

Commission Chair Travis Stovall
Commission Vice Chair Cathy Keathley Commissioner Jerry Hinton
Commission Acting Chair Kayla Brown Commissioner Sue Piazza
Commissioner Eddy Morales Commissioner Janine Gladfelter

**Gresham Redevelopment Commission
Business Meeting**

**August 26, 2025
2:30 PM**

**Gresham Public Safety and Schools Building
Council Chambers
1333 NW Eastman Parkway, Gresham, Oregon**

Members of the public are welcome to attend this meeting in the Council Chambers.
This meeting will also be broadcast live at www.greshamoregon.gov/agendas and via Zoom.

Please use the link below to join the Zoom webinar:

<https://greshamoregon.zoom.us/j/87895316107?pwd=YTIJZFJrcTV5SU8xa1NoVWdXWXhsZz09>

**Webinar ID: 878 9531 6107
Passcode: 4xERZB5sqX**

**Telephone: 253 215 8782
Passcode: 498 368 8933**

PLEASE NOTE

Instructions for signing up for written or oral testimony are provided on this agenda under section B (1): Instructions to Citizens on Signing Up for Public Testimony Regarding Agenda and Non-Agenda Items.

A. Opening – 5 Minutes

- 1. Call to Order**
- 2. Roll Call**

B. Open Public Comment – 10 Minutes

1. Instructions to the Public

Written Testimony must be received by 3:00 p.m. on Monday, August 25, 2025, via email to Johntae Ivory, Program Technician, at johntae.ivory@greshamoregon.gov

Oral Testimony: Persons wishing to provide oral testimony must register their request to Johntae Ivory, Program Technician, by calling 503-618-2473 or emailing johntae.ivory@greshamoregon.gov by 3:00 p.m. on Monday, August 25, 2025, and include their name, email address, phone number, and subject matter of the oral testimony.

Mr. Ivory will send persons who wish to provide oral testimony via Zoom a Zoom link to use to provide the oral testimony.

2. Open Public Testimony

C. Consent Agenda – 5 Minutes

Commission actions are taken in one motion on Consent Agenda items; however, Commission members can remove items from the Consent Agenda to be addressed separately.

1. Gresham Redevelopment Commission Meeting Minutes

Move to approve minutes from the Gresham Redevelopment Commission meeting of June 17, 2025.

Urban Renewal

2. Ground Lease Amendment for Real Property at 18604-18688 East Burnside Street

Move to approve the First Amendment to the Ground Lease (First Amendment) with RKm Development, Inc. and any wholly owned, controlled, or affiliated entities (RKm) for the real property owned by the Gresham Redevelopment Commission (GRDC) located at 18604-18688 E. Burnside Street (Building B) and authorize the Executive Director to execute the final First Amendment on behalf of the GRDC.

Urban Renewal

D. Public Hearing

E. Commission Business

F. Commission Measures, Proposals and Announcements

G. Adjournment

Total Estimated Time: 20 Minutes



AGENDA ITEM TYPE: CONSENT

Gresham Redevelopment Commission Meeting Minutes

Meeting Date: August 26, 2025
Service Area: Urban Renewal

Staff Member: Johntae Ivory
Agenda Item Number: C-1

Requested Council Action and Suggested Motion:

Move to approve minutes from the Gresham Redevelopment Commission meeting of June 17, 2025

Reviewed By:

Justin Douglas, GRDC Executive Director

Attachments:

GRDC Meeting Minutes 6-17-25

A. Opening

1. Call to Order

Chair Travis Stovall called the Gresham Redevelopment Commission (GRDC) meeting to order on Tuesday, June 17, 2025, at 2:32 P.M. via Conference Call +1 253 215 8782, Meeting ID 878 9531 6107 or <https://greshamoregon.zoom.us/j/87895316107>

2. Roll Call

COMMISSION PRESENT: Commission Chair Travis Stovall
Commissioner Janine Gladfelter
Commissioner Jerry Hinton
Commissioner Cathy Keathley
Commissioner Sue Piazza

COMMISSION ABSENT: Commissioner Eddy Morales
Commissioner Sue Piazza

STAFF PRESENT: Eric Schmidt, Gresham City Manager
Ellen Van Riper, Gresham City Attorney
Justin Douglas, GRDC Director
Michael Gonzales, Urban Renewal Project Coordinator
Johntae Ivory, Recording Secretary

