

# GRESHAM

## REDEVELOPMENT COMMISSION

### AGENDA ITEM TYPE: DECISION

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### Gresham Redevelopment Commission Meeting Minutes

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**Meeting Date:** June 20, 2023

**Agenda Item Number:** C-1

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#### REQUESTED COMMISSION ACTION

Move to approve minutes from the Gresham Redevelopment Commission meetings of May 16, 2023.

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#### ATTACHMENTS

A. Meeting Minutes: May 16, 2023

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#### FROM

Johntae Ivory, Recording Secretary

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#### REVIEWED THROUGH

Brian Monberg, Gresham Redevelopment Commission Executive Director

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#### FOR MORE INFORMATION

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**A. CALL TO ORDER BY PRESIDING OFFICER**

**Chair Travis Stovall** called the Gresham Redevelopment Commission (GRDC) meeting to order on Tuesday, May 16, 2023, at 4:07 p.m. via Conference Call +1 253 215 8782, Meeting ID 878 9531 6107 or <https://greshamoregon.zoom.us/j/87895316107>

**1. ROLL CALL OF THE GRESHAM REDEVELOPMENT COMMISSION**

**Chair Stovall** called the roll.

COMMISSION PRESENT: Commission Chair Travis Stovall  
Commission Vice Chair Dina DiNucci  
Commissioner Janine Gladfelter  
Commissioner Vincent Jones-Dixon  
Commissioner Eddy Morales

COMMISSION ABSENT: Commissioner Acting Chair Jerry Hinton  
Commissioner Sue Piazza

STAFF PRESENT: Kevin McConnell, City Attorney  
Eric Schmidt, Assistant City Manager  
Brian Monberg, Gresham Redevelopment Commission Executive Director  
Johntae Ivory, Administrative Assistant II

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

**Chair Travis Stovall** read the instructions.

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

**1. CITIZEN AND COMMUNITY GROUP COMMENTS**

**Johntae Ivory**, Recording Secretary, reported that no citizens signed up to provide oral testimony or submitted written testimony.

**C. CONSENT AGENDA**

**1. URBAN RENEWAL CAPITAL IMPROVEMENT PROGRAM FISCAL YEARS 2023/24 – 2027/28**

**Chair Stovall** read the Consent Agenda and called for a motion to approve the Consent Agenda. No Commissioners had any questions.

**Chair Stovall** called for a motion on the Consent Agenda.

**Chair Stovall** asked if there was any discussion on the Consent Agenda or motion.

Hearing none, **Chair Stovall** called for the vote. The motion passed as follows:

Commission Chair Travis Stovall	YES
Commission Acting Chair Dina DiNucci	YES
Commissioner Janine Gladfelter	YES
Commissioner Eddy Morales	YES
Commissioner Vincent Jones-Dixon	YES

## **2. GRESHAM REDEVELOPMENT COMMISSION MEETING MINUTES**

Commission approval of this item would approve the minutes of the Commission meetings of March 21, 2023, and April 18, 2023.

**Chair Stovall** asked if there was any discussion on the Consent Agenda or motion.

**Hearing none, Chair Stovall called for the vote. The motion passed as follows:**

**Chair Stovall** asked if there was any discussion on the Consent Agenda or motion.

Hearing none, **Chair Stovall** called for the vote. The motion passed as follows:

Commission Chair Travis Stovall	YES
Commission Acting Chair Dina DiNucci	YES
Commissioner Janine Gladfelter	YES
Commissioner Eddy Morales	YES
Commissioner Vincent Jones-Dixon	ABSTAINED

## **D. PUBLIC HEARING**

None.

## **E. COMMISSION BUSINESS**

### **1. SMALL BUSINESS SUPPORT GRANT: PHASE 1**

Move to direct the Executive Director of the Gresham Redevelopment Commission to proceed with Phase 1 of the Small Business Support Grant.

Agenda Item E-1 - PowerPoint Presentation

**Commissioner Morales** asked if there was any discussion with Mr. Roy Kim about contributing towards the tenants past rent.

**Mr. Monberg** acknowledged they had discussions with his management team about defining the proposed capacity that the commission would consider for funding. Those discussions are ongoing.

**Commissioner Morales** asked again if Mr. Kim will contribute to funding past rent for the tenants?

**Mr. Monberg** explained we are reviewing each tenant on a case-by-case basis, and we haven't defined an overall amount. We're working to finalize that commitment and the potential funds that are a contribution from the nonprofit that operates overall the market hall, so it's not direct funding from Mr.

Kim or RKM Management.

**Chair Stovall** said the rent that the tenants pay goes to the Rockwood nonprofit and not RKM Management.

**Mr. Monberg** agreed the rents are contributing to sustaining the nonprofit and the operations for the overall utilities and cost to sustain that building. It is operated as a nonprofit. The rent funds don't contribute to any profit margins by the private developer, but it's to sustain the nonprofit and the operations of the building.

**Commissioner Morales** stated as part of our past discussions that some of these businesses might not be the right business for the Rockwood market hall and they might not have a customer base or market base there. We talked about; how do we help. People pay their debt, and then they are able to move out if needed, but the language here says they have to stick around. The commissioner asked, how was that factored into this recommendation?

