



MINUTES
NEW YORK STATE CANAL CORPORATION
BOARD MEETING NO. CC-174
July 18, 2011

Minutes of a meeting of the New York State Canal Corporation, held in the Board Room at Metropolitan Transportation Authority Headquarters, 347 Madison Avenue, 7th Floor, New York, New York 10017, and via video conference from the Corporation's Administrative Headquarters, 200 Southern Boulevard, Albany, New York 12209.

The meetings of the New York State Thruway Authority and Canal Corporation Boards opened in joint session for the consideration of various matters. These minutes reflect only those items considered by the New York State Canal Corporation Board. The meeting began at 3:18 p.m.

There were present:

Chairman Howard P. Milstein
Donna J. Luh, Vice Chair
J. Donald Rice, Jr., Board Member
Richard N. Simberg, Board Member
Brandon R. Sall, Board Member
Jose Holguin-Veras, Ph.D., via video conference

Constituting a majority of the members of the Canal Corporation Board.

E. Virgil Conway was not present at this meeting and did not vote on any of the Items.

In addition, there were present the following staff personnel:

Michael R. Fleischer, Executive Director
John Barr, Director, Administrative Services
Donald Bell, Director, Maintenance and Operations
John Bryan, Chief Financial Officer
William Estes, General Counsel
J. Marc Hannibal, Director, Audit and Management Services
Brian Stratton, Director, Canal Corporation
Thomas Ryan, Chief of Staff
Ted Nadratowski, Chief Engineer
Jill B. Warner, Board Administrator
Thomas Pericak, Division Director, Buffalo Division
Patrick Hoehn, Acting Division Director, Syracuse Division, via video conference
Stephen Grabowski, Acting Division Director, New York Division
John Callaghan, Deputy Director, Canal Corporation
Catherine Sheridan, Acting Deputy Director for Canal Maintenance,
Operations & Engineering, via video conference
Wendy Allen, Director, Management and Planning, via video conference
Doraine Steele, Director, Fiscal Audit and Budget, via video conference
Jonathan Gunther, Assistant Counsel, via video conference
Lawrence Norville, Chief Compliance Officer
William McDonough, Investment Officer, via video conference
Captain Michael Eaton, New York State Police, via video conference
Jonathan Ehrlich, Special Assistant to the Chairman
Kathleen LeFave, Special Assistant to the Chief of Staff, via video conference
Peter Casper, Assistant Counsel, via video conference

Karen Wilson, Information Technology Specialist

Also in attendance:

Honorable Stephanie A. Miner, Mayor, City of Syracuse

Elizabeth Butler, Executive Assistant to Don Rice

William C. Thompson, Jr., Senior Managing Director, Siebert Brandford Shank & Co.

John Waters, Managing Director, Siebert Brandford Shank & Co.

Michael A. Burke, Partner, Sidley Austin LLP

Benjamin Asher, Senior Managing Director, Public Resources Advisory Group

David Paget, Principal, Sive, Paget & Riesel, P.C.

David Roberts, Assistant Attorney General, Office of the Attorney General, via video conference

Michael Novakowski, Chief Budget Examiner, Division of the Budget, via video conference

Pat Reale, Principal Budget Examiner, Division of the Budget, via video conference

Seth Agata, Assistant Counsel, Executive Chamber, via video conference

Thomas Callahan, Principal, Hydraulic Race Co.

Karl Diehl, New York Network

Chairman Milstein noted that he, Ms. Luh, Mr. Rice, Mr. Simberg, Mr. Sall and Dr. Veras had received and reviewed the Agenda submitted for consideration at this meeting and were prepared to act on each of the Items.

Chairman Milstein called the meeting to order.

Ms. Warner recorded the minutes as contained herein (public notice of the meeting had been given).

Item 1 by Ms. Warner (Appendix A)
Approval of Minutes of Board Meeting No. CC-173

On the motion of Mr. Sall, seconded by Ms. Luh, without any objections, the Board approved the minutes of Meeting No. CC-173 held on May 18, 2011, which were made available to the Board Members as part of the Agenda.

Item 2 by Chairman Milstein and Mr. Fleischer (Appendix B)
Recognizing and Honoring John L. Buono

Mr. Fleischer reported that this item seeks to recognize and honor the former Chairman, John Buono, who served as the Chairman of the Thruway Authority and Canal Corporation for nine years from June 2002 to June 2011.

