK STATE CANAL CORPORATION

July 25, 2017

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Resolution

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Minutes of the Regular Meeting of the New York State Canal Corporation held via video conference at the New York Energy Manager, Albany, New York, at approximately 9:00 a.m.

Members of the Boards present were:

John R. Koelmel, Chairman Eugene L. Nicandri, Vice Chairman Dr. Anne M. Kress, Trustee Anthony J. Picente, Jr., Trustee Tracy McKibben, Trustee Michael A.L. Balboni, Trustee Dennis G. Trainor, Trustee

Gil Quiniones President and Chief Executive Officer

Justin Driscoll Executive Vice President and General Counsel

Jill Anderson Executive Vice President and Chief Commercial Officer
Joseph Kessler Executive Vice President and Chief Operating Officer
Robert Lurie Executive Vice President and Chief Financial Officer

Parija Soubhagya Senior Vice President and Chief Risk Officer

Ken Lee Senior Vice President and Chief Information Officer Kimberly Harriman Senior Vice President – Public & Regulatory Affairs

Kristine Pizzo Senior Vice President – Human Resources Jennifer Sutton Senior Vice President – Internal Audit

Paul Tartaglia Senior Vice President – Technology and Innovation

Harry Francois
Regional Manager – Western New York
Vice President and Corporate Secretary
Emilie Bolduc
John Canale
Vice President – New York Energy Manager
Vice President – Strategic Supply Management
Vice President – Enterprise Shared Services

Ricardo DaSilva Vice President – Strategic Operations
Keith Hayes Vice President – Economic Development

Joseph Leary Vice President – Community & Government Relations

Patricia Lombardi Vice President – Project Management
Ethan Riegelhaupt Vice President – Corporate Communications
Kenneth Carnes Chief Information Security Officer – Cyber Security
James Levine Assistant General Counsel – Finance and Bonds

Susan Craig Director – Media Relations

Brian McElroy Treasurer

Lou Paonessa Senior Director – Community Affairs

Stephen Ramsey Manager – Legislative Affairs Mary Cahill Manager – Executive Office

Evan Kolkos Manager – Customer Business Development Jillian Nelson Chief of Staff – Public and Regulatory Affairs

Lorna Johnson Senior Associate Corporate Secretary
Sheila Baughman Senior Assistant Corporate Secretary
Brian U. Stratton Director – NYS Canal Corporation

Howard M. Goebel Deputy Director – Engineering, Construction and Maintenance –

NYS Canal Corporation

Peter Prunty Senior Director – Infrastructure

Jaiah Gottor Manager – Network Services – Infrastructure

Joseph Rivera Network Architect – Infrastructure
Glenn Martinez Senior Network Analyst – Infrastructure

Marie French Politico

Chairman Koelmel presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chairman Koelmel welcomed the Trustees and NYPA and Canal staff members who were present at the meeting and said that the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to the Authority's Bylaws, Article III, Section 3.

1. Adoption of the July 25, 2017 Proposed Meeting Agenda

Upon motion made by Vice Chairman Nicandri and seconded by Trustee McKibben, the meeting Agenda was adopted.

2. <u>Motion to Conduct an Executive Session</u>

Mr. Chairman, I move that the Authority and Canal Boards conduct an executive session pursuant to the Public Officers Law of the State of New York sections §105 and 108 to consult with counsel and discuss the financial and credit history of a particular corporation, and matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person. Upon motion made by Vice Chairman Nicandri and seconded by Trustee McKibben, the members held an Executive Session.

3. <u>Motion to Resume Meeting in Open Session</u>

Mr. Chairman, I move to resume the meeting in Open Session. Upon motion made by Trustee McKibben and seconded by Trustee Picente, the meeting resumed in Open Session.

No votes were taken during the Executive Session.

4. CONSENT AGENDA:

Upon motion made by Vice Chairman Nicandri and seconded by Trustee Picente, the Consent Agenda was approved.

a. Governance Matters

i. Minutes of the Regular New York State Canal Corporation Board of Directors' Meeting held on May 2, 2017_____

The Minutes of the Regular Meeting held on May 2, 2017 were unanimously adopted.

b. Real Estate

 Rehabilitation of Lock O-7 on the Oswego Canal – Capital Expenditure Authorization Request and Contract Awards

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Canal Corporation Board of Directors ('Board') is requested to authorize capital expenditures for the Rehabilitation of Lock O-7 on the Oswego Canal ('Project') in the amount of \$28,010,503.10. The Board is also requested to approve the award of a three-year contract in the amount of \$24,888,446.10 to Crane-Hogan Structural Systems, Inc. for the Construction Scope of the Project. In addition, the Board is requested to approve a Purchase Order Release against previously Trustee approved value contract 4600003245 (now 4700000004) in the amount of \$3,122,057.00 to Ravi Engineering and Land Surveying PC for Construction Management and Inspection Services related to the Project.

In accordance with the Canal Corporation's Expenditure Authorization Procedure, the award of Contracts and/or Purchase Order Releases exceeding one year in term or in excess of \$500,000.00 in value require the approval of the Board.

BACKGROUND

Lock O-7, located in the City of Oswego in Oswego County NY, was constructed circa 1914. The last major rehabilitation of Lock O-7 was performed in 1970. Since that time, there has been longitudinal concrete cracking noted at the top surface of the lock walls and significant cracking at the valve and gate monoliths. There was emergency work performed in 2011 to address concrete movement at a gate anchorage. In addition, leakage through the East wall of the lock and into the valve wells has been a persistent problem, particularly during winter pump-outs.

The Project will address the repair needs at the site including installing cofferdam systems, reconstructing the valve and miter gate monoliths, re-facing the lock chamber walls and approach walls, installing rock anchors, replacing the miter gates, refurbishing the operating equipment, replacing the electrical systems, repairing and sealing the culverts, replacing the lockhouse and lock operator shelters, demolishing an existing vehicular bridge, constructing a new utility bridge, fabricating and installing new railing systems and installing new pavement.

DISCUSSION

Construction Scope of Project:

In response to the NYS Canal Corporation's advertisement in the New York State *Contract Reporter*, dated April 25, 2017, for the Lock O-7 Rehabilitation Project, six bids were received on June 13, 2017. The Bidders and summation of the unit pricing are set forth below:

Ranking	<u>Bidder</u>	Base Bid Price
1	Crane-Hogan Structural Systems, Inc., Spencerport, NY	\$24,888,446.10
2	Tioga Construction, Inc. Herkimer, NY	\$27,258,114.47
3	Harrison and Burrowes Bridge Constructors, Inc. & The Wesson Group, A Joint Venture Johnstown, NY	\$27,592,275.92

Ranking	<u>Bidder</u>	Base Bid Price
4	D. A. Collins Construction Co., Inc. Wilton, NY	\$29,960,083.69
5	Economy Paving Co., Inc. Cortland, NY	\$31,833,838.11
6	Cold Spring Construction Akron, NY	\$33,822,794.27

The proposals were reviewed by an Evaluation Committee consisting of Canal Corporation staff from the Engineering and Procurement Departments. Overall cost was assessed and a Vendor Responsibility review was performed. Crane-Hogan Structural Systems, Inc.'s ('Crane-Hogan') bid was identified as lowest-cost and Vendor was found to be responsive and responsible. The Corporation has knowledge of Crane-Hogan's experience as the company has successfully completed work for the Corporation in the past.

Construction completion is scheduled by June 26, 2020.

The capital expenditure authorization request is comprised of the following:

Construction		\$	24,888,446.10
Construction Management/Inspection		<u>\$</u>	3,122,057.00
	TOTAL	\$	28 010 503 10

Construction Management and Inspection Services Scope of Project:

In response to the Corporation's request of April 21, 2017 for Lock O-7 Rehabilitation Project Construction Management and Inspection Services proposals, four of the five Board- approved On-Call Engineering consultants provided proposals. Proposals were received from the following (AECOM declined to submit):

- Ravi Engineering & Land Surveying, P.C
- Greenman-Pedersen, Inc.
- Arcadis of New York, Inc.
- Mott MacDonald NY, Inc.

Proposals were reviewed by an Evaluation Committee, consisting of Canal Corporation's staff from the Engineering and Procurement Departments and ranked based on the requirements outlined in the request. Each Consultant submitted a staffing summary, including titles and rates as well as a comprehensive list of all estimated direct non-salary costs ('DNSC') such as material testing, shop and plant inspections, travel and lodging, and expendable equipment and supplies.

It has been determined that Ravi Engineering & Land Surveying, P.C. ('Ravi') proposed the most qualified team at a price comparable to the other Consultants. A summary of the areas that set Ravi apart include (1) detailed understanding of the complexity of this type of project, (2) a comprehensive outline of the company's proposed means and methods to complete the assignment and (3) the notable and relevant experience of key staff, specifically the Project Engineer and Office Engineer.

Although Mott MacDonald NY, Inc. submitted the lowest-cost proposal for this Scope, the company was not selected for the following reasons: (i) its proposed Project Engineer had a lack of experience managing large and complex projects, an essential requirement for this assignment; (ii) its

Project Engineer is also currently assigned to a project, through October, and would not be available at the start of this project, per his current employer; and (iii) its proposed Office Engineer does not have the necessary experience with the NYSDOT Contract Administration Manual ('CAM') and Manual of Uniform Record Keeping ('MURK').

The qualifications and experience of the Arcadis team were primarily based in the design and construction of wastewater treatment facilities with the construction administration following the procedures used in MasterFormat®, including the general terms and conditions, and associated material specifications. The significant and subtle differences between the NYSDOT Standard Specifications, CAM and MURK and MasterFormat®, and the lack of experience completing projects under this system was a factor in the company ranking below RE&LS for this assignment.

Additionally, Greenman-Pedersen, Inc. was not selected as the qualifications of its proposed staff were weaker than the staff proposed by Ravi and its costs were the highest submitted. The company's proposal was deemed not cost-effective.

FISCAL INFORMATION

Payments associated with this assignment will be made from the Canal Corporation's Capital Fund.

RECOMMENDATION

The Deputy Director of Engineering and Maintenance, the Manager of Engineering and Maintenance, the Director of Construction Management, the Director of Design, and the Western Division Construction Manager recommend that the Board authorize capital expenditures in the amount of \$28,010,503.10, approve the award of a three-year Contract for the Rehabilitation of Lock O-7 on the Oswego Canal to Crane-Hogan Structural Systems in the amount of \$24,888,446.10 and approve the award of a Purchase Order Release against Value Contract 4700000004 for Ravi Engineering and Land Surveying, P.C. to perform Construction Management and Inspection Services for the Lock O-7 project in the amount of \$3,122,057.00.

For the reasons stated above, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That pursuant to the Corporation's Expenditure Authorization Procedures, capital expenditures in the amount of \$ 28,010,503.10 for the Rehabilitation of Lock O-7 on the Oswego Canal are hereby authorized in accordance with, and as recommended in, the foregoing report of the President and Chief Executive Officer;

Expenditure

<u>Capital</u>

<u>Authorization</u>

Lock O-7 Rehabilitation Oswego Canal \$28.010.503.10

AND BE IT FURTHER RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Corporation and the Corporation's Authorization Expenditure Procedures, approval is hereby granted to award a contract to Crane-Hogan Structural Systems, Inc. in

the amount of \$24,888,446.10 for the Rehabilitation of Lock No. O-7 on the Oswego Canal as recommended in the foregoing report of the President and Chief Executive Officer:

Contract

Contractor

Award

Crane-Hogan Structural Systems, Inc.

\$24,888,446.10

Spencerport, NY

AND BE IT FURTHER RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Corporation and the Corporation's Authorization Expenditure Procedures, approval is hereby granted to issue a Purchase Order Release to Ravi Engineering and Land Surveying, P.C. under Value Contract 470000004, dated January 1, 2017, in the amount of \$3,122,057.00 for Construction Management and Inspection Services for K17-10252318WC - Rehabilitation of Lock No. O-7 on the Oswego Canal as recommended in the foregoing report of the President and Chief Executive Officer;

> Contract Award

Contractor

Ravi Engineering & Land Surveying, P.C. **\$3,122,057.00**

Value Contract 4700000004

AND BE IT FURTHER RESOLVED, That the Board of Directors and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the **Deputy Director of Engineering and Maintenance and Executive Vice President and General Counsel.**

ii. Transfer of Jurisdiction
Sand Lake Canal Reservoir, Town of Webb,
County of Herkimer; Canachagala Lake Canal
Reservoir, Towns of Webb and Ohio,
County of Herkimer

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Directors are requested to authorize the Transfer of Jurisdiction of approximately 370± acres of Canal Land containing the Sand Lake Canal Reservoir and approximately 350± acres of land containing the Canachagala Canal Reservoir to the New York State Department of Environmental Conservation ('DEC'). The Reservoirs (collectively, the 'Property') are shown on the maps attached hereto as Exhibit '4b ii-A' and Exhibit '4b ii-B', respectively.

BACKGROUND

The Sand Lake and Canachagala Lake reservoirs are located wholly within the Adirondack Park ('Park'). These reservoirs were created in the 19th century to augment the supply water to the old canal system (pre-Barge Canal Improvement). Both are located in an extremely remote area in the southwest corner of the Park and lack vehicular access and utility services.

Staff has determined that the Property, including above-and-below water lands, impounding structures, and water resources flowing over the land, are no longer necessary or useful for providing water to the present day canal system and may be abandoned.

DISCUSSION

Under Canal Law Section 10, when the Corporation determines that lands within the Park are no longer useful or necessary for canal purposes and may be abandoned, the DEC has the first right to acquire jurisdiction over those lands. The DEC has 60 days after notice of this determination to request transfer of those lands. As required, the Corporation has notified DEC of its determination regarding the Property, and DEC has expressed interest in acquiring the Property.

At its Meeting No. 101 held on July 6, 2017, the Canal Recreationway Commission reviewed the proposed transfer and found that abandonment of the Property was consistent with the Canal Recreationway Plan.

Pursuant to Section 51 of the Canal Law, a Notice of Proposed Abandonment shall be published for three consecutive weeks in a newspaper published in Herkimer County inviting interested parties to file written statements either supporting or opposing the proposed transfer of the reservoirs. As further required by Section 51, the Canal Corporation will hold a hearing on this matter where the public shall be provided an additional opportunity to comment on the proposed transfer.

If the Property is transferred to DEC, title will still reside with the People, with jurisdiction transferred to DEC.

It is anticipated that DEC will accept the Transfer of Jurisdiction. However, in the event that the DEC ultimately declines jurisdiction, the Property will be abandoned and disposed of pursuant to the Title 5-A of Article 9 of the Public Authorities Law, the Canal Law and the Canal Corporation's Real Property Management Policy (the 'Policy').

FISCAL INFORMATION

No revenue is anticipated by the proposed Transfer of Jurisdiction.

RECOMMENDATION

The Director of Canals and the Vice President - Enterprise Shared Services recommend that the Board of Directors approve the Transfer of Jurisdiction and land containing the Sand Lake Canal and the Canachagala Canal reservoirs to the New York State Department of Environmental Conservation ('DEC').

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That approximately 370± acres of land located in the Town of Webb, County of Herkimer containing the Sand Lake Canal Reservoir and approximately 350± acres of land located in the Towns of Webb and Ohio containing the Canachagala Lake Canal Reservoir are no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes; and be it further

RESOLVED, That pursuant to the provisions of the Canal Law and the Canal Real Property Management Policy, the Directors hereby authorize the Transfer of Jurisdiction over certain lands totaling approximately 720± acres in the Towns of Webb and Ohio, Herkimer County, to the New York State Department of Environmental Conservation; and be it further

RESOLVED, that should the New York State
Department of Environmental Conservation decline to
accept jurisdiction over the said lands, such lands may be
abandoned and disposed of pursuant to Title 5-A of Article 9
of the Public Authorities Law, the Canal Law and the Canal
Corporation's Real Property Management Policy; and be it
further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Director of Canals, the Vice President - Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel, and be it further

RESOLVED, That this resolution be incorporated in the minutes of this meeting.

iii. Transfer of Jurisdiction Over Canal Land -City of Cohoes, County of Albany; Town of Waterford, County of Saratoga

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to authorize the Transfer of Jurisdiction over approximately $0.69\pm$ acres of Canal Land located in the City of Cohoes, Albany County, and approximately $0.07\pm$ acres of Canal Land located in the Town of Waterford, Saratoga County (the 'Properties'), to the New York State Department of Transportation ('DOT'). The Properties are shown on the map attached hereto as Exhibit '4b iii-A.'

BACKGROUND

DOT requested transfer of the Properties by letter dated January 21, 2014, in support of its Route 32 bridge realignment project. The Properties are comprised of two non-contiguous remnant portions of Old Champlain Canal Lands which staff has determined are no longer necessary or useful for canal purposes.

DISCUSSION

As shown on Exhibit 4b iii-A, the Properties are located in part on the north and in part on the south side of the Mohawk River and are portions of the Old Champlain Canal no longer in use as a part of the Barge Canal, which is located several miles from the Properties at the confluence with the Mohawk and Hudson Rivers in Waterford.

Transfers of jurisdiction are not considered disposals subject to the Public Authorities Law, since title to the property remains in the name of the People of the State of New York. Section V.B.5. of the Canal Real Property Management Policy states that 'Transfers of Jurisdiction will be progressed on such terms and conditions as may be approved by the Board.' Since title to the Properties will remain in the name of the People of the State of New York and since DOT has requested the transfer of the Properties, it is recommended that no monetary consideration be required for this transfer.

At its Meeting No. 69, held on June 18, 2007, the Canal Recreationway Commission found the proposed abandonment of approximately 1.8 acres of land that includes the aforementioned Properties to be consistent with the Canal Recreationway Plan.

Pursuant to Section 51 of the Canal Law, a Notice of Proposed Abandonment was published for three consecutive weeks inviting interested parties to file written statements regarding the proposed transfer. No comments were received from the public in response to the Notice.

If the Corporation approves the transfer, the lands would first be abandoned in accordance with Sections 50 and 51 of the Canal Law. The Office of General Services would then transfer the Property to DOT pursuant to Section 3(4) of the Public Lands Law.

FISCAL INFORMATION

No revenue is anticipated by the proposed Transfer of Jurisdiction.

RECOMMENDATION

The Director of Canals and the Vice President - Enterprise Shared Services recommend that the Board of Directors approve the Transfer of Jurisdiction over Canal Lands as indicated above to the New York State Department of Transportation.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That approximately 0.76± acres of land located in part in the City of Cohoes, County of Albany and in part in the Town of Waterford, County of Saratoga is no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes and may be abandoned; and be it further

RESOLVED, That the Transfer of Jurisdiction over such lands to the New York State Department of Transportation for no consideration and in accordance with the terms of this memorandum be, and hereby is, authorized; and be it further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Director of Canals, the Vice President- Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel, and be it further

RESOLVED, That this resolution be incorporated in the minutes of this meeting.

iv. Abandonment and Sale of Canal Land – City of Utica, County of Oneida

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to authorize the abandonment and sale of approximately 0.97± acre of Canal Land ('Property'), located in the City of Utica, Oneida County to the City of Utica ('City') for \$50,000. The Property is shown on the map attached hereto as Exhibit '4b iv-A.'

BACKGROUND

The Property is a portion of improved Canal Lands appropriated in the name of the People of the State of New York for Barge Canal Improvement in 1917. The Property is an irregularly configured, approximately 0.97± acre waterfront parcel situated on the north side of the Mohawk River, south of the Erie Canal, east of the Genesee Street Bridge and Harbor Lock Road in the City of Utica.

Since 1998, the City has occupied and improved the Property under the terms of revocable permits issued by the Corporation. The Property is improved by a two-story building, parking lot, promenade, lighting and other improvements, all constructed and owned by the City as part of the Utica Historic Erie Canal Marina Park ('Park'). The City has entered into third-party agreements for use of the Property, among them a restaurant which presently occupies the aforementioned building.

The City now seeks to purchase the Property outright. Staff has determined that the Property is no longer required for Canal operations and may be abandoned.

DISCUSSION

Independent appraisals obtained as required under Public Lands Law Section 10 and Public Authorities Law Section 2897 support a fair market value of \$50,000 exclusive of the value of improvements made on the Property by the City. The City has agreed to pay this sum. The Property will be conveyed 'as-is', and any agreements and deeds executed by and between the parties will include appropriate language to indemnify and hold harmless the Canal Corporation, the Power Authority and the People of the State of New York. The Corporation will retain an easement for a segment of a planned trail connection.

Prior to conveyance, a Notice of Proposed Abandonment will be published for three consecutive weeks in the Utica Observer-Dispatch and a public hearing held as required by Section 51 of the Canal Law.

Title 5-A of Article 9 of the Public Authorities Law (the 'Act') and the Canal Corporation's Real Property Management Policy (the 'Policy') allow the Corporation, with the approval of the Board, to dispose of Corporation property by negotiation to a municipality when the fair market value and other satisfactory terms are obtained by negotiation. The proposed sale of the Property to the City of Utica on the terms recommended in the memorandum complies with all applicable provisions of law, including the Canal Law, Title 5-A of Article 9 of the Public Authorities Law, and with the Policy.

As the subject property is owned by the People of the State of New York, acting by and through the Corporation, the Deed is subject to approval by the NYS Department of Law Real Property Bureau.

FISCAL INFORMATION

Revenues received by the Canal Corporation are required by statute to be deposited in to the Canal Development Fund.

RECOMMENDATION

The Director of Canals and the Vice President - Enterprise Shared Services recommend that the Board of Directors approve the sale of Canal Property to the City of Utica for \$50,000.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That approximately 0.97± acre of land located in the City of Utica, County of Oneida is no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes, excepting and reserving however, a twenty (20) foot-wide easement over the property for a proposed trail segment; and be it further

RESOLVED, That pursuant to the provisions of the Canal Law, Title 5-A of Article 9 of the Public Authorities Law, and Section 4. General Principles (H.) (1.) (a.) of the Canal Real Property Management Policy, the Directors hereby authorize the abandonment and sale of certain lands totaling approximately 0.97+ acre, subject to the aforementioned easement, in the City of Utica, Oneida County, to the City of Utica for \$50,000; and be it further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Director of Canals, the Vice President - Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel, and be it further

RESOLVED, That this resolution be incorporated in the minutes of this meeting.

v. Abandonment and Sale of Canal Land – Village of Watkins Glen, County of Schuyler

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to authorize the abandonment and sale of approximately $8.56\pm$ acres of canal land ('Property') located in Watkins Glen, Schuyler County, to the Village of Watkins Glen ('Village') for its appraised value of \$40,000. The Property is shown on the map attached hereto as Exhibit '4b v-A.'

The Village has requested conveyance of the Property for use as the site of a new regional waste water treatment facility to serve the Villages of Watkins Glen and Montour Falls and the Town of Dix.

BACKGROUND

The Property is a vacant portion of canal land acquired in the name of the People of the State of New York in 1913. It is located south of Seneca Lake on the east side of the Seneca Lake Inlet/Cayuga Seneca Canal and adjoins regulated wetlands under the jurisdiction of the New York State Department of Environmental Conservation ('DEC'). Until 1985 it was used as a Canal Upland Disposal Site ('UDS') for dredged materials from the Seneca Lake Inlet. The site is no longer needed for this purpose and staff has identified it as surplus.

DISCUSSION

As shown on Exhibit '4b v-A,' the Property is located in an area devoid of development due to the adjacent regulated wetlands. While this location makes commercial development generally unfeasible, the Village has identified the Property as a suitable site for a proposed regional wastewater treatment plant to replace its existing, outmoded facility. The Villages of Watkins Glen and Montour Falls have been awarded approximately \$35 million in loans and grants administered by the NYS Environmental Facilities Corporation for construction of the new plant.

An independent appraisal estimated the fair market value of the Property to be \$40,000. Canal land management staff has reviewed the appraisal report and have found it to be reasoned and credible.

Pursuant to Section 51 of the Canal Law, a Notice of Proposed Abandonment shall be published for three consecutive weeks in the Odessa File newspaper inviting interested parties to file written statements either supporting or opposing the proposed abandonment and sale.

Title 5-A of Article 9 of the Public Authorities Law (the 'Act') and the Canal Corporation's Real Property Management Policy (the 'Policy') allow the Corporation, with the approval of the Trustees, to dispose of Corporation real property by negotiation to a municipality when the fair market value and other satisfactory terms are obtained by negotiation. The proposed sale of the Property to the Village of Watkins Glen on the terms recommended in this memorandum complies with all applicable provisions of law, including the Canal Law, Title 5-A of Article 9 of the Public Authorities Law, and with the Policy.

As the subject property is owned by the People of the State of New York, acting by and through the Corporation, the Deed is subject to approval by the NYS Department of Law.

FISCAL INFORMATION

Revenues received by the Canal Corporation are required by statute to be deposited in to the Canal Development Fund.