**Mr. Monberg** explained that is one of the clarifications we could make as part of the proposal criteria to abide by the lease terms to renew. The tenants that chose not to renew, we certainly can build that into part of the grant program, and he believes that is an important consideration because we would not want the business just to renew the lease to access these funds. If they're not the right fit for the market hall, we can clarify that as part of the grant program. A business could be eligible for these funds, whether or not they choose to renew their lease. If they choose to renew the lease they will be required to abide by the terms of the lease.

**Commissioner Morales** said this could be used for back rent but not necessarily for future rent.

**Mr. Monberg** noted we can clarify that an applicant would not be required to renew their lease, subject to this grant but funds could be applied to back rent and a transition process for that business either with some other business model or some other location for their business.

**Commissioner Morales** asked, what other groups besides Micro Enterprise Service of Oregon, (MESO) could provide support?

**Mr. Monberg** acknowledges the two primary advisors that we have been working with the businesses have been MESO and Livelihood Northwest. MESO has had some grant funds not specific to the market hall, but to provide broader business support through businesses throughout the city. He noted, we've tried to allow the businesses to really identify organizations that they think will most help their business by providing them with multiple options.

**Commissioner Morales** asked about an update on potentially one of the commissioners or one of the businesses to serve on the board for the market hall.

**Mr. Monberg** explained that he doesn't have a substantial update as part of this meeting but is still working with the city attorney about identifying the right mix and fit for the board membership and oversight. We don't have any recommendation or action as part of the meeting today.

**Commissioner DiNucci** asked if one of the requirements to join the market hall was submitting a business plan for reasonability?

**Mr. Monberg** stated the review did go before a vendor selection committee and there was a set of criteria that they applied to. He said it did predate his time as executive director, so he substantively wouldn't know the full process that was in place. He does believe there were requirements that were in

place. He can clarify and follow up with the commission on the details of what those were.

**Commissioner DiNucci** believes we asked similar questions in a previous meeting about break even analysis. She didn't know if there was a complete business plan or if the vendors were in a position to resubmit an updated plan.

**Mr. Monberg** understanding is that the current vendors have existing business plans, and the intent of this process is to formalize and share what they have now to allow over the next coming months to work with business specialist to really review those plans. He explained, there could be components that might be missing in the original plans that could be revised and a real opportunity to put some more defined structures in place to maximize the work to support the merchants.

**Commissioner DiNucci** asked if there's requirements regarding regular business hours that the vendors will have to commit to? What's regular business hours considered?

**Mr. Monberg** believes the lease terms that the merchants signed identify operating hours and obviously some exceptions. The general intent and outcome of the criteria is to ensure that the businesses are there and do not remain closed for weeks at a time. He noted, part of the grant is to maintain that dialogue and maintain the terms of the lease.

**Commissioner DiNucci** asked, what happens if they don't meet their requirements of the business plan and maintain consistent business hours after receiving the grant award?

**Mr. Monberg** explained the intent is that this would be an important resource and there would be expectations that come with it. As part of the grant, you would have to submit your current business plan and once awarded, you'll have 90 days to work with a technical adviser to update your business plan. You would have to demonstrate you've been meeting regularly with your advisor. This will be part of the expectation and commitment around your grant repayment terms, so that effort wasn't done in good faith, the funding would be subject to repayment back to the Commission.

**Commissioner DiNucci** asked, has this all been discussed or have input from the various businesses at the market hall? What can you explain about the communication on this?

**Mr. Monberg** said both GRDC staff as well as management staff have had conversations and discussions seeing feedback from the merchants about the overall program. We have also worked with some additional stakeholder outreach that includes staff at MESO on the initial proposal initial draft. The proposal that you see does incorporate the feedback that we got and what we heard is a strong desire to have some funds available so they can ensure their occupancy on the site if they want to renew their lease. Those funds would allow them to provide stability and allow them to essentially access other funds within their business planning for a variety of other business needs to operate.

**Commissioner DiNucci** asked if this new lease renewal requires an increase in rent. Is the rent increase still happening? Will more money be leaving the City of Gresham to go into the nonprofit at the higher rate of rent?

**Mr. Monberg** explained that the specific lease terms amounts, rent remains stable for this year relative to what the rent was last year. There's a shared interest to stabilize the merchants, so the funds are proposed in the max amount for this overall program does take into account the funding that merchants would be looking to pay in year two.

**Commissioner Gladfelter** asked, what was the original grant fund intended for?

**Mr. Monberg** explained the previous grant funding is a budget item to have capacity for a grant program that had not been scoped. It was a pending proposal for how the grant would be administered. The budget item for 2023 was approximately \$500,000. This initial phase would be a subset of that, and the remaining funds would be pending a proposal and commission review and approval of any scope for future small businesses assistance.

**Commissioner Gladfelter** said the grant first year max of \$175,000 and the second year would be the same, but would be just for the tenants inside this project.