Chairman Milstein stated that the proposed resolution is a fitting tribute for someone that served for nine years in his position.

After full discussion, the Board adopted the following resolution:

After full discussion, on the motion of Mr. Sall, seconded by Chairman Milstein, without any objections, the Board adopted the following resolution:

RESOLUTION NO. 548
**RECOGNIZING AND HONORING CHAIRMAN JOHN L.
BUONO**

WHEREAS, John L. Buono has served as Chairman of the New York State Thruway Authority and the New York State Canal Corporation since June 20, 2002, and

WHEREAS, Chairman Buono has provided meritorious leadership and has contributed to several significant New York State Thruway Authority and New York State Canal Corporation accomplishments including adoption of a seven-year, \$2.74 billion Capital Plan, initial deployment of highway speed E-ZPass on the

Thruway, completion of significant reconstruction projects at Interchange 17 and Interchange 8 that have resulted in enhanced mobility, reduced congestion and improved air quality, progression of two major Tappan Zee Bridge deck replacement projects that ensure safe and efficient travel for the thousands of motorists that cross the bridge daily, initiation of a reconstruction project between Interchanges 23 and 24 that aims to improve mobility in the heavily traveled commuter corridor, commencement of a 15-mile pavement reconstruction project between Interchanges 39 and 40 that will afford customers traveling between Syracuse and Weedsport a smoother ride, elimination of tolls at the Black Rock and City Line toll barriers, installation of more than 100 intelligent transportation systems components that provide real-time traffic, weather, construction and emergency information through the “Thruway Regional Advisory Network System” and the “Advanced Traffic Management System,” which collectively improved the efficiency of the Authority’s incident response and traffic management programs, support of development in Canal communities through grant awards from the “Erie Canal Greenway Grant Program” and the bi-annual tourism matching grants program, support of educational projects using historic vessels, promotion of tourism through the advancement of initiatives to rehabilitate and expand the Erie Canalway Trail, as well as partnering in annual events such as “Canal Splash!,” “Canal Clean Sweep,” “Canalway Trail Celebration,” and “Cycling the Erie Canal,” and completion of major Canal initiatives including the 2010 World Canal Conference, streamlining policies and procedures related to managing Canal real property, responding to devastating flooding along the Mohawk Valley in 2006, and continuing to rehabilitate and restore Canal infrastructure now, therefore, be it further

RESOLVED, that Chairman Buono's service is hereby proclaimed as meeting the very highest standards of excellence in public service, and be it further

RESOLVED, that the Boards of the New York State Thruway Authority and the New York State Canal Corporation, on behalf of the People of the State of New York, hereby extend to Chairman Buono their thanks and appreciation for his dedicated service, his many contributions to the advancement of infrastructure improvements and economic development initiatives, his commitment to customer service, and his continued leadership and counsel to his fellow Board Members and staff in their respective activities and programs, and be it further

RESOLVED, that a copy of this resolution be presented to Chairman Buono and be incorporated in the minutes of this meeting

Item 3 by Mr. Stratton and Mr. Bryan (Appendix C)
Authorizing the Abandonment of Approximately 0.234± Acre of Canal Land Located in the City of Lockport, County of Niagara, and Authorizing Its Sale to Hydraulic Race Co., Inc.

Mr. Stratton reported that this item seeks approval of abandonment of Canal lands to Hydraulic Race, Inc. for the expansion and improvement of the Lockport Cave Tours which is owned by Hydraulic Race, Inc. The property in question has been occupied under a Use and Occupancy Permit and contains ramps, staircases and access points for the cave tours operation.

Lockport Cave Tours is a popular and successful attraction for visitors to the Erie Canal in western New York and the Corporation has no operational maintenance needs for the real property in question.

Mr. Stratton stated that the Corporation views this as an economic development opportunity supporting an established local business which is willing to pay fair market value for

the property. Chairman Milstein asked if the calculated fair market value of the property is \$5,300. Mr. Stratton concurred.

Mr. Sall stated that he persistently comments on this issue, that the Corporation's transactional costs probably far and away exceed the \$5,000 and he has asked in the past that staff look into seeking reimbursement for these costs that may be double the fair market value of the property. Chairman Milstein asked who would reimburse the Corporation for such costs. Mr. Sall replied that while the fair market value might only be \$5,000 he would be willing to guess that someone who really wants the land may be willing to pay a bit more towards some of the transactional costs. Chairman Milstein inquired as to whether or not there are outside costs or if Mr. Sall is strictly considering the Corporation's internal expenses. Mr. Sall stated that he believes that there are occasional outside costs for appraisals as well as internal costs that should be factored in. Many times it would appear that it costs the Corporation more to process the transaction than what is actually brought in from the sale of the land.