RECOMMENDATION

The Director of Canals and the Vice President - Enterprise Shared Services recommend that the Board of Directors approve the abandonment and sale of approximately of canal property located in Watkins Glen, Schuyler County, to the Village of Watkins Glen.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That approximately 8.56± acres of land located in the Village of Watkins Glen, County of Schuyler is no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes; and be it further

RESOLVED, That pursuant to the provisions of the Canal Law, Title 5-A of Article 9 of the Public Authorities Law, and Section 4. General Principles (H.) (1.) (a.) of the Canal Real Property Management Policy, the Trustees hereby authorize the abandonment and sale of certain lands totaling approximately 8.56+ acres, in the Village of Watkins Glen, Schuyler County, to the Village of Watkins Glen for \$40,000; and be it further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Director of Canals, the Vice President- Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel, and be it further

RESOLVED, That this resolution be incorporated in the minutes of this meeting.

vi. Abandonment and Sale of Canal Land – City of Rochester, County of Monroe

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to authorize the abandonment and sale at public auction of approximately 1.46± acres of Canal Land ('Property'), located in the City of Rochester, Monroe County, for not less than the appraised value of \$65,000. The Property is shown on the map attached hereto as Exhibit '4b vi-A.'

BACKGROUND

The Property is a vacant portion of Canal Land acquired in 1905 in support of Barge Canal improvements. It is separated from the Canal by approximately 100 feet of Canal Lands which will be retained. Staff has determined that the Property is no longer necessary or useful for canal operations and may be abandoned.

DISCUSSION

The Property is a rectangular parcel bounded on the north by Buffalo Road, on the south by an active rail line, on the west by additional Canal Land necessary for Canal purposes, and on the east by commercially developed private lands. An independent appraisal estimated the fair market value of the Property to be \$65,000. Canal Land management staff has reviewed the appraisal report and has found the appraiser's conclusion of value to be reasoned and credible.

The Property is traversed by a sub-surface oil pipeline operated pursuant to a series of revocable permits issued by the Corporation commencing in 1971. Any sale will be 'as is,' subject to such rights, if any, that the Permittee may have to the Property. As required by law, staff will disclose the presence of the sub-surface pipeline in the auction materials.

Pursuant to Section 51 of the Canal Law, a Notice of Proposed Abandonment was published for three consecutive weeks in a local newspaper, inviting interested parties to file written statements regarding the proposed abandonment and sale. As further required by Section 51, the Corporation held a hearing on this matter in which the public was provided an additional opportunity to comment on the proposal. No public comments were received regarding the proposed abandonment.

Title 5-A of Article 9 of the Public Authorities Law and the Canal Corporation's Real Property Management Policy (the 'Policy') allow the Canal Corporation, with the approval of the Directors, to dispose of Corporation real property pursuant to Section 2897 of the PAL. The proposed sale of the Property at public auction on the terms recommended herein complies with all applicable provisions of law, including the Canal Law, Title 5-A of Article 9 of the PAL, and with the Policy.

As the subject property is owned by the People of the State of New York, acting by and through the Corporation, the deed is subject to approval by the NYS Department of Law Real Property Bureau.

FISCAL INFORMATION

Revenues received by the Canal Corporation are required by statute to be deposited in to the Canal Development Fund.

RECOMMENDATION

The Director of Canals and the Vice President- Enterprise Shared Services recommend that the Board of Directors approve the abandonment and sale at public auction of approximately of Canal property located in the City of Rochester, Monroe County.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That approximately 1.46± acres of land located in the City of Rochester, County of Monroe is no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes; and be it further

RESOLVED, That pursuant to Title 5-A of Article 9 of the Public Authorities Law, the Canal Law and the Canal Corporation's Real Property Management Policy, the Directors hereby authorize the abandonment and sale of approximately 1.46+ acres of land in the City of Rochester, Monroe County, at public auction for a price not less than \$65,000; and be it further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Director of Canals, the Vice President- Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel, and be it further

RESOLVED, That this resolution be incorporated in the minutes of this meeting.

5. DISCUSSION AGENDA

a. Financial Report - Canal Update

Mr. Robert Lurie provided an update of the financial report to the members. (Exhibit "5c i-A")

b. Utility Operations Report - Canal Update

Mr. Joseph Kessler provided an update of the Canal Corporation report to the members. (Exhibit "5c i-A").

Summer Preparedness

Review and update existing NYPA and NYS Canal Corp. emergency management plans and procedures to ensure a comprehensive emergency preparedness program

Canal Corporation - Update

- YTD O&M spend is on target; the Capital budget spend is underrunning but is expected to be on schedule this Fall
- Initial estimate of 2018 to 2022 capital spending is significant as asset conditions and significant risks are better understood
- Many new Safe and Secure initiatives are underway, including asset and work management,
 vessel replacement, yard clean-up, and vegetation management
- Higher precipitation levels have resulted in corresponding Canal closures which were managed effectively
- New navigation season was implemented successfully and will reduce long-run costs.
- Still working through significant Civil Services challenges to stand up permanent staff
- Transitional Service Agreement Exit Plans 23 out of 42 have been exited to date and the remaining services are on track to exit in line with agreed plans.

6. Next Meeting

The Regular meeting of the Canal Corporation's Board of Directors will be held September 26, 2017, at the Clarence D. Rappleyea Building, White Plains, New York, at a time to be determined, unless otherwise designated by the Chairman with the concurrence of the Trustees.

Closing

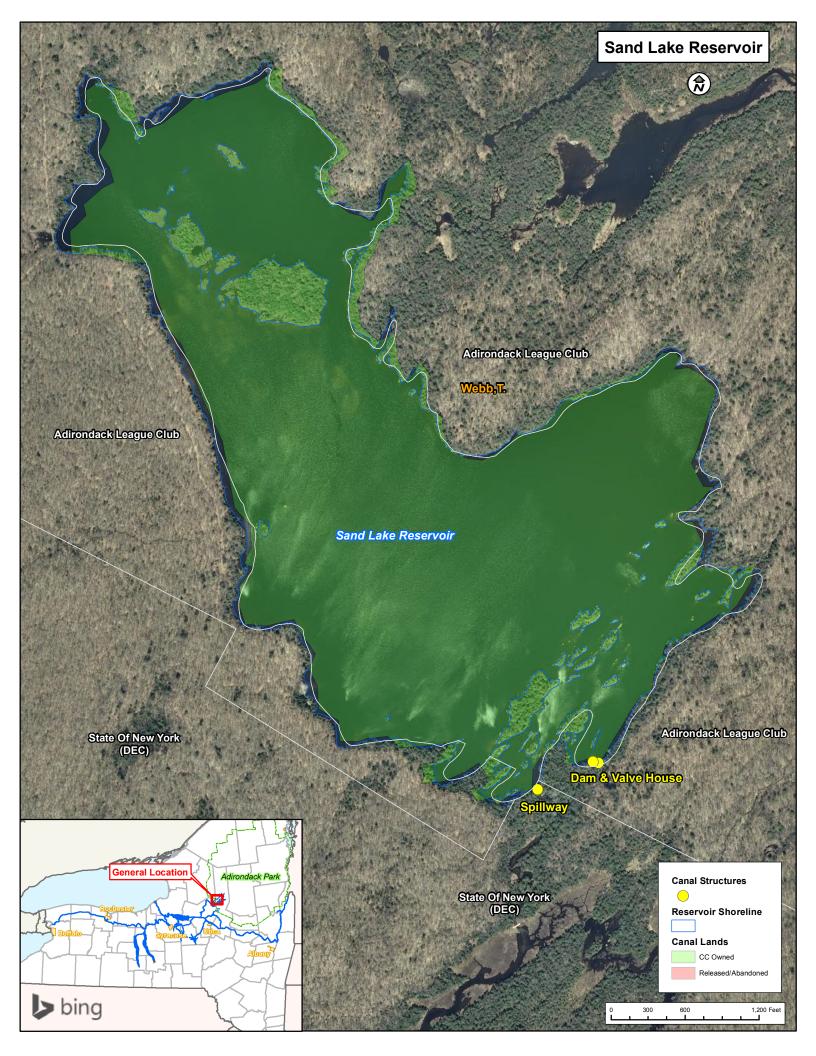
Upon motion made by Trustee Picente and seconded by Vice Chairman Nicandri, the meeting was adjourned at approximately 1:00: p.m.

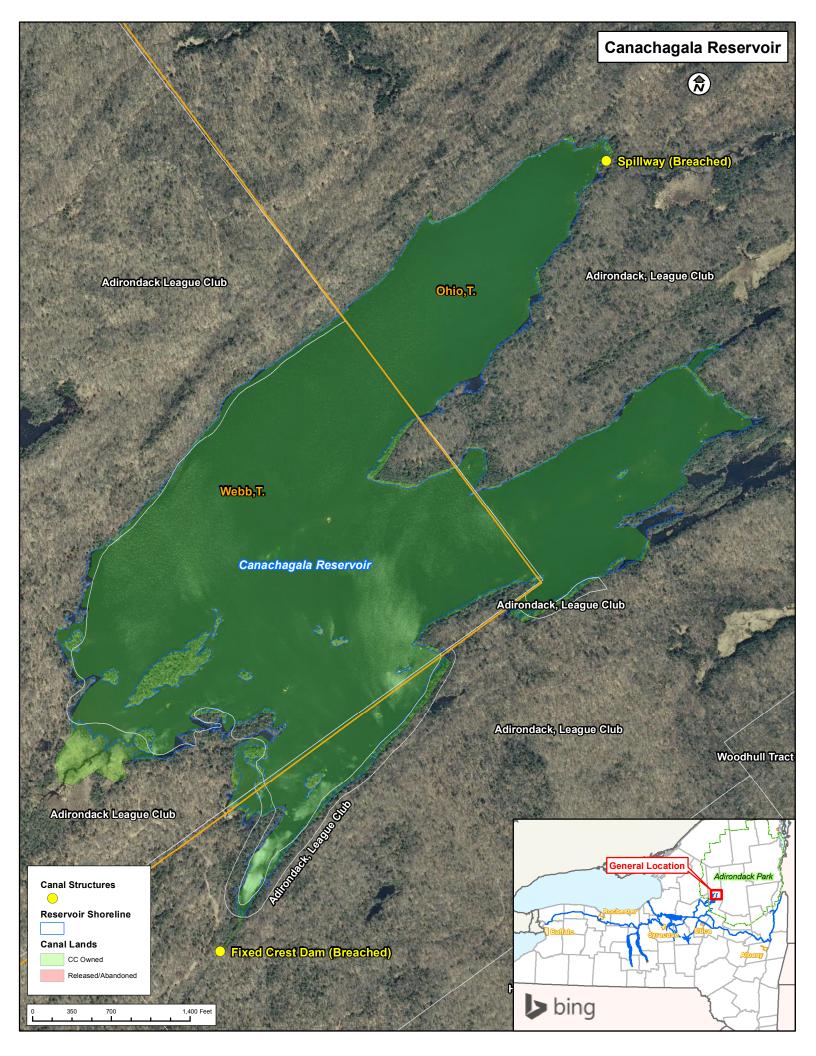
Karen Delince

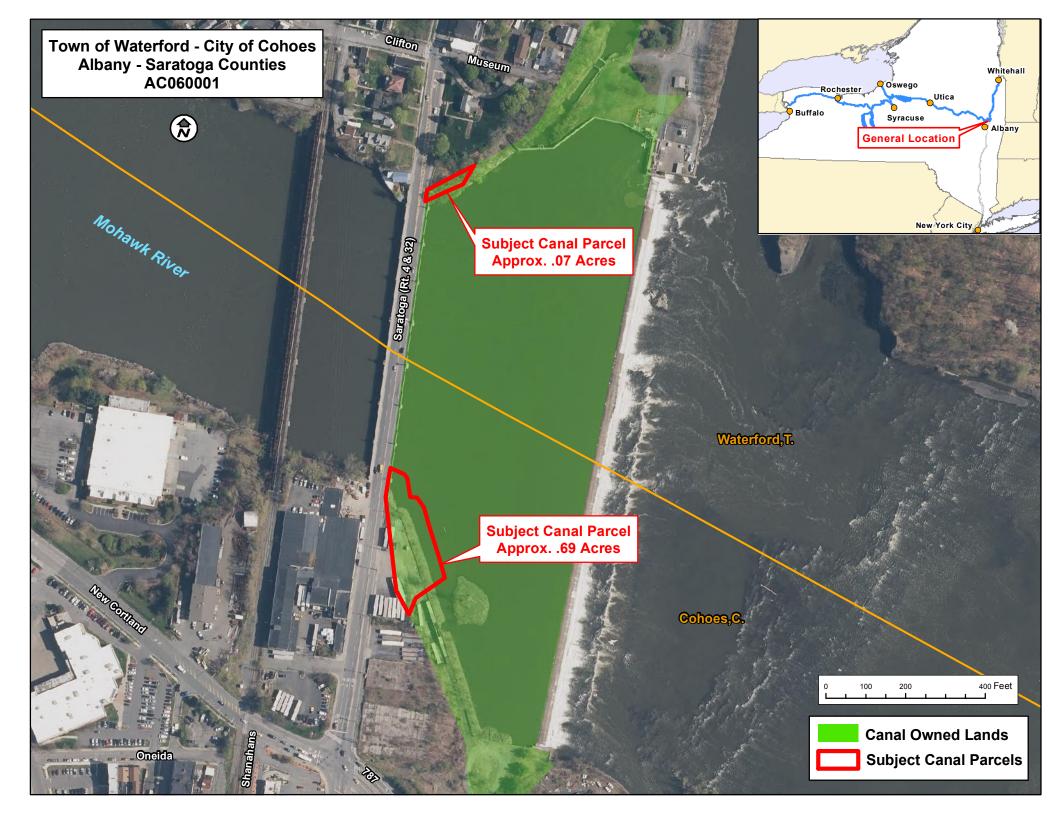
Karen Delince Corporate Secretary

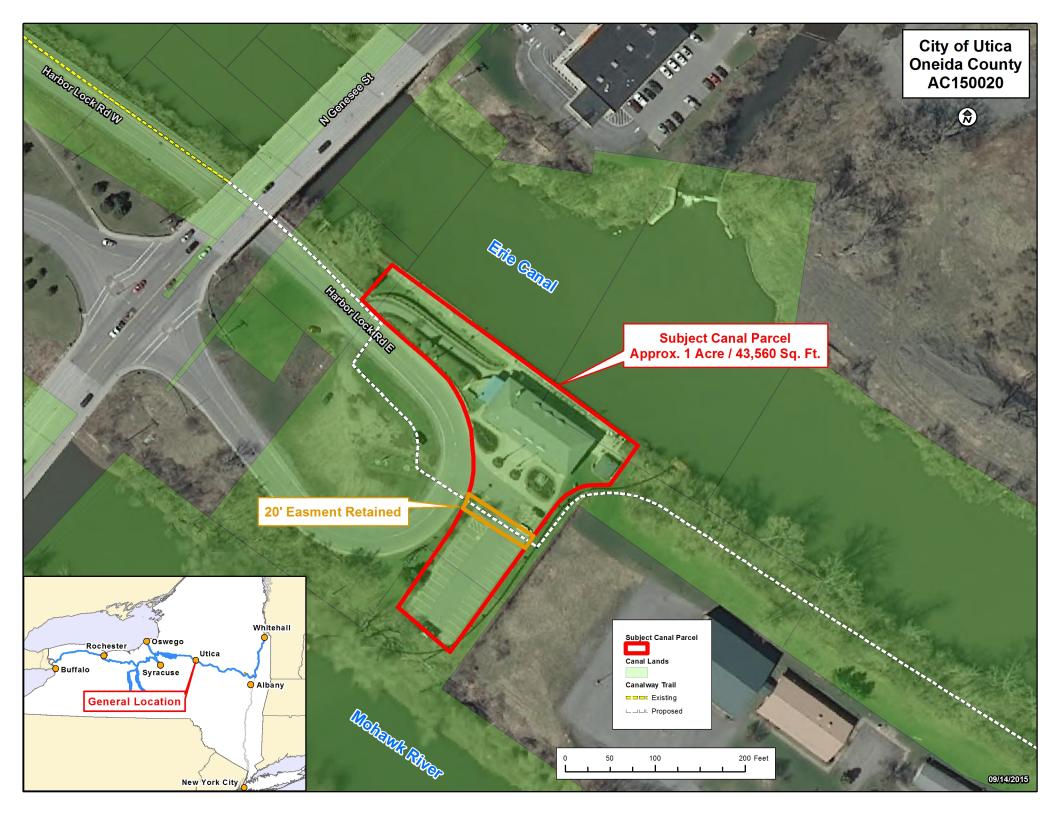
EXHIBITS

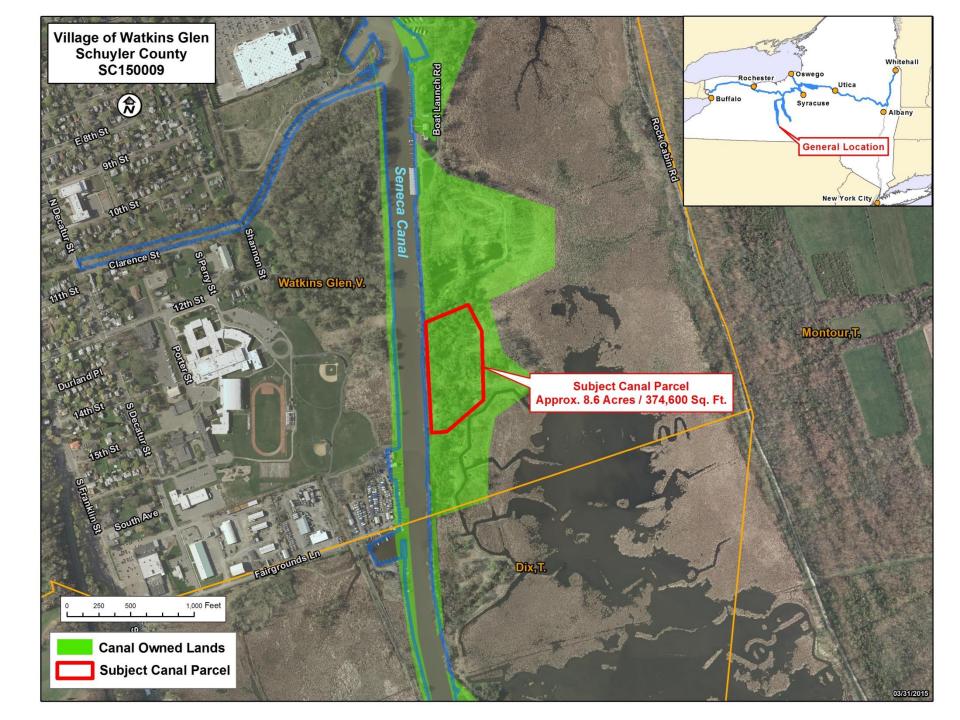
For
July 25, 2017
Regular Meeting
Minutes

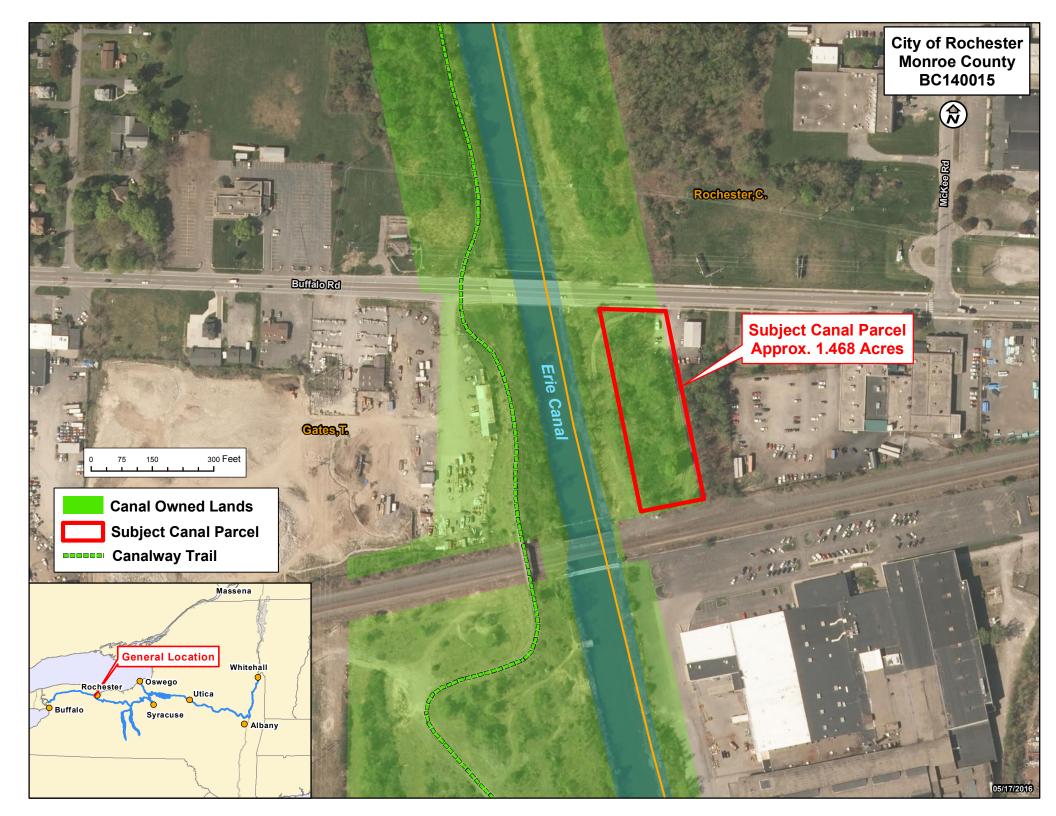












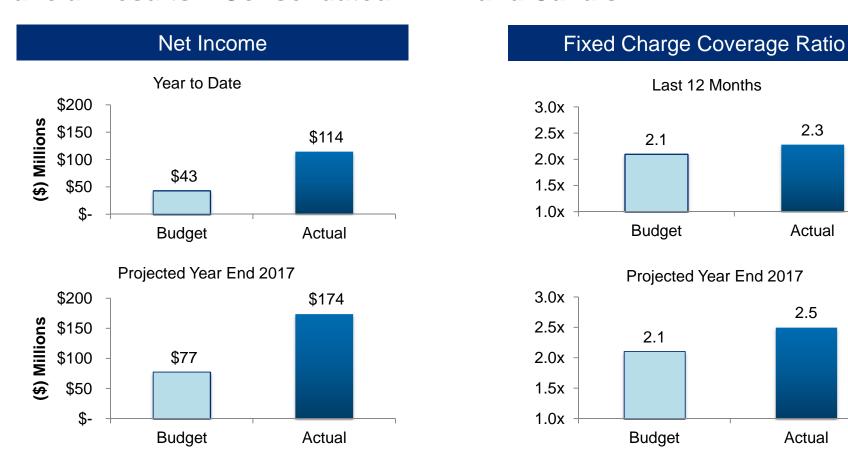


Chief Financial Officer Report

2.3

2.5

Financial Results – Consolidated NYPA and Canals





Utility Operations Report

Joseph Kessler, Chief Operating Officer

Summer Preparedness

- Utility Operations has evaluated PM activities, equipment status, outage schedules etc. and verified summer preparedness.
- Company-wide summer preparedness review session was held with key stakeholders.
- Review and update existing NYPA and NYS Canal Corp. emergency management plans and procedures to ensure a comprehensive emergency preparedness program (in progress).



Canal Corporation Update

- YTD O&M spend is on target, whereas the Capital budget spend is underrunning, but expected to be on schedule this Fall
- Initial estimate of 2018 to 2022 capital spending is significant as asset condition and significant risks are better understood

 Many new Safe and Secure initiatives underway, including asset and work management, vessel replacement, yard clean-up, and vegetation

FIRST AID

management



Canal Corporation Update

- Higher precipitation levels have resulted in corresponding canal closures which were managed effectively
- New navigation season was implemented successfully and will reduce long-run costs
- Still working through significant Civil Services challenges to stand up permanent staff
- Transitional Service Agreement Exit Plans 23 out of 42 have been exited to date and the remaining services are on track to exit in line with agreed plans





NEW YORK STATE OF OPPORTUNITY. Authority Canal Corporation

Policy Number 25-6-02C

Page 1 of 14

Title: Guidelines for the Disposal of Canal Corporation Personal Property

Document Ty	De.

