

AGENDA



GR Forward GOAL 4 ALLIANCE

Members:

Ace Marasigan • Alex Caceres • Ana Jose • Attah Obande • Brandy McCallum • Brianna Vasquez de Pereira • Caylie Peet • Farida Islam • Jason McClearen • Jorge Gonzalez • Kara Wood • Kareem Scales • Kristian Grant • Mark Breon • Omar Cuevas • Scott Stenstrom • Tim Mroz

July 16, 2019

3:00p – 4:00p

29 Pearl Street, NW Suite #1

1. Call to Order
2. Approval of June 18, 2019 Meeting Minutes*
3. Revised Retail Grant RFP Review
4. Purchasing/Contracting Policy Discussion
5. Other Business
6. Public Comment
7. Next Meeting – August 13, 2019
8. Adjournment

***Denotes Action Item**



Goal 4 Alliance

June 18, 2019

1. Call to order: Mr. Kitavi called the meeting to order at 3:08 pm and requested a nomination for an interim chair (in the absence of Mr. Gonzalez). Mr. Cuevas was nominated to act as interim chair for this meeting. None opposed.
2. Members Present: Omar Cuevas, Ana Jose, Tim Mroz, Kara Wood, Kareem Scales, Attah Obande, Alex Caceres, and Scott Stenstrom.

Members Absent: Farida Islam, Ace Marasigan, Brandy McCallum, Jason McClearen, Brianna Vasquez de Pereira, Kristian Grant, Caylie Peet, and Jorge Gonzalez.

Others Present: Matthew Provoast and Erika Townsley (Speckl Goods), Cherif Hidjeb (The French 75 Café), Joseph Malone, Alysha Lady, Craig B. (TreeFort VR), Marion Bonneaux, Annamarie Buller, Kyama Kitavi and Amanda Sloan (DGRI Staff).

3. Approval of Minutes
Mr. Mroz, supported by Mr. Obande, motioned to approve May 21, 2019 Meeting Minutes as presented. None opposed. Motion approved.

4. Retail Grant Proposals
Kyama Kitavi stated we received 4-5 evaluations on the 3 proposals that were sent out last week. Today we want to talk about the utilization of these evaluations in determining the recommendation for support. He stated last month this alliance recommended support for Mosby's Popcorn up to \$60,000 but we are still trying to determine the legality of funding specific items in that proposal. Mr. Kitavi stated he is working with our legal team on clarification of allowable funding items but we will likely have more significant restrictions that first realized.

Mr. Cuevas stated since we have folks here today that applied within the parameters of our current process, we should allow them to present and make recommendations based on the information that we currently have. If a recommendation is made and found later to be not allowed, we will understandably have to make adjustments.

Erika Townsley and Matt Provoast presented a Retail Grant Proposal for their business, **Speckl Goods**. Ms. Townsley passed around product samples and provided a brief background on their business, Light Gallery + Studio. They currently have a shop in Heartside that curates and sells art on consignment from local artists, holds art galleries, and hosts workshops. After 3 years running Light Gallery + Studio, Ms. Townsley and Mr. Provoast have a strong desire to start making and selling their own products. Speckl Goods is a collection of fun and unique products new to the US, though growing in popularity in the UK for artists as a twist on terrazzo. The products are made of resin and acrylic polymer concrete in a newly developed artistic process. Mr. Provoast referred everyone to the RFP Grant Proposal stating they will require \$100,000 over the next 2 years to make this a successful venture. They are asking for \$60,000 (investing \$40,000 of their own funds) to support the buildout of a new retail space, hire a designer, and cover their property lease over 18 months. Ms. Townsley stated it is important for them to have a retail space that mimics the playfulness of the brand. Mr. Provoast stated 234 Market is the commercial (live/work) space desired and the retail spaces are on the back side of the apartment building (facing Founders). He stated they have been successful in building community at their current location on Division and the goal is to transfer that community to the new space with the many new Grand Rapids residents at these apartments. As gallery space owners, they have gained experience in bringing foot traffic, keeping a pulse on what people are looking for, and growing repeat business in a non-retail corridor. They believe they can create and establish this shop as a destination space in this new location. Mr. Provoast presented a proposed timeline for the next 2 years and stated their current lease ends in September while the new lease and build out plans will commence in August. He stated they also own a van currently used as a delivery vehicle that will be built out for use as a pop up shop. Mr. Provoast reiterated the project costs and presented renderings of the space after renovation. He stated they will be going from 1200 square feet to just over 300 square feet in this new space with a condensed retail offering. Mr. Stenstrom stated he is impressed with the comprehensive information in this proposal but does have concern for low foot traffic in the area. He asked how they plan to address that. Mr. Provoast stated he believes this area will kick off and he feels it would be important to be one of the first businesses present. They have already received permission from Maple Grove Property Management to display artwork in the lobby of 234 Market and plan to further partner with area business. They will be establishing a heavily curated brand that will become an anchor for the neighborhood while adding vibrancy and offering something bold and unique. Ms. Jose asked, with going from 1200 to 300 sq. ft., what is the feasibility of growth? Ms. Townsley stated a smaller space will allow us to concentrate on quality vs quantity and we also plan to establish an online retail presence. This will be a showroom for product that we hope to sell mainly online. Ms. Wood asked if they have created a formal business plan with projected sales to evaluate long term sustainability. Mr. Provoast stated they have been working with Rachel at FTD and do have projected numbers that can be provided. Mr. Caceres asked how much online presence they currently have. Ms. Townsley stated that they offer consignment in their current location so do not have an online presence at this time. Mr. Scales appreciated the great detail provided in the