Mr. Bryan stated that staff often brings real property items to the Board but that historically they are for small portions of land, it is rare that there are multi-million dollar properties involved, like the next item on the agenda. Many of the transactions brought before the Board are to cure encroachments. Corporation staff would like to get as much money as possible for these but also does not want to create an environment where people do not want to cure their encroachments because of the costs. Staff is looking into adding application fees and things of that nature to recoup some of the internal costs.

Chairman Milstein stated that Mr. Sall's point is a valid one. Obviously if something is worth \$5,300 the Corporation cannot charge \$50,000 in outside expenses, but in the future it might make some sense for Mr. Bryan to consult with Mr. Fleischer as to what the out of pocket costs are. Where those bear some reasonable relationship to the purchase price, staff could let the buyer know what would be appropriate within the Corporation's mandate.

Mr. Estes stated that the Corporation does realize some benefit from curing the encroachments by removing liability potential. Chairman Milstein added that citizens buying

Corporation property should not be charged for staff time, however, where the Corporation has paid for a third party appraiser or other outside costs if the transaction can tolerate it there's no reason why the Corporation could charge for a limited amount to be added to the fair market value.

After full discussion, on the motion of Mr. Sall seconded by Chairman Milstein, without any objections, the Board adopted the following resolution:

RESOLUTION NO. 549
**AUTHORIZING THE ABANDONMENT OF
APPROXIMATELY 0.234± ACRE OF CANAL LAND
LOCATED IN THE CITY OF LOCKPORT, COUNTY OF
NIAGARA, AND AUTHORIZING ITS SALE TO
HYDRAULIC RACE CO., INC.**

RESOLVED, that approximately 0.234± acre of Canal land located in the City of Lockport, County of Niagara 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 following publication of the notice of abandonment for the Property as required by Section 51 of the Canal Law and transmittal of such notice to the CRC, the Office of Canal Maintenance and Operations shall prepare an Official Order abandoning the land for canal purposes, together with a map and description of such lands for review and execution by the Executive Director, and be it further

RESOLVED, that following preparation of the Official Order of Abandonment, the Executive Director be, and he hereby is, authorized to execute such order of abandonment, and be it further

RESOLVED, that the recommendation for issuance of a Negative Declaration based on an environmental assessment of the proposed action completed in accordance with the provisions of

the State Environmental Quality Review Act (SEQRA) be, and hereby is, approved, and be it further

RESOLVED, the Chief Engineer, or his designee, be, and he hereby is, authorized to sign the SEQRA Environmental Assessment and issue the Negative Declaration, and to distribute any required notices on behalf of the Corporation Board with relation to this action, and be it further

RESOLVED, that the sale of said approximately 0.234± acre of land by quitclaim deed to Hydraulic Race Co., Inc. for \$5,300 be, and hereby is, approved, subject to such other legal, financial, engineering and other terms as may be deemed by the Executive Director, the Director of Canals or the General Counsel, to be in the best interest of the Canal Corporation and consistent with the intent of this agenda item, and be it further

RESOLVED, that such sale shall be conditioned upon the payment of certain costs incidental to the transfer of real property, and be it further

RESOLVED, that the Corporation's Contracting Officer determined that the Property may be sold by negotiation without public advertising because such disposal falls under Section 2897 (6) (c) (ii) of the Public Authorities Law, and Section IV.H. of the Canal Real Property Management Policy, and that the sale of the Property on the terms recommended in the agenda item complies with all applicable provisions of law, including Article 9, Title 5-A of the Public Authorities Law, and with the Canal Real Property Management Policy, and be it further

RESOLVED, that the Executive Director, or his designee, be authorized to execute a contract of sale, and all other documents necessary for closing of title, and be it further

RESOLVED, that the Executive Director, the Director of Canals, the Chief Financial Officer, and the General Counsel be,

and the same hereby are, authorized to take all actions necessary to effectuate closing of title, and be it further

RESOLVED, that this resolution be incorporated in the minutes of this meeting

Item 4 as Amended by Mr. Stratton and Mr. Bryan (Appendix D)
Abandonment of Approximately 34.20+ Acres of Canal Land Located in the City of Syracuse, County of Onondaga; and Authorizing Its Transfer to the City of Syracuse

Mr. Stratton reported that this item advances a critically important project which stands to have a transformative impact on the City of Syracuse and the Canal corridor. This item seeks Board approval for the transfer of the Syracuse Inner Harbor lands (“SIH”) to the City of Syracuse so the City can move forward with identifying and implementing development for the inner harbor, a project that was specifically called for in the Canal Recreationway Plan.

