



MILWAUKIE REDEVELOPMENT COMMISSION COMMUNITY ADVISORY COMMITTEE

AGENDA

This meeting is hybrid. Attend in-person at:

City Hall
10501 SE Main Street
Milwaukie, OR 97222

January 25, 2024
5:30 – 7:00pm

Attend virtually by using the link below to join the webinar:

<https://us02web.zoom.us/j/88487745316?pwd=dFRhbK9Xb3JiTWxjZzIxbk9kU2RJUT09>

Passcode: 504485

Note: agenda item times are estimates and are subject to change.

1. **Welcome and Meeting Objectives** (5:30 p.m.)
2. **Review Meeting Minutes from November 29, 2023** (5:35 p.m.)
3. **Economic Development Program Discussion** (5:40 p.m.)
4. **Public Comment** (6:45 p.m.)
5. **Adjourn** (7:00 p.m.)

Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice

The city is committed to providing equal access to public meetings. To request assistance services contact the Office of the City Recorder at least 48 hours before the meeting by email at ocr@milwaukieoregon.gov or phone at 503-786-7502.

Servicios de Accesibilidad para Reuniones y Aviso de la Ley de Estadounidenses con Discapacidades (ADA) La ciudad se compromete a proporcionar igualdad de acceso para reuniones públicas. Para solicitar servicios de asistencia, favor de comunicarse a la Oficina del Registro de la Ciudad con un mínimo de 48 horas antes de la reunión por correo electrónico a ocr@milwaukieoregon.gov o llame al 503-786-7502.



**MILWAUKIE REDEVELOPMENT
COMMISSION
COMMUNITY ADVISORY COMMITTEE**

Meeting Minutes

Meeting Minutes – November 29, 2023 (Virtual)

5:30PM - 7:00PM

Members:

Present: Chair Rebecca Stavenjord (City Council Liaison), Neil Hankerson, Yelena Voznyuk, Sang Pau, David Chitsazan, and Carmen Meyer.

Absent: Doug Whiteley, Donna Baten, Sabina Spicer, Heather Koch

Staff: Joseph Briglio, Community Development Director and John Southgate, Consultant

Welcome and Meeting Objectives

Chair Stavenjord provided opening remarks and each member shared their background.

Economic Development Program Discussion

The committee received a presentation from John Southgate who provided an overview of his findings and initial questions associated with the URA economic development programs as called out in the five-year action plan. The committee discussed and provided insights, as well as some direction to staff on next steps. The direction included the following:

- General agreement with programmatic basics (i.e. funding amounts, matching, administration, grant cycles, etc.)
- Consider incorporating some form of anti-displacement framework.
- Consider incorporating preference for projects that provide a multiplier effect (more job opportunities, lower barrier entrepreneurship)
- Consider incorporating preference for projects that activate the ROW, "place making," and create a destination.
- Programs should be available to the entire URA with a preference for downtown.
- Allow for ROW improvements as an eligible activity.
- Ensure marketing to historically marginalized communities and business owners.
- It's not necessary to require additional design requirement as part of these programs. Following what is already required by code is sufficient.

Public Comment

No public comment

Meeting Adjourned at 7:00pm

John Southgate, LLC
88 S. 4th Street
Independence, Oregon 97351

January 17, 2024

TO: Joseph Briglio, Community Development Director, City of Milwaukie
FROM: John Southgate, Economic Development Consultant
SUBJECT: Urban Renewal Economic Development Programs

I am looking forward to briefing the Milwaukie Redevelopment Commission Community Advisory Committee (MRCCAC), to present my revised recommendations on the three urban renewal programs that the City has funded in its Milwaukie Urban Renewal Area Five Year Plan. The programs are grant programs for pre-development, storefronts, and tenant improvements. This updated version of my recommendations (which accompanies this memorandum, and referred to herein as the “Program Parameters”) reflects input which the CAC provided on November 29, 2023, along with feedback from individual members and staff provided *after* the CAC meeting.