B. Open Public Comment - 10 Minutes

1. Instructions to the Public

Written Testimony must be received by 3:00 p.m. on Monday, June 16, 2025, via email to Johntae Ivory, Program Technician, at johntae.ivory@greshamoregon.gov
Oral Testimony: Persons wishing to provide oral testimony must register their request to Johntae Ivory, Program Technician, by calling 503-618-2473 or emailing johntae.ivory@greshamoregon.gov by 3:00 p.m. on June 16, 2025 and include their name, email address, phone number, and subject matter of the oral testimony. Mr. Ivory will send persons who wish to provide oral testimony via Zoom a Zoom link to use to provide the oral testimony.

2. Open Public Testimony

Chair Travis Stovall read the instructions.

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

C. Consent Agenda - 5 Minutes

Commission actions are taken in one motion on Consent Agenda items; however, Commission members can remove items from the Consent Agenda to be addressed separately.

1. Gresham Redevelopment Commission Meeting Minutes

Move to approve minutes from the Gresham Redevelopment Commission meeting of May 20, 2025.

Motion was made by **Commissioner Hinton** and seconded by **Commissioner Keathley**.

APPROVE CONSENT AGENDA ITEMS C-1.

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

Commission Chair Travis Stovall	YES
Commissioner Janine Gladfelter	YES
Commissioner Cathy Keathley	YES
Commissioner Jerry Hinton	YES
Commissioner Kayla Brown	YES
Commissioner Eddy Morales	ABSENT
Commissioner Sue Piazza	ABSENT

D. Public Hearing – 20 Minutes**1. Public Hearing & Resolution No. 55: Budget and Appropriations of the Gresham Redevelopment Commission for Fiscal Year 2025/26.**

As required by Oregon law, the Commission will hold a public hearing to allow for written and oral comments from citizens regarding the Commission's Fiscal Year 2025/26 Budget for the Rockwood-West Gresham Urban Renewal Area and approve Resolution No. 55.

Chair Stovall read the Order of Procedure (Order of Procedure attached as Exhibit A.)

Chair Stovall disclosed that Rosemary Anderson High School and Portland Opportunities Industrial Center (P.O.I.C.) have been long term customers of his company, eRep Inc, and acknowledged the indirect relationships with the GRDC, but there are no direct conflicts of interest.

Elizabeth McCann, Budget and Finance Director, gave the staff report.

Chair Stovall if there were written and public comments about the hearing.

Mr. Ivory reported that no citizens signed up to provide oral testimony or submitted written testimony.

Hearing none, **Chair Stovall** asked if there was consensus to continue or close the hearing.

The consensus was to close the hearing.

Chair Stovall called for a motion.

Motion was made by **Commissioner Keathley** and seconded by **Commissioner Gladfelter** **TO APPROVE RESOLUTION NO. 55 ADOPTING BUDGET AND MAKING APPROPRIATIONS OF THE GRESHAM REDEVELOPMENT COMMISSION OF GRESHAM, OREGON FOR FISCAL YEAR 2025/26, INCLUDING THE DECLARATION OF TAX INCREMENT AUTHORIZING THE COLLECTION OF TAX INCREMENT REVENUES. THE BUDGET IS ADOPTED IN THE AGGREGATE AMOUNT OF \$29,257,000.**

Chair Stovall called for the vote.

The motion passed as follows:

Commission Chair Travis Stovall	YES
Commissioner Janine Gladfelter	YES
Commissioner Cathy Keathley	YES
Commissioner Jerry Hinton	YES
Commissioner Kayla Brown	YES
Commissioner Eddy Morales	ABSENT
Commissioner Sue Piazza	ABSENT

E. Commission Business

F. Commission Measures, Proposals and Announcements

G. Adjournment

Hearing no further business, **Chair Stovall** adjourned the meeting at **2:42 P.M**

Travis Stovall,
Chair

Prepared by:

Johntae Ivory
City Recorder



AGENDA ITEM TYPE: CONSENT

Ground Lease Amendment for Real Property at 18604-18688 East Burnside Street

Meeting Date: August 26, 2025
Service Area: Urban Renewal

Staff Member: Justin Douglas
Agenda Item Number: C-2

Requested Council Action and Suggested Motion:

Move to approve the First Amendment to the Ground Lease (First Amendment) with RKm Development, Inc. and any wholly owned, controlled, or affiliated entities (RKm) for the real property owned by the Gresham Redevelopment Commission (GRDC) located at 18604-18688 E. Burnside Street (Building B) and authorize the Executive Director to execute the final First Amendment on behalf of the GRDC.