Although this transfer to the City is at no cost, staff does anticipate significant revenue from the project once the development moves forward. The sale agreement with the City will seek revenue from any subsequent sale of the property minus the City’s expenses.

The Chairman inquired as to the fair market value of the land. Mr. Bryan responded that the land has been expanded. It was 26.3 acres in previous Requests for Proposals (“RFP”) but it is now 34.2 acres. Chairman Milstein asked for the hard appraisal for the original 26 acres. Mr. Bryan stated that it was \$6.11 million originally but is not closer to \$8 million. The Chairman asked what the response was to the original RFP. Mr. Bryan replied that there were no responses to the original search. The Chairman then inquired as to why the Corporation would want to give away this land when there was no interest in the original RFP. What would be the advantage to doing this instead of giving it to the City contingent upon them finding a bidder for a transaction that benefits the City of Syracuse. Mr. Bryan responded that historically the Corporation has not been in the economic development business but it has assisted those in a position to bring about economic development and job creation. This transaction takes the Corporation out of the equation until the City does sell it and then the Corporation would be compensated. It allows the

City to manage a local development project rather than having the Corporation try to do it from Albany.

Chairman Milstein stated that making a commitment to the City of Syracuse, for land with an appraised value of \$6 or \$9 million when they do not yet have a viable project seems a bit premature. He asked Mayor Miner for her input on the subject.

Mayor Miner stated that she understands the Chairman's concerns but most importantly is the fact that this land has been fallow for two or three decades. Time and time again the Canal Corporation and the State have tried to oversee the RFP process and it has just been too cumbersome. Local government, and in particular the City of Syracuse, has more flexibility, to work with regulatory entities. She added that the fair market value does not necessarily take into account the Brownfield implications. If the City is given this land, it can be made more open to developers to come in and use all of one parcel first in phase one; in the second phase wait to see if they can get Brownfield money to do the work; and in the third phase do something else. If the Canal Corporation leads that process, it becomes very cumbersome and there is a lot of time involved, and time is money.

The Chairman responded that no one questions that the City is in a better position to run this process than a state-wide Authority. He asked the General Counsel if the Corporation could fashion a legal agreement where it would transfer the land, if and when the City runs an RFP process and selects a bidder. Why transfer it now when the City could have the same results the Corporation had. This land still has significant value after deducting the Brownfield costs. He inquired as to whether there is a way to provide the Mayor with the flexibility to go to local developers without actually transferring the land to the City, or would it lack credibility if the City did not own it. Mayor Miner responded that that option would put her hands behind her back because it would still allow the State to have an opinion and most developers will say that they have "been there done that" with the State. Chairman Milstein clarified that the State would not need to have input but would not sign off on the transfer of land until the City came forward with a signed document naming a successful bidder from the RFP process. Mayor Miner replied that as long as the State owns the land the City would have to come back before the Board for

approval and meet the required conditions that the Corporation has and it would hold up the process the same as it did before because it would still be State-owned land. The Chairman suggested that as an alternative the Corporation could transfer the land to the City for a specific period of time and if, in that time, a developer has not been selected then the Corporation could buy the land back for one dollar.

Mr. Bryan stated that completion of this transaction could take a good deal of time. The goal is that while the Corporation is transferring the land to the City for a dollar, they will undertake an RFP process and they will move in tandem. Hopefully everything synchs so that in the end really the RFP will be on the street, if not already having bids coming in, while staff are finalizing this transaction. Chairman Milstein recommended that the land be transferred to the City for a period of two years with the Corporation having the right to buy it back for the original purchase price if the City's RFP process proves unsuccessful. Mr. Bryan concurred that a clawback would be appropriate for this type of transaction. Mayor Miner added that the City would have no issue with a converter clause.