**Mr. Monberg** agreed.

**Commissioner Gladfelter** stated, what gives her pause is there's businesses that are out there that would wonder why they couldn't get a grant like this when they work just as hard, they invested their money and time in this area too. She questioned if they're going to raise the rent or are we putting more money to cover the costs. She believes if we're going to do these grants, we need to understand what is really needed for the nonprofit to sustain and not give out extra funds that is coming from the GRDC. She said, we want to have a good diligence plan in place on how they can use the business plans that will function properly because it was a big miss with the other entity and now, we are here trying to figure out and fix it. She wants to make sure we have good plans in place to ensure we're using the funds from the community wisely.

**Mr. Monberg** acknowledged there will be capacity within the existing budget to expand additional small business assistance throughout the Urban Renewal area, and that is a proposal that we can proceed on and getting out the door and funded as soon as possible. He explained, regarding the rent, we are having those discussions to really stabilize everything for year two. He needs to make sure and confirm where there's any scale or changes around the utility fund which potentially changes with utility uses. He assured us of no discussions about rent increases for this year one. He concluded by stating that part of this program design is to help formalize and put some structure around those expectations around business planning and to ensure communications happening between the third party supports and the market hall merchants. The GRDC does have the ability to work with third-party business support to ensure that is happening and we believe this proposal provides structure and commitment to ensure success this year and in the future.

**Chair Stovall** understands the concerns from Commissioner Gladfelter. He explained, after further research in the concept and origin of the market hall as an incubator, a very specific incubator that was targeted at disadvantaged business and first-time entrepreneurs. He acknowledged that we have incubators across the country and that are specifically there to help address whatever a need is in the community. From that prospective, he's more comfortable working with this solution that we built in our community for hyper focused grant opportunities because of the selection process. We can adjust the selection process as we go forward, but he would recommend that we keep this grant, specifically the program focused on this specific micro business solution that's being developed. He said we have to be good stewards of the public funds but what we are potentially developing is essential as we think about supporting these micro businesses that have tremendous opportunities to give people the ability to create both this generation of multi-generational incomes and levels where they can control their future. It's a tremendous opportunity at the market hall and he's supportive of the grant program. There's going to be additional support for the first two years because it takes 18-24 months before you even break even and move to profitability and become sustainable. When you have concentration of businesses like this in a single location it takes time. He believes we've got to be able to ensure that we've got the right amount of time to allow these businesses to move forward and he thinks were doing right now is looking back and saying we potentially should have had this in place prior to the market hall opening,

but now we're getting the opportunity after 1 year in to have this type of program going forward. He concluded and agreed there are many challenging situations that could happen and he is not quite sure of the right structure going forward. Helping these businesses for a year with the right third-party support in place is the best we can do, and this is not easy. Some businesses will succeed, and some businesses won't and have to understand and appreciate that we absolutely must do our best to have the right system in place. He agrees if the businesses do not feel after 12 months and it's not the right opportunity to be successful, we can help them transition. Overall, he's supportive of the proposal.

**Mr. Monberg** acknowledged he is very comfortable with the feedback he heard today about proceeding.

**Commissioner DiNucci** agrees with going forward and establishing additional requirements. She agrees that we missed an opportunity when it first opened, and we need to make sure we get it right. Businesses having regular hours is vital to the patrons and it shows commitment.

**Chair Stovall** asked, do we take recourse against the business? Do we require any payback for the assistance they received, or ask them to exit?

**Commissioner DiNucci** said that those commitments are really important for the sustainability of the market hall overall. She asked Mr. Monberg for his thoughts on payback.

**Mr. Monberg** said the remaining payments of the lease could be a option.

**Chair Stovall** is comfortable with some type of criteria if the merchants cannot fulfill their commitment, as long as it doesn't compound their challenges.

**Eric Schmidt, Assistant City Manager** stated, should the Commission give us direction to move forward, these are some of the operational considerations that I'll work with Mr. Monberg as we implement the program.

**Commissioner Gladfelter** agrees with moving forward as long as it doesn't put them in a worse spot and said it's important to parallel with helping them and keeping the market hall full. We want to continue with working on signage and whatever we can do to help outside, because that is part of the package.

**Mr. Monberg** said we are working through the building changes and facility changes like parking and signage. We have a variety of potential future tenants to fully lease out the space and he's confident mid-year we'll be getting close to full occupancy.

**Commissioner Morales** is also supportive in the direction we're going.

**Commission Jones-Dixon** is supportive.

**Mr. Monberg** thanked the chair and commission and noted we will move fast as we can to get this up and running, and to be in a place where we can report on the performance in the coming months.

**Commissioner DiNucci** said there's a new ice cream place in the market hall called La Michoacana Dulce. Over the weekend the flea market was there and had great attendance with a lot of patrons eating food. The Oregonian put out an article also.

**F. COMMISSION MEASURES AND PROPOSALS**

**G. ADJOURNMENT OF MEETING**

Hearing no further business, Chair Stovall adjourned the meeting at 3:38 p.m.

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TRAVIS STOVALL  
CHAIR

Respectfully submitted,

/s/ Johntae Ivory  
Johntae Ivory  
Recording Secretary