

**ACQUISITION AND DISPOSAL OF REAL PROPERTY
JULY 1 – SEPTEMBER 30, 2012**

Section 2896 of the Public Authorities Law (PAL) requires a report setting out all real property transactions of the Authority over a given reporting period. Such report shall consist of a list and full description of all real property disposed of during such period. The report shall contain the price received by the Authority and the name of the purchaser. There is no monetary threshold so all disposals regardless of value need to be reported. In addition, acquisitions and leasing transactions are also included in this report. All acquisitions and dispositions reported herein were approved by the Authority's Trustees and/or are consistent with current Trustee approved Expenditure Authorization Procedures. The reporting period is July 1 – September 30, 2012.

I. ACQUISITIONS

Niagara Mohawk Power Corporation/National Grid

The Real Estate group finalized an Assumption and Assignment Agreement with National Grid to secure an easement to a portion of the NATL right-of-way near Clay, NY. This matter had been outstanding since the relocation of the Clay substation in 2007. The agreement was filed in the Onondaga County Clerk's office on September 26, 2012.

Jay and Nancy Fisher

A Grant of Easement from Jay P. and Nancy Gray Fischer was finalized for the acquisition of 0.80 of an acre for a distribution line and 0.02 of an acre for a newly established anchor for the PV-20 line. These permanent easements were acquired for the PV-20 line and the Grant of Easement was recorded in the Clinton County Clerk's Office on July 30, 2012.

Danger Tree Permits/Land Use Permits – Danger tree permits acquired and land use permits issued along NYPA's transmission system.

During this reporting period, the Authority acquired eight danger tree permits. These rights allow the Authority to eliminate dangerous vegetation which is critical to the safe operation of the New York State transmission grid. The transmission facilities covered by these danger tree permits include the Niagara-Adirondack, Fitz-Edic, and Plattsburgh-Vermont. This is an on-going effort.

In addition, the real estate group issued seven land use permits for use of the Authority's easement areas. These permits, with their accompanying insurance requirements, assure the use of the Authority's easement consistent with the operation of our transmission lines. In addition, these permits can be used to allow other State and municipal entities use of NYPA facilities. A listing of these permits and their respective purposes is set out below.

Permit No.	Permittee
SLPP-12-1P	Peak Sport Solutions
Type of Permit	Date Into Real Estate
Special Use	3/21/2012
Purpose	
Conduct half marathon and 5K road race partially on Power Authority property.	

Date Issued

9/26/2012

Permit No.

NPP-12-4P-A1

Type of Permit

Permit Requiring Insurance

Purpose

Gain access and the investigation of existing conditions at the former Schoellkopf Power Plant Site as shown on attachment "B" and to conduct all work as described in attachment "C".

Date Issued

7/18/2012

Permittee

Maid of the Mist Corporation

Date Into Real Estate

5/23/2012

Permit No.

SLPP-12-4P

Type of Permit

Sign Permit

Purpose

Erect and maintain 1 sign at the intersection of County Route 42 and NY State Route 131 at the corner convenience store. Sign is to be 40" x 96", double sided with a lighted flashing arrow.

Date Issued

7/20/2012

Permittee

Rene Paige

Date Into Real Estate

6/16/2012

Permit No.

ME-12-1P

Type of Permit

Permit Requiring Insurance

Purpose

Install, operate, maintain, repair, replace, and remove an existing distribution pole (P-12) with another distribution pole with the same number, being 35 feet in length and transfer conductors (7.62 kV) within the Authority's easement.

Date Issued

7/23/2012

Permittee

National Grid

Date Into Real Estate

7/2/2012

Permit No.

SLPP-12-5P

Type of Permit

Access

Purpose

Access to the area on Ogden Island for a fireworks display.

Date Issued

8/3/2012

Permittee

Town of Waddington and Majestic Fireworks, Inc.

Date Into Real Estate

7/23/2012

Permit No.

SLPP-12-6P

Type of Permit

Access

Purpose

Access to the area designated as the site for a fireworks display.

Date Issued

8/16/2012

Permittee

St. Lawrence Co. Chamber & Young Explosives

Date Into Real Estate

7/23/2012

Permit No.

01-12-NPP

Permittee

New York Power Authority

Type of Permit

Entry and Testing

Date Into Real Estate**Purpose**

Permitter: Niagara University. The Power Authority shall have the right to enter upon the property to conduct and perform some or all of the following activities: surveys, geotechnical soil borings and analysis, boundary surveys and such other tests and inspections of the Property which the Power Authority may deem necessary.

Date Issued

9/21/2012

Permit No.

CEC-11-1P

Permittee

Development Authority of the North Country

Type of Permit

Permit Requiring Insurance

Date into Real Estate

March 24, 2011

Purpose

Construct etc an underground fiber optic cable from Glass Factory Road to, through and within the Marcy-Edic 345 easement to Glass Factory Road.

Date Issued

9/26/12

Permit No.

BG-95-1P Amendment II

Permittee

Schoharie County

Type of Permit

Permit Requiring Insurance

Purpose

Extend and renew an existing permit to use the Authority's communications tower on Brown Mountain for Schoharie County's dispatching of Fire, Ambulance and Sheriff Patrols.

Date Issued

8/1/ 2012

II. DISPOSITIONS

Niagara Mohawk Power Corporation and Verizon Communications, Inc. – Conveyed an easement to Niagara Mohawk Power Corporation and Verizon Communications, Inc. for the construction, operation, and maintenance of a distribution electric line. This line provides power into the Coles Creek State Park.

