



Chautauqua, Cattaraugus, Allegany & Steuben Counties
Southern Tier Extension Railroad Authority
Center for Regional Excellence, 4039 Route 219, Suite 200, Salamanca, New York 14779
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"This institution is an equal opportunity organization"

Terry Everetts, Chairman
Richard Zink, Chief Executive Officer

PROPERTY DISPOSITION POLICY

This policy is adopted pursuant to Sections 2595, 2896, AND 2597 of the NYS Public Authorities Law.

1. Definitions

- A. "Contracting officer" shall mean the officer or employee of the Chautauqua, Cattaraugus, Allegany and Steuben Southern Tier Extension Railroad Authority (hereinafter, the "Corporation") who shall be appointed by resolution to be responsible for the disposition of property.
- B. "Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal or real property in accordance with Section 2897 of the Public Authorities Law.
- C. "Property" shall mean personal property in excess of five thousand dollars (\$5,000) in value, and real property, and any inchoate or 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.

2. Duties

- A. The Corporation shall:
 - 1. maintain adequate inventory controls and accountability systems for all property owned by the Corporation and under its control;
 - 2. periodically inventory such property to determine which property shall be disposed of;
 - 3. produce a written report of such property in accordance with subsection B herewith; and
 - 4. transfer or dispose of such property as promptly and practicably as possible in accordance with Section 3 below.
- B. The Corporation shall:
 - 1. publish, not less frequently than annually, a report that (a) lists all real property owned and that (b) provides a full description of all real and personal property disposed of during the year, the price received for that property, and the name of the purchaser for all the property sold during the year.
 - 2. transmit copies of such report to the Comptroller of the State of New York, the Director of the Budget of State of New York, the Commissioner of the New York State Office of General Services, the New York State Legislature (via distribution to the majority leader of the senate and the speaker of the assembly), and the New York State Authority Budget Office.

3. Transfer or Disposition of Property

- A. Supervision and Direction. Except as otherwise provided herein, the Contracting Officer shall have supervision and direction over the disposition and sale of property of the Corporation. The Corporation shall have the right to dispose of its property for any valid corporate purpose.
- B. Custody and Control. The custody and control of Corporation property, pending its disposition, and the disposal of such property, shall be performed by the Corporation or by the Commissioner of General Services when so authorized under this section.
- C. Method of Disposition. Unless otherwise permitted, the Corporation shall dispose of property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Corporation and/or contracting officer deems proper. The Corporation may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, except in compliance with all applicable law, no disposition of real property or any interest in real property shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction, and, provided further, that no disposition of any other property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal.
- D. Sales by the Commissioner of General Services (the "Commissioner"). When the Corporation shall have deemed that transfer of property by the Commissioner will be advantageous to the State of New York, the Corporation may enter into an agreement with the Commissioner of pursuant to which Commissioner may dispose of property of the Corporation under terms and conditions agreed to by the Corporation and the Commissioner. In disposing of any such property, the Commissioner shall be bound by the terms hereof and references to the contracting officer shall be deemed to refer to such Commissioner.
- E. Validity of Deed, Bill of Sale, Lease, or Other Instrument. A deed, bill of sale, lease, or other instrument executed by or on behalf of the Corporation, purporting to transfer title or any other interest in property of the Corporation in accordance herewith shall be conclusive evidence of compliance with the provisions of these guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to the closing.
- F. Bids for Disposal; Advertising; Procedure; Disposal by Negotiation; Explanatory Statement.
 - 1. Except as permitted by all applicable law, all disposals or contracts for disposal of property made or authorized by the Corporation shall be made after publicly advertising for bids except as provided in paragraph 3 of this Subsection F.
 - 2. Whenever public advertising for bids is required under paragraph 1 of this Subsection F:
 - 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 property proposed for disposition;
 - 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 at the Corporation's discretion.
 - 3. Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to paragraphs 1 and 2 of this Subsection F but subject to obtaining such competition as is feasible under the circumstances, if:

- a. the personal property involved is 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 property is to be sold in such quantity that, if it were disposed of under paragraphs 1 and 2 of this Subsection F, 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;
 - b. the fair market value of the property does not exceed fifteen thousand dollars;
 - c. bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;
 - d. the disposal will be to the state or any political subdivision, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;
 - e. under those circumstances permitted by paragraph 5 of this Subsection; or
 - f. such action is otherwise authorized by law.
4. Explanatory Statement
- a. An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:
 1. any personal property which has an estimated fair market value in excess of fifteen thousand dollars;
 2. any real property that has an estimated fair market value in excess of one hundred thousand dollars, except that any real property disposed of by lease or exchange shall only be subject to clauses 3 through 5 of this subparagraph;
 3. any real property disposed of by lease for a term of five years or less, if the estimated fair annual rent is in excess of one hundred thousand dollars for any of such years;
 4. any real property disposed of by lease for a term of more than five years, if the total estimated rent over the term of the lease is in excess of one hundred thousand dollars; or
 5. any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.
 - b. Each such statement shall be transmitted to the persons entitled to receive copies of the report required under all applicable law not less than ninety (90) days in advance of such disposal (namely the New York Office of the Comptroller, the New York State Director of the Budget, the Commissioner of the New York State Department of General Services, and the New York State Legislature via distribution to the majority leader of the senate and the speaker of the assembly), and a copy thereof shall be preserved in the files of the Corporation.
5. Disposal of property for less than fair market value.
- a. No asset 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 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
 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. Provided, however, that with respect to a below market transfer by the Corporation that is not within the purpose, mission or governing statute of the Corporation, if the governing statute provides for the approval of such transfer by the executive and legislative branches of the political subdivision in which the Corporation resides, and the transfer is of property obtained by the Corporation from that political subdivision, then such approval shall be sufficient to permit the transfer.

- b. In the event a below fair market value asset transfer is proposed, the following information must be provided to the Corporation's 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 Board of the Corporation;
 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 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.
- c. Before approving the disposal of any property for less than fair market value, the Board of the Corporation shall consider the information described in paragraph b of this subdivision 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.

4. Modification and Amendment

This Property Disposition Policy is subject to modification and amendment at the discretion of the Board of Directors of the Corporation and shall be filed annually with all local and state agencies as required under all applicable law.

5. Designated Contracting Officer of the Corporation

The designated Contracting Officer for the Corporation is the Chief Executive Officer, unless provided for elsewhere in the policies of the Corporation.

This Property Disposition Policy was approved and adopted by the Board of the Corporation and is effective immediately as approved and adopted this 30th day of March, 2010.

**Adopted by the STERA
Board of Directors on
March 30, 2010**

Thomas M. Barnes

**Thomas M. Barnes
STERA Corporate Secretary**

March 9, 2015
Date