

A. CALL TO ORDER BY PRESIDING OFFICER

Chair Shane T. Bemis called the Gresham Redevelopment Commission (GRDC) meeting to order on Tuesday, May 19, 2020 at 10:27 a.m. via conference call +1-301-715-8592 Meeting ID 920 1605 5910 or <https://greshamoregon.zoom.us/j/92016055910>

COMMISSION PRESENT: Commission Chair Shane T. Bemis
Commissioner Karylenn Echols
Commissioner Janine Gladfelter
Commissioner Jerry Hinton
Commissioner Mario Palmero
Commissioner David Widmark

COMMISSION ABSENT: Commissioner Eddy Morales

STAFF PRESENT: Emily Bower, Interim GRDC Executive Director.
Kevin McConnell, City Attorney
Corey Falls, Deputy City Manager
Sharron Monohon, Budget & Financial Planning Director
Shannon Stadey, Economic Development Director
Steve Fancher, Environmental Services Director
Allison Don, Senior Manager
Larry Morgan, Policy Communications Specialist
Teresa Hall, Council and Executive Analyst
Susanjoy Wright, City Recorder
Rosalie Diaz, Administrative Assistant II
Cecille Turley, Recording Secretary

1. INSTRUCTIONS TO CITIZENS ON SIGNING UP FOR PUBLIC TESTIMONY REGARDING AGENDA AND NON-AGENDA ITEMS

No instructions were read.

B. CITIZEN AND COMMUNITY GROUP COMMENTS FOR AGENDA (EXCEPT PUBLIC HEARING) AND NON-AGENDA ITEMS

None.

C. CONSENT AGENDA

Chair Bemis read the consent agenda.

1. URBAN RENEWAL CAPITAL IMPROVEMENT PROGRAM FISCAL YEARS 2020/21 – 2024/25

2. GRESHAM REDEVELOPMENT COMMISSION MEETING MINUTES (FEBRUARY 18, 2020)

Chair Bemis asked if there were any items on the Consent Agenda that any Commissioner wished to remove for further discussion.

Chair Bemis said hearing none, he would entertain a motion.

Motion was made by Commissioner David Widmark and seconded by Commissioner Karylinn Echols
TO APPROVE CONSENT AGENDA ITEMS C-1 AND C-2.

Chair Bemis called for discussion on the motion.

There was no discussion.

The motion passed as follows:

Commission Chair Shane T. Bemis	YES
Commissioner Karylinn Echols	YES
Commissioner Janine Gladfelter	YES
Commissioner Jerry Hinton	YES
Commissioner Mario Palmero	YES
Commissioner David Widmark	YES

D. PUBLIC HEARING

None.

E. COMMISSION BUSINESS

1. ROCKWOOD RISING MARKET HALL REDESIGN

Emily Bower, Interim GRDC Executive Director presented the staff report Powerpoint presentation on the redesign of the Market Hall building in the Rockwood Rising project on the Catalyst Site and the purpose of the redesign. She concluded her presentation by saying she is ready to take comments or questions and Matt Brown from YBA Architects and Roy Kim from Rkm Development, Inc. are present should we need them to answer any questions. (PowerPoint presentation attached as Exhibit A).

Chair Bemis said thank you. You mentioned that the entire building is leased. Has any of that changed since COVID-19? Have those leases been signed or does the developer know if there is still intent to sign them? There's obviously a lot of shakeout going on in the economy, but there's also a lot of shakeout in certain industries in terms of what the future looks like, with office being one of them and restaurants being another one. Are those leases still intact?

Ms. Bower replied to clarify, the 100% occupancy is for the Innovation Hub – the large office building that is just about to be complete in August. Her understanding is that it continues to have full occupancy and we continue to move forward with those leasing agreements. The timing of when they take ownership and tenancy is staggered so she is going have Roy speak to that a little bit more specifically.

Roy Kim, Rkm Development, Inc. said the leases are all still in place with the tenants at the Innovation Hub. Schedule wise, we expect to turn over the WorkSource Oregon space at the end of June. We have already finished the walls and are getting ready for the finish materials. It's very far along. Wallace Medial, which leased all of the 4th floor and part of the 3rd floor, will start their interior work probably sometime next month or maybe a little bit after that and we expect them to be done by the end of the year. We expect the daycare to open in August or so and the restaurant to open in September or

October. Those two tenants are going through dramatic changes in how they will probably open. They're in touch with all the new regulations. We still have a few months to go. They anticipate being able to open without delay, but they anticipate opening with restrictions. We do not anticipate a delay in opening, and nobody has backed out. Everybody is very excited.

Ms. Bower said she thinks that many of the organizations that occupy the Innovation Hub are organizations that are going to be in even more demand as we go through our economic recovery stages, so we highly anticipate that they will be used and will continue to move forward.

Chair Bemis asked what the timeline is in terms of completion. What is the target date that this will all be done – not only the Market Hall, but the site as we know it?

