



<p><i>Board Approval</i> <i>03/22/06</i></p> <p><i><u>/s/ Jack Bush</u></i> <i>Chairman</i></p>	<p><i>No.: B 2.2</i></p> <p><i>Subject: Disposal of Property</i></p> <p><i>Date: 03/22/06</i></p>
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**Guidelines for Disposal of County of Lewis Industrial Development Agency
("Agency") Real and Personal Property**

I. Applicability of Procedure/Contracting Officer

- A. This Procedure shall apply to the disposal of any Agency personal property and any Agency interest in real property, to the extent that real property interest may be conveyed to another party.
- B. This procedure shall not apply to the property the Agency takes title of in an Industrial Development Agency project such as bond and straight lease transactions for the purpose of borrowing money through the issuance of tax-exempt or taxable industrial development bonds, exemption from mortgage recording tax, enter into property tax payment agreements or exemption from sales tax for acquisition of construction materials, machinery and equipment.
- C. "Disposal" hereunder means transfer of title or any other beneficial interest in personal or real property.
- D. The Agency employee designated hereunder as responsible for the disposition of Agency real or personal property under this procedure is deemed the "Contracting Officer." The Contracting Officer for the Agency shall be the Agency's Executive Director. The Contracting Officer shall be responsible for our Agency's compliance with, and enforcement of, this procedure. The procedure shall comply with and be subject to Public Authorities Law Sections 2896 and 2897 as well as Public Authorities Law Section 2045 a through x.
- E. The guidelines set forth in this Procedure shall be annually reviewed and approved by the Agency Board and annually posted on our Agency's internet website.

II. Property Inventory Controls

- A. Agency Procedure for Real Property
 - 1. The Agency shall maintain adequate inventory controls and accountability systems for all real property owned by or under the Agency's control. In order to accomplish this, the Agency's Contracting Officer shall maintain a detailed list of all real property owned by the Agency, or in which the Agency has an interest, including specifics as to:
 - a. Location of property by County, Town/City/Village
 - b. County tax map number
 - c. Acreage
 - d. Improvements thereon- including a detailed description and recent photographs thereof
 - e. Date of purchase/lease/other property interest

- f. Property interest (i.e. fee, lease, license, etc.)
- g. Assessed value
- h. Breakdown on assessed value of land and improvements
- i. Deed- book and page number as file with County Clerk's office (if Agency owned)
- j. Purchase price/lease amount
- k. Present Agency use- includes copies of DEC permits
- l. Date property was last visited – property must be visited at least annually

III. Guidelines regarding the use, awarding, monitoring and reporting of contracts for the disposal of Agency real property.

- A. The Agency shall, at least annually, inventory all real property and determine which real property should be disposed of. For any such real property disposed of, the Agency shall make a written report of the method and terms of disposal and transfer or dispose of the property as promptly as possible in accordance with the procedure set forth below.
- B. The Agency shall, at least annually, prepare or update, as necessary, and publish a report listing all real property owned by the Agency. (See Section II. A. above). Such report shall also contain a list and full description of any real property disposed of during such period. The report shall contain the price received by the Agency and the name of the purchaser of such real property sold by the Agency during such period. Copies of the report should be delivered to the State Comptroller, the state Director of the Budget, The Commissioner of General Services, and New York State Legislature.
- C. Procedure for Disposition
 - 1. As noted above, the Contracting Officer shall have supervision and direction over the disposition of all real property of the Agency.
 - 2. Provisions related to Disposition of Real Property
 - a. Real property may be disposed of for not less than 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 Contracting Officer deems proper.
 - b. The Agency's Executive Director may only execute such documents authorized by the Agency Board for the transfer of title to real property and take such other action as it deems necessary or proper to dispose of such real property.
 - c. No disposition of real property or other interest in real property which, because of its unique nature, is not subject to fair market pricing shall be made unless an appraisal of the value of such property has been made by an independent appraiser certified in the State of New York and included in the record of transaction.
 - d. Where appropriate the Agency may also utilize the services of the State Commissioner of General Services to dispose of the Agency real property under terms and conditions agreed to by the agency.
 - e. A deed, bill of sale, lease or other instrument executed by or on behalf of the Agency, purporting to transfer title or any other interest in real property of the Agency shall be conclusive evidence of compliance with this procedure, as

well as with the Public Authorities Accountability Act of 2005, insofar as it 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 closing. Agency Counsel shall review and approve as to legal form all real estate documents that transfer title.

