



GCEDC Governance & Nominating Committee Meeting
Thursday, July 1, 2021
Location: Innovation Zone
3:00 p.m.

MINUTES

ATTENDANCE

Committee Members: C. Yunker, T. Bender, P. Zeliff
Staff: S. Hyde, L. Farrell, M. Masse, P. Kennett, L. Casey, J. Krencik, C. Suozzi
Guests: S. Noble-Moag (GGLDC Board Member), D. Cunningham (GGLDC Board Member),
P. Battaglia (GCEDC/GGLDC Board Member)
Absent: M. Gray

1. CALL TO ORDER / ENTER PUBLIC SESSION

C. Yunker called the meeting to order at 3:08 p.m. in the Innovation Zone. The meeting began a few minutes late due to technological challenges.

2. CHAIRMAN'S REPORT & ACTIVITIES

2a. Agenda Additions / Deletions / Other Business – Nothing at this time.

2b. Minutes: June 3, 2021

P. Zeliff made a motion to approve the June 3, 2021 meeting minutes as presented; the motion was seconded by T. Bender. Roll call resulted as follows:

P. Zeliff -	Yes
M. Gray-	Absent
C. Yunker -	Yes
T. Bender -	Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD

3a. Code of Ethics – The Committee had requested that the policy language should state that the Ethics Officer “**is**” the Board Chair as opposed to “**defaults**” to the Board Chair. This change has been made. The policy states that the Agency Board Chair shall serve as the Ethics Officer. L. Farrell requested that the change is formally approved by the Committee.

T. Bender made a motion to recommend to the full Board the approval of the revised Code of Ethics; the motion was seconded by P. Zeliff. Roll call resulted as follows:

P. Zeliff -	Yes
M. Gray-	Absent

C. Yunker - Yes
T. Bender - Yes

The item was approved as presented.

3b. Travel & Discretionary Funds Policy – L. Farrell stated that this policy was put into place in 2014 and is being brought forward to the Committee to discuss Section 4C - Appropriate Expenditure Guidance pertaining to special events and employee recognition.

The Committee asked that L. Farrell and S. Hyde make the desired changes to the policy and bring back to the Committee for consideration at a subsequent meeting.

3c. Commission Fees Policy – The Audit and Finance Committee requested that the Governance Committee discuss the Agency's policy regarding commission fees. C. Suozzi provided input to the Committee to promote discussion.

The GCEDC/GGLDC has been utilizing real estate professionals for years to assist with business development activities.

The GCEDC staff has a healthy and productive relationship with the commercial realtors in our local region from Buffalo to Rochester and are also active members of NYSCAR and NAIOP in both regions.

Previously, the GCEDC/GGLDC had a policy to pay professionals (lawyers, accountants, real estate professionals) a commission/referral fee of 6% on any projects referred to the GCEDC/GGLDC that made it to closing. After discussion by the committee at that time they felt that the fixed percentage did not match the current market rate for commissions and that they would prefer to only pay real estate commissions that would be considered on a case-by-case basis. This is how we currently treat all commissions.

Generally, the GCEDC/GGLDC has paid market rate commissions to real estate professionals who lead the business development to our agency. These professionals have actively supported the GCEDC's /GGLDC's goals of increasing opportunities for our communities through expanding capital investment. These real estate professionals are essentially acting as site selectors for these smaller projects or will work with site selectors. In many instances where our sites are considered, it is only because of the relationship that the GCEDC staff has with the realtor.

One example: Project Wave 2011

CBRE brought the deal to GCEDC
Sold 81 acres
\$37,000 per acre
10% Commission fee paid.

The other issue is that the realtor will mention his commission percentage up front before we start to work with the company. If we negotiate that rate off market, we will run the risk of them not promoting our site to the company. The realtors do a lot of work in the background marketing our site to the company, utilizing their relationship with us to get the promotional information to pitch the GCEDC/GGLDC sites. The commission is also usually not brought forward for Board approval until the deal with the company is ready to go. It would make it difficult to try and change the commission rate at the time the deal is being brought forward.

It is recommended by staff to work with our real estate professionals and continue to discuss commission plans on a case-by-case basis.

The Committee agreed that commissions to real estate professionals will continue to be brought forward on a case-by-case basis.

3d. Loewke Brill Consulting Fees – At the October 1, 2019 meeting, the GCEDC staff presented a sample proposal from Loewke Brill Consulting Group, Inc. on how they could assist companies that will have to report to the GCEDC under the local labor reporting requirements, including assistance with waiver requests and finding local contractors to bid their projects.

The GCEDC staff had requested quotes for the costs related to Plug Power, Ellicott Station and Excelsior Energy. Copies of the applications for incentives were sent to Loewke Brill for them to calculate the fee. They submitted the following:

Plug Power - \$26,760 - 24 Inspections (\$325 per visit), 24 Monthly Reports (\$690 per month), 1 time set up fee (\$1,250), 5 waiver processing fees (estimated, \$230 per waiver)

Excelsior Energy - \$20,670 - 18 inspections (\$325 per visit), 18 monthly reports (\$690 per month) , 1 time set up fee (\$1,250) , 5 waiver processing fees (estimated, \$230 per waiver)

Ellicott Station - \$18,540 - 24 Inspections (\$225 per visit), 24 monthly reports (\$460 per month), 1 time set up fee (\$950), 5 waiver processing fees (estimated, \$230 per waiver)

These prices are based on estimated schedules and are subject to change during construction.

The time was determined by what the projects listed for the duration of construction in their applications. After reviewing these numbers, staff has the following recommendation:

1. The GCEDC can pay for the set-up fee, monthly inspections and reporting, not to exceed the construction timeline in the application. If it runs over that the company should be responsible.
2. The company should pay for any waiver requests that get submitted and sent to the Board for consideration.

There are no changes to the Local Labor Policy being recommended at this time.

T. Bender made a motion to recommend to the full Board the approval of the proposal from Loewke Brill Consulting on the Plug Power, Ellicott Station, and Excelsior Energy projects, excluding payment of waiver requests and not to exceed the time listed in the project application; the motion was seconded by P. Zelif. Roll call resulted as follows:

P. Zelif -	Yes
M. Gray-	Absent
C. Yunker -	Yes
T. Bender -	Yes

The item was approved as presented.

4. **ADJOURNMENT**

As there was no further business, T. Bender made a motion to adjourn at 3:38 p.m., seconded by P. Zeliff, and passed unanimously.