Ms. Luh made a motion, seconded by Mr. Rice, to adopt the amended resolution. Dr. Veras requested to hear what the motion would approve, specifically. Chairman Milstein stated that the motion before the Board is to sell, for nominal consideration, 34 acres that will be a critical component of the Inner Harbor redevelopment in Syracuse, New York. The Corporation has not been successful in attracting developers but is hopeful that the Mayor and her local relationships and credibility will lead to the economic development that the Corporation has been trying to foster. In the event that the City is unable to attract responses to the RFP after a period of two years from the date of transfer then the land would revert back to the Corporation. The goal is to fulfill the Corporation's mandate to continue to enhance economic development throughout the State. However, in the absence of economic development to give away an asset that is appraised at millions of dollars would not be the right thing to do.

Dr. Veras stated that he understands staff is trying to facilitate the proper use of the land, but he would like to see a mechanism for the Corporation to get compensated in some fashion. He would like to define clearly the metric that staff is going to use to determine whether or not

economic development has taken place. Chairman Milstein requested that Mr. Bryan address Dr. Veras' concerns. Mr. Bryan replied that at this time staff is open minded as to what the definition is, whether it is a balloon payment, a regular stream of payments or a payment at the time of sale. Ultimately, the spirit of the Public Authorities Accountability Act and the laws that govern what Mr. Bryan can and cannot do as a contracting officer, would lead staff to believe that the Corporation would have to have a market value definition. However, staff also needs to understand and appreciate that the City is going to be spending money to market this property, perhaps do some site improvements and even clean up.

Chairman Milstein stated that the City should get back reasonable expenses for development before funds come into the Corporation. The limit of what the Corporation would get should be the land's appraised value, whether in annual payments or a lump sum payment at some future date, depending on the deal that the City of Syracuse works out. The incentives exist for the City because once the Corporation has been given its \$6 million, if there is more value than that created, the City of Syracuse would get the money. With respect to economic development, if something is being done on the land, then that is economic development. Right now there is nothing being done on the land. This amended resolution provides that in the event that the City is unable to select a developer, through the RFP process, to go forward with economic development which normally requires some kind of a down payment or good faith undertaking of a material kind, then it would revert back to the State.

Dr. Veras stated that he is concerned that the City might be openly lured with speculation in this sense, if there are not clear guidelines about when the proposed economic development would take place. This is a property of significant size, and the Corporation does not have any assurances about what would happen to the land. The Chairman replied that if there was going to be speculation on this land, the Corporation would have gotten some bids.

Mr. Simberg stated that he is from Central New York and has watched this process for the last 30 years, and from the time DOT stopped using it as a productive terminal and decided to relocate their actual operations this land became valueless to the Corporation as a public use. The State has had approximately 30 years to deal with it and to do something with it and made

tremendous efforts to do so. He went down there last year when staff was showing the land to developers just to see what the process was like, and ultimately there was no interest. This land has no value to the Canal Corporation except for resale sometime in the future. He added that he has questions as to the propriety of the State or the Corporation sitting on property to find that it has prospective development in the future. He is well experienced in the bureaucracy and the complications of dealings between agencies and authorities and sees no benefit to the process by allowing the Corporation to have a say in what happens to it any more than what is being done with this proposal to have the City take the land over. Two years in the face of the last 30 is a relatively short time. He stated that he believes that the cleanest way to handle this transaction is to let this City deal with it as they may. He sees no advantage to the Corporation, for economic development or anything else, if it comes back.

Chairman Milstein responded that the Corporation Board has a fiduciary duty to safeguard the assets entrusted to it and these assets, which if they can serve a valid purpose within the Corporation's mandate, then what the Mayor has proposed makes a lot of sense. If in fact it does not do that, and if it is not used for anything and no one is ever appointed to do anything with it, then obviously it would not be, then it would revert back to the State to take care of its own fiduciary responsibility as opposed to just saying, here is the land, good luck

Mr. Rice stated that he believes that the reversion back to the Corporation could be helpful to the City of Syracuse. In negotiations it is often helpful to have a third party in the room, a clock that says that they are supposed to get things done by a certain time. Structurally this is a motivation to all the parties to get it done in a given time period and could prove to be helpful.

Mr. Sall stated that the reversion could cause the property to be sold for a lot less than it is really worth if the clock is running out and the City does not have anything, then it could go for 10 cents on the dollar so the clock could also work against the Corporation's interests. Mr. Rice responded that the time could be extended. Chairman Milstein stated that two years is a long time. Mr. Simberg replied that in this kind of transaction, with changing economic

conditions, two years is too short a time frame. He added that he would prefer to give the City three or four years.