- f. No real property or real property interest may be dispositioned under these guidelines to employees or Board members of the Agency or their immediate families, relatives, firms, employers or agents unless specifically authorized by the Board in compliance with the Agency's Ethics Code.
3. Bids for Disposition
 - a. Unless sold through negotiation or auction under Section 4 below, all other disposals or contracts for disposal of Agency real property made or authorized by the Contracting Officer shall be made after publicly advertising for bids.
 - b. Whenever public advertising for bids is required under III. C. 3. (a) above, the advertisement for bids shall be made at such a 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.
 - c. All bids shall be publicly disclosed at the time and place stated in the advertisement.
 - d. The award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be the most advantageous to the Agency, price and other factors considered provided, however, that all bids may be rejected when it is in the public interest to do so.
 4. Any disposal or contracts for disposal of real property may, subject to final Board approval, also be negotiated or made by public auction rather than bid, but subject to obtaining such competition as is feasible under the circumstances, if:
 - a. The estimated fair market value of the real property does not exceed Fifteen Thousand Dollars (\$15,000) and
 - b. Bid prices after advertising therefore are not reasonable, either as to all or part of the property, or have not been independently arrived at in open competition, or
 - c. The disposal will be to the State of New York 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
 - d. The disposal is for an amount less than the estimated fair market value of the property, the terms of such disposal are obtained by public auction or negotiation, the disposal of the property is intended to further the public health, safety or welfare or an economic development interest of the state or a political subdivision (to include but not limited to the prevention or remediation of a substantial threat to the public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues), or where our Agency's enabling

legislation found in Public Authorities Law Section 2045 a through x permits,
or

- e. Where such action is otherwise authorized by law.
5. Agency Board approval and an explanatory statement shall be prepared of the circumstances of each disposal by negotiation of Agency real property if:
 - a. Any real property that has an estimated fair market value in excess of One Hundred Thousand Dollars (\$100,000), except that any real property disposed of by lease or exchange shall only be subject to III. C. 5. (b) through (d) below.
 - b. Any real property disposed of by lease for a term of five (5) years or less, if the estimated fair annual rent is in excess of One Hundred Thousand Dollars (\$100,000) for any of such years.
 - c. Any real property disposed of by lease for a term of over five (5) years, if the total estimated rent over the term of the lease is in excess of One Hundred Thousand Dollars (\$100,000).
 - d. 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.
6. Real property values shall be determined by a New York State certified professional real property appraisal with additional consideration given to any site environmental conditions, if known. Each such statement shall be transmitted to the persons entitled to receive copies of the report acquired under this procedure, not less than 90 days in advance of such disposal, and a copy thereof shall be preserved in accordance with the Agency's Record Retention Policy or thirty (30) days, whichever is longer.

IV. Guidelines regarding the use, awarding, monitoring and reporting of contracts for the disposal of Agency personal property.

- A. The Agency shall maintain adequate inventory controls and accountability systems for all personal property under our Agency's control.
- B. The Agency shall, at least annually, inventory all the Agency personal property having a book value of Five Thousand Dollars (\$5,000) or more and determine which personal property, if any, should be disposed of. For any such personal property disposed of, the Agency shall make a written report of the method and terms of disposal and transfer or dispose of the personal property as promptly as possible in accordance with the procedure set forth below.
- C. Method of Disposition:
 1. The Contracting Officer shall also have supervision and direction over the disposition of all personal property of the Agency.
 2. Provisions Related to Disposition or Trade-In of Surplus Agency Equipment
 - a. Surplus equipment will be disposed of in accordance with the following:

The Agency has, on occasion, the need to sell unneeded, worn-out or obsolete equipment, computers, furniture, machinery, tools, parts and vehicles. The Agency has the discretion to conduct such sales by public auction, competitive bidding, or as a last option, private negotiation. The

method chosen should be the one which will bring the best price or the most beneficial terms. The procedure for disposing of such surplus equipment shall be as follows:

1) Declaration the Equipment is surplus or Unneeded

- a) An Agency employee or manager responsible for any surplus, unneeded, worn-out or obsolete equipment with an estimated value over \$100 shall fill out as equipment disposal request and forward same to the Agency's Contracting Officer. If the Contracting Officer determines that the equipment has, in his opinion, a fair market value over \$100 and that the equipment is surplus, unneeded or obsolete, he shall forward a recommendation for its disposition to the Agency's Board of Directors, and if the Board of Directors concurs, the disposition shall be made under the procedure set forth in Section IV. C. 2. a. (2.) below.
- b) If the equipment has, in the opinion of the Contracting Officer, an expected remaining market value at that time of less than \$100, in total, the manager having responsibility for the equipment may sell same by negotiated sale after obtaining at least one, and preferably two, informal quotes or may dispose of the equipment under the aggregate surplus equipment sale procedure found in Section IV. C. 2. a. (2). below. If no quotes can be obtained or if the item has no real value or the cost of effecting a sale exceeds the limited value, the item may be discarded or sold for scrap in the discretion of the Contracting Officer.