Ms. Bower explained that we look forward for construction to be complete in summer of 2021. RKM's team and GRDC staff are continuing to work on funding and financing for Phase III. There may be some delays in that, given the current federal circumstances regarding funding housing projects, but we are actively working with them to secure funding. Roy has submitted for a Housing and Urban Development (HUD)-funded grant and we are looking to also submit a proposal to receive Metro Housing Bond dollars. Roy, could you provide an update on the timeframe to complete Phase III?

Chair Bemis said he wants to stick to Phase II.

Ms. Bower said Phase II - the Market Hall, will be complete in summer 2021.

Chair Bemis asked what if it's not?

Ms. Bower said we do not anticipate that it will not be completed. We have already secured the funding for the Market Hall, based on our New Markets Tax Credits lenders and our construction loan lenders. We just have getting through the redesign and the amendments to the Land Development Agreement (LDA), which are some minor amendments. We anticipate that construction will start in July. There is no other communication or information that keeps us from believing that won't continue.

Chair Bemis said right, but what if that timeline is not met? What if we get to summer of 2021 and we say we need another one or two years?

Ms. Bowers explained that she does not see that being an option, given where our lenders are in providing the financing for the Market Hall. We have secured the financing through July and we believe that the Market Hall is even more anticipated by the community and the small businesses within the community as an opportunity to participate in the economic recovery process, so there is no concern on our part in meeting the timeframe of summer of 2021.

Chair Bemis said he has a concern because a lot of these timelines we have pushed ahead further. He gets it that there's a lot of play in this project and his concern is not meant to be disparaging, but the timelines have been very hard to stick to and he feels like we are constantly changing the program. We've had the property tied up for four or five years or however long it has been and we're making little steps, but then there's another delay or this or that. He gets all the complexities of it, but he wants to know at this point, if we don't make these timelines, what are we going to do? He wants to get this project done and have it doing the things that we've anticipated doing in the community that we've been talking about for 20+ years. He knows everybody gets a little frustrated with the timing and the global economy, etc., but he's really concerned about hitting timelines and delivering for our community.

Ms. Bower said she understands your concern on timelines. There are a lot of uncontrollable external circumstances as far as funding, and a variety of different construction hinderances, given where we are currently with COVID and even pre-COVID. We knew that the team needed to pivot in order to make sure that we can align all of the necessary components to be able to deliver the project – finance, construction, community engagement and any of the grant funding that we received from the State or Metro, so all of those really need to come together to meet our deadlines and we must be nimble and adaptable if for some reason there needs to be some changes. There are three large buildings and a significant public plaza that all have their own unique financial components. To make sure that we can deliver on each of those buildings, we need to ensure that we have the right financing in place. We cannot control the federal tariffs or the timelines of lenders providing financing, but we can try to align them the best that we can in the most efficient way and that's what the team has done. She understands that five years seems like quite some time and we've actually been working towards this project for a significant amount of time since urban renewal began, but she is certain and very confident that we will finish this project in the 2021/22 timeframe, including Phase III, so the entire project. She understands the frustration from both the leadership as well as the community. We all are anticipating this project to come to fruition and are very much working diligently to make sure that we are trying to meet our deadlines.

Commissioner Mario Palmero asked if the team know to put that office space into the Market Hall before the COVID-19 crisis or was that just luck? It's just amazing how that just worked out perfectly.

Ms. Bower said it was planned pre COVID. There was some discussion about increasing the leasable square footage of the Market Hall because originally, it had a beautiful frame to it and it was a really iconic building, but it didn't provide the maximum leasable space to really ensure that we could bring in more tenants and be able to secure a favorable construction loan. Both Roy and his team and Josh Fuhrer, prior to him leaving the City, had recommended the usage. Also, given the demand of the Innovation Hub, it was very clear that there would be a need for potential office, and this office space is a much smaller scale than the Innovation Hub and has the opportunity to be a bit more flexible, as well.

Commissioner Palmero said there's a very high need for office space in Rockwood and he's you glad you did that. He forgets, what part of the project is Phase III?

Ms. Bower replied Phase III is the mixed income, mixed-use building, so ground floor retail with three floors of mixed income residential multi-family units.

Commissioner Palmero said is Phase III the last phase we need to accomplish before the project is done?

Ms. Bower said that's right.

Commissioner Palmero said your team is doing a wonderful job. All the hard work is showing off, so he appreciates you and your team and Roy Kim.

Ms. Bower said thank you. If there is interest and it would be helpful to understand the timeline for Phase III, she could bring that information back to the Commission.

The consensus of the Commission was yes.

Commissioner Karylinn Echols said going back to the PowerPoint slide deck, she doesn't know the slide number, but it looks like an elevation view, but not a blueprint type elevation, and maybe this is a question for Roy, but on the west side, the back of house area looks like it's sub-ground. Is it being dug

below ground, with the other two-thirds of the building at the current elevation height? What's happening there? How did that get so different?

Ms. Bower said her understanding is that in the previous design, they were looking for a sub-ground space for the commissary and commercial kitchen. By not having to go underground, they were able to save some dollars in the construction. What's happening here is that from the area of the grocery, market hall and office space tenants there's a stairstep down to the back of house at 185th where the commissary kitchen is maintained at grade level because there's a downgrade from 187th to 185th, with the lowest part at 185th. She will ask Matt Brown to talk a little bit about that and the cost savings.