proposal and asked how they plan to keep up with production. Mr. Provoast stated they currently rent a production space of approximately 350 sq. ft. on Leonard and Taylor and could hire production employees if necessary. Mr. Scales asked what products besides coasters and pots they may eventually sell. Mr. Provoast stated this is a very versatile product mainly marketed right now to contractors for countertops, tabletops, and façade but being an acrylic resin with concrete there is the potential to work with furniture manufacturers and get really creative offering 3D print designs within. Mr. Obande asked what they planned for storage space. Ms. Townsley stated they will have shelves in the storage area at the studio. Ms. Wood asked, of the live/work space, what percentage will be retail space. Mr. Provoast stated with this lease there are three levels at 400 sq. ft. each where the retail level offers 300 sq. ft. (after the utility closet and restroom facilities). The second level is living space and the upper level is sleeping space. Mr. Provoast stated from their experience it is important to connect with the community by living in the space and they place high value in this live/work opportunity.

Cherif Hidjeb presented his Retail Business Attraction, Incubation, & Development Application for **The French 75 Café**. He stated The French Café will serve crepes, waffles and coffee but is different from other coffee shops in that it offers a neighborhood hangout. The location will be at 205 S. Division and the opening will coincide with the completion of Division Avenue reconstruction this fall. Mr. Hidjeb stated he received his SERV safe management food license certificate and just returned from training in France on how to make authentic crepes. He has already signed a lease and received the appropriate permits for operating on this 900 sq. ft. property. As an immigrant from North Africa he lived in Paris and managed a successful crepe shop there. He also has experience in business planning with his real estate investment business and managing restaurants in Grand Rapids. He designed his business plan by working with Rick and Dexter, both mentors from the SCORE. Upon receiving final quotes from contractors, Mr. Hidjeb realized the personal funds of \$150,000 would not be a sufficient investment for this project. He is now requesting \$60,000 in grant funding from the DDA to support the buildout of this café. Ms. Jose asked how much money is projected to be made in the first year. Mr. Hidjeb stated he projects to make \$200,000 in sales the first year with a breakeven point of \$90,000. Mr. Scales asked if everything is still on track for the Grand Opening to happen in September. Mr. Hidjeb stated, yes, they expect to break ground very soon. Mr. Obande asked what the plan is if they do not receive funding from the DDA. Mr. Hidjeb stated we will seek other funding options; because we have already invested so much in the project and it is our dream. Ms. Jose asked what the monthly expenses are for the space. Mr. Hidjeb stated \$1150 per month is the amount negotiated with the property management as the space has been vacant since the building was completed 4 years ago. They will be staffing 8 full time employees and open for breakfast, lunch, and dinner with street parking only. Mr. Hidjeb stated the reason they are picking this small space is they wanted it to have that authentic French café concept. With seating for only 32 people they expect a lot of carry out customers and will need to average \$1,000 in sales (or about 100 customers) per day to break even. Ms. Jose asked if they have worked on a marketing strategy. Mr. Hidjeb stated,

yes, their target audience will be residents of the building. They will also be serving employees of Mary Free Bed and the Aveda Institute, offering delivery. Mr. Hidjeb stated they will be hiring a marketing specialist as well to promote The French 75 Café on social media. Mr. Stenstrom asked what the operating hours and menu will be. The hours of operation will be 7 am - 10 pm with extended evening hours (until 1 am) on weekends. Crepes, waffles, ice cream and coffee will be the only items on the menu. Mr. Cuevas stated he wants to break down the numbers. With employees, supplies, and only \$1,000 in sales per day, how is this sustainable? Mr. Hidjeb stated they will pay minimum wage and not spend a lot of money on staff. Ms. Jose stated with insurance and other expenses you may still need additional funding as a cushion or have a great marketing plan. Mr. Cuevas asked while working with SCORE on your plan, did the numbers work out? Mr. Hidjeb stated, yes, the marketing analysis shows the numbers are there. Mr. Caceres asked, can you compete with establishments on the weekends while not serving alcohol in that area? Mr. Hidjeb stated the area residents returning home at that hour will be his customer base and he is confident the sales will be there.