Business Unit Policy

Revision Date:

7/30/2017

Reviewer	Name	Title
This document has been reviewed by:	Allison Renstrom Shea	Special Counsel

Content Owner	Signature	Date
Name: Kevin King		
Title:Director Transactional Procurement	Leun Kuny	8/30/17

Approver	Signature	Date
Name:John Canale	D 0 0	0 01-1
Title: VP Procurement	John Car	ule 8/30/17

Approver	Signature	Date
Name: Robert Lurie Title: EVP & Chief Financial Officer	· bolit Hum	8/31/17



Policy Number 25-6-02C

Page 2 of 14

Guidelines for the Disposal of Canal Corporation Personal Property

Note: Revision # should be listed in descending order starting with most recent version at the top

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
7/30/2017	0	Policy for the Disposal of Canal Corporation Personal Property	N/A	Kevin King Director
	5-			Transactional Procurement



Policy Number 25-6-02C

Page 3 of 14

1 PURPOSE AND SCOPE

This Policy for the disposal of Canal Corporation ("Corporation") Personal Property, ("Policy") which complies with Title 5-A, Article 9 of the Public Authorities Law, establishes the Corporation's Policy and instructions regarding the use, award, monitoring and reporting of the disposal of personal property. In addition, the Policy designates a Contracting Officer who is responsible for the Corporation's compliance with, and enforcement of, the Policy.

The powers and duties relating to the New York State canal system, which were transferred to and merged with the New York Power Authority ("Authority") pursuant to Canal Law Section 5, may be exercised by the Authority directly or through the Corporation on behalf of the people of the State of New York.

2 APPLICABILITY

This Policy applies to all New York State Canal Corporation employees who intend to dispose of personal property owned by the New York State Canal Corporation.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Abandoned Motor Vehicles – An Abandoned Motor Vehicle is a type of Tangible Personal Property with special statutory and regulatory requirements for disposal and processing (see Section 5.2.A.).

Abandoned, Lost or Found Personal Property – Abandoned, Lost or Found Personal Property that remains unclaimed after notification to an owner, if known, and/or after being held for the required holding periods as prescribed by statute. This includes all lost or mislaid property found on Corporation property/premises, as well as property which is knowingly abandoned.

Contracting Officer – Shall mean the officer or employee of the Corporation who shall be appointed by resolution of the Canal Board to be responsible for the disposition of Personal Property. The "Contracting Officer" is hereby designated to be the Authority's Vice President - Procurement or equivalent(s) by law.

Corporation – Canal Corporation

Disposals – Disposals include the sale of Personal Property, the transfer of title or any beneficial interest in Personal Property in accordance with this Policy such as leases, and the exchange of Personal Property. Disposals do not include permits, licenses or temporary use documents that are otherwise revocable due to operational requirements or in the best interests of the Corporation. Consistent with prior Board action, permits do not convey or transfer a beneficial interest in the Personal Property.

Fair Market Value – Shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Property in an arms-length transaction in the appropriate marketplace and



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under similar circumstances. Fair market value may be determined by consulting industry-recognized sources, contracting original suppliers, depreciation analysis, appraisals, fair market valuations by public auction or other methods of valuation generally accepted in the industry in which such Property is utilized, as may be approved by the Contracting Officer or authorized designee.

Personal Property – Property, other than Real Property, owned by the Corporation, regardless of value, and any other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party. Property may include, but is not limited to, materials (Canal CorporationWarehouse controlled inventory and Direct Turnover Materials DTO), tools, equipment or vehicles. Section 2895 of the Public Authorities Law defines property as Personal Property in excess of \$5,000 and does not include the transfer of Personal Property secured by a loan or other financial obligation of another party.

Real Property – shall mean real property, including land, tenements and hereditaments owned by the Corporation, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any purpose, excluding an interest securing a loan or other financial obligation of another party.

Transactions – For purposes of this Policy, transactions shall include, but not be limited to, disposals and the issuance of permits, licenses and other temporary use documents for the use of Personal Property.

4 RESPONSIBILITY

The Board shall adopt by resolution, this Policy for the Disposal of Canal Corporation Personal Property and by such resolution, designate a Contracting Officer who is responsible for compliance with and enforcement of this Policy.

All Transactions shall comply fully with applicable state, federal and local laws, rules and regulations as well as policies, procedures and executive orders including, but not limited to, the Canal Law, the Abandoned Property Law, the Personal Property Law, the Public Authorities Law, the Vehicle and Traffic Law and any subsequently enacted statutes, rules and/or regulations.

The Corporation Deputy Director is authorized to interpret, implement, and administer this Policy and shall develop procedures necessary to carry out its intent, as well as to delegate such authority to members of his/her staff. These procedures should identify the roles and responsibilities of Corporation personnel who implement and administer this Policy and define the manner in which those responsibilities are to be fulfilled. The Deputy Director is also authorized to oversee the actions of Corporation staff to ensure compliance with applicable laws, rules and regulations, and with this Policy.

The Deputy Director may delegate, expressly in writing, directly to the Contracting Officer, the authority to sign and execute any and all documents related to any form of property auction or



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other disposal methods and may also authorize the Contracting Officer to further delegate such authorization to other members of his/her staff in order to carry out the intent of this current Policy.

The Manager, Administrative Services ensures that Personal Property is disposed of in accordance with this Policy and that each disposal is documented, including photo(s) of material/item, fair market evaluation, environmental documentation, accounting records, RFQs and bid abstracts, award documents, copies of payment check or wire service receipts, and signed sales agreements.

5 POLICY IMPLEMENTATION

5.1 General Principles

The Corporation shall maintain adequate inventory controls and accountability systems for all Personal Property under its control.

- A. Personal Property that is 1) encroaching on real property under the jurisdiction of the Corporation; or 2) located on real property under the jurisdiction of the Corporation that is:

 (a) not authorized by the applicable permit, license or lease; or (b) left behind following the expiration, revocation or termination of a permit, license or lease; shall be handled in accordance with this Policy, the terms and conditions of the lease, license or permit regarding the removal of such property, and/or the Canal Law, if applicable.
- B. The Corporation may dispose of any Personal Property not necessary for its corporate purposes in whatever timeframe that either the Contracting Officer or the Corporation Board deems appropriate.
- C. The Corporation may authorize the use of Corporation Personal Property by an entity for any period or term using a temporary, revocable permit, license or other document that does not transfer a beneficial interest in the Personal Property. Such temporary, revocable use is not considered a Disposal for purposes of this Policy.
- D. Personal Property shall not be disposed of by the Corporation for less than fair market value, except in limited circumstances as set forth in Paragraph E, sections 1, 2 and 3 below. Fair Market Value may be determined through the use of appraisals, requests for proposals, the bid or auction process, or other means.
- E. No asset owned, leased or otherwise in the control of the Corporation with a value in excess of \$5,000 may be sold, leased, or otherwise alienated for less than its fair market value except if:
 - 1. the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity;
 - 2. the purpose of the transfer is within the purpose, mission or governing statute of the Corporation; or



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Guidelines for the Disposal of Canal Corporation Personal Property

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- 3. in the event the Corporation seeks to transfer an asset for less than its fair market value to other than a governmental entity, which disposal would not be consistent with the Corporation's mission, purpose or governing statutes, the Corporation shall provide written notification thereof to the governor, the speaker of the assembly, and the temporary president of the senate, and such proposed transfer shall be subject to denial by the governor, the senate, or the assembly. Denial by the governor shall take the form of a signed certification by the governor. Denial by either house of the legislature shall take the form of a resolution by such house. The governor and each house of the legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the legislature receives notification of a proposed transfer during the months of July through December, the legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the governor, senate, and assembly, the Corporation may effectuate such transfer.
- F. In the event a below fair market value asset transfer is proposed, the following information must be provided to the Corporation Board and the public:
 - 1. a full description of the asset;
 - 2. an appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the Corporation Board;
 - 3. a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer;
 - 4. a statement of the value to be received compared to the fair market value;
 - 5. the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (4) of this paragraph, a statement of the value to the private party; and
 - 6. the names of any other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.
- G. Before approving the disposal of any property for less than fair market value, the Corporation Board shall consider the information described in paragraph F of this section and make a written determination that there is no reasonable alternative to the proposed below market transfer that would achieve the same purpose of such transfer.
- H. The Corporation must use a competitive process as required by the Public Authorities Law and related statutes, including public advertising for Disposals exceeding \$15,000 in value, except in limited circumstances. In order to dispose of Personal Property by negotiation or public auction without public advertising, but subject to obtaining competition as is feasible under the circumstances, one of the following must be met:
 - 1. The Personal Property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality of similar effect, that would tend to increase its value, or if the Personal



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Property is to be sold in such quantity that, if it were disposed of by public advertising, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

2. The fair market value of the property does not exceed \$15,000;

- 3. Bid prices after advertising are not reasonable, either as to all or some part of the Personal Property, or have not been independently arrived at in open competition;
- 4. The Disposal will be to the State or any political subdivision, and the estimated fair market value of the Personal Property and other satisfactory terms of disposal are obtained by negotiation;
- 5. Under those circumstances permitted by Section 5.1 (Paragraphs E, F, and G) of this Policy; or
- 6. The action is otherwise authorized by law.
- I. For Personal Property valued at over \$15,000 disposed of by negotiation, an explanatory statement is required. Not less than 90 days in advance of the Disposal, an explanatory statement shall be prepared and distributed by the Contracting Officer in accordance with Public Authorities Law §2897, detailing the circumstances of the Disposal including, but not limited to, the proposed price.
- J. The Corporation shall create a clear and comprehensive record for each Transaction that documents its compliance with this Policy. Such record shall be maintained in a manner and for a period consistent with the applicable document retention policy.

5.2 General Practices

- A. Abandoned Motor Vehicles The handling and disposal of Abandoned Motor Vehicles is statutorily covered under Vehicle and Traffic Law and not under this Policy.
- B. Abandoned, Lost or Found Personal Property

Abandoned, Lost or Found Personal Property with a value over the statutory limits must, within ten days after the finding or acquisition by Corporation employees or the Corporation's related agents (for example, contractor), be turned over to Troop T for processing and forwarding to the Bureau of Office and Building Maintenance Services (Office Services) at Headquarters in Albany. Office Services will return the property to the owner, if known; if the owner of the property is not immediately known, then the property must be held until the statutory holding period has run. At that time, if the property has not been claimed by the true owner or someone with verifiable ownership rights, then Office Services shall return the property to the known independent finder. If the original finder was a Corporation employee or one of its related agents as defined above, ownership then vests in the Corporation and may be treated as other Corporation owned property.

C. Special Abandoned Personal Property

1. Personal Property purposely left behind on Corporation property after termination of a previously issued permit, license or lease shall be handled, removed or disposed of



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under the terms of the permit, license or lease, or if required, pursuant to the applicable provisions of the Canal Law governing encroachments.

- 2. Abandoned Personal Property originally issued by the Corporation such as unclaimed wages or benefits, or unclaimed consumer balances shall be held for the required holding times as prescribed by the Personal Property Law and Abandoned Property Law, at which time the property vests in the Corporation.
- 3. Other Personal Property such as unclaimed bonds, dividends, interest, securities, etc. owed to security holders shall be held for the required statutory periods by the Corporation's properly delegated trustees or other fiduciaries.

D. Surplus Personal Property

The (Manager, Administrative Services) will provide the (Deputy Director) or designee with information on all items of Personal Property declared surplus.

5.3 Disposal Process

The (Manager, Administrative Services) designee will prepare a list of all Personal Property to be disposed of and prepare an internal estimate of the value of such property.

- A. The method of disposal shall be based on the following Personal Property values:
 - 1. Personal Property valued at less than \$1,000 may be sold or donated, or when having an estimated resale value less than the cost of handling and sale may be disposed of as scrap or junk;
 - 2. Solicitation via telephone, email, and/or direct mailings may be used where the estimated Fair Market Value of the Property to be disposed of does not exceed \$15,000. All bids must be submitted in writing on the Corporation generated forms or an appropriate substitute and in the manner prescribed by this Policy and by the date and time (the "Bid Due Date") included in the solicitation.
 - 3. Personal Property valued in excess of \$5,000 up to and including \$15,000 may be negotiated or made by public auction without publicly advertising for bids when approved by the Contracting Officer or, where required, by the Board, such as in Section 5.1 (paragraphs E and F);
 - 4. Personal Property valued in excess of \$15,000 shall be offered for sale by a formal competitive process that includes public advertising for bids unless one of the exceptions listed in Section 5.1 E is met. If such an exception exists, disposal may be by negotiation or public auction without public advertising, when approved by the Contracting Officer or, where required, by the Board, such as in Section 5.1.G.

Note: For Personal Property valued in excess of \$15,000 disposed of by negotiation, an explanatory statement is required as described in Section 5.1.l.

B. When public advertising is required for disposals, the following steps must be taken pursuant to Public Authorities Law §2897:



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- 1. The advertisement shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Personal Property;
- 2. All bids shall be publicly disclosed at the time and place stated in the advertisement;
- 3. The award shall be made with reasonable promptness by notice to the responsible bidder whose bid, in conformance with the solicitation, will be most advantageous to the Corporation, price and other factors considered, provided that any and all bids may be rejected when it is in the public interest to do so.
- C. When property is sold by sealed bid, by public auction or by an electronic auction, sale prices are approved by the (Manager, Administrative Services) or designee. If the (Manager, Administrative Services) or designee determines that property should be offered at an established or set price due to its unusual nature, or any other special conditions that would make competitive bidding impractical, (Manager, Administrative Services) or designee will recommend an acceptable price and a method of sale to the Contracting Officer for approval.
- D. If the (Manager, Administrative Services) or designee determines that the best interests of the Corporation are served by selling at public auction, the Manager, Administrative Services) or designee shall supervise the auction and may reject any and all bids considered to be unacceptable.
- E. Where permitted by law, Disposals may be performed by the Commissioner of General Services on behalf of the Corporation when the Corporation has entered into an agreement with the Commissioner of General Services pursuant to Public Authorities Law and/or other applicable statutes.

5.4 Reports

The Corporation will annually develop and distribute reports regarding Personal Property having a Fair Market Value in excess of \$5,000 that was disposed of during the reporting period, including the full description, price (if any) received and the name of the purchaser for all such Property disposed of by the Corporation during such period as required by law. The report shall be delivered to the comptroller, the director of the budget, the commissioner of general services, the legislature and the authorities budget office.

5.5 Procurement of Surplus Personal Property by Employees

Corporation employees and relatives of such employees or third parties acting on behalf of such employees shall not have any personal interest in, or engage in, any activity, inclusive of bidding for the purchase of Canal Property that would create or appear to create a conflict with the proper discharge of their public duties and are prohibited from subsequently acquiring in any manner. It is important, even in the absence of any impropriety, that no appearance of impropriety is given. Therefore, pursuant to the Public Officers Law, all Corporation employees, their spouses and any children and stepchildren under age 18, stepparents, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, nephew, niece, mother in law, father in law, sister in law, brother in law, daughter



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in law, son in law are prohibited from procuring Corporation Surplus Personal Property or otherwise securing such property through the use of an agent or other third party.

In addition, Corporation employees, other than the Manager, Administrative Services or designee, shall not disclose to any non-employee any information that they obtain regarding such property due to the nature of their employment. Such disclosure by the Manager, Administrative Services or designee shall only be made in the course of the proper discharge of their official duties.

5.6 Signing Authority

- 1. The Board, if the Fair Market Value of the Property is greater than \$500,000 or if the Disposal is for less than Fair Market Value in accordance with Section 5. (paragraphs F and G).
- 2. The Contracting Officer if the Fair Market Value is up to \$500,000.00.
- 3. The (Deputy Director) if the Fair Market Value is up to \$100,000.00.
- 4. The (Manager, Administrative Services) if the Fair market Value of the Property is \$5,000 or less.
- 5. For Fleet related transactions, the Vice President of the Power Authority's Enterprise Shared Services or equivalent(s), if the Fair Market Value of the Property is up to \$500,000.
- 6. For Fleet related transactions, the Director of the Authority's Fleet Operation, if the Fair Market Value of the Property is up to \$100,000.
- **5.7** The President and Chief Executive Officer issues and approves all Company Policies and policy revisions.
- **5.8** The Executive Vice President and General Counsel, as delegated by the President and Chief Executive Officer, coordinates and administers the Company Policy Program.
- **5.9** At the request of the Executive Vice President and General Counsel, all Authority Business Units and Department Heads shall support and provide assistance in the coordination and administration of this Policy.

6 VIOLATIONS

Violations of this Policy and related policies and procedures by employees may result in disciplinary action up to and including termination. Violations of this Policy by contractors and other authorized third parties may result in the revocation of such party's access to Corporation premises and/or electronic access to its systems, and the termination of such party's contract for services. In addition, where the conduct engaged in is illegal, violators may be subject to prosecution under applicable federal, state or local laws.

7 REFERENCES

Abandoned Property Law Canal Law Canal Personal Property Disposal Policy 25-6-02C



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Personal Property Law
Public Authorities Accountability Act
Title 5-A, Article 9 of the Public Authorities Law
Vehicle and Traffic Law

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision cycle: Every Year

9 ATTACHMENTS

Attachment 9.1: Sales Agreement



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ATTACHMENT 9.1

PERSONAL PROPERTY SALES AGREEMENT

	, the Buyer, and the New York
State Canal Corp ("Canal Corp"), agree as follows:	* *

- 1) The personal property identified herein is sold by the Canal Corp and purchased by Buyer "AS IS, WHERE IS" at the price(s) shown, plus any applicable sales tax.
- 2) THE CANAL CORP DOES NOT IN ANY WAY WARRANT THE FITNESS OF THE PERSONAL PROPERTY FOR ANY PARTICULAR USE OR ITS MERCHANTABILITY AND DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE QUALITY, CHARACTER, PERFORMANCE, OR CONDITION OF THE PERSONAL PROPERTY OR ANY OF ITS COMPONENT PARTS, ASSEMBLIES, OR ACCESSORIES.
- 3) The Buyer warrants that he/she/it is not a current or former Canal Corp employee, is not related to a Canal Corp employee and did not bid on behalf of a Canal Corp employee. Buyer is aware that Canal Corp employees and their family members are precluded from subsequently receiving, or acquiring, in whole or in part, by any manner including gift, sale, loan or lease, the personal property acquired by the Buyer pursuant to this sale. The term "related to" as used in this paragraph means the relationships of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, or son-in-law. The Canal Corp reserves the right to invoke any available legal or equitable remedy in the event of a breach by the Buyer of his or her warranty under this paragraph, including but not limited to, rescinding the sale and recovering the property sold and all costs associated with the sale and the rescission of said sale.
- 4) The Buyer shall indemnify and hold harmless the State of New York, New York Power Authority and the Canal Corp and all of its officers, agents and employees from any loss, damage, remedial or response cost, liability or expense, on account of damage or contamination to property and injuries, including death, to all persons, including Buyer's employees, or any third parties, arising or in any manner growing out of the sale of any personal property or the performance of any work under this agreement and shall defend at its own expense any suits or other proceedings brought against the State of New York, New York Power Authority and the Canal Corp and its officers, agents and employees, or any of them, on account thereof, and pay all expenses and satisfy all judgments which may be incurred by or rendered against them or any of them in connection therewith.



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	Buyer shall remove the personal property from the at Buyer's expense. The Buyer shall
Canal Corp premises by make payment upon delivery by certified chec Corporation.	k payable to the New York State Canal
Description of Personal Property:	
	Selling Price:
Executed this day of	, 20
Buyer (Print or Type):	Seller:
	New York State Canal Corporation
	30 South Pearl Street
	Albany, New York,
Authorized Signature	Authorized Signature
Full Name (Printed)	
Title	Title

PRIVACY LAW NOTIFICATION

SECTION 94(1)(d) OF THE NEW YORK PUBLIC OFFICERS LAW REQUIRES THIS NOTICE TO BE PROVIDED WHEN COLLECTING PERSONAL INFORMATION FROM POTENTIAL PURCHASERS OF CANAL CORPORATION PROPERTY.



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This information is requested pursuant to Article 5, Title I of the Public Authorities Law. The principal purpose for which the information is collected is to assist the New York State Canal Corporation in the sale of Canal Corp personal property in accordance with Section 96(1) of the Personal Privacy Protection Law, particularly subdivisions (b), (e) and (f).

Failure to provide the requested information may result in ineligibility for participation in a program, sale or benefit provided by the Canal Corp.

This information will be maintained by the Procurement Department at the New York State Canal Corp Corporate Office.



Guidelines for the Disposal of Canal Corporation Real Property

Note: Revision # should be listed in descending order starting with most recent version at the top

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
[Revision Date]	1	Conversion to new Canal document template	All	Allison Renstrom Shea Special Counsel

Document Title:



Guidelines for the Disposal of Canal Corporation Real Property

Contents

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1 PURPOSE AND SCOPE

The purpose of these Guidelines for the Disposal of Real Property ("Guidelines"), which comply with Title 5-A, Article 9 of the Public Authorities Law, is to establish the procedures that detail the Canal Corporation's ("Corporation") policy and instructions regarding the disposal of real property. In addition, the Guidelines designate a Contracting Officer who is responsible for the Corporation's compliance with, and enforcement of, the Guidelines.

The powers and duties relating to the New York State canal system, which were transferred to and merged with the Power Authority ("Power Authority") pursuant to Canal Law Section 5, may be exercised by the Power Authority directly or through the Corporation on behalf of the people of the State of New York.

2 APPLICABILITY

This Policy applies to all New York State Canal Corporation employees who intend to Dispose of Real Property owned by or under the jurisdiction of the New York State Canal Corporation.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Contracting Officer - shall mean the officer or employee appointed by resolution of the Corporation's Trustees to be responsible for compliance with, and enforcement of, the Guidelines for the Disposal of Real Property. The "Contracting Officer" is hereby designated to be the Power Authority Vice President – Enterprise Shared Services, or equivalent(s) or designee.

Corporation – Canal Corporation

Dispose or Disposal - shall mean transfer of title or any other beneficial interest in real property in accordance with these Guidelines. Disposal does not include a release of an easement, Permit or Transfer of Jurisdiction.

Fair Market Value - shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in the appropriate marketplace and under similar circumstances.

OGS – NYS Office of General Services

PAL – Public Authorities Law



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Guidelines for the Disposal of Canal Corporation Real Property

Permits - shall mean permits issued by the Corporation that grant revocable privileges to use or access real property or structures under the jurisdiction of the Corporation and for the diversion of Canal waters for sanitary, farm or industrial purposes. Permits are revocable in part to assure availability of the real property for Corporation or public purposes. Permits do not transfer a beneficial interest in real property and may be issued when deemed to be advantageous to the Corporation for the purpose of cutting, gathering and hauling away ice from the canals or when the permitted use does not result in a detriment to canal navigation or damage to the banks or other structures thereof. Permits include Occupancy and Work Permits.

- a) Occupancy Permit a revocable instrument that authorizes the temporary, restricted use of real property under the jurisdiction of the Corporation, including, temporary use of Canal lands or structures, and for the diversion of Canal waters for sanitary, farm or industrial purposes.
- b) **Work Permit** a revocable instrument that authorizes construction, maintenance, inspection, survey, or other type of work or short term activity on real property under the jurisdiction of the Corporation.

Real Property - shall mean real property, including land, tenements and hereditaments owned by the Corporation, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any purpose, excluding an interest securing a loan or other financial obligation of another party.

Relative - shall mean any person living in the same household as the Corporation employee or any person who is a direct descendant of the Corporation employee's grandparents or the spouse of such descendant.

Transfers of Jurisdiction - shall mean transactions pursuant to Public Lands Law §3(4) and which are between the Corporation and other State governmental entities where jurisdiction over Real Property is transferred and reassigned on such terms and conditions as the Corporation and the New York State Office of General Services deem proper, but the title to the Real Property remains in the name of the People of the State of New York.

4 RESPONSIBILITY

The Board shall adopt by resolution Guidelines for the Disposal of Canal Corporation Real Property regarding the use, awarding, monitoring and reporting of contracts for the disposal of Real Property and which designate a Contracting Officer who is responsible for compliance with and enforcement of, these Guidelines.



5 PROCEDURE IMPLEMENTATION

5.1 COMPLIANCE OVERVIEW

The Public Authorities Law ("PAL") requires the Corporation to establish policy guidelines to accomplish the following:

- 5.1.1 Ensure that the Corporation's contracting activities comply with Title 5-A, Article 9 of the Public Authorities Law, the Corporation's enabling statute, and any other applicable law pertaining to the Disposal of Real Property.
- 5.1.2 Maintain inventory controls and accountability systems for all Real Property under the Corporation's control.
- 5.1.3 Periodically inventory Corporation Real Property to determine which Real Property shall be disposed of.
- 5.1.4 Dispose of Corporation Real Property interests as promptly as possible in accordance with the PAL.
- 5.1.5 Prepare annual reports of Real Property Disposal transactions.