Commissioner Echols said she wants to ask another question before Matt goes into it. Is the current grade sufficient so that we don't have to do anything to the west of the building with the road that is right there?

Matt Brown, YBA Architects, said yes, that is correct. This new design provides level access at the east and west sides. There's about a little over a six foot grade change from the datum of the plaza, which is aligned with 187th Avenue to the east and the frontage on 185th Avenue, and 185th is effectively kind of very shallow "V," and this is kind of at the low point of that V. That was done for a variety of reasons in terms of the optimum orientation and location of the plaza. The old design of the building had one large sort of more iconic volume at the level of the plaza that extended the length of the footprint of the building, and there was another portion for storage and a lot of the same program elements that now are at grade facing 185th. Those were underneath the building previously. There's a lot more retaining structure involved to pull that off. Frankly, it was less convenient. It required ramping, both up and down on the west side of the building. We did a lot of work and ultimately, we are using some of the budget to make that look good, but this design is inherently more economical. 185th is the most convenient location for the back of house functions. This is going to be a very busy hub with a lot of different trucks and vehicles and customers coming in and going from all sides, but particularly on the back of house end and particularly for the commissary kitchen and freezer-cooler. 185th is the most convenient place for those functions. There are a modicum of public improvements being paid for through the project, mostly sidewalk rebuilding and provision of some updated accessible Americans with Disabilities Act (ADA) curb ramps on sidewalks in the vicinity of Oak Street, but otherwise it minimizes any improvements in the public right-of-way.

Commissioner Jerry Hinton said this new proposal definitely seems more efficient and provides more potential increased capacity. He likes it and the proposed changes in the architecture, so he really appreciates that, and he thinks you have done a good job of pivoting. With the post-COVID issue, do you think some of those pendulum's that have been increasing because of cost might start to swing back the other way and provide some benefit? Also, if you could briefly touch on the social equity piece regarding the leases and where we are in terms of diversity.

Mr. Kim said to answer the first question, as to the impact of construction costs caused by COVID, the short answer is we don't know. We are talking to some contractors now and we will know probably in a few weeks whether costs will come down or not. We hope so, but we're not sure. The last couple of months have been very difficult in terms of not being able to nail things down. The uncertainty is hanging over all of us and that includes some contractors and them not knowing whether projects they have on their books are proceeding or not and whether they're desperate for projects now.

Ms. Bower said regarding the social equity piece, a couple of things have helped us look at the procurement of the future tenants. One is the language in the LDA around the affordability provisions with regards to minority, women-owned, and emerging small businesses (MWESB). Part of the future amendment to the LDA in June is to put that language back into the ground lease portion because it

had to be extracted, due to how we bifurcated the site into Phases I, II and III, so that language around supporting MWESB will be added back. Roy and his team have been working very diligently with us on the engagement regarding the tenant recruitment process, as well as formalizing the Tenant Selection Committee. We did a very extensive outreach around bringing in committee members that were representative of the Rockwood community, not only from a residential perspective, but a business perspective. They were interviewed and then selected. There were five committee members, all with different backgrounds. One was the maker-space director for the Rockwood library, and another was Dr. LaVerne Lewis, Mt. Hood Community College District (MHCCD) Board of Education member at-large member who serves on board outreach as a liaison for East County. We had a very robust and very technically savvy committee that then helped us review the questionnaires sent in by the 40+ applicants. They reviewed them diligently, took good notes, and then provided feedback and recommendations. There was a lot of dialog around procurement of goods that were representative of communities of color as far as what types of products they provided and in terms of affordability and price point. They also looked at emerging as well as established businesses because we know that market halls do really well when people are coming there specifically for a mature, existing, well-known business that brings in a lot of patrons to help those smaller emerging businesses. They had a list of criteria to ensure they were looking at this through an equitable lens, and they then provided a recommendation to RKM's team. RKM's team is now working with that recommendation list to talk with them around what are their leasing needs and how might they move forward in the next 12 months to secure those leasing opportunities.

Commissioner Hinton said great, good to hear.

Chair Bemis called for further questions or comments from the Commission.

There were none.

Chair Bemis asked the Commissioners if they gave the amount of direction that they felt was necessary.

The consensus of the Commission was yes.

Chair Bemis asked Emily if she was good.

Ms. Bower said yes. Thank you so much. She will follow up regarding Phase III and will continue to be in touch around the June 16 LDA amendments. Thank you for your time and comments and please don't hesitate to contact me if there's anything else that comes up.

Chair Bemis asked Roy if he was good.

Mr. Kim said yes. Thank you very much. Mayor Bemis, he got your message clear and he is going to go kick some butt.

Chair Bemis said perfect. We are here to help. Thank you, Roy, and thank you all.

F. COMMISSION MEASURES AND PROPOSALS

None.

G. ADJOURNMENT OF MEETING

Hearing no further business, **Chair Bemis** adjourned the meeting at 11:04 a.m.

/s/ KARYLINN ECHOLS

CHAIR

Respectfully submitted,

/s/ Cecille Turley

Recording Secretary