Public Purpose, Community Outcome, and Strategic Plan Alignment:

The purpose of the First Amendment is to allow RKm Development to refinance its construction loan into a permanent loan for Building B, a five-story, mixed-use redevelopment project with ground floor commercial space and mixed-income multifamily rental units.

Background:

Original Ground Lease

On June 19, 2018, the GRDC approved a Land Disposition Agreement and associated ground leases for a larger GRDC-owned property, including Buildings A, B, C, D, and an urban plaza. The terms for the Building B ground lease are summarized in the comparison table below.

Proposed Ground Lease Amendment

On June 24, 2025, RKm proposed an amendment to the Ground Lease that would allow it to qualify for a permanent loan with the U.S. Department of Housing and Urban Development (HUD). The Amendment changes the manner of calculating the initial rent which will be payable to the GRDC on November 1, 2032, to be compliant with HUD lending guidelines. Staff and RKm have since negotiated the terms of a First Amendment that are summarized below.



Proposed Documents

The Amendment includes the following terms:

	Original Ground Lease	First Amendment
Lease Term	60 years, with first option to extend an additional 20 years, and second option to extend an additional 19 years	No Change
Determination of Appraised Value	Appraised value determined six months prior to Rent Commencement Date (November 2032)	\$2,281,940 (August 2025)
Annual Rent Increase	Annual rent is CPI adjusted	2.65%

The following terms of the original ground lease remain unchanged:

- **Repairs & Maintenance:** RKM shall have sole responsibility for all repairs, maintenance, and operations of Building B.
- **Changes or Additions:** Any material changes to Building B will require prior GRDC approval.
- **Future Sales:** In the event either party wishes to sell their interest in Building B, RKM Development and GRDC have reciprocal rights of first offer. If RKM wishes to sell and GRDC does not wish to buy, GRDC has discretion over future buyers.

Recommendation and Alternatives:

Recommendation:

Move to approve an amendment to a Ground Lease (First Amendment) with RKM Development, Inc. (RKM) for the real property owned by the Gresham Redevelopment Commission (GRDC) located at 18604-18688 East Burnside Street (Building B) and authorize the Executive Director to execute the final First Amendment on behalf of the GRDC.

Alternatives:

The GRDC could direct the Executive Director to refine the terms of the First Amendment.

The GRDC could direct staff not to proceed with the First Amendment

Budget/Financial Impact:

If approved, the First Amendment to the ground lease will result in the following estimated rent payments to the GRDC:

- Year 1: \$82,212
 - Year 2: \$168,782
 - Year 5: \$182,559
-

Public Involvement:

N/A

Next Steps:

Staff will work with the City Attorney's Office and the Budget and Finance Department to finalize the First Amendment to the Ground Lease, which can then be signed by both parties and executed

Attachments:

Ground Lease Amendment

From:

Justin Douglas, GRDC Executive Director

Reviewed Through:

Ellen Van Riper, City Attorney
Elizabeth McCann, Budget and Financial Planning Director
Eric Schmidt, City Manager

FIRST AMENDMENT TO GROUND LEASE

DOWNTOWN ROCKWOOD: BUILDING B

LANDLORD: GRESHAM REDEVELOPMENT COMMISSION, the duly authorized and acting urban renewal agency of the City of Gresham, Oregon

TENANT: DOWNTOWN ROCKWOOD, LLC, an Oregon limited liability company

PROJECT NAME: Downtown Rockwood: Building B

PROPERTY ADDRESS: 18604-18688 E. Burnside St. Gresham, OR 97233

LEASE DATE: August 24, 2022

EFFECTIVE DATE: ____ day of _____, 2025

RECITALS

A. Landlord and Tenant negotiated and executed the Ground Lease Downtown Rockwood: Building B (“**Ground Lease**”) to develop property located at 18604-18688 E. Burnside St., Gresham, OR 97233 (the “**Property**”).

B. Tenant has completed development of Downtown Rockwood: Building B (the “**Project**”).

C. Tenant is in the process of refinancing the construction loan encumbering the Project. Tenant desires to obtain financing insured by the US Department of Housing and Urban Development (“**HUD**”). HUD regulations require that rent payable under a ground lease used as collateral for an insured loan must be calculated using an approved method. The rent calculations under the Ground Lease do not meet these requirements.