5.2 DISPOSITION OF CORPORATION REAL PROPERTY

- 5.2.1 The Corporation may Dispose of Real Property for not less than the Fair Market Value of such Real Property by sale, exchange, or transfer, for cash, credit or other property, without warranty, and upon such other terms and conditions as the Contracting Officer deems proper under the provisions of the PAL and as implemented by these Guidelines. Fair Market Value of the Corporation Real Property subject to Disposal shall be established by independent appraisal as appropriate and consistent with the intent of the PAL. Such appraisal documents shall be included in the record of the Real Property Disposal transaction.
- 5.2.2 Except as set forth in Sections 5.2.3 and 5.2.4 herein of the Guidelines, any Disposal of Real Property shall only be made after publicly advertising for bids in accordance with the following:
 - a) the advertisement for bids shall be made at such time prior to the Disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Real Property; and



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Canal

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Guidelines for the Disposal of Canal **Corporation Real Property**

- b) all bids shall be publicly disclosed at the time and place stated in the advertisement; and
- c) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Corporation, price and other factors considered; provided, that all bids may be rejected when it is in the public interest to do so.
- 5.2.3 The Disposal of Corporation Real Property by Negotiation or Public Auction
 - a) The Disposal of Corporation Real Property may be negotiated or made by public auction without regard to Section 5.2.2 but subject to obtaining such competition as is feasible under the circumstances, if:
 - the Fair Market Value of the Real Property does not exceed fifteen thousand dollars (\$15,000.00); or
 - 2. bid prices after advertising therefore are not reasonable, either as to all or some part of the Real Property, or have not been independently arrived at in open competition: or
 - 3. the Disposal will be to the state or any political subdivision, and the estimated Fair Market Value of the Real Property and other satisfactory terms of Disposal are obtained by negotiation; or
 - 4. under those circumstances permitted by Section 5.2.4; or
 - 5. such action is otherwise authorized by law.
 - b) The Disposal of Corporation Real Property may also be made by negotiated sale without regard to Section 5.2.2 but subject to obtaining such competition as is feasible under the circumstances, if ALL of the following conditions have been satisfied:
 - 1. the Corporation has determined that: such real property is no longer necessary or useful to the purposes of the Corporation; disposal of such real property complies with all applicable provisions of the canal law; and disposal of such real property is in the best interest of the Corporation; and
 - 2. an appraisal of the fair market value of such property has been made by an independent appraiser and included in the record of the transaction; and
 - 3. the fair market value of such real property is greater than fifteen thousand dollars (\$15,000.00) but not greater than seventy-five thousand dollars (\$75,000.00); and

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- 4. such real property was improved prior to April 1, 1992 under a municipal permit or a permit issued pursuant to Section 100 of the Canal Law, thereby creating an encroachment on Corporation Real Property; and
- 5. the purchaser of such Real Property is, or will be, the owner of the improvement that either fully or partially encroaches on Corporation real property; and
- 6. the consideration paid for such real property will not be less than the fair market value of the real property exclusive of the value, fair market or otherwise, of the encroaching improvements.

5.2.4 Below Fair Market Value

- a) No Real Property owned, leased or otherwise in the control of the Corporation may be sold, leased, or otherwise alienated for less than its Fair Market Value except if:
 - 1. the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Real Property will remain with the government or any other public entity; or
 - 2. the purpose of the transfer is within the purpose, mission or governing statute of the Corporation; or
 - 3. in the event the Corporation seeks to transfer Real Property for less than its Fair Market Value to other than a governmental entity, which Disposal would not be consistent with the Corporation's mission, purpose or governing statutes, the Corporation shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate, or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate, and Assembly, the Corporation may effectuate such transfer.
- b) In the event a below Fair Market Value Real Property transfer is proposed, the following information must be provided to the Corporation's Board of Trustees and the public:
 - 1. a full description of the Real Property; and
 - an appraisal of the Fair Market Value of the Real Property and any other information establishing the Fair Market Value sought by the Corporation's Board of Trustees; and





- 3. a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the Real Property is situated as are required by the transfer; and
- 4. a statement of the value to be received compared to the Fair Market Value; and
- 5. the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (iv) of this paragraph, a statement of the value to the private party; and
- 6. the names of other private parties who have made an offer for such Real Property, the value offered, and the purpose for which the Real Property was sought to be used.
- d) Before approving the Disposal of any Real Property for less than Fair Market Value, the Corporation's Board of Trustees shall consider the information described in Paragraph 5.2.4.b and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.
- 5.2.5 An explanatory statement detailing the Disposal by negotiation of Corporation Real Property subject to the PAL as set forth in Section 5.2.3.a shall be made for any Disposal of:
 - a) Real Property with a Fair Market Value in excess of one hundred thousand dollars (\$100,000.00) except that Real Property Disposed of by lease or exchange shall only be subject to Paragraph 5.2.5.b of this Section 5.2.5; or
 - b) Real Property Disposed of by lease if the fair annual rent over the term of the lease is in excess of fifteen thousand dollars (\$15,000.00); or
 - Any Real Property or real and related personal property Disposed of by exchange, regardless of value, or any property any part of the consideration is for Real Property.
- 5.2.6 Each explanatory statement prepared in accordance with Section 5.2.5 above shall be transmitted to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the State Authorities Budget Office not less than 90 days in advance of such Disposal, and a copy shall be kept by the Corporation.

Document Number:
Real Pro Dis 1 - 2017
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Document Title:

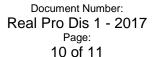


Guidelines for the Disposal of Canal Corporation Real Property

- 5.2.7 In the Corporation's discretion, when it shall be deemed advantageous to the Corporation and the State, the Corporation may enter into an agreement with the Office of the Commissioner of the Office of General Services ("OGS") under which OGS may Dispose of the Corporation's Real Property under terms and conditions agreed to by the Corporation and the OGS. In Disposing of any such Real Property of the Corporation, the OGS shall be bound by the relevant provisions of the PAL.
- 5.2.8 No Corporation employee who is involved in the award of Corporation grants or contracts, may ask any purchaser(s), grantor(s), lessor(s) or officer(s), director(s) or employee(s) of such current or prospective purchaser(s), contractor(s) or grantee(s) to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- 5.2.9 No Corporation employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section 5.2.8 above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- 5.2.10 No Corporation employee may take part in any contracting decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If such situation arises, the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

5.2.11 Public Authority Contracts

- a) Public Authorities Law Section 2879-a establishes a framework for the Office of the State Comptroller ("OSC") to review and approve certain Public Authority contracts.
- b) Any contract in excess of \$1,000,000 that is to be awarded by a state authority 1) to a "single source" or "sole source", or pursuant to any other means of procurement that is not competitive, or 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such contractual expenditure ("eligible contract"), must be reported in advance of execution to the OSC. Upon execution, all such eligible contracts must be filed with the OSC within 60 days.
- c) If the OSC has previously identified a contract or category of contract as "reviewable" ("reviewable contract)", such contract must include language stating that it is subject to OSC approval and the executed contract submitted to the OSC for review. If the OSC does not act to disapprove the contract within 90 days, the contract is valid.

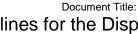




5.3 CORPORATION REAL PROPERTY REPORTS

- 5.3.1 The Corporation shall publish the following reports in accordance with these Guidelines:
 - a) Pursuant to Section 2800 of the Public Authorities Law, the Corporation shall furnish a report for incorporation in the Corporation's annual report which is distributed to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the State Authorities Budget Office. This report shall include (a) a listing of all Real Property having an estimated Fair Market Value greater than fifteen thousand dollars (\$15,000.00) that the Corporation Disposed of during such reporting period and the name of the purchaser of the Real Property and the price paid by the purchaser for the Real Property, and (b) a description of the total amounts of Real Property sold without competitive bidding, including (i) the nature of the Real Property, (ii) the names of the counterparties, and (iii) where the price for the Real Property sold is less than Fair Market Value, a detailed explanation of the justification for making the sale without competitive bidding, and a certification by the Power Authority's Chief Executive Officer and Chief Financial Officer that they have reviewed the terms of such sale and determined that it complies with applicable law.
 - b) Pursuant to Public Authorities Law § 2896(3), the Corporation shall prepare for distribution to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the State Authorities Budget Office, an annual report listing all real property of the Corporation, which report shall include a list and description of all Real Property Disposed of during the fiscal reporting period. Regarding Disposals, this annual report shall include the price received by the Corporation and the name of the purchaser of the Real Property.
- 5.3.2 The Corporation may be called upon periodically to submit information regarding the Disposal of Real Property to organizations implementing the PAL or other statutes regulating the Disposal of Real Property.
- 5.3.3 The Canal Corporation's Governance Committee meets at least three times per year and Corporation staff may be required to prepare and present ongoing reports regarding the Disposal of Real Property.

5.4 APPROVAL OF GUIDELINES BY THE AUTHORITY'S BOARD





The Guidelines shall be annually reviewed and approved by the Corporation's Board of Trustees. On or before the thirty-first day of March in each year, the Corporation shall file with the State Comptroller a copy of the most recently reviewed and approved Guidelines, including the name of the Corporation's designated Contracting Officer. At the time of filing such Guidelines with the State Comptroller, the Corporation shall also post such Guidelines on its internet website.

VIOLATIONS

Violations of these Guidelines and related policies and procedures by employees may result in disciplinary action up to and including termination. In addition, where the conduct engaged in is illegal, violators may be subject to prosecution under applicable federal, state or local laws.

REFERENCES

Canal Law **Public Authorities Law**

PROCEDURE REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision cycle: Every Year

ATTACHMENTS

N/A





Guidelines for the Acquisition of Real Property by the Canal Corporation

Guidelines for the Acquisition of Real Property by the Canal Corporation

Note: Revision # should be listed in descending order starting with most recent version at the top

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
6/6/2017	1	Conversion to new Canal document template	All	Allison Renstrom Shea Special Counsel

Document Title:



Guidelines for the Acquisition of Real Property by the Canal Corporation

Contents

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Guidelines for the Acquisition of Real Property by the Canal Corporation

1 PURPOSE AND SCOPE

These Guidelines for the Acquisition of Real Property ("Guidelines"), which comply with Title 2, Article 9 of the Public Authorities Law, establish the procedures that detail the Canal Corporation's ("Corporation") policy and instructions regarding the acquisition of real property. In addition, the Guidelines designate a contracting officer who is responsible for the Corporation's compliance with, and enforcement of, the Guidelines.

The powers and duties relating to the New York State canal system, which were transferred to and merged with the Power Authority of the State of New York ("Power Authority") pursuant to Section 5 of the Canal Law, may be exercised by the Power Authority directly or through the Corporation on behalf of the people of the State of New York.

2 APPLICABILITY

These Guidelines apply to all New York State Canal Corporation employees who intend to Acquire Real Property for the New York State Canal Corporation.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Contracting Officer - shall mean the officer or employee appointed by resolution of the Corporation's Trustees to be responsible for compliance with, and enforcement of, the Guidelines for the acquisition of real property. The "Contracting Officer" is hereby designated to be the Power Authority Vice President - Enterprise Shared Services, or the equivalent(s), or designee.

Corporation – Canal Corporation

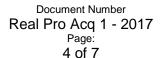
Acquisition or Acquire – shall mean to obtain title to or any other beneficial interest in real property in accordance with applicable statutes and these Guidelines.

Fair Market Value – shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in the appropriate marketplace and under similar circumstances.

OSC – Office of the State Comptroller

PAL – Public Authorities Law

PARIS – Public Authorities Reporting System







Guidelines for the Acquisition of Real Property by the Canal Corporation

Real Property – shall mean real property, including land, tenements and hereditaments owned by the Corporation, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any purpose, excluding an interest securing a loan or other financial obligation of another party.

Relative – is any person living in the same household as the Corporation employee or any person who is a direct descendant of the Corporation employee's grandparents or the spouse of such descendant, as referred to in Article 5 of these Guidelines.

4 RESPONSIBILITY

The Board shall adopt by resolution Guidelines for the Acquisition of Canal Corporation Real Property and which designate a Contracting Officer who is responsible for compliance with and enforcement of, these Guidelines.

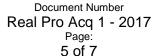
5 PROCEDURE IMPLEMENTATION

5.1 COMPLIANCE OVERVIEW

- 5.1.1 These Guidelines are being adopted consistent with the Public Authorities Law ("PAL").
- 5.1.2 The Corporation may Acquire Real Property through purchase, eminent domain, state transfers of jurisdiction, lease and by other legal means.
- 5.1.3 The Corporation's New York statutory authority for land acquisition includes, without limitation, the Canal Law, the Public Authorities Law, the Real Property Law, the Public Lands Law, the Eminent Domain Procedure Law and the Highway Law, as amended.

5.2 DUTIES OF THE CORPORATION

- 5.2.1 The Corporation will maintain adequate inventory controls and accountability systems for all Real Property under the Corporation's control.
- 5.2.2 Real Property to be Acquired by the Corporation will be in support of existing facilities, operations or in support of new initiatives being pursued by the Corporation.







Guidelines for the Acquisition of Real Property by the Canal Corporation

- 5.2.3 The compensation for and the procedure for such Acquisition must be consistent with these Guidelines and the Corporation's Real Estate Expenditure Authorization Procedures as amended.
- 5.2.4 The Corporation will arrange for the transfer or Acquisition of any Real Property identified for Acquisition in accordance with these Guidelines and the Corporation's Real Estate Expenditure Authorization Procedures and as soon as reasonably practical under the circumstances.
- 5.2.5 Public Authorities Law Section 2879-a establishes a framework for the Office of the State Comptroller ("OSC") to review and approve certain contracts.
 - a) Any contract in excess of \$1,000,000 that is to be awarded by a state authority 1) to a "single source" or "sole source", or pursuant to any other means of procurement that is not competitive, or 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such contractual expenditure ("eligible contract"), must be reported in advance of execution to the OSC. Upon execution, all such eligible contracts must be filed with the OSC within 60 days.
 - b) If the OSC has previously identified a contract or category of contract as "reviewable" ("reviewable contract)", such contract must include language stating that it is subject to OSC approval and the executed contract submitted to the OSC for review. If the OSC does not act to disapprove the contract within 90 days, the contract is valid.

5.3 ETHICAL CONSIDERATIONS

- 5.3.1 No Corporation employee who is involved in the Acquisition of Real Property, may ask any purchaser, grantor, lessor or officers, directors or employees of such current or prospective purchaser, grantor or lessor to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- 5.3.2 No Corporation employee may take part in any Acquisition decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If such situation arises, the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.





Guidelines for the Acquisition of Real Property by the Canal Corporation

5.4 ACQUISITION REPORTS BY THE CORPORATION

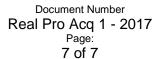
- 5.4.1 The Corporation shall publish the following reports in accordance with these Guidelines:
 - a) Pursuant to Section 2800 of the Public Authorities Law, the Corporation shall furnish a report for incorporation in the Corporation's annual report which is distributed to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the State Authorities Budget Office. This report shall include (a) a listing of all Real Property having an estimated Fair Market Value greater than fifteen thousand dollars (\$15,000.00) that the Corporation Acquired during such reporting period and the name of the seller of the Real Property and the price paid by the Corporation for the Real Property, and (b) a description of the total amounts of Real Property purchased without competitive bidding, including (i) the nature of the Real Property, (ii) the names of the counterparties, and (iii) where the price for the Real Property purchased exceeds Fair Market Value, a detailed explanation of the justification for making the purchase without competitive bidding, and a certification by the Power Authority's Chief Executive Officer and Chief Financial Officer that they have reviewed the terms of such purchase and determined that it complies with applicable law.
 - b) The Corporation may be called upon periodically to submit information regarding the Acquisition of Real Property to organizations implementing the PAL or other statutes regulating the Acquisition of Real Property, such as the Authority Budget Office through the Public Authorities Reporting System ("PARIS").
 - c) The Corporation's Governance Committee meets at least three times per year and Corporation staff may be required to prepare and present ongoing reports regarding the Acquisition of Real Property.

6 VIOLATIONS

Violations of these Guidelines and related policies and procedures by employees may result in disciplinary action up to and including termination. In addition, where the conduct engaged in is illegal, violators may be subject to prosecution under applicable federal, state or local laws.

7 REFERENCES

Public Authorities Law







Guidelines for the Acquisition of Real Property by the Canal Corporation

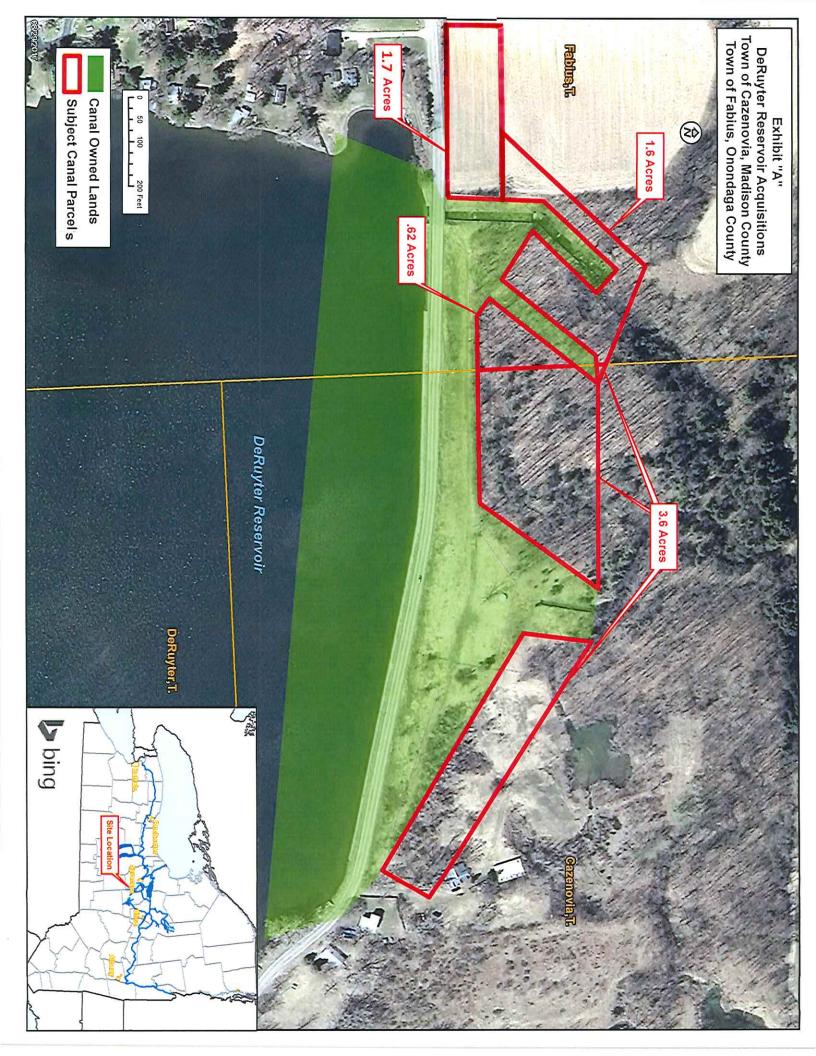
8 PROCEDURE REVIEW AND EXPIRATION

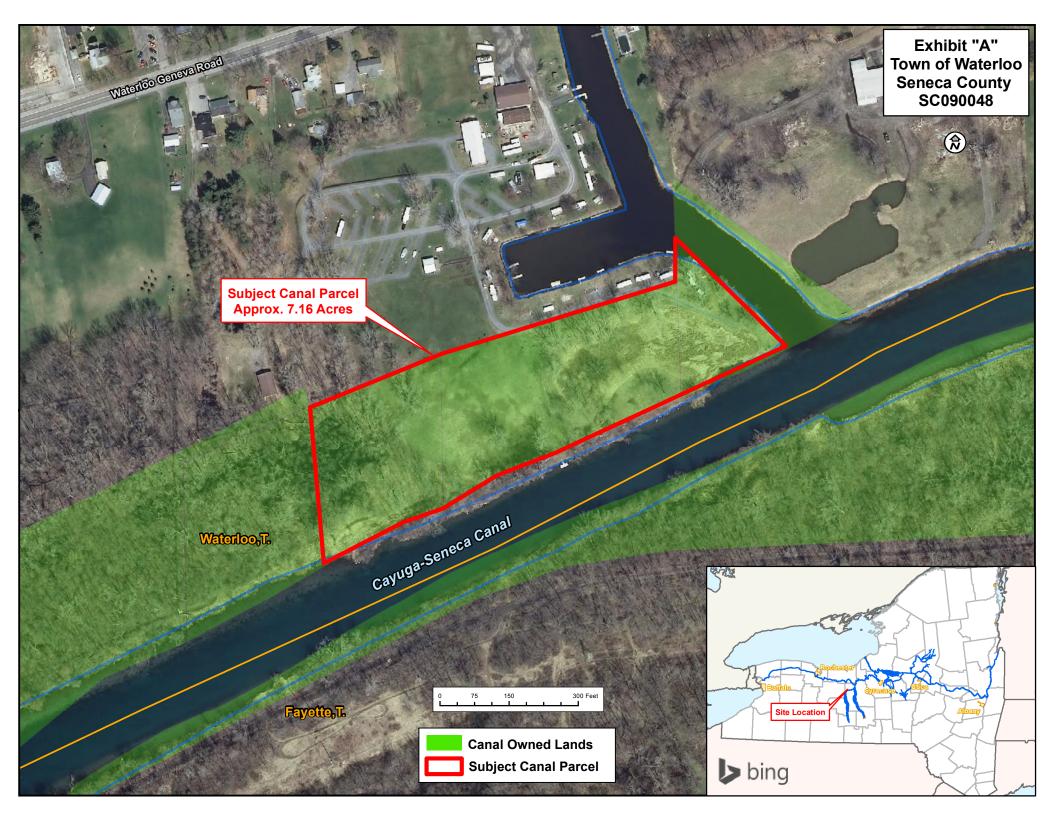
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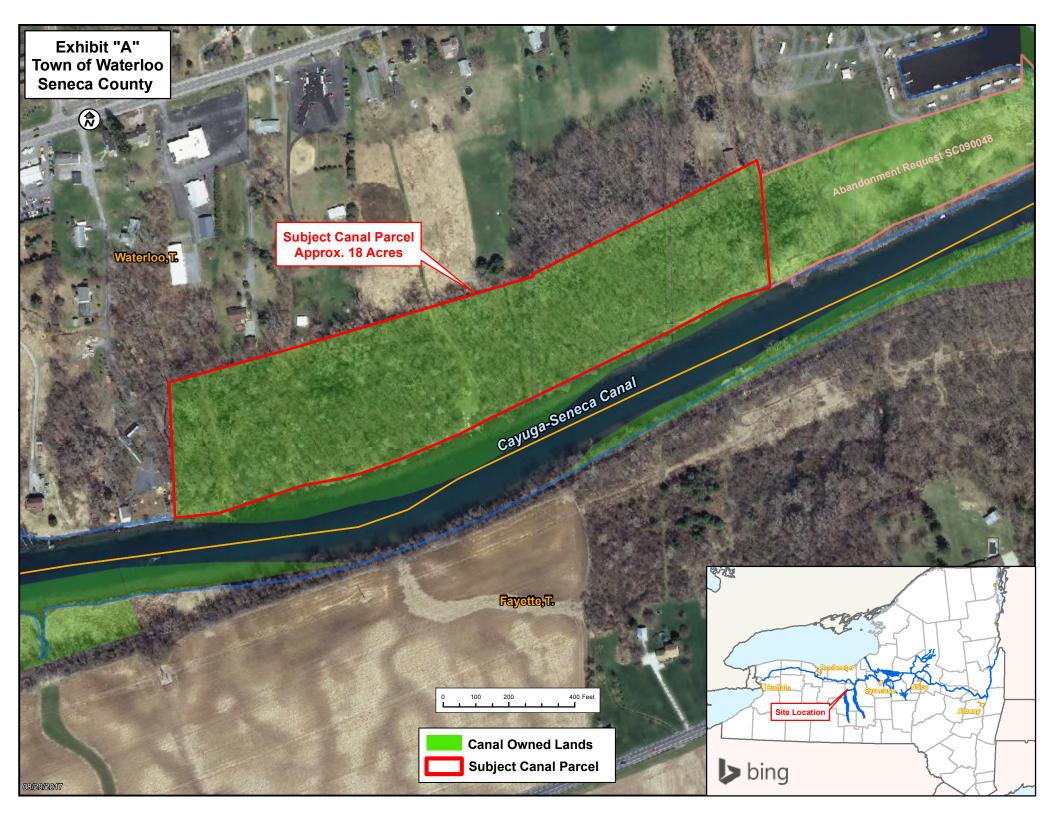
Revision cycle: Every Year