2) Procedure of Sale of Surplus Equipment Having Value Over \$100 but Less than \$5,000

- a) If the equipment to be disposed of has an estimated fair market value in the opinion of the Contracting Officer, in total, of more than \$100 but less than \$5,000, the Agency's Board of Directors may authorize the Contracting Officer to proceed with its sale. Such sale may, in the first instance, be by public auction or competitive bidding as the Contracting Officer deems appropriate. The Executive Director may initially obtain an informal appraisal of the fair market value of the equipment, if he deems such an appraisal useful. The fair market value can also be estimated from public valuation lists or other reference valuation sources on the Internet or otherwise. If three or more offers, quotes or bids are received, the Executive Director may proceed with the sale to the party submitting the highest offer, bid or quote within the specified time and term specifications. If sufficient competition is not generated (3 or more quotes or bids), the Executive Director shall direct a second solicitation, including advertisement in the official newspaper and any appropriate trade journals, as well as active direct solicitation. The sale may then be made to the party submitting the highest offer, bid or quote, whether or not three (3) bids or quotes have been received. If no offers, bids or quotes result from this

second solicitation, the equipment may then be sold by private negotiation.

- b) If the equipment has an estimated fair market value of \$5,000 or more, the Executive Director shall first consult any published valuation sources that may be available both from published lists, on the Internet or in the media, obtain an appraisal or otherwise develop available information estimating the fair market value of the equipment and, with his recommendation, forward the request to the Board of Directors for its review and determination. Such property may not, in the first instance, be sold for significantly less than the estimated fair market value. The Board of Directors may, if it agrees with the Executive Director and determines that a sale is in order, authorize such sale by either public auction or sealed bids upon such terms as deemed proper. If sale is made by public auction, it must be authorized by the Agency's Executive Director with authority given to the auctioneer to sell the items above a certain floor price established based upon the estimated fair market value. (See Above). If sale is by sealed competitive bids, the Board may award to the highest responsible bidder meeting the bidding criteria but may reject all bids and readvertise for a rebid if it determines that the bids were too low, relative to the estimated fair market value, or there was determined to be inadequate competition. Whether the sale is by sealed bids or auction, it should be widely advertised in advance in the official newspaper, any appropriate trade journals and by direct solicitation to potential purchasers to promote maximum competition.
- c) When practical, and to promote more competition and reduce advertising costs, the Agency should encourage aggregating surplus items and equipment for sale by means of an auction, competitive bid or as a last option by negotiated sale. The Agency's Contracting Officer should periodically review surplus and projected surplus items and equipment and consider methods for effectively aggregating same.

3) Conflict of Interest Affidavit Required

- a) All purchasers or equipment under this Procedure must submit with their bid or purchase offer a completed and signed Conflict of Interest Affidavit indicating that they or their family or firm have no conflict of interest that would prevent them from purchasing the equipment. No equipment may be dispositioned under these guidelines to employees or Board members of the Agency or their immediate families, relatives, firms, employers, or agents unless specifically authorized by the Board in compliance with the Agency's Ethics Code.

4) Procedure if Surplus Equipment is Unsold

- a) If, after two unsuccessful attempted public sales, the goods or equipment remain unsold and have an estimated fair market value of \$5,000 or more, the Agency may negotiate a sale at the highest price that can be attained to any interested party, sell it for its scrap value, or donate it to a charitable or not-for-profit organization.