Before describing significant revisions to the proposed parameters, I would make two observations:

First, in my November memorandum, I noted that “the successful deployment of urban renewal dollars runs the risk of displacement of existing, long-standing businesses and residents, including those from communities of color. As these programs are implemented, it behooves the City to work closely with members of these communities and consider adaptation of program parameters to address any displacement challenges that may arise over time”. In response to this earlier concern (and to feedback provided by the CAC), please note that the revised Program parameters attempt to speak to this challenge, both with regard to specific recommended parameters, *and* with regard to how the programs are marketed (i.e. targeted populations, using suitable means of communication including Spanish language materials).

Second, on a more prosaic note, the Program Parameters document includes a number of Comment “boxes”, providing context to the revisions which the Program Parameters document has incorporated, in my attempts to capture or respond to CAC feedback. I have attempted to speak to the more significant of these comments, below. The CAC may wish to focus its review of the document and the discussion on January 25th around these provisions and revisions.

Pre-Development Grant Program

This program is intended to provide funding for pre-development activities that will hopefully culminate in new development (either new construction or major rehabilitation) that aligns with the City’s goals for a robust, active, mixed-use downtown environment.

As noted above, there are a number of comment boxes in the Program Parameters document which are worthy of CAC members' attention. To reiterate what I believe are the most salient comments/reflections:

- New language attempts to better characterize what types of projects the pre-development grant program is intended to fund. My attempt here is to provide a general sense, and give some examples of “preferred” development types, without ruling out a use which may fall short of the “ideal” but is nevertheless worth funding.
- New language about providing higher amounts of funding for “catalytic”, “game changer” project types. Again, I have attempted to provide some examples of what constitutes “catalytic”; and I have incorporated provisions for what type of analysis the City might perform to assure the worthiness of these “extraordinary” projects.
- Language that clarifies a preference for TIF-generating projects, while allowing for projects that may be tax exempt but which nevertheless serve the City’s efforts in Downtown Milwaukie. Examples might include an arts facility, or a maker space owned and operated by a non-profit.
- Generally, other provisions in this document (which appeared to enjoy CAC support based on feedback at the November 29th meeting) are consistent with the November version of the program parameters.

Storefront & Tenant Improvement Programs

These two programs are intended to provide funding for physical improvements to tenant spaces in existing development (most cities do not allow these funds for new construction). As with the pre-development grant program, the programs are generally intended to assist uses that will activate an area, such as restaurants and shops that serve as a magnet for bringing new customers to downtown Milwaukie and surrounding areas.

Generally, storefront grant programs are intended to beautify a downtown, upgrading the exterior appearance of buildings with improvements that are compatible with the architecture of the building, and also contribute to the overall aesthetics of the downtown area. Tenant improvement grants, on the other hand, generally fund interior improvements, and are restricted to targeted businesses (food and beverage, or “curated” retail) that are likely to make the downtown more attractive to customers from outside the area.

Below are some reflections that I would call to the CAC’s particular attention, i.e. revisions which I have made since the November version of my recommendations, generally in response to CAC feedback:

- As with the pre-development program, there is a stated *preference* to fund TIF-generating projects, while recognizing that some non-profit entities may seek funding for projects that are conducive to a more vital downtown, even if the use is tax exempt.
- Note that while the storefront grant program is still proposed to be restricted to existing buildings, the T.I. program is now proposed to be made available to spaces in new buildings, considering we have empty tenant spaces in new buildings.

- Note that there is new language prohibiting national chains for these programs, except in the case of a locally-owned franchise.
- I have provided more clarity to the types of expenditures that are eligible for reimbursement under these two programs. Most of these expenditures were recommended by CAC members, including sidewalks, code compliance work (e.g. a grease trap separator for restaurants), and permits and fees (which can often be onerous, especially for small businesses).
- At a CAC member’s suggestion, I am proposing an increased grant amount and reduced match requirements for certain identified business types.
- Finally, please note a new “look-back” provision, allowing for recently completed storefront or TI projects (or projects that are completed between now and when the programs are officially in place) to take advantage of the funding opportunity. It would seem unfair to “punish” the owners of businesses that had the courage to initiate a worthy project “too soon”, i.e. before adoption of the programs.