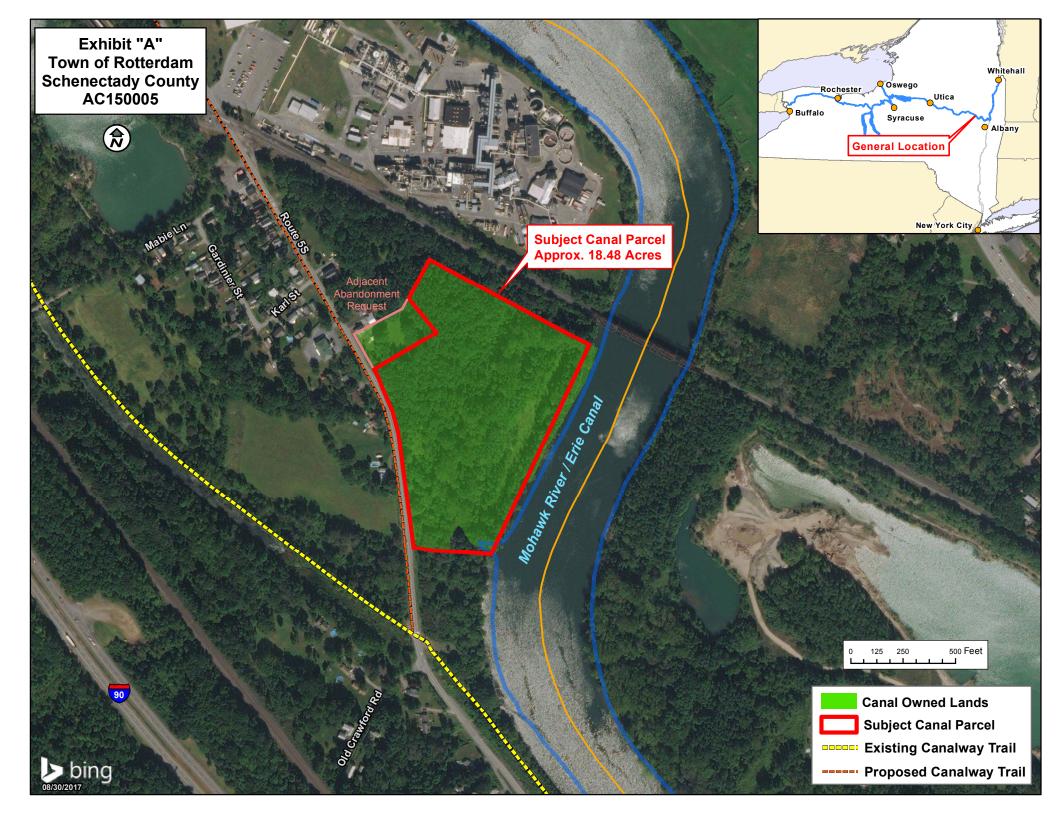
9 ATTACHMENTS

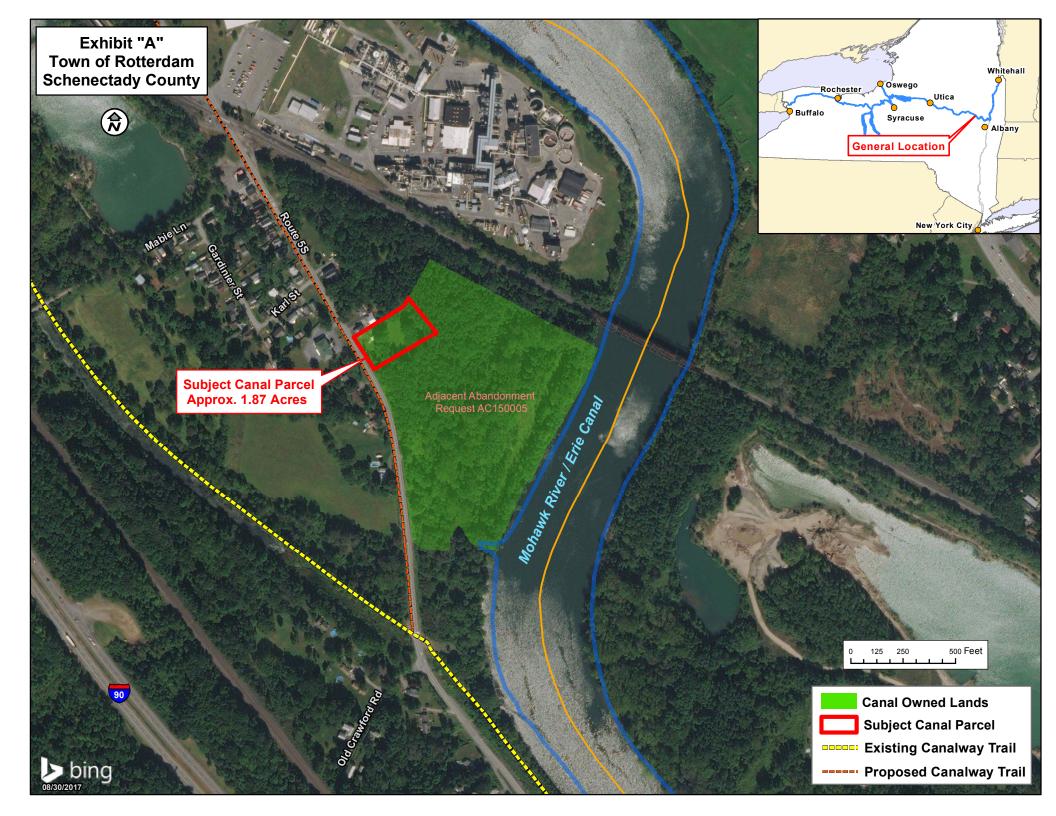
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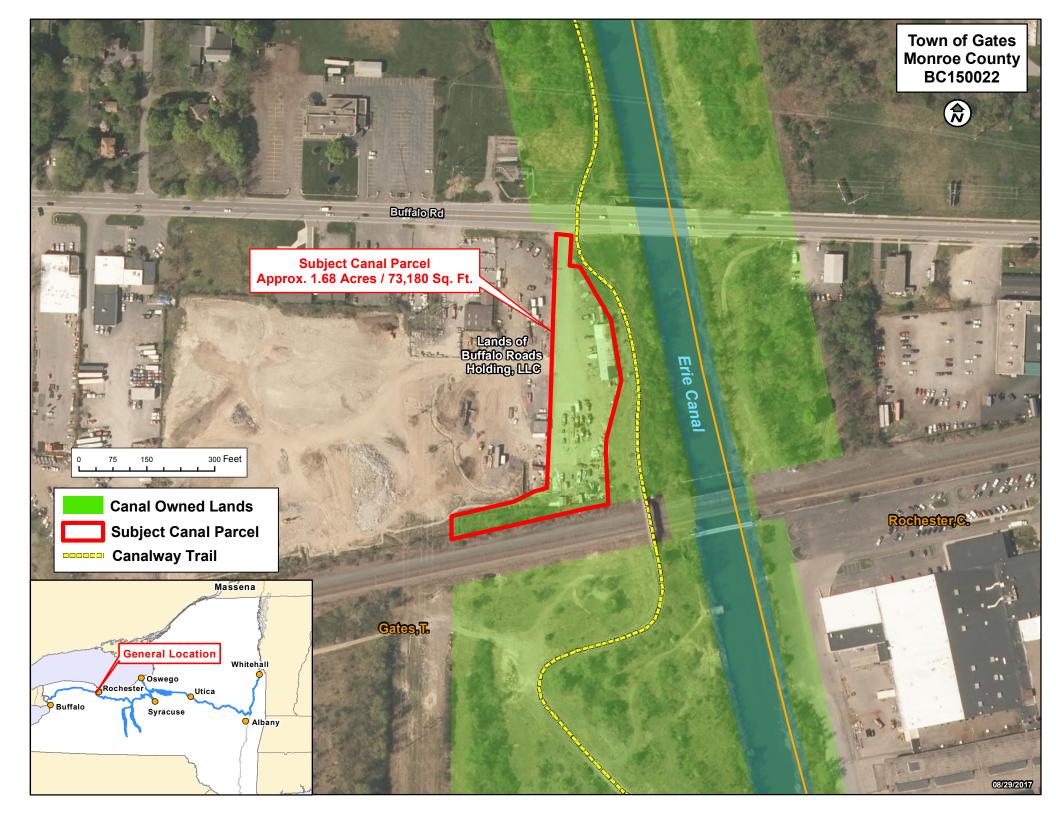














MINUTES OF THE REGULAR MEETING OF THE NEW YORK STATE CANAL CORPORATION

July 25, 2017

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Minutes of the Regular Meeting of the New York State Canal Corporation held via video conference at the New York Energy Manager, Albany, New York, at approximately 9:00 a.m.

Members of the Boards present were:

John R. Koelmel, Chairman Eugene L. Nicandri, Vice Chairman Dr. Anne M. Kress, Trustee Anthony J. Picente, Jr., Trustee Tracy McKibben, Trustee Michael A.L. Balboni, Trustee Dennis G. Trainor, Trustee

Gil Quiniones President and Chief Executive Officer

Justin Driscoll Executive Vice President and General Counsel

Jill Anderson Executive Vice President and Chief Commercial Officer
Joseph Kessler Executive Vice President and Chief Operating Officer
Robert Lurie Executive Vice President and Chief Financial Officer

Parija Soubhagya Senior Vice President and Chief Risk Officer

Ken Lee Senior Vice President and Chief Information Officer Kimberly Harriman Senior Vice President – Public & Regulatory Affairs

Kristine Pizzo Senior Vice President – Human Resources Jennifer Sutton Senior Vice President – Internal Audit

Paul Tartaglia Senior Vice President – Technology and Innovation

Harry Francois
Regional Manager – Western New York
Vice President and Corporate Secretary
Emilie Bolduc
John Canale
Vice President – New York Energy Manager
Vice President – Strategic Supply Management
Vice President – Enterprise Shared Services

Ricardo DaSilva Vice President – Strategic Operations
Keith Hayes Vice President – Economic Development

Joseph Leary Vice President – Community & Government Relations

Patricia Lombardi Vice President – Project Management
Ethan Riegelhaupt Vice President – Corporate Communications
Kenneth Carnes Chief Information Security Officer – Cyber Security
James Levine Assistant General Counsel – Finance and Bonds

Susan Craig Director – Media Relations

Brian McElroy Treasurer

Lou Paonessa Senior Director – Community Affairs

Stephen Ramsey Manager – Legislative Affairs Mary Cahill Manager – Executive Office

Evan Kolkos Manager – Customer Business Development Jillian Nelson Chief of Staff – Public and Regulatory Affairs

Lorna Johnson Senior Associate Corporate Secretary
Sheila Baughman Senior Assistant Corporate Secretary
Brian U. Stratton Director – NYS Canal Corporation

Howard M. Goebel Deputy Director – Engineering, Construction and Maintenance –

NYS Canal Corporation

Peter Prunty Senior Director – Infrastructure

Jaiah Gottor Manager – Network Services – Infrastructure

Joseph Rivera Network Architect – Infrastructure
Glenn Martinez Senior Network Analyst – Infrastructure

Marie French Politico

Chairman Koelmel presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chairman Koelmel welcomed the Trustees and NYPA and Canal staff members who were present at the meeting and said that the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to the Authority's Bylaws, Article III, Section 3.

1. Adoption of the July 25, 2017 Proposed Meeting Agenda

Upon motion made by Vice Chairman Nicandri and seconded by Trustee McKibben, the meeting Agenda was adopted.

2. <u>Motion to Conduct an Executive Session</u>

Mr. Chairman, I move that the Authority and Canal Boards conduct an executive session pursuant to the Public Officers Law of the State of New York sections §105 and 108 to consult with counsel and discuss the financial and credit history of a particular corporation, and matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person. Upon motion made by Vice Chairman Nicandri and seconded by Trustee McKibben, the members held an Executive Session.

3. <u>Motion to Resume Meeting in Open Session</u>

Mr. Chairman, I move to resume the meeting in Open Session. Upon motion made by Trustee McKibben and seconded by Trustee Picente, the meeting resumed in Open Session.

No votes were taken during the Executive Session.

4. CONSENT AGENDA:

Upon motion made by Vice Chairman Nicandri and seconded by Trustee Picente, the Consent Agenda was approved.

a. Governance Matters

i. Minutes of the Regular New York State Canal Corporation Board of Directors' Meeting held on May 2, 2017_____

The Minutes of the Regular Meeting held on May 2, 2017 were unanimously adopted.

b. Real Estate

 Rehabilitation of Lock O-7 on the Oswego Canal – Capital Expenditure Authorization Request and Contract Awards

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Canal Corporation Board of Directors ('Board') is requested to authorize capital expenditures for the Rehabilitation of Lock O-7 on the Oswego Canal ('Project') in the amount of \$28,010,503.10. The Board is also requested to approve the award of a three-year contract in the amount of \$24,888,446.10 to Crane-Hogan Structural Systems, Inc. for the Construction Scope of the Project. In addition, the Board is requested to approve a Purchase Order Release against previously Trustee approved value contract 4600003245 (now 4700000004) in the amount of \$3,122,057.00 to Ravi Engineering and Land Surveying PC for Construction Management and Inspection Services related to the Project.

In accordance with the Canal Corporation's Expenditure Authorization Procedure, the award of Contracts and/or Purchase Order Releases exceeding one year in term or in excess of \$500,000.00 in value require the approval of the Board.

BACKGROUND

Lock O-7, located in the City of Oswego in Oswego County NY, was constructed circa 1914. The last major rehabilitation of Lock O-7 was performed in 1970. Since that time, there has been longitudinal concrete cracking noted at the top surface of the lock walls and significant cracking at the valve and gate monoliths. There was emergency work performed in 2011 to address concrete movement at a gate anchorage. In addition, leakage through the East wall of the lock and into the valve wells has been a persistent problem, particularly during winter pump-outs.

The Project will address the repair needs at the site including installing cofferdam systems, reconstructing the valve and miter gate monoliths, re-facing the lock chamber walls and approach walls, installing rock anchors, replacing the miter gates, refurbishing the operating equipment, replacing the electrical systems, repairing and sealing the culverts, replacing the lockhouse and lock operator shelters, demolishing an existing vehicular bridge, constructing a new utility bridge, fabricating and installing new railing systems and installing new pavement.

DISCUSSION

Construction Scope of Project:

In response to the NYS Canal Corporation's advertisement in the New York State *Contract Reporter*, dated April 25, 2017, for the Lock O-7 Rehabilitation Project, six bids were received on June 13, 2017. The Bidders and summation of the unit pricing are set forth below:

Ranking	<u>Bidder</u>	Base Bid Price
1	Crane-Hogan Structural Systems, Inc., Spencerport, NY	\$24,888,446.10
2	Tioga Construction, Inc. Herkimer, NY	\$27,258,114.47
3	Harrison and Burrowes Bridge Constructors, Inc. & The Wesson Group, A Joint Venture Johnstown, NY	\$27,592,275.92

Ranking	<u>Bidder</u>	Base Bid Price
4	D. A. Collins Construction Co., Inc. Wilton, NY	\$29,960,083.69
5	Economy Paving Co., Inc. Cortland, NY	\$31,833,838.11
6	Cold Spring Construction Akron, NY	\$33,822,794.27

The proposals were reviewed by an Evaluation Committee consisting of Canal Corporation staff from the Engineering and Procurement Departments. Overall cost was assessed and a Vendor Responsibility review was performed. Crane-Hogan Structural Systems, Inc.'s ('Crane-Hogan') bid was identified as lowest-cost and Vendor was found to be responsive and responsible. The Corporation has knowledge of Crane-Hogan's experience as the company has successfully completed work for the Corporation in the past.

Construction completion is scheduled by June 26, 2020.

The capital expenditure authorization request is comprised of the following:

Construction		\$	24,888,446.10
Construction Management/Inspection		<u>\$</u>	3,122,057.00
	TOTAL	\$	28 010 503 10

Construction Management and Inspection Services Scope of Project:

In response to the Corporation's request of April 21, 2017 for Lock O-7 Rehabilitation Project Construction Management and Inspection Services proposals, four of the five Board- approved On-Call Engineering consultants provided proposals. Proposals were received from the following (AECOM declined to submit):

- Ravi Engineering & Land Surveying, P.C
- Greenman-Pedersen, Inc.
- Arcadis of New York, Inc.
- Mott MacDonald NY, Inc.

Proposals were reviewed by an Evaluation Committee, consisting of Canal Corporation's staff from the Engineering and Procurement Departments and ranked based on the requirements outlined in the request. Each Consultant submitted a staffing summary, including titles and rates as well as a comprehensive list of all estimated direct non-salary costs ('DNSC') such as material testing, shop and plant inspections, travel and lodging, and expendable equipment and supplies.

It has been determined that Ravi Engineering & Land Surveying, P.C. ('Ravi') proposed the most qualified team at a price comparable to the other Consultants. A summary of the areas that set Ravi apart include (1) detailed understanding of the complexity of this type of project, (2) a comprehensive outline of the company's proposed means and methods to complete the assignment and (3) the notable and relevant experience of key staff, specifically the Project Engineer and Office Engineer.

Although Mott MacDonald NY, Inc. submitted the lowest-cost proposal for this Scope, the company was not selected for the following reasons: (i) its proposed Project Engineer had a lack of experience managing large and complex projects, an essential requirement for this assignment; (ii) its

Project Engineer is also currently assigned to a project, through October, and would not be available at the start of this project, per his current employer; and (iii) its proposed Office Engineer does not have the necessary experience with the NYSDOT Contract Administration Manual ('CAM') and Manual of Uniform Record Keeping ('MURK').

The qualifications and experience of the Arcadis team were primarily based in the design and construction of wastewater treatment facilities with the construction administration following the procedures used in MasterFormat®, including the general terms and conditions, and associated material specifications. The significant and subtle differences between the NYSDOT Standard Specifications, CAM and MURK and MasterFormat®, and the lack of experience completing projects under this system was a factor in the company ranking below RE&LS for this assignment.

Additionally, Greenman-Pedersen, Inc. was not selected as the qualifications of its proposed staff were weaker than the staff proposed by Ravi and its costs were the highest submitted. The company's proposal was deemed not cost-effective.

FISCAL INFORMATION

Payments associated with this assignment will be made from the Canal Corporation's Capital Fund.

RECOMMENDATION

The Deputy Director of Engineering and Maintenance, the Manager of Engineering and Maintenance, the Director of Construction Management, the Director of Design, and the Western Division Construction Manager recommend that the Board authorize capital expenditures in the amount of \$28,010,503.10, approve the award of a three-year Contract for the Rehabilitation of Lock O-7 on the Oswego Canal to Crane-Hogan Structural Systems in the amount of \$24,888,446.10 and approve the award of a Purchase Order Release against Value Contract 4700000004 for Ravi Engineering and Land Surveying, P.C. to perform Construction Management and Inspection Services for the Lock O-7 project in the amount of \$3,122,057.00.

For the reasons stated above, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That pursuant to the Corporation's Expenditure Authorization Procedures, capital expenditures in the amount of \$ 28,010,503.10 for the Rehabilitation of Lock O-7 on the Oswego Canal are hereby authorized in accordance with, and as recommended in, the foregoing report of the President and Chief Executive Officer;

Expenditure

<u>Capital</u>

<u>Authorization</u>

Lock O-7 Rehabilitation Oswego Canal \$28.010.503.10

AND BE IT FURTHER RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Corporation and the Corporation's Authorization Expenditure Procedures, approval is hereby granted to award a contract to Crane-Hogan Structural Systems, Inc. in

the amount of \$24,888,446.10 for the Rehabilitation of Lock No. O-7 on the Oswego Canal as recommended in the foregoing report of the President and Chief Executive Officer:

Contract

Contractor

Award

Crane-Hogan Structural Systems, Inc.

\$24,888,446.10

Spencerport, NY

AND BE IT FURTHER RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Corporation and the Corporation's Authorization Expenditure Procedures, approval is hereby granted to issue a Purchase Order Release to Ravi Engineering and Land Surveying, P.C. under Value Contract 4700000004, dated January 1, 2017, in the amount of \$3,122,057.00 for Construction Management and Inspection Services for K17-10252318WC - Rehabilitation of Lock No. O-7 on the Oswego Canal as recommended in the foregoing report of the President and Chief Executive Officer;

> Contract Award

Contractor

Ravi Engineering & Land Surveying, P.C. **\$3,122,057.00**

Value Contract 4700000004

AND BE IT FURTHER RESOLVED, That the Board of Directors and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the **Deputy Director of Engineering and Maintenance and Executive Vice President and General Counsel.**

ii. Transfer of Jurisdiction
Sand Lake Canal Reservoir, Town of Webb,
County of Herkimer; Canachagala Lake Canal
Reservoir, Towns of Webb and Ohio,
County of Herkimer

The President and Chief Executive Officer submitted the following report:

SUMMARY

The Directors are requested to authorize the Transfer of Jurisdiction of approximately 370± acres of Canal Land containing the Sand Lake Canal Reservoir and approximately 350± acres of land containing the Canachagala Canal Reservoir to the New York State Department of Environmental Conservation ('DEC'). The Reservoirs (collectively, the 'Property') are shown on the maps attached hereto as Exhibit '4b ii-A' and Exhibit '4b ii-B', respectively.

BACKGROUND

The Sand Lake and Canachagala Lake reservoirs are located wholly within the Adirondack Park ('Park'). These reservoirs were created in the 19th century to augment the supply water to the old canal system (pre-Barge Canal Improvement). Both are located in an extremely remote area in the southwest corner of the Park and lack vehicular access and utility services.

Staff has determined that the Property, including above-and-below water lands, impounding structures, and water resources flowing over the land, are no longer necessary or useful for providing water to the present day canal system and may be abandoned.

DISCUSSION

Under Canal Law Section 10, when the Corporation determines that lands within the Park are no longer useful or necessary for canal purposes and may be abandoned, the DEC has the first right to acquire jurisdiction over those lands. The DEC has 60 days after notice of this determination to request transfer of those lands. As required, the Corporation has notified DEC of its determination regarding the Property, and DEC has expressed interest in acquiring the Property.

At its Meeting No. 101 held on July 6, 2017, the Canal Recreationway Commission reviewed the proposed transfer and found that abandonment of the Property was consistent with the Canal Recreationway Plan.

Pursuant to Section 51 of the Canal Law, a Notice of Proposed Abandonment shall be published for three consecutive weeks in a newspaper published in Herkimer County inviting interested parties to file written statements either supporting or opposing the proposed transfer of the reservoirs. As further required by Section 51, the Canal Corporation will hold a hearing on this matter where the public shall be provided an additional opportunity to comment on the proposed transfer.

If the Property is transferred to DEC, title will still reside with the People, with jurisdiction transferred to DEC.

It is anticipated that DEC will accept the Transfer of Jurisdiction. However, in the event that the DEC ultimately declines jurisdiction, the Property will be abandoned and disposed of pursuant to the Title 5-A of Article 9 of the Public Authorities Law, the Canal Law and the Canal Corporation's Real Property Management Policy (the 'Policy').

FISCAL INFORMATION

No revenue is anticipated by the proposed Transfer of Jurisdiction.

RECOMMENDATION

The Director of Canals and the Vice President - Enterprise Shared Services recommend that the Board of Directors approve the Transfer of Jurisdiction and land containing the Sand Lake Canal and the Canachagala Canal reservoirs to the New York State Department of Environmental Conservation ('DEC').

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That approximately 370± acres of land located in the Town of Webb, County of Herkimer containing the Sand Lake Canal Reservoir and approximately 350± acres of land located in the Towns of Webb and Ohio containing the Canachagala Lake Canal Reservoir are no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes; and be it further

RESOLVED, That pursuant to the provisions of the Canal Law and the Canal Real Property Management Policy, the Directors hereby authorize the Transfer of Jurisdiction over certain lands totaling approximately 720± acres in the Towns of Webb and Ohio, Herkimer County, to the New York State Department of Environmental Conservation; and be it further

RESOLVED, that should the New York State
Department of Environmental Conservation decline to
accept jurisdiction over the said lands, such lands may be
abandoned and disposed of pursuant to Title 5-A of Article 9
of the Public Authorities Law, the Canal Law and the Canal
Corporation's Real Property Management Policy; and be it
further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Director of Canals, the Vice President - Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel, and be it further

RESOLVED, That this resolution be incorporated in the minutes of this meeting.

iii. Transfer of Jurisdiction Over Canal Land -City of Cohoes, County of Albany; Town of Waterford, County of Saratoga

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to authorize the Transfer of Jurisdiction over approximately $0.69\pm$ acres of Canal Land located in the City of Cohoes, Albany County, and approximately $0.07\pm$ acres of Canal Land located in the Town of Waterford, Saratoga County (the 'Properties'), to the New York State Department of Transportation ('DOT'). The Properties are shown on the map attached hereto as Exhibit '4b iii-A.'

BACKGROUND

DOT requested transfer of the Properties by letter dated January 21, 2014, in support of its Route 32 bridge realignment project. The Properties are comprised of two non-contiguous remnant portions of Old Champlain Canal Lands which staff has determined are no longer necessary or useful for canal purposes.