D. Landlord and Tenant desire to enter into this First Amendment to Ground Lease Downtown Rockwood: Building B (“**First Amendment**”) amending the Ground Lease to modify the rent calculations to meet HUD requirements.

E. Capitalized terms used but not otherwise defined herein shall have the meanings as set forth in the Ground Lease.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises of the parties set forth in this First Amendment, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Recitals.** The Recitals above are true and correct and are incorporated into and are a part of this First Amendment.

2. **Section 3.1.** The introductory paragraph of Section 3.1(a) and 3.1(b) are deleted in their entirety and replaced with the following:

“3.1 **Rent.** Tenant agrees to pay to Landlord annual rent (“**Rent**”) beginning on the first day of November, 2032 (the “**Rent Commencement Date**”). Annual Rent due on the Rent Commencement Date will be fifty percent (50%) of the Rental Value (as defined below). The Annual Rent due on November 1, 2033, will be one hundred percent (100%) of the Rental Value. The Annual Rent payment shall increase each year thereafter by 2.65%.

(a) **Rent Adjustment.** Each annual Rent payment commencing on November 1, 2034, and annually thereafter (each, an “**Adjustment Date**”), shall be increased by 2.65%.

(b) **Determination of Rental Value.** For purposes of this Ground Lease, “Rental Value” shall mean \$136,916.22 (which is six percent (6%) of 2025 agreed property value) increased annually starting on November 1, 2026, by 2.65% until the Rent Commencement Date. See example of Rent Value calculation attached to this First Amendment as **Exhibit A**.

3. Except as amended herein, all terms and conditions of the Ground Lease remain in full force and affect.

4. This First Amendment may be executed in counterparts, each of which will be deemed an original, but all of which will constitute a single agreement. Facsimile, scanned, and e-mailed or electronic signatures will be treated as original signatures. At the request of any party, an originally executed document will be mailed following the sending of any facsimile or scanned and e-mailed version.

[Signatures on following page.]

IN WITNESS WHEREOF, Tenant and Landlord have caused this Amendment to Ground Lease to be executed by their duly authorized representatives effective as of the day and year first written above.

LANDLORD:

GRESHAM REDEVELOPMENT COMMISSION,
the duly designated Urban Renewal Agency of the
City of Gresham

By: _____

Name: _____

Title: _____

APPROVED AS TO FORM:

_____, Attorney

Gresham Redevelopment Commission

TENANT:

DOWNTOWN ROCKWOOD, LLC, an Oregon
limited liability company

By: _____

Name: Roy Kim

Title: Manager

EXHIBIT A EXAMPLE OF INITIAL RENT CALCULATION

AN EXAMPLE OF RENT CALCULATION					
2025 Land Value	\$ 2,281,937	CPI 10 YR AVG	RENT INCREASE	RENT SCHEDULE	ANNUAL RENT PAYABLE
11/1/2025 6% Land Value				\$ 136,916.22	\$0.00
11/1/2026		2.65%	2.65%	\$ 140,544.50	\$0.00
11/1/2027		2.45%	2.65%	\$ 144,268.93	\$0.00
11/1/2028		2.50%	2.65%	\$ 148,092.06	\$0.00
11/1/2029		-0.71%	2.65%	\$ 152,016.50	\$0.00
11/1/2030		1.90%	2.65%	\$ 156,044.93	\$0.00
11/1/2031		1.61%	2.65%	\$ 160,180.12	\$0.00
11/1/2032 Rent Commencement - 50%		1.85%	2.65%	\$ 164,424.90	\$ 82,212.45
11/1/2033 Rent - 100% without CPI Adjustment			2.65%	\$ 168,782.16	\$ 168,782.16
11/1/2034 First year with CPI Adjustment (no adjustment 8/11)		2.30%	2.65%	\$ 173,254.88	\$ 173,254.88
11/1/2035		2.10%	2.65%	\$ 177,846.14	\$ 177,846.14
11/1/2036		2.60%	2.65%	\$ 182,559.06	\$ 182,559.06
11/1/2037		1.85%	2.65%	\$ 187,396.88	\$ 187,396.88
11/1/2038		2.10%	2.65%	\$ 192,362.89	\$ 192,362.89