Other Considerations/Program Preferences & Values

A new section closes the proposed parameters document, entitled “Other Considerations/Program Preferences & Values”. As alluded to earlier in this memorandum, the City is concerned that the successful deployment of these programs benefits all businesses, particularly those from traditionally under-represented communities. It was clear at the November 29th CAC meeting (and in subsequent communications), that these concerns matter to the CAC as well – both as a body, and individually. The new section that concludes the attached document attempts to encapsulate some of the great thoughts and suggestions that CAC members put forth, related to how and to whom the City’s grant programs are marketed; the possible engagement of organizations who have enduring relationships with the communities in question; a regular review of program parameters to adapt the programs if and when this is called for; and advocating that grant recipients target their supplier relationships and their hiring to achieve community benefit.

On this general topic of Anti-Displacement and Retention Assistance: Community Development Director Joseph Briglio intends to introduce the work of a local consultant firm which works with small businesses with low barrier, low cost solutions that tend to allow these often struggling businesses to get back on their feet financially, and thrive by building visible appearance, product display, and branding.

Next steps:

- MRCAC discusses and provides feedback on revised *Program Parameters*.
- Final draft of Parameters to City Council/URA Board for its review and adoption.
- Application forms and marketing materials prepared.
- Implementation, marketing and administration of programs.

City of Milwaukee
Urban Renewal Funded Grant Programs
Recommended Parameters

January 25, 2023
Second MRCCAC Review Draft

The City of Milwaukee has led a robust effort to engage the broader community in the formation of policies intended to revitalize Downtown and its environs that is economically vital, equitable, and walkable; featuring a mix of uses, housing choices, and businesses that serve the community but also attract visitors from throughout the region.

One of the key components of the City's efforts is the creation of a Downtown Urban Renewal Plan. Early funding for the Plan, as set forth in the Five-Year Plan, calls for the creation of three grant programs to support business investment and new development that aligns with the City's vision for its downtown. Those programs are the Pre-development Program, the Storefront Grant Program, and the Tenant Improvement Program. This document sets forth recommended ground rules or *parameters* for the three grant programs.

Authorization of individual applications to access these programs are at the discretion of the Community Development Director (or, in certain specified circumstances, the City's Redevelopment Commission). Approval of funding requests from these programs should never be assumed by any applicant, even in cases of requests for improvements which fully comply with any applicable zoning codes. The broad intention behind these programs is to foster new investment that promotes an attractive, dynamic downtown that draws new customers to Milwaukee. To help the City achieve its goals and to assist individual businesses in successfully securing funding under these programs, the City will likely retain staff and/or consultants with expertise in design and marketing.

It bears noting here that the City has thoroughly embraced the protection and advancement of historically under-represented and marginalized communities. For this reason, the City has engaged a wide variety of voices in the formation of the Urban Renewal Plan and the Five Year Plan. Moreover, the City recognizes the importance of regularly "testing" the impacts of all of its programs – including these urban renewal grant programs – to assure that those impacts are consonant with the City's commitments to all of its residents and businesses.

Pre-Development Program

Program Purpose

The Pre-Development Program is intended to provide funding for a wide variety of professional studies which the City deems likely to result in new development (either new construction or major rehabilitation) that advances the City's aspirations for its Downtown and URA. With this program, the City hopes to stimulate investment, facilitate redevelopment of underutilized sites, and attract business growth. Simply put, the City's aspires to create a robust, active, mixed-use downtown that provides a variety of housing choices across a broad range of incomes, coupled with new shops, eateries, office and other uses. The pre-development program is intended to

Commented [JS1]: New paragraph. I feel that we need to make it abundantly clear that the City, under the direction of its citizen committees that oversee the Urban Renewal effort, has the prerogative to deny an application as the City deems appropriate; and further, to make it clear that the City will be guided by its overarching guiding principles stated in this paragraph and elsewhere (i.e. a decision to deny will not be taken lightly)

provide information necessary for developers and property owners to move forward on projects which are likely to entail higher density, mixed use, quality design, and other characteristics that will contribute to a healthy and dynamic downtown.