Mr. Stratton stated that the real value of this project certainly is in the value of the land, but over the long term it is in the value of the project that the Mayor wants to bring in. He requested that the Board refocus on what the charge of the Canal Corporation is, to support economic development, and the real value is to bring jobs, to bring development, to make Upstate New York viable. This particular project has the opportunity to be a tremendous catalyst not only for Central New York, but for all along the Canal corridor. The Board has a great opportunity to support the Mayor's vision and to support the Corporation at the same time.

The Chairman asked Mr. Stratton if he would have any objection to the motion as amended, with a reversion at the end of two years. Mr. Stratton replied that as a former Mayor, he would agree with his colleague, that it certainly is a fair thing, but with respect to the other Board Members' observations that that time frame certainly holds the Mayor's feet to the fire. The Chairman suggested that the Board allow the City to have two years and six months since the Mayor stated that she would like 6 months more than the Board was willing to offer. Mayor Miner stated that that sounded fair. Mr. Stratton added that he believes that the Board will look back on this day as a transitional moment in fueling economic development along the Canal corridor.

Mayor Miner stated that, as a Mayor, she is aware of the fiduciary duties that the Board has in controlling assets and while she has not read the regulations regarding the set-up of the Thruway Authority or the Canal Corporation, she has no doubt that it serves the public good. This land has laid fallow for 30 years and for those who have not had the benefit of being in her great city, she asked them to think of Central Park without any rain for six months in the summer. There are tremendous environmental remedial issues concerning the Brownfields because of its industrial background. The true value of this asset will be when it becomes an asset for the public good. This will not be a capitalistic driven development. It will have as a foundational cornerstone the public good. As with all public good development and economic development, there needs to be some flexibility in terms of how the asset is valued and the City

will have to do that, not only because of the environmental issues that potentially are there, but also because of the market conditions that plague Upstate New York and Central New York in particular.

So in full candor and disclosure the Board will see that be an issue as the City looks to developers and proposals and that the City will need to be very flexible about this. But she offered her assurance that what the City is trying to do is the same thing that the Board Members are charged with doing as well, and that is to take this land and make it a performing asset that performs for the benefit of all New Yorkers. She added that the City and Board would not have been able to do that, or even be on the cusp of doing that, had it not been for the stellar work of former Mayor, Brian Stratton. “Mayor” Stratton, Tom Ryan and John Bryan have been a pleasure and a delight to work with. She thanked the Chairman and Board for giving her the time to share her feelings about this and on behalf of the City of Syracuse, in anticipation of a successful vote, thank you.

After full discussion, on the motion of Mr. Rice, seconded by Mr. Simberg, without any objections, the Board unanimously adopted the following resolution, as amended:

RESOLUTION NO. 550
**ABANDONMENT OF APPROXIMATELY 34.20± ACRES
OF CANAL LAND LOCATED IN THE CITY OF
SYRACUSE, COUNTY OF ONONDAGA; AND
AUTHORIZING ITS TRANSFER TO THE CITY OF
SYRACUSE**

RESOLVED, that approximately 34.20± acre of Canal land located in the City of Syracuse, County of Onondaga are no longer useful or necessary as part of the Barge Canal System, as an aid to navigation thereon, or for Barge Canal purposes, excepting however, two (2) permanent easements for ingress and egress to and from the Syracuse Canal Terminal and harbor, as same may be further described by Corporation staff to ensure all Corporation operational and public access needs are met, and be it further

RESOLVED, that following publication of a notice of abandonment and holding a public hearing as required by Section 51 of the Canal Law and transmittal of such notice to the CRC, the Office of Canal Maintenance and Operations shall prepare an Official Order abandoning the lands for canal purposes, together with a map and description of such lands for review and execution by the Director of Canals, provided, however, that if negative comments are received in response to the notice or hearing, no order shall be prepared until the Corporation Board has been informed, and be it further

RESOLVED, that an explanatory statement describing the transaction shall be distributed to those parties as required by law, and if there are any negative responses as a result of the explanatory statement, no further action will be taken by staff until this matter is brought back to the Board, and be it further

RESOLVED, that following preparation of the Official Order of Abandonment, the Executive Director be, and he hereby is, authorized to execute such orders of abandonment, and be it further

RESOLVED, that the recommendation for issuance of a Negative Declaration based on an environmental assessment of the proposed actions completed in accordance with the provisions of the State Environmental Quality Review Act (SEQRA) be, and hereby are, approved, and be it further