DISCUSSION

As shown on Exhibit 4b iii-A, the Properties are located in part on the north and in part on the south side of the Mohawk River and are portions of the Old Champlain Canal no longer in use as a part of the Barge Canal, which is located several miles from the Properties at the confluence with the Mohawk and Hudson Rivers in Waterford.

Transfers of jurisdiction are not considered disposals subject to the Public Authorities Law, since title to the property remains in the name of the People of the State of New York. Section V.B.5. of the Canal Real Property Management Policy states that 'Transfers of Jurisdiction will be progressed on such terms and conditions as may be approved by the Board.' Since title to the Properties will remain in the name of the People of the State of New York and since DOT has requested the transfer of the Properties, it is recommended that no monetary consideration be required for this transfer.

At its Meeting No. 69, held on June 18, 2007, the Canal Recreationway Commission found the proposed abandonment of approximately 1.8 acres of land that includes the aforementioned Properties to be consistent with the Canal Recreationway Plan.

Pursuant to Section 51 of the Canal Law, a Notice of Proposed Abandonment was published for three consecutive weeks inviting interested parties to file written statements regarding the proposed transfer. No comments were received from the public in response to the Notice.

If the Corporation approves the transfer, the lands would first be abandoned in accordance with Sections 50 and 51 of the Canal Law. The Office of General Services would then transfer the Property to DOT pursuant to Section 3(4) of the Public Lands Law.

FISCAL INFORMATION

No revenue is anticipated by the proposed Transfer of Jurisdiction.

RECOMMENDATION

The Director of Canals and the Vice President - Enterprise Shared Services recommend that the Board of Directors approve the Transfer of Jurisdiction over Canal Lands as indicated above to the New York State Department of Transportation.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That approximately 0.76± acres of land located in part in the City of Cohoes, County of Albany and in part in the Town of Waterford, County of Saratoga is no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes and may be abandoned; and be it further

RESOLVED, That the Transfer of Jurisdiction over such lands to the New York State Department of Transportation for no consideration and in accordance with the terms of this memorandum be, and hereby is, authorized; and be it further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Director of Canals, the Vice President- Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel, and be it further

RESOLVED, That this resolution be incorporated in the minutes of this meeting.

iv. Abandonment and Sale of Canal Land – City of Utica, County of Oneida

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to authorize the abandonment and sale of approximately 0.97± acre of Canal Land ('Property'), located in the City of Utica, Oneida County to the City of Utica ('City') for \$50,000. The Property is shown on the map attached hereto as Exhibit '4b iv-A.'

BACKGROUND

The Property is a portion of improved Canal Lands appropriated in the name of the People of the State of New York for Barge Canal Improvement in 1917. The Property is an irregularly configured, approximately 0.97± acre waterfront parcel situated on the north side of the Mohawk River, south of the Erie Canal, east of the Genesee Street Bridge and Harbor Lock Road in the City of Utica.

Since 1998, the City has occupied and improved the Property under the terms of revocable permits issued by the Corporation. The Property is improved by a two-story building, parking lot, promenade, lighting and other improvements, all constructed and owned by the City as part of the Utica Historic Erie Canal Marina Park ('Park'). The City has entered into third-party agreements for use of the Property, among them a restaurant which presently occupies the aforementioned building.

The City now seeks to purchase the Property outright. Staff has determined that the Property is no longer required for Canal operations and may be abandoned.

DISCUSSION

Independent appraisals obtained as required under Public Lands Law Section 10 and Public Authorities Law Section 2897 support a fair market value of \$50,000 exclusive of the value of improvements made on the Property by the City. The City has agreed to pay this sum. The Property will be conveyed 'as-is', and any agreements and deeds executed by and between the parties will include appropriate language to indemnify and hold harmless the Canal Corporation, the Power Authority and the People of the State of New York. The Corporation will retain an easement for a segment of a planned trail connection.

Prior to conveyance, a Notice of Proposed Abandonment will be published for three consecutive weeks in the Utica Observer-Dispatch and a public hearing held as required by Section 51 of the Canal Law.

Title 5-A of Article 9 of the Public Authorities Law (the 'Act') and the Canal Corporation's Real Property Management Policy (the 'Policy') allow the Corporation, with the approval of the Board, to dispose of Corporation property by negotiation to a municipality when the fair market value and other satisfactory terms are obtained by negotiation. The proposed sale of the Property to the City of Utica on the terms recommended in the memorandum complies with all applicable provisions of law, including the Canal Law, Title 5-A of Article 9 of the Public Authorities Law, and with the Policy.

As the subject property is owned by the People of the State of New York, acting by and through the Corporation, the Deed is subject to approval by the NYS Department of Law Real Property Bureau.

FISCAL INFORMATION

Revenues received by the Canal Corporation are required by statute to be deposited in to the Canal Development Fund.

RECOMMENDATION

The Director of Canals and the Vice President - Enterprise Shared Services recommend that the Board of Directors approve the sale of Canal Property to the City of Utica for \$50,000.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That approximately 0.97± acre of land located in the City of Utica, County of Oneida is no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes, excepting and reserving however, a twenty (20) foot-wide easement over the property for a proposed trail segment; and be it further

RESOLVED, That pursuant to the provisions of the Canal Law, Title 5-A of Article 9 of the Public Authorities Law, and Section 4. General Principles (H.) (1.) (a.) of the Canal Real Property Management Policy, the Directors hereby authorize the abandonment and sale of certain lands totaling approximately 0.97+ acre, subject to the aforementioned easement, in the City of Utica, Oneida County, to the City of Utica for \$50,000; and be it further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Director of Canals, the Vice President - Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel, and be it further

RESOLVED, That this resolution be incorporated in the minutes of this meeting.

v. Abandonment and Sale of Canal Land – Village of Watkins Glen, County of Schuyler

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to authorize the abandonment and sale of approximately $8.56\pm$ acres of canal land ('Property') located in Watkins Glen, Schuyler County, to the Village of Watkins Glen ('Village') for its appraised value of \$40,000. The Property is shown on the map attached hereto as Exhibit '4b v-A.'

The Village has requested conveyance of the Property for use as the site of a new regional waste water treatment facility to serve the Villages of Watkins Glen and Montour Falls and the Town of Dix.

BACKGROUND

The Property is a vacant portion of canal land acquired in the name of the People of the State of New York in 1913. It is located south of Seneca Lake on the east side of the Seneca Lake Inlet/Cayuga Seneca Canal and adjoins regulated wetlands under the jurisdiction of the New York State Department of Environmental Conservation ('DEC'). Until 1985 it was used as a Canal Upland Disposal Site ('UDS') for dredged materials from the Seneca Lake Inlet. The site is no longer needed for this purpose and staff has identified it as surplus.

DISCUSSION

As shown on Exhibit '4b v-A,' the Property is located in an area devoid of development due to the adjacent regulated wetlands. While this location makes commercial development generally unfeasible, the Village has identified the Property as a suitable site for a proposed regional wastewater treatment plant to replace its existing, outmoded facility. The Villages of Watkins Glen and Montour Falls have been awarded approximately \$35 million in loans and grants administered by the NYS Environmental Facilities Corporation for construction of the new plant.

An independent appraisal estimated the fair market value of the Property to be \$40,000. Canal land management staff has reviewed the appraisal report and have found it to be reasoned and credible.

Pursuant to Section 51 of the Canal Law, a Notice of Proposed Abandonment shall be published for three consecutive weeks in the Odessa File newspaper inviting interested parties to file written statements either supporting or opposing the proposed abandonment and sale.

Title 5-A of Article 9 of the Public Authorities Law (the 'Act') and the Canal Corporation's Real Property Management Policy (the 'Policy') allow the Corporation, with the approval of the Trustees, to dispose of Corporation real property by negotiation to a municipality when the fair market value and other satisfactory terms are obtained by negotiation. The proposed sale of the Property to the Village of Watkins Glen on the terms recommended in this memorandum complies with all applicable provisions of law, including the Canal Law, Title 5-A of Article 9 of the Public Authorities Law, and with the Policy.

As the subject property is owned by the People of the State of New York, acting by and through the Corporation, the Deed is subject to approval by the NYS Department of Law.

FISCAL INFORMATION

Revenues received by the Canal Corporation are required by statute to be deposited in to the Canal Development Fund.

RECOMMENDATION

The Director of Canals and the Vice President - Enterprise Shared Services recommend that the Board of Directors approve the abandonment and sale of approximately of canal property located in Watkins Glen, Schuyler County, to the Village of Watkins Glen.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That approximately 8.56± acres of land located in the Village of Watkins Glen, County of Schuyler is no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes; and be it further

RESOLVED, That pursuant to the provisions of the Canal Law, Title 5-A of Article 9 of the Public Authorities Law, and Section 4. General Principles (H.) (1.) (a.) of the Canal Real Property Management Policy, the Trustees hereby authorize the abandonment and sale of certain lands totaling approximately 8.56+ acres, in the Village of Watkins Glen, Schuyler County, to the Village of Watkins Glen for \$40,000; and be it further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Director of Canals, the Vice President- Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel, and be it further

RESOLVED, That this resolution be incorporated in the minutes of this meeting.

vi. Abandonment and Sale of Canal Land – City of Rochester, County of Monroe

The President and Chief Executive Officer submitted the following report:

"SUMMARY

The Directors are requested to authorize the abandonment and sale at public auction of approximately 1.46± acres of Canal Land ('Property'), located in the City of Rochester, Monroe County, for not less than the appraised value of \$65,000. The Property is shown on the map attached hereto as Exhibit '4b vi-A.'

BACKGROUND

The Property is a vacant portion of Canal Land acquired in 1905 in support of Barge Canal improvements. It is separated from the Canal by approximately 100 feet of Canal Lands which will be retained. Staff has determined that the Property is no longer necessary or useful for canal operations and may be abandoned.

DISCUSSION

The Property is a rectangular parcel bounded on the north by Buffalo Road, on the south by an active rail line, on the west by additional Canal Land necessary for Canal purposes, and on the east by commercially developed private lands. An independent appraisal estimated the fair market value of the Property to be \$65,000. Canal Land management staff has reviewed the appraisal report and has found the appraiser's conclusion of value to be reasoned and credible.

The Property is traversed by a sub-surface oil pipeline operated pursuant to a series of revocable permits issued by the Corporation commencing in 1971. Any sale will be 'as is,' subject to such rights, if any, that the Permittee may have to the Property. As required by law, staff will disclose the presence of the sub-surface pipeline in the auction materials.

Pursuant to Section 51 of the Canal Law, a Notice of Proposed Abandonment was published for three consecutive weeks in a local newspaper, inviting interested parties to file written statements regarding the proposed abandonment and sale. As further required by Section 51, the Corporation held a hearing on this matter in which the public was provided an additional opportunity to comment on the proposal. No public comments were received regarding the proposed abandonment.

Title 5-A of Article 9 of the Public Authorities Law and the Canal Corporation's Real Property Management Policy (the 'Policy') allow the Canal Corporation, with the approval of the Directors, to dispose of Corporation real property pursuant to Section 2897 of the PAL. The proposed sale of the Property at public auction on the terms recommended herein complies with all applicable provisions of law, including the Canal Law, Title 5-A of Article 9 of the PAL, and with the Policy.

As the subject property is owned by the People of the State of New York, acting by and through the Corporation, the deed is subject to approval by the NYS Department of Law Real Property Bureau.

FISCAL INFORMATION

Revenues received by the Canal Corporation are required by statute to be deposited in to the Canal Development Fund.

RECOMMENDATION

The Director of Canals and the Vice President- Enterprise Shared Services recommend that the Board of Directors approve the abandonment and sale at public auction of approximately of Canal property located in the City of Rochester, Monroe County.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That approximately 1.46± acres of land located in the City of Rochester, County of Monroe is no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes; and be it further

RESOLVED, That pursuant to Title 5-A of Article 9 of the Public Authorities Law, the Canal Law and the Canal Corporation's Real Property Management Policy, the Directors hereby authorize the abandonment and sale of approximately 1.46+ acres of land in the City of Rochester, Monroe County, at public auction for a price not less than \$65,000; and be it further

RESOLVED, That the Vice President - Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers or instruments on behalf of the Corporation that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Director of Canals, the Vice President- Enterprise Shared Services and all other officers of the Corporation are, and each of them hereby is, authorized on behalf of the Corporation to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel, and be it further

RESOLVED, That this resolution be incorporated in the minutes of this meeting.

5. DISCUSSION AGENDA

a. Financial Report - Canal Update

Mr. Robert Lurie provided an update of the financial report to the members. (Exhibit "5c i-A")

b. Utility Operations Report - Canal Update

Mr. Joseph Kessler provided an update of the Canal Corporation report to the members. (Exhibit "5c i-A").

Summer Preparedness

Review and update existing NYPA and NYS Canal Corp. emergency management plans and procedures to ensure a comprehensive emergency preparedness program

Canal Corporation - Update

- YTD O&M spend is on target; the Capital budget spend is underrunning but is expected to be on schedule this Fall
- Initial estimate of 2018 to 2022 capital spending is significant as asset conditions and significant risks are better understood
- Many new Safe and Secure initiatives are underway, including asset and work management,
 vessel replacement, yard clean-up, and vegetation management
- Higher precipitation levels have resulted in corresponding Canal closures which were managed effectively
- New navigation season was implemented successfully and will reduce long-run costs.
- Still working through significant Civil Services challenges to stand up permanent staff
- Transitional Service Agreement Exit Plans 23 out of 42 have been exited to date and the remaining services are on track to exit in line with agreed plans.

6. Next Meeting

The Regular meeting of the Canal Corporation's Board of Directors will be held September 26, 2017, at the Clarence D. Rappleyea Building, White Plains, New York, at a time to be determined, unless otherwise designated by the Chairman with the concurrence of the Trustees.

Closing

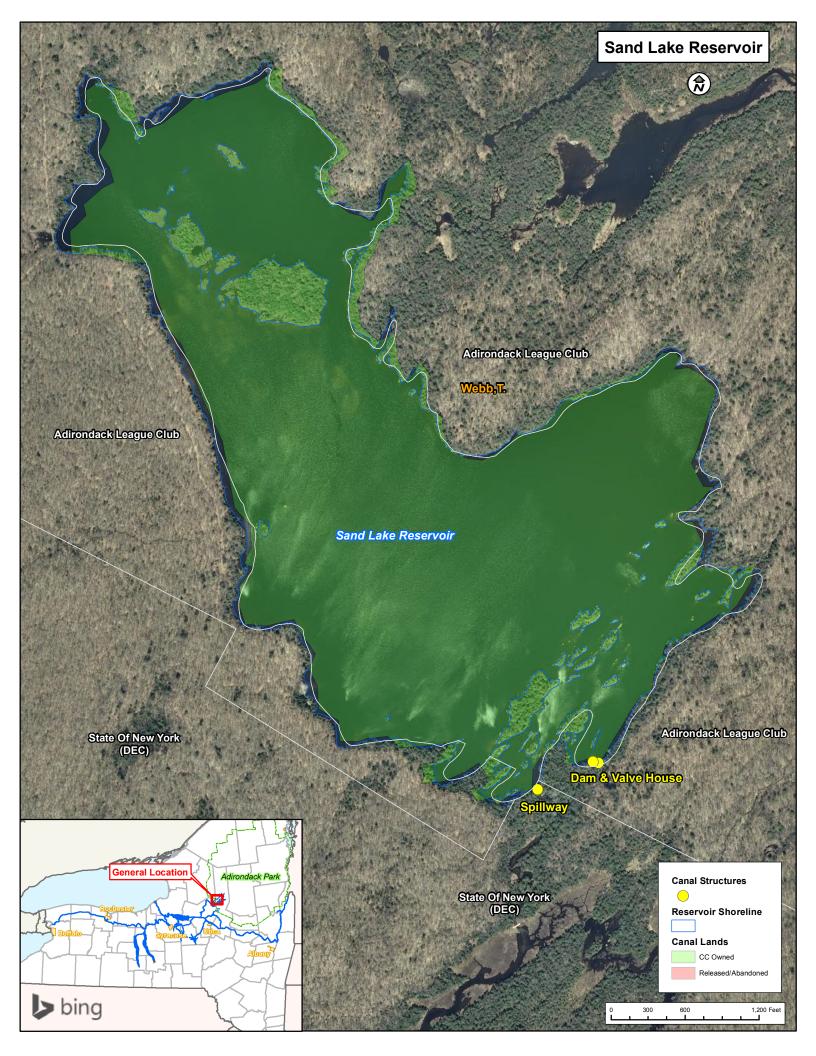
Upon motion made by Trustee Picente and seconded by Vice Chairman Nicandri, the meeting was adjourned at approximately 1:00: p.m.

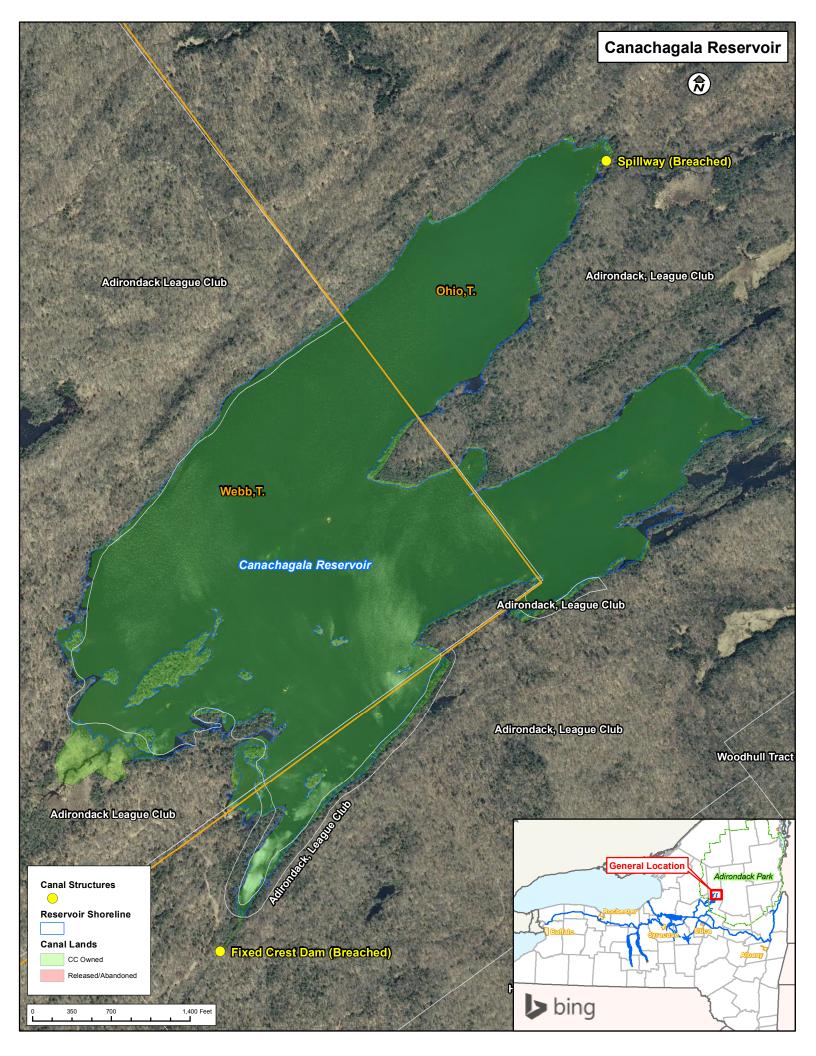
Karen Delince

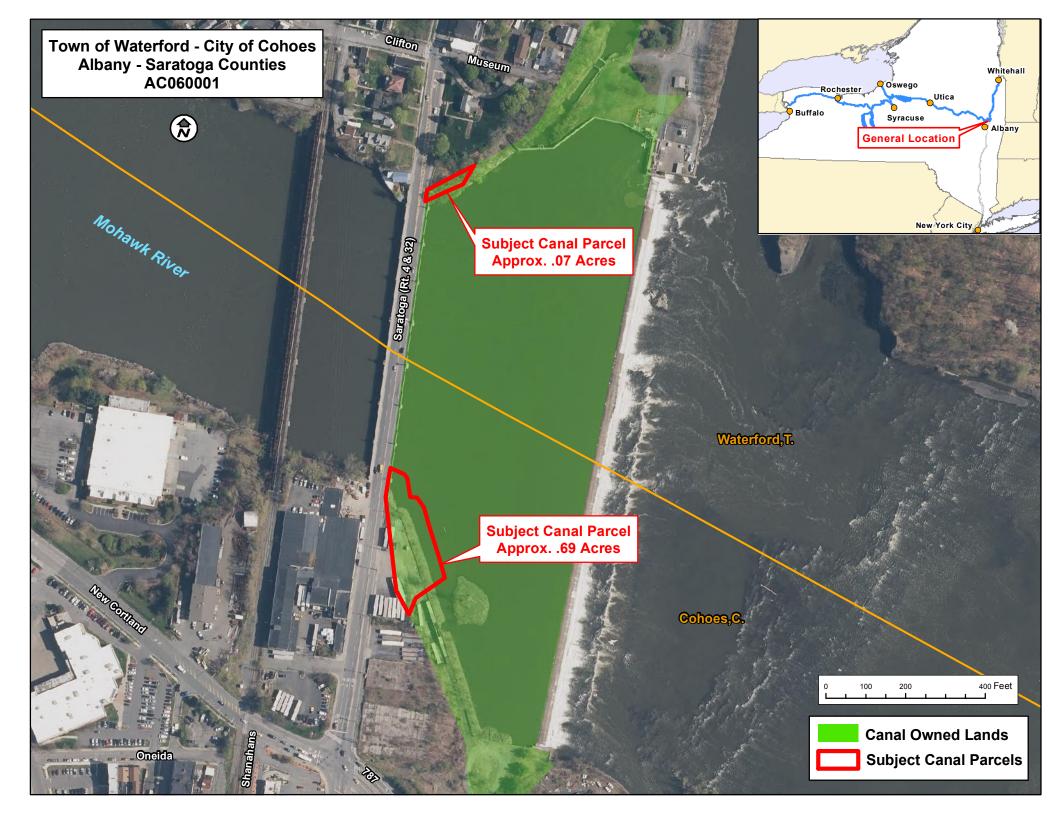
Karen Delince Corporate Secretary

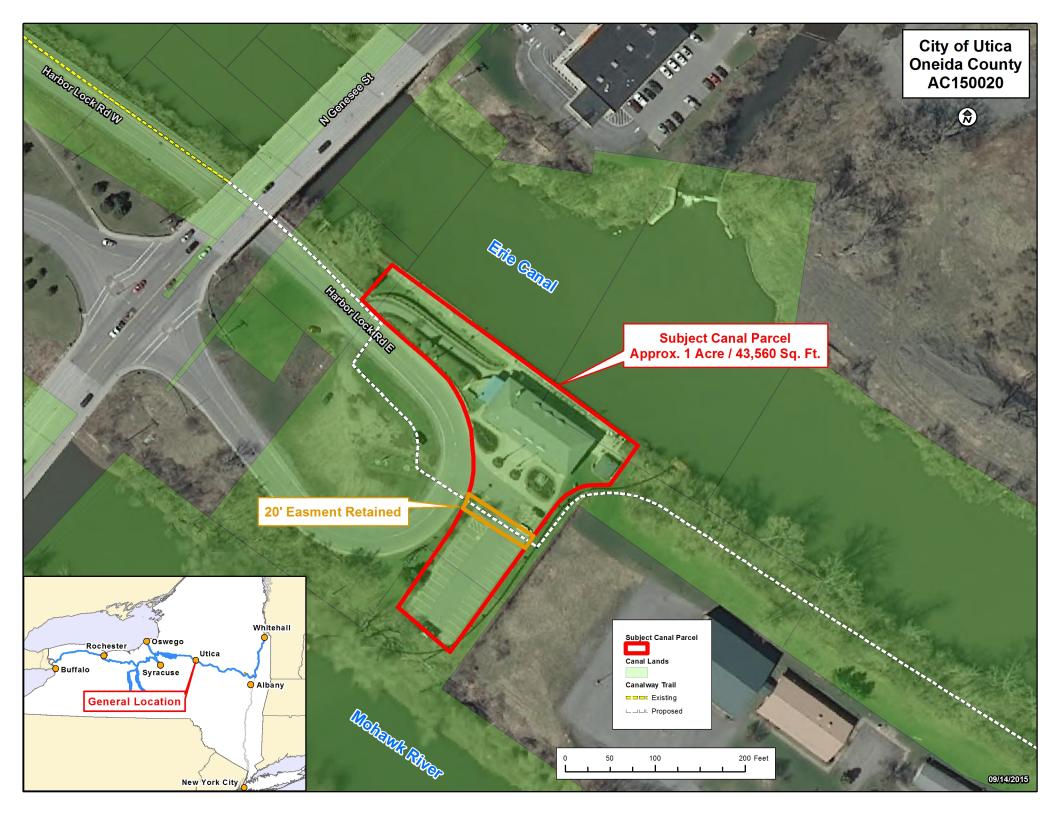
EXHIBITS

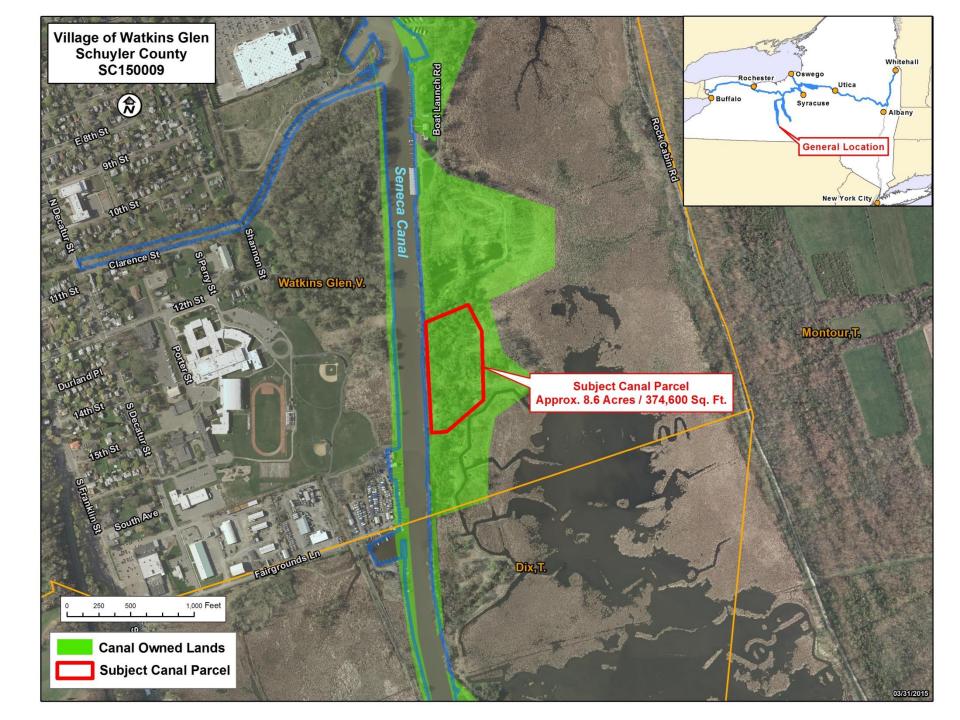
For
July 25, 2017
Regular Meeting
Minutes