Commented [JS2]: This language (in yellow) is new. We want to maintain flexibility to use the pre-dev program to fund a wide array of possible redev; at the same time, this new language is an attempt to say what types of new dev the City would prefer to fund, or is more likely to fund. Convenience stores and gas stations – we won't fund; catalytic mixed use redev – we will fund; and we will try to keep the guiding principles in mind for those uses that fall somewhere between the two extremes

Pre-Development Program Parameters

Eligible Area: The program is available within the entirety of the Milwaukie Urban Renewal Area (see Map, Attachment 1)

Eligible Applicants: Property Owners, as well as prospective owners or developers who can demonstrate to the City's Program Manager satisfaction that they are in the position to control the development of the property in question (i.e. an Earnest Money Agreement to acquire the site, an Option to purchase, a Joint Venture Agreement with the owner, or other documentation as deemed appropriate by the Program Manager). In general, the ultimate redevelopment of the property should generate TIF (Tax Increment Financing); however, the Program Manager will consider requests to fund pre-development efforts for projects that may be exempt from property taxes, such as an arts facility, or a maker space that is owned and operated by a non-profit venture. Applicants must be current on their property taxes and business license, as applicable.

Commented [JS3]: Based on CAC feedback, the new language attempts to make clear that while this program generally "prefers" TIF-generating projects, we would nonetheless consider uses that strengthen the City's DT agenda even in cases where the development is tax exempt (e.g. a CDC-built affordable housing project; a maker space owned and operated by a non profit...). New language in yellow tries to convey this.

Eligible Activities: Any professional studies associated with possible redevelopment of a property (either new construction or major rehabilitation). The redevelopment must be for a use or uses that support the City's goals for its downtown, e.g. new multi-story/mixed use development or other uses that generate a more dynamic (i.e. placemaking, event space, job creation, and community building) and attractive core area. Professional studies may include, but are not limited to, conceptual design, market/feasibility analysis, appraisal, environmental assessment, geo-technical study, property survey, etc.

Commented [JS4]: Here again, new language in yellow that attempts to direct applicants towards "preferred" development, while not ruling out ideas that fall short of the "ideal".

Maximum Grant Amount: \$50,000, but the UR Board may authorize larger grants of up to \$100,000 for significant, "catalytic" projects (large scale, major new redevelopment). For truly extraordinary projects (large scale, critically important properties) the City will consider funding requests that exceed \$100,000, subject to a thorough consideration of the project's "ROI" (Return on Investment) to the City, measured in terms of future tax revenue generation, added housing, new retail that will substantially increase the appeal of Downtown Milwaukie to customers from a much larger geography, etc. Other important considerations that the City will make in determining whether to fund a "catalytic" project include the projected subsidy "recapture" (i.e. how many years will it take to recapture the City's initial investment, due to increased TIF revenue?), and the leverage of the City's investment with other sources.

Commented [JS5]: New language in yellow, per CAC discussion and subsequent reflections. Generally I think a cap is good, but there may be extraordinary projects that merit an increase or even a complete waiver of a cap. The new language attempts to frame what it would look like to exceed the cap – what type of project would merit this, and what measures we need to take to determine any given request warrants an increase/waiver of the cap. Hillsboro does this w their program – i.e. a complete waiver of the cap for game changer projects. Are there any projects that should definitely NOT be deemed eligible for the waived cap?

Minimum Applicant Match Requirement: The applicant must contribute a minimum of 50% of pre-development costs. For larger "catalytic" pre-development grant requests, the grant amount will be negotiated.

Application Cycle: Applicants may seek funds at any time, as long as the City has budgeted funds available within the current fiscal year.

Decision Authority: For grants of up to \$50,000, the City's Project Manager has approval authority, basing his/her decision of whether to authorize any and all work on compliance with these parameters as well as the determination that the project will in the Project Manager's sole discretion serve to advance the City's aspirations for Downtown Milwaukie and environs, and that the project is reasonably likely to be built in the next five years. Requests in excess of \$50,000 for "catalytic" projects will require authorization by the Milwaukie Redevelopment Commission.

Work Product Ownership: The City will own the work that it funds, and may opt to share that work with other parties as the City deems appropriate (including, if relevant, future owners or developers of the property).

