

CAPE VINCENT LOCAL DEVELOPMENT CORPORATION
Property Acquisition and Disposition Policy

Acquisition

Assets are purchased using guidelines established under the corporation's procurement policy.

Recordkeeping

The Treasurer maintains a spreadsheet to track capital assets by category. This spreadsheet is also utilized for the purposes of calculating depreciation of the assets. A physical inventory of all assets should be conducted on a yearly basis.

Depreciation Guidelines

Depreciation is computed using the straight-line method over the estimated useful life of the capital asset. Land is not depreciated. Estimated useful lives for assets shall be assessed at acquisition and classified via consultation with the New York State Comptroller.

Risk Assessment

The corporation's Finance & Audit Committee will periodically perform a risk assessment of all corporation assets. This assessment may involve the work of an outside insurance consultant or may be performed by staff. The goal of this risk assessment is to determine whether assets are adequately safeguarded and insured to prevent loss.

Disposal

In general, disposition of assets requires sale of the asset at its current fair market value.

The Public Authorities Accountability Act (PAAA) of 2005 requires that the corporation name a 'Contracting Officer' to supervise and direct the disposition of property. For the purposes of this policy, the Treasurer is designated as the Contracting Officer for purposes of PAAA compliance.

Real property owned by the corporation must be appraised before disposal. Property whose value is not readily determinable against similar property due to its unique nature or circumstances must be appraised before disposal.

Property may be: (1) disposed of at market value or (2) for an amount less than fair market value only if certain criteria are met (these exceptions are detailed below).

Generally, all disposals of property will be done through a publicly advertised bid. All bids must be publicly disclosed. Price and other factors may be considered, and the award must be made with reasonable promptness, or all bids will be rejected. Additionally, all dispositions must be evidenced by a deed, bill of sale, lease or other instrument.

Exceptions to Disposal Rules

Property may be disposed of through negotiation or auction without public bidding -only if the disposition:

- is less than \$15,000 **or**

- will be to the state or any political subdivision thereof, **or**
- is intended to further the public health, safety, welfare or economic development of Cape Vincent, **and**
- A board resolution authorizing the transaction is duly approved by the board, **and**
- If the disposition is of personal property with an estimated fair market value in excess of \$15,000, or is real property with an estimated fair market value in excess of \$100,000 (by lease if the annual rent over the term of the lease is in excess of \$15,000), or any property disposed of by exchange, no less than 90 days prior to the disposition a written explanation is filed with the New York State:
 - State Comptroller;
 - Director of the Budget;
 - Commissioner of General Services; and
 - Legislature.

Property may be disposed of for less than fair market value only if the disposition:

- Is to a government or other public entity, and that the terms and conditions of the transfer require that the assets remain with the government or other entity, **or**
- The purpose of the transfer is within the purpose, mission, or governing statute of the corporation.

When the disposal of property for less than its fair market value has been proposed, the corporation will provide the following information to the Authorities Budget Office, and to the public via the corporation's web site:

- A full description of the asset;
- An appraisal of the fair market value of the asset
- 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;
- A statement of the value to be received compared to the fair market value;
- The names of any private parties participating in the transfer;
- 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.

The Board must authorize all disposals of property for less than fair market value and will evidence their consideration of the above factors by a written determination documenting that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

Approved and adopted this 13th day of July 2023