III. LEASINGHeadquarters Leasing

The Authority maintains facilities which it leases or subleases out to various tenants. The available space in the building at 123 Main Street remains substantially leased through this reporting period. The lease extension entered into with Assured SKCG in this period anticipates phased expansion into the entirety of the 14th floor. The remaining available space is currently listed with our broker, Newmark Knight Frank, which has been actively marketing and showing the space.

Our total inventory of landlord leases, which generates more than \$2.6M in annual revenue, is set out in the table below.

FACILITY	TENANT	PURPOSE	EXPIRATION	ANNUAL RENTAL
WPO	Berman Bavero	Office Space	9/30/2014	\$201,211.00

WPO	Danziger & Markhoff	Office Space	3/31/2017	\$431,070.00
WPO	Hodagaya Chemical	Office Space	5/31/2015	\$69,817.00
WPO	Federal Bar	Office Space	7/31/2016	\$63,817.00
WPO	Continental III, Inc.	Restaurant	2/28/2011	\$34,470.00
WPO	Arch Wireless	Beeper System (WPO Garage)	10/31/2011	\$5,400.00
WPO	Thomas M. Bona, PC	Office Space	12/31/2016	\$290,376.00
WPO	SKCG Group , Inc.	Office Space	6/30/2023	\$440,713.00
WPO	Community Mutual	Office Space	4/30/2015	\$173,491.00
WPO	Misys	Office Space	12/31/2016	\$705,600.00
WPO	Westchester Philharmonic	Office Space	12/31/2014	\$10,875.00
WPO	West. Co. Narcotics Initiative	Office Space (Permit for Temporary Use)	12/31/2014	\$45,780.00
WPO	West. Co. District Attorney	Office Space (Permit for Temporary Use)	12/31/2014	\$22,590.00
WPO	NY State Police	Office Space (Permit for Temporary Use)	12/31/2011	\$47,250.00
WPO	Empire State Development Corp.	Office Space (Permit for Temporary Use)	OPEN	\$5,361.00
WPO	NYS Retirement System	Office Space - part time	12/31/2012	\$6,900.00
WPO	Canter Law Firm	Office Space	10/31/2017	\$53,160.00
SL/FDR	Lake St. Lawrence Yacht	Lease of Land	OPEN	\$2,225.00
SL/FDR	Massena Country Club	Lease of Land	11/30/2015	\$2,000.00
SL/FDR	Twin Brooks Golf Club	Lease of Land	N/A	\$220.00
SL/FDR	Town of Waddington	Agricultural Lease	60 days notice	<u>\$300.00</u>
		TOTAL ANNUAL REVENUES		\$2,612,626.00

SKCG, INC.

During this reporting period, NYPA Real Estate, together with the law department and corporate support, successfully negotiated, obtained approval from the NYPA Trustees and finalized the terms of a ten year, ten month lease extension with a current tenant, Assured SKCG, Inc. This lease is based on the following terms:

<u>Tenant</u>	<u>Space</u>	<u>Expiration</u>	<u>Annual Rental</u>
SKCG, Inc.	19,372 feet on the 14 th floor	6/30/23	\$440,713

Leasing Support for Operating Projects and Transmission Facilities:

Real Estate concluded lease extensions during this reporting period.

Great Lakes Towing Company

A license between the Authority (Licensor) and The Great Lakes Towing Company (Licensee) was renewed for a new term from August 1, 2012 to July 31, 2015. License signed by Licensee on July 5, 2012 and by Authority on August 1, 2012. This license will allow Great Lakes towing company to use 170 feet of bulkhead/ seawall docking space for two (2) tug boats.

IV. ST. LAWRENCE RELICENSING

St. Lawrence Lands Program

On October 31, 2001, the Authority filed an application for a new license, pursuant to Sections 4(e) and 15 of the Federal Power Act for the continued operation and maintenance of the 912 megawatt (MW) St. Lawrence F.D.R. Power Project. On February 6, 2003, the Authority filed a "Comprehensive Accord" (Settlement Agreement). On October 23, 2003, the Federal Energy Regulation Commission (hereinafter "FERC") issued an "Order Approving Settlement Agreements, Dismissing Complaint and Issuing New License" in which FERC *inter alia* approved the Settlement Agreement.

As part of the Settlement Agreement, the Authority agreed to several changes to the Project boundary. These proposed changes removed approximately 1,340 acres from the Project. With these changes, the Authority intends to transfer jurisdiction over approximately 741 acres at Galop Island State Park and environmentally sensitive lands in Lisbon and Waddington to other state agencies. The remaining approximately 599 acres of removed lands are in the process of being conveyed either to the affected local municipality or to adjoining landowners, if interested. For all conveyed lands, the Authority would retain a flowage easement and access easements where appropriate to provide necessary rights to traverse conveyed lands for Project-related activities.

NYPA Surplus Map No	NYPA Surplus Parcel No	Surplus Parcel Acres	Current Owners name	Appraisal Value	Name of Town	Deed Filed in County Clerk
1199C	8355	5.06	J. RICHARD MAYETTE	\$ 25,300.00	Waddington	8/1/2012
1167C	8191	0.42	John C. Krol and Linda W. Krol	\$ 8,400.00	Waddington	9/4/2012
1157C	8696	0.01	Robert Ryan	\$ 50.00	Waddington	9/4/2012
1170C	8714	0.35	Alan J. Winney and Marion M. Winney	\$ 1,050.00	Waddington	9/4/2012

During this period, four deeds were finalized and recorded in the County Clerk's office. This brings the total to 511 of the 599 acres have been conveyed. Of the approximately 520 private parcels to be conveyed, approximately 425 parcels have been completed.