Process: Applicants are encouraged to meet with the Program Manager prior to submittal of an application. The City will not fund work performed prior to City authorization to fund the request. The PM may opt to fund only some of the work proposed in the application. City will issue funds on a reimbursement basis; however the City may at its sole discretion consider release of some of the funds prior to the work being initiated or completed, on a case-by-case basis.

Storefront & Tenant Improvement Programs

Program Purpose

These two programs are intended to provide funding for physical improvements to tenant spaces in existing development. As with the pre-development grant program, the programs are generally intended to assist uses that will activate an area, i.e. restaurants, and shops that serve as a magnet bringing new customers to downtown Milwaukie and surrounding areas.

Generally, *storefront grant programs* are intended to beautify a downtown, upgrading the exterior appearance of buildings with improvements that are compatible with the architecture of the building, and also contribute to the overall aesthetics of the downtown area. As such, the specific use that will occupy the space is of secondary concern. *Tenant improvement grants*, on the other hand, are intended only for targeted businesses (food and beverage, or “curated” retail such as a locally owned grocery store or bookstore) which are likely to “grow” the Milwaukie brand, with the capacity to attract customers from beyond the City.

Program Parameters

Eligible Area: The program is initially available only to businesses in the Downtown Core portion of the URA (see Map, Attachment 1). The Program Manager may opt to consider at his/her sole discretion applications from other locations within the URA boundary but outside of the Downtown Core.

Eligible Applicants: Current or future tenants of existing street-facing tenant spaces, or property owners. Note that while the T.I. program is available to users in both existing and new buildings, the Storefront program is not available to spaces in *new* buildings. The T.I. program, is only intended for businesses that help to establish Downtown Milwaukie as a regional destination (quality food and beverage businesses; or quality “curated”, locally-owned retail such as a grocery store, bookstore, or other businesses which in the sole discretion of the PM strengthen the Downtown Milwaukie brand). *Applicants must be current on their property taxes and business license, as applicable.* Generally, non-profits (including religious institutions) are ineligible, unless the Project Manager determines that the use itself will contribute to the vitality of Downtown Milwaukie notwithstanding the fact that the property owner (and/or operator) may be tax-exempt (examples might include an arts facility, or a non-profit run space that provides assistance to start-ups/entrepreneurs). Additionally, national chains are ineligible, except for locally-owned franchises.

Eligible Activities: Storefront: Exterior improvements which enhance the appearance or functionality of ground floor retail/commercial spaces, and which will contribute to the aesthetic

Commented [JS6]: Note that non profits are eligible, but only under certain considerations. This may be worth CAC discussion on 1-25.

Commented [JS7]: Note the distinction – storefront program is only for existing buildings; whereas TI program is available both to existing AND new buildings. Intent is to allow for TI funding assistance for suitable uses in new development.

qualities of the building architecture and of downtown Milwaukee. *Examples:* storefronts (windows, entrances, transoms), awnings, signs, sidewalks, building rehabilitation, new siding which is compatible with the architectural context. **The City will also consider funding of any necessary fees, including building permits and System Development Charges (SDCs).**

Commented [JS8]: Per CAC direction

Commented [JS9]: New language includes fees, which are often an expensive deterrent to new projects

Eligible Activities: Tenant Improvements: Interior improvements that are intended to accommodate the expansion or upgrading of ground floor tenant space that is explicitly intended to serve uses that will attract more customers to Downtown Milwaukee. This program is restricted to locally owned eateries, curated retail, and other similar uses. *Examples:* new kitchen equipment (in the case of restaurants), or other improvements intended to accommodate desired uses, including cost of improvements required by code, such as grease trap separators, ADA improvements to restrooms and exiting, etc. **The City will also consider funding of any necessary fees, including building permits and System Development Charges (SDCs).**

Commented [JS10]: New language in yellow, per discussion

Ineligible Activities: National chains. Residential uses. Upper floor improvements, except for roof-top bars or dining areas. Ordinary repair and maintenance (except when incidental to storefront/t.i. upgrades)

Maximum Grant Amount: \$25,000. Note that this cap applies to each business within a building with multiple ground floor tenant spaces. **Project Manager will consider grant requests for up to \$50,000 for uses which are likely to result in a new or expanded project that is particularly likely to benefit the economic and community health of Downtown Milwaukee – e.g. a use that the City currently lacks, and that the Project Manager considers to be an important element of a strong and attractive downtown.**

Commented [JS11]: Note new language in yellow that allows City to grant a higher amount for special circumstances.