- 5) Report of Final Disposition
 - a) Upon final disposition of the item(s) the Agency employee or manager responsible for the surplus shall submit a brief memo to the Board of Directors describing the item, Fixed Asset serial number (if any), sale price or scrap value received (if any), and buyer (if any). The fixed asset inventory shall be posted with the changes and the disposition memo retained in records retention for three (3) years.
- 6) Use of Surplus or Obsolete Equipment for "Trade-In" Value
 - a) As an alternative to a sale of the surplus, worn or obsolete items or equipment, the Agency may include such item as a "trade-in" when replacement goods are purchased under the Agency's Purchasing Policy. The trade-in value of the items or equipment must then be considered in making an award to the lowest responsible bidder or quoter meeting the specifications for the replacement goods. If the trade-in value is determined separately, the Agency should consider whether the trade-in value offered varies significantly from the proposed trade-in's estimated fair market value. If it does, the item should not be traded in but sold separately under the procedures outlined above.
 - b) Surplus, worn, or obsolete items or equipment may also be traded in on purchases made off of a State Contract for similar equipment. Before the purchase with trade-in is approved, the manager responsible for the equipment to be traded in should ascertain whether the trade-in allowance is reasonable for equipment of that age and condition. If the trade-in allowance is deemed to be not adequate, the disposition procedure found in Sections IV. C. 2. b. (1) through (5) above should be followed.
3. Provisions Related to Disposition of Other Agency Personal Property Having an Estimated Fair Market Value of \$5,000 or More
 - a. There may be some occasions when the Agency has personal property having an estimated fair market value by the Agency's Contracting Officer of \$5,000, or more, other than those listed in IV. C. 2. above, which it wishes to dispose of (e.g. trademark rights, office supplies, etc.). Such Agency personal property other than surplus or worn equipment may be disposed of directly by the Agency for not less than the estimated fair market value following the procedure for valuation of equipment set forth above. Such disposition may be made by sale, exchange or transfer for cash, credit or other property, with or without warranty, and upon such other terms and conditions as the Contracting Officer deems proper.
 - b. The Agency may execute such documents authorized by the Agency Board 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.
 - c. No disposition of unique personal property, which because of its unique nature is not subject to fair market pricing, 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 transaction.
- d. Where appropriate the Agency may also utilize the services of the State Commissioner of General Services to dispose of the Agency real property under terms and conditions agreed to by the agency.
 - e. A bill of sale or other instrument executed by or on behalf of the Agency, purporting to transfer title or any other interest in Agency personal property shall be conclusive evidence of compliance with this procedure, as well as with the Public Authorities Accountability Act of 2005, insofar as it concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such interest and has not received actual or constructive notice of lack of such compliance prior to closing.
4. Where Bids for Disposition of Other Non-Equipment Type Personal Property are Utilized
- a. All disposals or contracts for disposal of other non-equipment type Agency personal property having an estimated fair market value of \$5,000 or more (by the Contracting Officer) shall be made after publicly advertising for bids except where authorized to be sold by auction or negotiation herein.
 - b. Whenever public advertising for bids is required above, 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.
 - c. All bids shall be publicly disclosed as the time and place stated in the advertisement.
 - d. 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 Agency, price and other factors considered provided, however, that all bids may be rejected when it is in the public interest to do so.
5. Any other disposals or contracts for disposal of personal non-equipment Agency property not covered under IV. C. 2., above, may be negotiated or made by public auction rather than bid, but subject to obtaining such competition as is feasible under the circumstances, only if:
- a. The personal property involved is of a nature and quantity which, if disposed of under the guidelines above, would adversely affect the 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, or
 - b. The fair market value of the personal property is less than Five Thousand Dollars (\$5,000), or
 - c. Bid prices after advertising for such items are determined by the Contracting Officer to not be reasonable, either as to all or part of the personal property, or have not been independently arrived at in open competition, or
 - d. The disposal will be to the State of New York or any political subdivision and the estimated fair market value of the personal property and other satisfactory terms of disposal are obtained by negotiation, or

- e. The disposal is for an amount less than the estimated fair market value of the personal property, the terms of such disposal are obtained by public auction or negotiation, the disposal of the personal property is intended to further the public health, safety or welfare or an economic development interest of the state or a political subdivision (to include but not limited to the prevention or remediation of a substantial threat to the public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues), or where our Agency's enabling legislation found in Public Authorities Law Section 2045-a through x permits, and the purpose and terms of such disposal are documented in writing, or
 - f. Where such action is otherwise authorized by law.
6. Agency Board approval and an explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:
- a. Any personal property disposition which has an estimated fair market value of Five Thousand Dollars (\$5,000) or more.
 - b. Any personal property disposed of by exchange, regardless of value, or any personal property any part of the consideration for which is an interest in any Agency real property.