THE NEW YORK STATE CANAL CORPORATION

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The New York State Canal Corporation (the Corporation) is responsible for the maintenance, operation and promotion of the historic 524-mile New York State Canal

System. The New York State Canal System is comprised of four historic waterways, the Erie, the Champlain, the Oswego and the Cayuga-Seneca Canals. Spanning 524 miles across New York State, the waterway links the Hudson River, Lake Champlain, Lake Ontario, the Finger Lakes and the Niagara River with communities rich in history and culture.

The Corporation serves to maintain, operate and promote the Canal System. The Corporation's goal is to transform the Canal System into a world-class recreationway, with clustered development to foster recreation, tourism and economic development, while preserving the natural and historical environment of the System and its more than 200 adjacent villages, hamlets, and towns.

The Corporation, a public benefit corporation, is a subsidiary of the New York State Thruway Authority. State legislation transferred responsibility and day-to-day operations of the Canal System from the state Department of Transportation to the Thruway Authority in 1992. The Corporation Board is comprised of seven members who govern the budget and activities of the Corporation.

In addition, the New York State Canal Recreationway Commission was created by the New York State Legislature in 1992 under Article XIII-A, Section 138-a of the Canal Law, to advise the Thruway Authority/Corporation on canal-related activities. The Commission is comprised of 24 members.

Background

The current Canal System was constructed between 1905 and 1918 as the second complete rebuilding of the Canal since the original "Clinton's Ditch", which was completed in 1825.

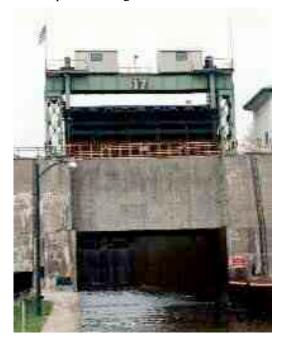
In the early part of the 20th Century, the Canal System provided a vital link for transporting cargo and commercial goods from New York City to the north and west. While commercial traffic on the present Canal System peaked in the 1950's and has declined since due to the growth in railroads and inter-state highways, the Canal System saw an increase in commercial traffic in 2008 for the first time in more than ten years.



Today, although still very much a viable route for commercial shipping, the New York State Canal System is a recreational waterway with thousands of boaters cruising the historic waterway annually. With more than \$280 million in public funds invested toward the revitalization of the waterway over the past decade, the Canal System continues to increase in popularity and attract recreational boaters from around the globe. An economic impact study commissioned in 2002 showed that the Canal System contributes more than \$384 million dollars annually through tourism in economic benefits to upstate New York communities. The Erie Canal from its beginning in Waterford, NY to the Erie Canal's summit level in Rome utilized major portions of the Mohawk River to create the navigable waterway. Major engineering obstacles that were overcome include:

Bypassing the Cohoes Falls with the Waterford Flight: This set of five locks that comprise the Waterford Flight span Lock E-2 at the Hudson River through Lock E-6 on the Mohawk River west of Cohoes Falls. With a total elevation of 165 feet, it is the highest combined set of lift locks in the world.

<u>Navigating around Little Falls</u>: Lock E-17 in Little Falls, with a vertical lift of more than 40 feet, represents that largest vertical lift of a single lock in the New York State Canal System. Lock E-17 utilizes a guillotine-type lock to permit navigation around Little Falls.



<u>Construction of several large upstream</u> <u>reservoirs</u>: Delta Reservoir, located in Oneida County, and Hinckley Reservoir, located in Herkimer and Oneida Counties, were constructed in the early 1900s to serve as the primary water source for the Canal System. Delta and Hinckley Reservoirs were created with a capacity of 21 billion gallons and 25 billion gallons, respectively.



Operations & Maintenance

The Canal Corporation Office of Operations and Maintenance is responsible for the operation. maintenance and capital improvements along the Canal System. The Canal System is comprised of approximately 1,800 structures, including 57 locks, 20 lift bridges, and other dams, walls, etc. The primary focus of this program is to maintain navigable water levels throughout the Canal System during the navigation season. This is done through a dynamic water management program and a canal dredging program.



The adjustment of water control gates at reservoirs and control points along the canal are coordinated throughout the Mohawk River Basin to ensure that stable water levels are maintained to the extent possible during the navigation season as water levels change during storm and during drought periods. Following the close of each navigation season, the Corporation raises the Mohawk Dams at Lock E-8 in Scotia through Lock E-15 in Fort Plain along the Erie Canal for the duration of the non-navigation season, returning the Mohawk River to a natural run of river state.



Since the current barge canal opened in 1918, continuous maintenance dredging of the navigation channel has been a necessity for the continued viability of the canal as a commercial and recreational asset. The Corporation utilizes both mechanical and hydraulic dredging methods and currently employs six mechanical dredging vessels and five hydraulic dredges. The Corporation's responsibilities for maintenance dredging are restricted to the navigation channel. In recent years, the dredging program has become more aggressive in an attempt to restore the navigation channel and encourage commercial shipping to rediscover the potential of the canal system. The annual dredge volumes have reached amounts not seen since 1981 and have often been two to three times the annual volumes of the preceding years. This increased effort has already shown positive results on the main shipping canal from Waterford to Oswego where the current available depth is 10ft.

Community Development/Revitalization

Canal communities form the backbone of upstate New York. The Canal Revitalization program, administered by the Corporation and the Canal Recreationway Commission and based upon the 1995 Canal Recreationway Plan, has provided dozens of communities with increased public access to the canal, new and improved trail linkages and enhanced economic opportunities. Under the Revitalization program, the Corporation invested \$13 million to develop seven Canal harbors and \$20 million in Canalway Trail projects, including 98 miles of new construction. Additionally, in partnership with other State agencies, the Corporation has helped implement more than \$200 million in local Canal service port projects across the State. The overall goals of the Revitalization program have been to preserve the past, enhance recreational opportunities and promote community development.

The four major elements of the Canal Revitalization program are: Canal harbors, Canal service ports, the Canalway Trail, and a Canal System marketing plan. This program has afforded quality-of-life and economic development benefits to both Canal community residents and visitors alike.

Most recently, the Corporation announced nearly \$9 million in Erie Canal Greenway grants to enhance and promote tourism, historic interpretation. recreation. and community revitalization in 19 counties along the New York State Canal System. In November 2006, 54 grants were awarded and the projects will expand upon canal-side amenities, and including projects such as new trail, restrooms/shower facilities, and docking. The projects will be completed over the next four years.

Notable projects in the Mohawk Watershed include visitor information/interpretive kiosks at locations along the Erie Canal by the Mohawk Valley Heritage Corridor Commission and docking and lighting improvements to the St. Johnsville Marina.

Canalway Trail

The Canalway Trail was first envisioned as part of the 1995 Canal Recreationway Plan. The goal of the Canalway Trail program is to develop an end-to-end trail, nearly 500 miles long, along the entire New York State Canal System. Upon completion, the Canalway Trail will be the longest, multi-use, continuous trail in the country. More than 270 miles of trail (74%) of the 348-mile long Erie Canalway Trail from Albany to Buffalo are complete todate. In the Mohawk Watershed, the

Canalway Trail runs from Cohoes through Rotterdam Junction, Amsterdam through Little Falls, and Utica through Rome.