Commented [JS12]: do we want to say something about multiple grants for a single space? I.e. prohibit multiple applications, at least within a particular time frame???

Minimum Applicant Match Requirement: 50%, but only 25% for “small grants” of up to \$5000.

The Community Development Director may also reduce the 50% match requirements for projects that cost more than \$5000, in the case of businesses with limited resources, language barriers, socio-economic status, small businesses, and projects that benefit smaller businesses.

Commented [JS13]: New language in yellow, from CAC member

Application Cycle: Applicants may seek funds at any time, as long as the City has budgeted funds available.

Duration of Improvement: Improvements funded by the Storefront and T.I. grant programs must remain in place for a minimum of five years; if the URA-funded improvements are removed in less than five years, the applicant must reimburse the City on a pro rata basis (20% of grant funds for every year remaining in the Duration period). However, projects which entail grant funding of \$5000 or less are not subject to this requirement.

Commented [JS14]: This is not new language (CAC has already seen it). BUT I would call it to folks’ attention. I am aware of lease spaces on a month-to-month agreement, so the 5 year duration requirement could make it impossible for these otherwise worthwhile spaces to receive funding.

Decision Authority: For grants of up to \$50,000, the City’s Project Manager has approval authority, basing his decision of whether to authorize any and all work based on compliance with these parameters.

Design Advice: The Project Manager may require that the applicant utilize the services of a City-provided design advisor. City to fund up to \$2500 for the cost of the Advisor (if the applicant opts to utilize the advisor for an amount above \$2500, the City and the applicant will share the costs of the next \$2500 of the design advice; amounts over \$5000 to be funded by the applicant).

Process: Applicants are strongly encouraged to meet with the Program Manager prior to submittal of an application. The City will not fund work performed prior to City authorization to fund the request, **except in the case of improvements made since DATE and completed before DATE.** The PM may opt to fund only some of the work proposed in the application. City will issue funds on a reimbursement basis; however the City will consider release of some of the funds prior to the work being initiated or completed, at the City’s sole discretion.

Commented [JS15]: New language in yellow. There are worthy projects recently completed, or in the wings, which suffer from having been done “too early” to receive funding, unless we have a “look back” clause. Opportunity to reward the early risk-takers.

Other Considerations/Program Preferences and Values

- Periodic Review: The City will undertake a regular review of these program parameters, to make sure that they serve their intended purposes. As staff resources allow, the City may consider modifications in the immediate term, if it is determined that a particular parameter is hindering the ability of the programs to aid in business investment.
- The City may also want to provide the Program Manager with the authority to exceed the stated parameters, at least under certain circumstances.
- The City intends to market these programs in an intentional fashion, including in particular traditionally under-represented communities. The City may utilize its own staff, or it may contract with outside entities with expertise and relationships in targeted communities.
- The City may also opt to contract with entities providing a wide array of small business assistance; i.e. organizations with expertise in technical advice, access to capital (including micro-loans), training, networking, entrepreneurship, etc.
- The City is committed to capacity building with regard to its Urban Renewal programs, as with other City initiatives related to wealth building. This may include training for how to access City funds, translation of all materials (including website) into Spanish and other languages as appropriate, and cultivating relationship with community leaders' connections and wisdom.
- The City will encourage applicants to these programs to consider utilizing local contractors, vendors, and suppliers to perform the funded services.

Commented [JS16]: Much of this section borrows from Chair Stavenford's very thoughtful suggestions

Commented [JS17]: Chair Stavenford offers a number of great potential partners for this purpose, including MESO, OAME, SBDC, N Clack Chamber, Mercy Corps NW

Commented [JS18]: Should we go further and actually sweeten the pot – i.e. increase grant caps and/or reduce required match when the applicant uses local services? If so, how do we define local? SE Portland? Anywhere in Clack Co? Milwaukie only? This may ultimately prove difficult to enforce and costly to administer. As such we may want to keep these as suggestions as opposed to requirements.