RESOLVED, the Chief Engineer, or his designee, be, and he hereby is, authorized to sign the SEQRA Environmental Assessments and issue the Negative Declarations, and to distribute any required notices on behalf of the Corporation Board with relation to these actions, and be it further

RESOLVED, that the transfer of said approximately 34.20± acre of land by quitclaim deed to the City of Syracuse for

one dollar consideration be, on the terms described and recommended in this agenda item, be and hereby is, approved, subject to such other legal, financial, engineering, and other terms as may be deemed by the Executive Director, the Director of Canals or the General Counsel, to be in the best interest of the Canal Corporation and consistent with the intent of this agenda item, and be it further

RESOLVED, that such sale shall be conditioned upon the payment of certain costs incidental to the transfers of real property, and be it further

RESOLVED, that the Corporation's Contracting Officer determined the 34.20± acre of Canal land may be sold by negotiation without public advertising because such disposal falls under Section 2897 (6) (c) (v) and Section 2897 (7) of the Public Authorities Law, and Section IV.H. of the Canal Real Property Management Policy, and that the transfer of the property on the terms recommended in the agenda item complies with all applicable provisions of law, including Article 9, Title 5-A of the Public Authorities Law, and with the Canal Real Property Management Policy; and be it further

RESOLVED, that, based upon the information provided by the City of Syracuse and Canal Corporation staff, there is no reasonable alternative to the proposed below-market transfer to the City of Syracuse that would achieve the same purpose of such transfer, and be it further

RESOLVED, that if the City of Syracuse does not enter into an agreement(s) for the development of the Property, pursuant to the City of Syracuse's request for proposal process, within two and one-half years from date of delivery of such deed from the Canal Corporation, the title to said land shall revert to the People of the State of New York acting by and through the Canal

Corporation, and the Attorney General may institute an action in the Supreme Court for a judgment declaring a reversion of such title; and be it further

RESOLVED, that the Executive Director, or his designee, be authorized to execute the contract of sale, and all other documents necessary for closing of title; and be it further

RESOLVED, that the Executive Director, the Director of Canals, the Chief Financial Officer, and the General Counsel be, and the same hereby are, authorized to take all actions necessary to effectuate closing of title; and be it further

RESOLVED, that this resolution be incorporated in the minutes of this meeting

Item 5 by Mr. Bryan (Appendix E)
Extending Authorization Under Resolution No. 503 for the Abandonment of Approximately 0.075 Acre of Canal Land Located in the Town of Boonville, County of Oneida, and Its Sale to Todd and Nadine McIntyre

Mr. Bryan reported that the next three items seek the Board's approval to reauthorize the sale of Canal lands on Cayuta Lake in Oneida County. Staff was unable to complete these sales prior to the expiration date that was originally established by the Board due to conflicts related to unacceptable surveys that were received.

Item 5 is a .075 acre transfer in the Town of Boonville to Todd and Nadine McIntyre for \$1,900. It will cure an encroachment that clears their title. Item 6 is a .21 acre transfer in the Town of Forestville to Charles Rieben for \$8,900. It also cures a home encroachment to clear the title. Item 7 is a .15 acre transfer in the Town of Remsen to John and Kathleen Voorhees for \$3,800. There is a building pad constructed on the property that encroaches on Canal property, and the Voorhees' would like to use that building pad. All three items simply extend the Board's prior authorization by a year so staff can complete the transactions. The appraisal firm the Corporation utilized in the original appraisals stated that the values just mentioned reflect current market conditions.

Chairman Milstein inquired as to whether, in all three cases, someone built on Canal land without the Corporation's permission. Mr. Bryan responded that the Corporation has many hundreds, if not thousands, of such encroachments throughout the entire Canal going back to when the Canal was created. Cayuta Lake, in particular, was poorly documented in the early part of the last century where people bought land and built homes and got occupancies from the local governments and paid taxes on the land, and it was determined in the 1990s by the Attorney General's office that it was in fact Canal land.

Chairman Milstein stated that the substance of this issue would be if in fact there was a good faith mistake made all around than this is an appropriate resolution. If in fact somebody decided they just wanted more land and built on it thinking that the Canal Corporation would sell it to them for a thousand dollars then that would not be the right thing. As long as staff assures that these are good faith mistakes that were made and these were approved by the prior Board, then it makes sense to move forward with the extension.