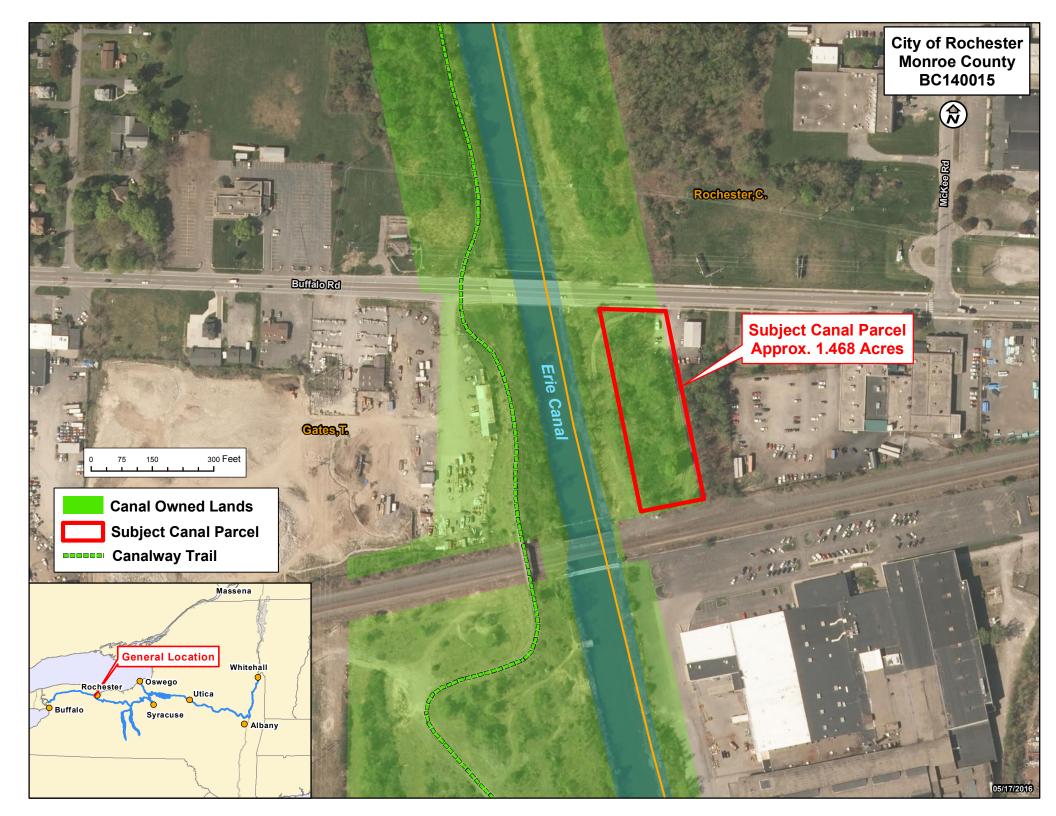












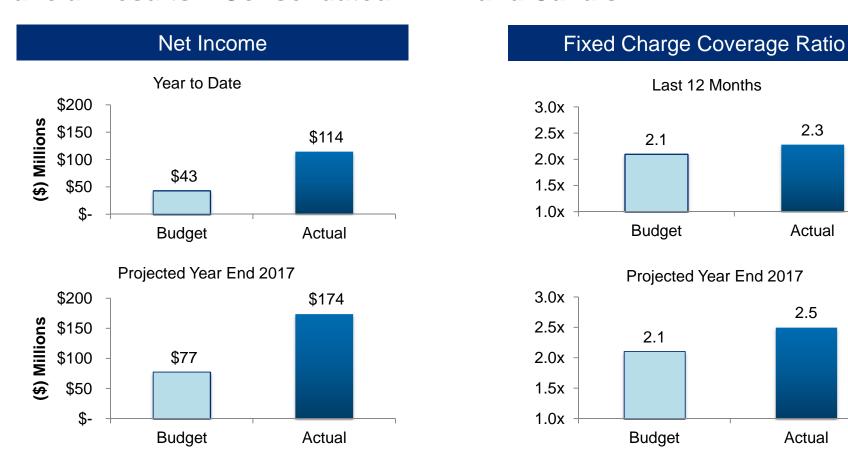


Chief Financial Officer Report

2.3

2.5

Financial Results – Consolidated NYPA and Canals





Utility Operations Report

Joseph Kessler, Chief Operating Officer

Summer Preparedness

- Utility Operations has evaluated PM activities, equipment status, outage schedules etc. and verified summer preparedness.
- Company-wide summer preparedness review session was held with key stakeholders.
- Review and update existing NYPA and NYS Canal Corp. emergency management plans and procedures to ensure a comprehensive emergency preparedness program (in progress).



Canal Corporation Update

- YTD O&M spend is on target, whereas the Capital budget spend is underrunning, but expected to be on schedule this Fall
- Initial estimate of 2018 to 2022 capital spending is significant as asset condition and significant risks are better understood

 Many new Safe and Secure initiatives underway, including asset and work management, vessel replacement, yard clean-up, and vegetation

FIRST AID

management



Canal Corporation Update

- Higher precipitation levels have resulted in corresponding canal closures which were managed effectively
- New navigation season was implemented successfully and will reduce long-run costs
- Still working through significant Civil Services challenges to stand up permanent staff
- Transitional Service Agreement Exit Plans 23 out of 42 have been exited to date and the remaining services are on track to exit in line with agreed plans





NEW YORK STATE OF OPPORTUNITY. Authority Canal Corporation

Policy Number 25-6-02C

Page 1 of 14

Title: Guidelines for the Disposal of Canal Corporation Personal Property

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Document	I Whe.
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Business Unit Policy

Revision Date:

7/30/2017

Reviewer	Name	Title
This document has been reviewed by:	Allison Renstrom Shea	Special Counsel

Content Owner	Signature	Date
Name: Kevin King		
Title:Director Transactional Procurement	Leun Kuny	8/30/17

Approver	Signature	Date
Name:John Canale	D 0 C	0 0/- /-
Title: VP Procurement	John Can	ule 8/30/17

Approver	Signature	Date
Name: Robert Lurie Title: EVP & Chief Financial Officer	· bolit Hum	8/31/17



Policy Number 25-6-02C

Page 2 of 14

Guidelines for the Disposal of Canal Corporation Personal Property

Note: Revision # should be listed in descending order starting with most recent version at the top

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
7/30/2017	0	Policy for the Disposal of Canal Corporation Personal Property	N/A	Kevin King Director
	5			Transactional Procurement



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1 PURPOSE AND SCOPE

This Policy for the disposal of Canal Corporation ("Corporation") Personal Property, ("Policy") which complies with Title 5-A, Article 9 of the Public Authorities Law, establishes the Corporation's Policy and instructions regarding the use, award, monitoring and reporting of the disposal of personal property. In addition, the Policy designates a Contracting Officer who is responsible for the Corporation's compliance with, and enforcement of, the Policy.

The powers and duties relating to the New York State canal system, which were transferred to and merged with the New York Power Authority ("Authority") pursuant to Canal Law Section 5, may be exercised by the Authority directly or through the Corporation on behalf of the people of the State of New York.

2 APPLICABILITY

This Policy applies to all New York State Canal Corporation employees who intend to dispose of personal property owned by the New York State Canal Corporation.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Abandoned Motor Vehicles – An Abandoned Motor Vehicle is a type of Tangible Personal Property with special statutory and regulatory requirements for disposal and processing (see Section 5.2.A.).

Abandoned, Lost or Found Personal Property – Abandoned, Lost or Found Personal Property that remains unclaimed after notification to an owner, if known, and/or after being held for the required holding periods as prescribed by statute. This includes all lost or mislaid property found on Corporation property/premises, as well as property which is knowingly abandoned.

Contracting Officer – Shall mean the officer or employee of the Corporation who shall be appointed by resolution of the Canal Board to be responsible for the disposition of Personal Property. The "Contracting Officer" is hereby designated to be the Authority's Vice President - Procurement or equivalent(s) by law.

Corporation - Canal Corporation

Disposals – Disposals include the sale of Personal Property, the transfer of title or any beneficial interest in Personal Property in accordance with this Policy such as leases, and the exchange of Personal Property. Disposals do not include permits, licenses or temporary use documents that are otherwise revocable due to operational requirements or in the best interests of the Corporation. Consistent with prior Board action, permits do not convey or transfer a beneficial interest in the Personal Property.

Fair Market Value – Shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Property in an arms-length transaction in the appropriate marketplace and



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under similar circumstances. Fair market value may be determined by consulting industry-recognized sources, contracting original suppliers, depreciation analysis, appraisals, fair market valuations by public auction or other methods of valuation generally accepted in the industry in which such Property is utilized, as may be approved by the Contracting Officer or authorized designee.

Personal Property – Property, other than Real Property, owned by the Corporation, regardless of value, and any other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party. Property may include, but is not limited to, materials (Canal CorporationWarehouse controlled inventory and Direct Turnover Materials DTO), tools, equipment or vehicles. Section 2895 of the Public Authorities Law defines property as Personal Property in excess of \$5,000 and does not include the transfer of Personal Property secured by a loan or other financial obligation of another party.

Real Property – shall mean real property, including land, tenements and hereditaments owned by the Corporation, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any purpose, excluding an interest securing a loan or other financial obligation of another party.

Transactions – For purposes of this Policy, transactions shall include, but not be limited to, disposals and the issuance of permits, licenses and other temporary use documents for the use of Personal Property.

4 RESPONSIBILITY

The Board shall adopt by resolution, this Policy for the Disposal of Canal Corporation Personal Property and by such resolution, designate a Contracting Officer who is responsible for compliance with and enforcement of this Policy.

All Transactions shall comply fully with applicable state, federal and local laws, rules and regulations as well as policies, procedures and executive orders including, but not limited to, the Canal Law, the Abandoned Property Law, the Personal Property Law, the Public Authorities Law, the Vehicle and Traffic Law and any subsequently enacted statutes, rules and/or regulations.

The Corporation Deputy Director is authorized to interpret, implement, and administer this Policy and shall develop procedures necessary to carry out its intent, as well as to delegate such authority to members of his/her staff. These procedures should identify the roles and responsibilities of Corporation personnel who implement and administer this Policy and define the manner in which those responsibilities are to be fulfilled. The Deputy Director is also authorized to oversee the actions of Corporation staff to ensure compliance with applicable laws, rules and regulations, and with this Policy.

The Deputy Director may delegate, expressly in writing, directly to the Contracting Officer, the authority to sign and execute any and all documents related to any form of property auction or



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other disposal methods and may also authorize the Contracting Officer to further delegate such authorization to other members of his/her staff in order to carry out the intent of this current Policy.

The Manager, Administrative Services ensures that Personal Property is disposed of in accordance with this Policy and that each disposal is documented, including photo(s) of material/item, fair market evaluation, environmental documentation, accounting records, RFQs and bid abstracts, award documents, copies of payment check or wire service receipts, and signed sales agreements.

5 POLICY IMPLEMENTATION

5.1 General Principles

The Corporation shall maintain adequate inventory controls and accountability systems for all Personal Property under its control.

- A. Personal Property that is 1) encroaching on real property under the jurisdiction of the Corporation; or 2) located on real property under the jurisdiction of the Corporation that is:

 (a) not authorized by the applicable permit, license or lease; or (b) left behind following the expiration, revocation or termination of a permit, license or lease; shall be handled in accordance with this Policy, the terms and conditions of the lease, license or permit regarding the removal of such property, and/or the Canal Law, if applicable.
- B. The Corporation may dispose of any Personal Property not necessary for its corporate purposes in whatever timeframe that either the Contracting Officer or the Corporation Board deems appropriate.
- C. The Corporation may authorize the use of Corporation Personal Property by an entity for any period or term using a temporary, revocable permit, license or other document that does not transfer a beneficial interest in the Personal Property. Such temporary, revocable use is not considered a Disposal for purposes of this Policy.
- D. Personal Property shall not be disposed of by the Corporation for less than fair market value, except in limited circumstances as set forth in Paragraph E, sections 1, 2 and 3 below. Fair Market Value may be determined through the use of appraisals, requests for proposals, the bid or auction process, or other means.
- E. No asset owned, leased or otherwise in the control of the Corporation with a value in excess of \$5,000 may be sold, leased, or otherwise alienated for less than its fair market value except if:
 - 1. the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity;
 - 2. the purpose of the transfer is within the purpose, mission or governing statute of the Corporation; or



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- 3. in the event the Corporation seeks to transfer an asset for less than its fair market value to other than a governmental entity, which disposal would not be consistent with the Corporation's mission, purpose or governing statutes, the Corporation shall provide written notification thereof to the governor, the speaker of the assembly, and the temporary president of the senate, and such proposed transfer shall be subject to denial by the governor, the senate, or the assembly. Denial by the governor shall take the form of a signed certification by the governor. Denial by either house of the legislature shall take the form of a resolution by such house. The governor and each house of the legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the legislature receives notification of a proposed transfer during the months of July through December, the legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the governor, senate, and assembly, the Corporation may effectuate such transfer.
- F. In the event a below fair market value asset transfer is proposed, the following information must be provided to the Corporation Board and the public:
 - 1. a full description of the asset;
 - 2. an appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the Corporation Board;
 - 3. a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer;
 - 4. a statement of the value to be received compared to the fair market value;
 - 5. the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (4) of this paragraph, a statement of the value to the private party; and
 - 6. the names of any other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.
- G. Before approving the disposal of any property for less than fair market value, the Corporation Board shall consider the information described in paragraph F of this section and make a written determination that there is no reasonable alternative to the proposed below market transfer that would achieve the same purpose of such transfer.
- H. The Corporation must use a competitive process as required by the Public Authorities Law and related statutes, including public advertising for Disposals exceeding \$15,000 in value, except in limited circumstances. In order to dispose of Personal Property by negotiation or public auction without public advertising, but subject to obtaining competition as is feasible under the circumstances, one of the following must be met:
 - 1. The Personal Property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality of similar effect, that would tend to increase its value, or if the Personal



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Property is to be sold in such quantity that, if it were disposed of by public advertising, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

2. The fair market value of the property does not exceed \$15,000;

- 3. Bid prices after advertising are not reasonable, either as to all or some part of the Personal Property, or have not been independently arrived at in open competition;
- 4. The Disposal will be to the State or any political subdivision, and the estimated fair market value of the Personal Property and other satisfactory terms of disposal are obtained by negotiation;
- 5. Under those circumstances permitted by Section 5.1 (Paragraphs E, F, and G) of this Policy; or
- 6. The action is otherwise authorized by law.
- I. For Personal Property valued at over \$15,000 disposed of by negotiation, an explanatory statement is required. Not less than 90 days in advance of the Disposal, an explanatory statement shall be prepared and distributed by the Contracting Officer in accordance with Public Authorities Law §2897, detailing the circumstances of the Disposal including, but not limited to, the proposed price.
- J. The Corporation shall create a clear and comprehensive record for each Transaction that documents its compliance with this Policy. Such record shall be maintained in a manner and for a period consistent with the applicable document retention policy.

5.2 General Practices

- A. Abandoned Motor Vehicles The handling and disposal of Abandoned Motor Vehicles is statutorily covered under Vehicle and Traffic Law and not under this Policy.
- B. Abandoned, Lost or Found Personal Property

Abandoned, Lost or Found Personal Property with a value over the statutory limits must, within ten days after the finding or acquisition by Corporation employees or the Corporation's related agents (for example, contractor), be turned over to Troop T for processing and forwarding to the Bureau of Office and Building Maintenance Services (Office Services) at Headquarters in Albany. Office Services will return the property to the owner, if known; if the owner of the property is not immediately known, then the property must be held until the statutory holding period has run. At that time, if the property has not been claimed by the true owner or someone with verifiable ownership rights, then Office Services shall return the property to the known independent finder. If the original finder was a Corporation employee or one of its related agents as defined above, ownership then vests in the Corporation and may be treated as other Corporation owned property.

C. Special Abandoned Personal Property

1. Personal Property purposely left behind on Corporation property after termination of a previously issued permit, license or lease shall be handled, removed or disposed of



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under the terms of the permit, license or lease, or if required, pursuant to the applicable provisions of the Canal Law governing encroachments.

- 2. Abandoned Personal Property originally issued by the Corporation such as unclaimed wages or benefits, or unclaimed consumer balances shall be held for the required holding times as prescribed by the Personal Property Law and Abandoned Property Law, at which time the property vests in the Corporation.
- 3. Other Personal Property such as unclaimed bonds, dividends, interest, securities, etc. owed to security holders shall be held for the required statutory periods by the Corporation's properly delegated trustees or other fiduciaries.

D. Surplus Personal Property

The (Manager, Administrative Services) will provide the (Deputy Director) or designee with information on all items of Personal Property declared surplus.

5.3 Disposal Process

The (Manager, Administrative Services) designee will prepare a list of all Personal Property to be disposed of and prepare an internal estimate of the value of such property.

- A. The method of disposal shall be based on the following Personal Property values:
 - 1. Personal Property valued at less than \$1,000 may be sold or donated, or when having an estimated resale value less than the cost of handling and sale may be disposed of as scrap or junk;
 - 2. Solicitation via telephone, email, and/or direct mailings may be used where the estimated Fair Market Value of the Property to be disposed of does not exceed \$15,000. All bids must be submitted in writing on the Corporation generated forms or an appropriate substitute and in the manner prescribed by this Policy and by the date and time (the "Bid Due Date") included in the solicitation.
 - 3. Personal Property valued in excess of \$5,000 up to and including \$15,000 may be negotiated or made by public auction without publicly advertising for bids when approved by the Contracting Officer or, where required, by the Board, such as in Section 5.1 (paragraphs E and F);
 - 4. Personal Property valued in excess of \$15,000 shall be offered for sale by a formal competitive process that includes public advertising for bids unless one of the exceptions listed in Section 5.1 E is met. If such an exception exists, disposal may be by negotiation or public auction without public advertising, when approved by the Contracting Officer or, where required, by the Board, such as in Section 5.1.G.

Note: For Personal Property valued in excess of \$15,000 disposed of by negotiation, an explanatory statement is required as described in Section 5.1.l.

B. When public advertising is required for disposals, the following steps must be taken pursuant to Public Authorities Law §2897:



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- 1. The advertisement shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Personal Property;
- 2. All bids shall be publicly disclosed at the time and place stated in the advertisement;
- 3. The award shall be made with reasonable promptness by notice to the responsible bidder whose bid, in conformance with the solicitation, will be most advantageous to the Corporation, price and other factors considered, provided that any and all bids may be rejected when it is in the public interest to do so.
- C. When property is sold by sealed bid, by public auction or by an electronic auction, sale prices are approved by the (Manager, Administrative Services) or designee. If the (Manager, Administrative Services) or designee determines that property should be offered at an established or set price due to its unusual nature, or any other special conditions that would make competitive bidding impractical, (Manager, Administrative Services) or designee will recommend an acceptable price and a method of sale to the Contracting Officer for approval.
- D. If the (Manager, Administrative Services) or designee determines that the best interests of the Corporation are served by selling at public auction, the Manager, Administrative Services) or designee shall supervise the auction and may reject any and all bids considered to be unacceptable.
- E. Where permitted by law, Disposals may be performed by the Commissioner of General Services on behalf of the Corporation when the Corporation has entered into an agreement with the Commissioner of General Services pursuant to Public Authorities Law and/or other applicable statutes.

5.4 Reports

The Corporation will annually develop and distribute reports regarding Personal Property having a Fair Market Value in excess of \$5,000 that was disposed of during the reporting period, including the full description, price (if any) received and the name of the purchaser for all such Property disposed of by the Corporation during such period as required by law. The report shall be delivered to the comptroller, the director of the budget, the commissioner of general services, the legislature and the authorities budget office.

5.5 Procurement of Surplus Personal Property by Employees

Corporation employees and relatives of such employees or third parties acting on behalf of such employees shall not have any personal interest in, or engage in, any activity, inclusive of bidding for the purchase of Canal Property that would create or appear to create a conflict with the proper discharge of their public duties and are prohibited from subsequently acquiring in any manner. It is important, even in the absence of any impropriety, that no appearance of impropriety is given. Therefore, pursuant to the Public Officers Law, all Corporation employees, their spouses and any children and stepchildren under age 18, stepparents, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, nephew, niece, mother in law, father in law, sister in law, brother in law, daughter



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in law, son in law are prohibited from procuring Corporation Surplus Personal Property or otherwise securing such property through the use of an agent or other third party.

In addition, Corporation employees, other than the Manager, Administrative Services or designee, shall not disclose to any non-employee any information that they obtain regarding such property due to the nature of their employment. Such disclosure by the Manager, Administrative Services or designee shall only be made in the course of the proper discharge of their official duties.

5.6 Signing Authority

- 1. The Board, if the Fair Market Value of the Property is greater than \$500,000 or if the Disposal is for less than Fair Market Value in accordance with Section 5. (paragraphs F and G).
- 2. The Contracting Officer if the Fair Market Value is up to \$500,000.00.
- 3. The (Deputy Director) if the Fair Market Value is up to \$100,000.00.
- 4. The (Manager, Administrative Services) if the Fair market Value of the Property is \$5,000 or less.
- 5. For Fleet related transactions, the Vice President of the Power Authority's Enterprise Shared Services or equivalent(s), if the Fair Market Value of the Property is up to \$500,000.
- 6. For Fleet related transactions, the Director of the Authority's Fleet Operation, if the Fair Market Value of the Property is up to \$100,000.
- **5.7** The President and Chief Executive Officer issues and approves all Company Policies and policy revisions.
- **5.8** The Executive Vice President and General Counsel, as delegated by the President and Chief Executive Officer, coordinates and administers the Company Policy Program.
- **5.9** At the request of the Executive Vice President and General Counsel, all Authority Business Units and Department Heads shall support and provide assistance in the coordination and administration of this Policy.

6 VIOLATIONS

Violations of this Policy and related policies and procedures by employees may result in disciplinary action up to and including termination. Violations of this Policy by contractors and other authorized third parties may result in the revocation of such party's access to Corporation premises and/or electronic access to its systems, and the termination of such party's contract for services. In addition, where the conduct engaged in is illegal, violators may be subject to prosecution under applicable federal, state or local laws.