Mr. Sall asked if staff looks into whether these people have title insurance that would reimburse the Corporation for some of these costs. Mr. Bryan responded that he would look into it but that most of the homes in question were built in the 1940s and 1950s. Mr. Sall stated that typically when people buy land upstate they get title insurance. Mr. Bryan added that when the homes were purchased the buyer would have gotten title insurance along with the mortgage and assured Mr. Sall that he would look into the issue. Chairman Milstein concurred that while these particular transactions were held up because of delays in the negotiations, it would certainly be worth looking into whether Canal encroachments are covered by insurance through a title company and whether or not there could be any material recovery from such company.

After full discussion, on the motion of Mr. Sall, seconded by Mr. Simberg, without any objections, the Board adopted the following resolution:

RESOLUTION NO. 551
EXTENDING AUTHORIZATION UNDER RESOLUTION
NO. 503 FOR THE ABANDONMENT OF

**APPROXIMATELY 0.075 ACRE OF CANAL LAND
LOCATED IN THE TOWN OF BOONVILLE, COUNTY OF
ONEIDA, AND ITS SALE TO TODD AND NADINE
MCINTYRE**

RESOLVED, that the expiration date for the sale authorized by Resolution No. 503 adopted at Canal Corporation Board Meeting No. CC-166 held on April 1, 2010, be, and the same hereby is, extended to January 18, 2012, and be it further

RESOLVED, that this resolution be incorporated in the minutes of this meeting

Item 6 by Mr. Bryan (Appendix F)

Extending Authorization Under Resolution No. 491, as Amended by Resolution No. 505 for the Abandonment of Approximately 9,473 Square Feet of Canal Land Located in the Town of Forestport, County of Oneida, and Authorizing Its Sale to Charles Rieben

After full discussion, on the motion of Mr. Sall, seconded by Mr. Simberg, without any objections, the Board adopted the following resolution:

RESOLUTION NO. 552

**EXTENDING AUTHORIZATION UNDER RESOLUTION
NO. 491, AS AMENDED BY RESOLUTION NO. 505, FOR
THE ABANDONMENT OF APPROXIMATELY 9,473
SQUARE FEET OF CANAL LAND LOCATED IN THE
TOWN OF FORESTPORT, COUNTY OF ONEIDA, AND
ITS SALE TO CHARLES RIEBEN**

RESOLVED, that the expiration date for the sale authorized by Resolution No. 491 adopted at Canal Corporation Board Meeting No. CC-164 held on November 18, 2009, as amended by Resolution No. 505 adopted at Canal Corporation Board Meeting No. CC-166 held on April 1, 2010, be and the same hereby is, extended to January 18, 2012, and be it further

RESOLVED, that this resolution be incorporated in the minutes of this meeting

Item 7 by Mr. Bryan (Appendix G)

Amending Resolution No. 508 Authorizing the Abandonment of Approximately 0.15 Acre of Canal Land Located in the Town of Remsen, and Authorizing Its Sale to John and Kathleen Voorhees; and Extending Expiration Date of Said Resolution

After full discussion, on the motion of Mr. Sall, seconded by Mr. Simberg, without any objections, the Board adopted the following resolution:

RESOLUTION NO. 553

AMENDING RESOLUTION NO. 508 AUTHORIZING THE ABANDONMENT OF APPROXIMATELY 0.15 ACRE OF CANAL LAND LOCATED IN THE TOWN OF REMSEN, COUNTY OF ONEIDA, AND AUTHORIZING ITS SALE TO JOHN E. VOORHEES AND EXTENDING EXPIRATION DATE OF SAID RESOLUTION

RESOLVED, that Resolution No. 508, adopted at Canal Corporation Board Meeting No. CC-166 held on April 1, 2010, be, and the same hereby is, amended such that: the words “and Kathleen T. Voorhees” be added after the words “John E. Voorhees” in the title and sixth “RESOLVED”, and be it further

RESOLVED, that the expiration date for the sale authorized by Resolution No. 508 be, and the same hereby is, extended to January 18, 2012, and be it further

RESOLVED, that this resolution be incorporated in the minutes of this meeting

ADJOURNMENT

There being no further business to come before the Boards, without any objections, on the motion of Mr. Sall, seconded by Ms. Luh, the meeting was adjourned.

Jill B. Warner
Secretary

Note: Webcasts, which include dialogue of Authority/Corporation Board Meetings, are available on the Thruway Authority website 48 hours after such meetings occur and remain on the website for a period of 4 months.