7 REFERENCES

Abandoned Property Law Canal Law Canal Personal Property Disposal Policy 25-6-02C



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Personal Property Law
Public Authorities Accountability Act
Title 5-A, Article 9 of the Public Authorities Law
Vehicle and Traffic Law

8 POLICY REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision cycle: Every Year

9 ATTACHMENTS

Attachment 9.1: Sales Agreement



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ATTACHMENT 9.1

PERSONAL PROPERTY SALES AGREEMENT

	, the Buyer, and the New York
State Canal Corp ("Canal Corp"), agree as follows:	* *

- 1) The personal property identified herein is sold by the Canal Corp and purchased by Buyer "AS IS, WHERE IS" at the price(s) shown, plus any applicable sales tax.
- 2) THE CANAL CORP DOES NOT IN ANY WAY WARRANT THE FITNESS OF THE PERSONAL PROPERTY FOR ANY PARTICULAR USE OR ITS MERCHANTABILITY AND DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED INCLUDING, BUT NOT LIMITED TO, THE QUALITY, CHARACTER, PERFORMANCE, OR CONDITION OF THE PERSONAL PROPERTY OR ANY OF ITS COMPONENT PARTS, ASSEMBLIES, OR ACCESSORIES.
- 3) The Buyer warrants that he/she/it is not a current or former Canal Corp employee, is not related to a Canal Corp employee and did not bid on behalf of a Canal Corp employee. Buyer is aware that Canal Corp employees and their family members are precluded from subsequently receiving, or acquiring, in whole or in part, by any manner including gift, sale, loan or lease, the personal property acquired by the Buyer pursuant to this sale. The term "related to" as used in this paragraph means the relationships of spouse, child, parent, sister, brother, grandparent, grandchild, aunt, uncle, cousin, niece, nephew, stepchild, stepparent, stepsister, stepbrother, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, or son-in-law. The Canal Corp reserves the right to invoke any available legal or equitable remedy in the event of a breach by the Buyer of his or her warranty under this paragraph, including but not limited to, rescinding the sale and recovering the property sold and all costs associated with the sale and the rescission of said sale.
- 4) The Buyer shall indemnify and hold harmless the State of New York, New York Power Authority and the Canal Corp and all of its officers, agents and employees from any loss, damage, remedial or response cost, liability or expense, on account of damage or contamination to property and injuries, including death, to all persons, including Buyer's employees, or any third parties, arising or in any manner growing out of the sale of any personal property or the performance of any work under this agreement and shall defend at its own expense any suits or other proceedings brought against the State of New York, New York Power Authority and the Canal Corp and its officers, agents and employees, or any of them, on account thereof, and pay all expenses and satisfy all judgments which may be incurred by or rendered against them or any of them in connection therewith.



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	Buyer shall remove the personal property from the at Buyer's expense. The Buyer shall
Canal Corp premises by make payment upon delivery by certified chec Corporation.	k payable to the New York State Canal
Description of Personal Property:	
	Selling Price:
Executed this day of	
Buyer (Print or Type):	Seller:
	New York State Canal Corporation
	30 South Pearl Street
	Albany, New York,
Authorized Signature	Authorized Signature
Full Name (Printed)	
Title	Title

PRIVACY LAW NOTIFICATION

SECTION 94(1)(d) OF THE NEW YORK PUBLIC OFFICERS LAW REQUIRES THIS NOTICE TO BE PROVIDED WHEN COLLECTING PERSONAL INFORMATION FROM POTENTIAL PURCHASERS OF CANAL CORPORATION PROPERTY.



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This information is requested pursuant to Article 5, Title I of the Public Authorities Law. The principal purpose for which the information is collected is to assist the New York State Canal Corporation in the sale of Canal Corp personal property in accordance with Section 96(1) of the Personal Privacy Protection Law, particularly subdivisions (b), (e) and (f).

Failure to provide the requested information may result in ineligibility for participation in a program, sale or benefit provided by the Canal Corp.

This information will be maintained by the Procurement Department at the New York State Canal Corp Corporate Office.



Guidelines for the Disposal of Canal Corporation Real Property

Note: Revision # should be listed in descending order starting with most recent version at the top

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
[Revision Date]	1	Conversion to new Canal document template	All	Allison Renstrom Shea Special Counsel

Document Title:



Guidelines for the Disposal of Canal Corporation Real Property

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1 PURPOSE AND SCOPE

The purpose of these Guidelines for the Disposal of Real Property ("Guidelines"), which comply with Title 5-A, Article 9 of the Public Authorities Law, is to establish the procedures that detail the Canal Corporation's ("Corporation") policy and instructions regarding the disposal of real property. In addition, the Guidelines designate a Contracting Officer who is responsible for the Corporation's compliance with, and enforcement of, the Guidelines.

The powers and duties relating to the New York State canal system, which were transferred to and merged with the Power Authority ("Power Authority") pursuant to Canal Law Section 5, may be exercised by the Power Authority directly or through the Corporation on behalf of the people of the State of New York.

2 APPLICABILITY

This Policy applies to all New York State Canal Corporation employees who intend to Dispose of Real Property owned by or under the jurisdiction of the New York State Canal Corporation.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Contracting Officer - shall mean the officer or employee appointed by resolution of the Corporation's Trustees to be responsible for compliance with, and enforcement of, the Guidelines for the Disposal of Real Property. The "Contracting Officer" is hereby designated to be the Power Authority Vice President – Enterprise Shared Services, or equivalent(s) or designee.

Corporation – Canal Corporation

Dispose or Disposal - shall mean transfer of title or any other beneficial interest in real property in accordance with these Guidelines. Disposal does not include a release of an easement, Permit or Transfer of Jurisdiction.

Fair Market Value - shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in the appropriate marketplace and under similar circumstances.

OGS – NYS Office of General Services

PAL – Public Authorities Law



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Guidelines for the Disposal of Canal Corporation Real Property

Permits - shall mean permits issued by the Corporation that grant revocable privileges to use or access real property or structures under the jurisdiction of the Corporation and for the diversion of Canal waters for sanitary, farm or industrial purposes. Permits are revocable in part to assure availability of the real property for Corporation or public purposes. Permits do not transfer a beneficial interest in real property and may be issued when deemed to be advantageous to the Corporation for the purpose of cutting, gathering and hauling away ice from the canals or when the permitted use does not result in a detriment to canal navigation or damage to the banks or other structures thereof. Permits include Occupancy and Work Permits.

- a) Occupancy Permit a revocable instrument that authorizes the temporary, restricted use of real property under the jurisdiction of the Corporation, including, temporary use of Canal lands or structures, and for the diversion of Canal waters for sanitary, farm or industrial purposes.
- b) **Work Permit** a revocable instrument that authorizes construction, maintenance, inspection, survey, or other type of work or short term activity on real property under the jurisdiction of the Corporation.

Real Property - shall mean real property, including land, tenements and hereditaments owned by the Corporation, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any purpose, excluding an interest securing a loan or other financial obligation of another party.

Relative - shall mean any person living in the same household as the Corporation employee or any person who is a direct descendant of the Corporation employee's grandparents or the spouse of such descendant.

Transfers of Jurisdiction - shall mean transactions pursuant to Public Lands Law §3(4) and which are between the Corporation and other State governmental entities where jurisdiction over Real Property is transferred and reassigned on such terms and conditions as the Corporation and the New York State Office of General Services deem proper, but the title to the Real Property remains in the name of the People of the State of New York.

4 RESPONSIBILITY

The Board shall adopt by resolution Guidelines for the Disposal of Canal Corporation Real Property regarding the use, awarding, monitoring and reporting of contracts for the disposal of Real Property and which designate a Contracting Officer who is responsible for compliance with and enforcement of, these Guidelines.



5 PROCEDURE IMPLEMENTATION

5.1 COMPLIANCE OVERVIEW

The Public Authorities Law ("PAL") requires the Corporation to establish policy guidelines to accomplish the following:

- 5.1.1 Ensure that the Corporation's contracting activities comply with Title 5-A, Article 9 of the Public Authorities Law, the Corporation's enabling statute, and any other applicable law pertaining to the Disposal of Real Property.
- 5.1.2 Maintain inventory controls and accountability systems for all Real Property under the Corporation's control.
- 5.1.3 Periodically inventory Corporation Real Property to determine which Real Property shall be disposed of.
- 5.1.4 Dispose of Corporation Real Property interests as promptly as possible in accordance with the PAL.
- 5.1.5 Prepare annual reports of Real Property Disposal transactions.

5.2 DISPOSITION OF CORPORATION REAL PROPERTY

- 5.2.1 The Corporation may Dispose of Real Property for not less than the Fair Market Value of such Real Property by sale, exchange, or transfer, for cash, credit or other property, without warranty, and upon such other terms and conditions as the Contracting Officer deems proper under the provisions of the PAL and as implemented by these Guidelines. Fair Market Value of the Corporation Real Property subject to Disposal shall be established by independent appraisal as appropriate and consistent with the intent of the PAL. Such appraisal documents shall be included in the record of the Real Property Disposal transaction.
- 5.2.2 Except as set forth in Sections 5.2.3 and 5.2.4 herein of the Guidelines, any Disposal of Real Property shall only be made after publicly advertising for bids in accordance with the following:
 - a) the advertisement for bids shall be made at such time prior to the Disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Real Property; and



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- b) all bids shall be publicly disclosed at the time and place stated in the advertisement; and
- c) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Corporation, price and other factors considered; provided, that all bids may be rejected when it is in the public interest to do so.
- 5.2.3 The Disposal of Corporation Real Property by Negotiation or Public Auction
 - a) The Disposal of Corporation Real Property may be negotiated or made by public auction without regard to Section 5.2.2 but subject to obtaining such competition as is feasible under the circumstances, if:
 - the Fair Market Value of the Real Property does not exceed fifteen thousand dollars (\$15,000.00); or
 - 2. bid prices after advertising therefore are not reasonable, either as to all or some part of the Real Property, or have not been independently arrived at in open competition: or
 - 3. the Disposal will be to the state or any political subdivision, and the estimated Fair Market Value of the Real Property and other satisfactory terms of Disposal are obtained by negotiation; or
 - 4. under those circumstances permitted by Section 5.2.4; or
 - 5. such action is otherwise authorized by law.
 - b) The Disposal of Corporation Real Property may also be made by negotiated sale without regard to Section 5.2.2 but subject to obtaining such competition as is feasible under the circumstances, if ALL of the following conditions have been satisfied:
 - 1. the Corporation has determined that: such real property is no longer necessary or useful to the purposes of the Corporation; disposal of such real property complies with all applicable provisions of the canal law; and disposal of such real property is in the best interest of the Corporation; and
 - 2. an appraisal of the fair market value of such property has been made by an independent appraiser and included in the record of the transaction; and
 - 3. the fair market value of such real property is greater than fifteen thousand dollars (\$15,000.00) but not greater than seventy-five thousand dollars (\$75,000.00); and

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Guidelines for the Disposal of Canal Corporation Real Property

- 4. such real property was improved prior to April 1, 1992 under a municipal permit or a permit issued pursuant to Section 100 of the Canal Law, thereby creating an encroachment on Corporation Real Property; and
- 5. the purchaser of such Real Property is, or will be, the owner of the improvement that either fully or partially encroaches on Corporation real property; and
- 6. the consideration paid for such real property will not be less than the fair market value of the real property exclusive of the value, fair market or otherwise, of the encroaching improvements.

5.2.4 Below Fair Market Value

- a) No Real Property owned, leased or otherwise in the control of the Corporation may be sold, leased, or otherwise alienated for less than its Fair Market Value except if:
 - 1. the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Real Property will remain with the government or any other public entity; or
 - 2. the purpose of the transfer is within the purpose, mission or governing statute of the Corporation; or
 - 3. in the event the Corporation seeks to transfer Real Property for less than its Fair Market Value to other than a governmental entity, which Disposal would not be consistent with the Corporation's mission, purpose or governing statutes, the Corporation shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the Senate, or the Assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either House of the Legislature shall take the form of a resolution by such House. The Governor and each House of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate, and Assembly, the Corporation may effectuate such transfer.
- b) In the event a below Fair Market Value Real Property transfer is proposed, the following information must be provided to the Corporation's Board of Trustees and the public:
 - 1. a full description of the Real Property; and
 - an appraisal of the Fair Market Value of the Real Property and any other information establishing the Fair Market Value sought by the Corporation's Board of Trustees; and





Guidelines for the Disposal of Canal Corporation Real Property

- 3. a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the Real Property is situated as are required by the transfer; and
- 4. a statement of the value to be received compared to the Fair Market Value; and
- 5. the names of any private parties participating in the transfer, and if different than the statement required by subparagraph (iv) of this paragraph, a statement of the value to the private party; and
- 6. the names of other private parties who have made an offer for such Real Property, the value offered, and the purpose for which the Real Property was sought to be used.
- d) Before approving the Disposal of any Real Property for less than Fair Market Value, the Corporation's Board of Trustees shall consider the information described in Paragraph 5.2.4.b and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.
- 5.2.5 An explanatory statement detailing the Disposal by negotiation of Corporation Real Property subject to the PAL as set forth in Section 5.2.3.a shall be made for any Disposal of:
 - a) Real Property with a Fair Market Value in excess of one hundred thousand dollars (\$100,000.00) except that Real Property Disposed of by lease or exchange shall only be subject to Paragraph 5.2.5.b of this Section 5.2.5; or
 - b) Real Property Disposed of by lease if the fair annual rent over the term of the lease is in excess of fifteen thousand dollars (\$15,000.00); or
 - Any Real Property or real and related personal property Disposed of by exchange, regardless of value, or any property any part of the consideration is for Real Property.
- 5.2.6 Each explanatory statement prepared in accordance with Section 5.2.5 above shall be transmitted to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the State Authorities Budget Office not less than 90 days in advance of such Disposal, and a copy shall be kept by the Corporation.

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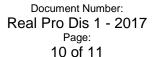


Guidelines for the Disposal of Canal Corporation Real Property

- 5.2.7 In the Corporation's discretion, when it shall be deemed advantageous to the Corporation and the State, the Corporation may enter into an agreement with the Office of the Commissioner of the Office of General Services ("OGS") under which OGS may Dispose of the Corporation's Real Property under terms and conditions agreed to by the Corporation and the OGS. In Disposing of any such Real Property of the Corporation, the OGS shall be bound by the relevant provisions of the PAL.
- 5.2.8 No Corporation employee who is involved in the award of Corporation grants or contracts, may ask any purchaser(s), grantor(s), lessor(s) or officer(s), director(s) or employee(s) of such current or prospective purchaser(s), contractor(s) or grantee(s) to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- 5.2.9 No Corporation employee may award or decline to award any grant or contract, or recommend, promise or threaten to do so because of a current or prospective grantee's or contractor's: (a) refusal to answer any inquiry prohibited by Section 5.2.8 above or (b) giving or withholding or neglecting to make any contribution of money, service or any other valuable thing for any political purpose.
- 5.2.10 No Corporation employee may take part in any contracting decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If such situation arises, the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

5.2.11 Public Authority Contracts

- a) Public Authorities Law Section 2879-a establishes a framework for the Office of the State Comptroller ("OSC") to review and approve certain Public Authority contracts.
- b) Any contract in excess of \$1,000,000 that is to be awarded by a state authority 1) to a "single source" or "sole source", or pursuant to any other means of procurement that is not competitive, or 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such contractual expenditure ("eligible contract"), must be reported in advance of execution to the OSC. Upon execution, all such eligible contracts must be filed with the OSC within 60 days.
- c) If the OSC has previously identified a contract or category of contract as "reviewable" ("reviewable contract)", such contract must include language stating that it is subject to OSC approval and the executed contract submitted to the OSC for review. If the OSC does not act to disapprove the contract within 90 days, the contract is valid.





Guidelines for the Disposal of Canal Corporation Real Property

5.3 CORPORATION REAL PROPERTY REPORTS

- 5.3.1 The Corporation shall publish the following reports in accordance with these Guidelines:
 - a) Pursuant to Section 2800 of the Public Authorities Law, the Corporation shall furnish a report for incorporation in the Corporation's annual report which is distributed to the Governor, the Chairman and Ranking Minority Member of the Senate Finance Committee, the Chairman and Ranking Minority Member of the Assembly Ways and Means Committee, the State Comptroller and the State Authorities Budget Office. This report shall include (a) a listing of all Real Property having an estimated Fair Market Value greater than fifteen thousand dollars (\$15,000.00) that the Corporation Disposed of during such reporting period and the name of the purchaser of the Real Property and the price paid by the purchaser for the Real Property, and (b) a description of the total amounts of Real Property sold without competitive bidding, including (i) the nature of the Real Property, (ii) the names of the counterparties, and (iii) where the price for the Real Property sold is less than Fair Market Value, a detailed explanation of the justification for making the sale without competitive bidding, and a certification by the Power Authority's Chief Executive Officer and Chief Financial Officer that they have reviewed the terms of such sale and determined that it complies with applicable law.
 - b) Pursuant to Public Authorities Law § 2896(3), the Corporation shall prepare for distribution to the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State Legislature and the State Authorities Budget Office, an annual report listing all real property of the Corporation, which report shall include a list and description of all Real Property Disposed of during the fiscal reporting period. Regarding Disposals, this annual report shall include the price received by the Corporation and the name of the purchaser of the Real Property.
- 5.3.2 The Corporation may be called upon periodically to submit information regarding the Disposal of Real Property to organizations implementing the PAL or other statutes regulating the Disposal of Real Property.
- 5.3.3 The Canal Corporation's Governance Committee meets at least three times per year and Corporation staff may be required to prepare and present ongoing reports regarding the Disposal of Real Property.

5.4 APPROVAL OF GUIDELINES BY THE AUTHORITY'S BOARD



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The Guidelines shall be annually reviewed and approved by the Corporation's Board of Trustees. On or before the thirty-first day of March in each year, the Corporation shall file with the State Comptroller a copy of the most recently reviewed and approved Guidelines, including the name of the Corporation's designated Contracting Officer. At the time of filing such Guidelines with the State Comptroller, the Corporation shall also post such Guidelines on its internet website.

6 VIOLATIONS

Violations of these Guidelines and related policies and procedures by employees may result in disciplinary action up to and including termination. In addition, where the conduct engaged in is illegal, violators may be subject to prosecution under applicable federal, state or local laws.

7 REFERENCES

Canal Law
Public Authorities Law

8 PROCEDURE REVIEW AND EXPIRATION

This document will be reviewed and updated as business needs require. However, a mandatory review will be required on the anniversary date of the approved document.

Revision cycle: Every Year

9 ATTACHMENTS

N/A





Guidelines for the Acquisition of Real Property by the Canal Corporation

Note: Revision # should be listed in descending order starting with most recent version at the top

Revision Date(For BCG Use Only)	Revision #	Description/Modification	Revision Section (s)	Author
6/6/2017	1	Conversion to new Canal document template	All	Allison Renstrom Shea Special Counsel

Document Title:



Guidelines for the Acquisition of Real Property by the Canal Corporation

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1 PURPOSE AND SCOPE

These Guidelines for the Acquisition of Real Property ("Guidelines"), which comply with Title 2, Article 9 of the Public Authorities Law, establish the procedures that detail the Canal Corporation's ("Corporation") policy and instructions regarding the acquisition of real property. In addition, the Guidelines designate a contracting officer who is responsible for the Corporation's compliance with, and enforcement of, the Guidelines.

The powers and duties relating to the New York State canal system, which were transferred to and merged with the Power Authority of the State of New York ("Power Authority") pursuant to Section 5 of the Canal Law, may be exercised by the Power Authority directly or through the Corporation on behalf of the people of the State of New York.

2 APPLICABILITY

These Guidelines apply to all New York State Canal Corporation employees who intend to Acquire Real Property for the New York State Canal Corporation.

3 INITIALISMS (ACRONYMS) AND DEFINITIONS

Contracting Officer - shall mean the officer or employee appointed by resolution of the Corporation's Trustees to be responsible for compliance with, and enforcement of, the Guidelines for the acquisition of real property. The "Contracting Officer" is hereby designated to be the Power Authority Vice President - Enterprise Shared Services, or the equivalent(s), or designee.

Corporation – Canal Corporation

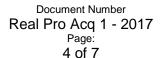
Acquisition or Acquire – shall mean to obtain title to or any other beneficial interest in real property in accordance with applicable statutes and these Guidelines.

Fair Market Value – shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in the appropriate marketplace and under similar circumstances.

OSC – Office of the State Comptroller

PAL – Public Authorities Law

PARIS – Public Authorities Reporting System







Real Property – shall mean real property, including land, tenements and hereditaments owned by the Corporation, and any other interest in such real property, to the extent that such interest may be conveyed to another person or entity for any purpose, excluding an interest securing a loan or other financial obligation of another party.

Relative – is any person living in the same household as the Corporation employee or any person who is a direct descendant of the Corporation employee's grandparents or the spouse of such descendant, as referred to in Article 5 of these Guidelines.

4 RESPONSIBILITY

The Board shall adopt by resolution Guidelines for the Acquisition of Canal Corporation Real Property and which designate a Contracting Officer who is responsible for compliance with and enforcement of, these Guidelines.

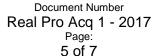
5 PROCEDURE IMPLEMENTATION

5.1 COMPLIANCE OVERVIEW

- 5.1.1 These Guidelines are being adopted consistent with the Public Authorities Law ("PAL").
- 5.1.2 The Corporation may Acquire Real Property through purchase, eminent domain, state transfers of jurisdiction, lease and by other legal means.
- 5.1.3 The Corporation's New York statutory authority for land acquisition includes, without limitation, the Canal Law, the Public Authorities Law, the Real Property Law, the Public Lands Law, the Eminent Domain Procedure Law and the Highway Law, as amended.

5.2 DUTIES OF THE CORPORATION

- 5.2.1 The Corporation will maintain adequate inventory controls and accountability systems for all Real Property under the Corporation's control.
- 5.2.2 Real Property to be Acquired by the Corporation will be in support of existing facilities, operations or in support of new initiatives being pursued by the Corporation.







- 5.2.3 The compensation for and the procedure for such Acquisition must be consistent with these Guidelines and the Corporation's Real Estate Expenditure Authorization Procedures as amended.
- 5.2.4 The Corporation will arrange for the transfer or Acquisition of any Real Property identified for Acquisition in accordance with these Guidelines and the Corporation's Real Estate Expenditure Authorization Procedures and as soon as reasonably practical under the circumstances.
- 5.2.5 Public Authorities Law Section 2879-a establishes a framework for the Office of the State Comptroller ("OSC") to review and approve certain contracts.
 - a) Any contract in excess of \$1,000,000 that is to be awarded by a state authority 1) to a "single source" or "sole source", or pursuant to any other means of procurement that is not competitive, or 2) where the monies to be paid in whole or in part have been appropriated by the state to the state authority for such contractual expenditure ("eligible contract"), must be reported in advance of execution to the OSC. Upon execution, all such eligible contracts must be filed with the OSC within 60 days.
 - b) If the OSC has previously identified a contract or category of contract as "reviewable" ("reviewable contract)", such contract must include language stating that it is subject to OSC approval and the executed contract submitted to the OSC for review. If the OSC does not act to disapprove the contract within 90 days, the contract is valid.

5.3 ETHICAL CONSIDERATIONS

- 5.3.1 No Corporation employee who is involved in the Acquisition of Real Property, may ask any purchaser, grantor, lessor or officers, directors or employees of such current or prospective purchaser, grantor or lessor to reveal: (a) the political party affiliation of the individual; (b) whether the individual or entity has made campaign contributions to any political party, elected official, or candidate for elective office; or (c) whether the individual voted for or against any political party, elected official or candidate for elective office.
- 5.3.2 No Corporation employee may take part in any Acquisition decision involving the payment of more than \$1,000: (i) to a Relative; or (ii) to any entity in which a Relative owns or controls 10% or more of the stock of such entity (or 1% in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity. If such situation arises, the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.





5.4 ACQUISITION REPORTS BY THE CORPORATION

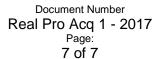
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 - b) The Corporation may be called upon periodically to submit information regarding the Acquisition of Real Property to organizations implementing the PAL or other statutes regulating the Acquisition of Real Property, such as the Authority Budget Office through the Public Authorities Reporting System ("PARIS").
 - c) The Corporation's Governance Committee meets at least three times per year and Corporation staff may be required to prepare and present ongoing reports regarding the Acquisition of Real Property.

6 VIOLATIONS

Violations of these Guidelines and related policies and procedures by employees may result in disciplinary action up to and including termination. In addition, where the conduct engaged in is illegal, violators may be subject to prosecution under applicable federal, state or local laws.

7 REFERENCES

Public Authorities Law







8 PROCEDURE REVIEW AND EXPIRATION

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Revision cycle: Every Year

9 ATTACHMENTS

N/A