5. Retail RFP Process & Evaluation Review

Mr. Kitavi stated upon continued evaluation, the eligibility for use of funds appears to be much more restrictive than originally interpreted. DGRI is limited in how much we can support of a lease agreement as well as where exactly we can make contributions in regards to permanent structure (build out). Mr. Kitavi stated he will be having a conversation with Tim Kelly and Jessica Wood (of Dickinson Wright, legal counsel) for further clarification. Mr. Cuevas stated the applicants need to be made aware that the grant award may be altered based on attorney authorization. Mr. Kitavi stated this is a conversation he has had with applicants but it should also be included in the application. Ms. Wood suggested we also include a section in the RFP application that requests details on the level of support sought out from Entrepreneurial Support Organizations (ESOs). Our role is not to provide direction or coaching on business plans or marketing strategies but we want to confirm that the work has been done. It may also become valuable for us to receive a formal recommendation from the ESO that the applicant has worked with. All of this information will further validate our recommendation for funding. Mr. Cuevas agreed and stated he feels comfortable moving forward with voting on recommendations for support with the caveat that legal will be reviewing allowed items for funding and the dollar amount awarded is subject to change.

Mr. Caceres, supported by Ms. Wood, moved to recommend funding support, not to exceed \$60,000, to Speckl Goods. None opposed.

Ms. Wood, supported by Mr. Scales, moved to recommend funding support, not to exceed \$60,000, to The French 75 Café. None opposed.

Ms. Wood stated she would like to clarify that these recommendations are contingent on review and final approval from our attorneys.

6. Purchasing Contracting Policy Discussion

Mr. Kitavi stated next month he will provide an update on DGRI developing an equitable and diverse purchasing/contracting hiring process.

7. Business Resource Expo- Sept 29th

Mr. Kitavi stated the Small Business Expo will take place on September 29th 2019. The first round of emails for registration opportunities will be sent out this week and we will have a more in depth conversation on this project next month.

8. Alliance Discussion:

Mr. Cuevas requested the group to be mindful of the 1 hour scheduled time slot for these monthly meetings.

9. Public Comment:

None

10. Next Meeting- July 16, 2019

11. Adjournment:

Mr. Cuevas adjourned the meeting at 4:13 pm

Minutes taken by:

Amanda Sloan

Administrative Assistant

Downtown Grand Rapids Inc.



DOWNTOWN
GRAND RAPIDS INC.

REQUEST FOR PROPOSAL

RETAIL BUSINESS ATTRACTION IN DOWNTOWN GRAND RAPIDS, MI

Deadline:

Downtown Grand Rapids Inc. will receive proposals on a rolling basis

Deliver To:

Downtown Grand Rapids Inc.

Attention: Kyama Kitavi, Economic Development Manager

29 Pearl Street NW

Suite 1

Grand Rapids, MI 49503

or

kkitavi@downtowngr.org

Retail Business Attraction, Incubation and Development Program

Request for Proposals

Funds are available to attract underserved and unavailable retail options in Downtown Grand Rapids.

Background

The *GR Forward* community planning process revealed considerable demand for more retail options in Downtown Grand Rapids. Attracting retail tenants that provide goods or services currently not available or underserved in the Downtown area emerged as a particular priority, with an emphasis on locally-owned businesses that strengthen and diversify the mix of Downtown retail offerings.

The community clearly called for more focused and active entrepreneurship and capacity-building programs to support the growth of businesses owned by women, people of color and other disadvantaged populations, albeit not to the exclusion of other entrepreneurs and small business owners (qualifying businesses).

The overarching goal is to build a unique retail market and experience that expand opportunities for everyone to participate and prosper in the local economy while better positioning Downtown with a truly unique retail experience that attracts and serves an increasingly diverse population of residents, employees and visitors.

Funds Available

Downtown Grand Rapids Inc. (DGRI) administers the Grand Rapids Downtown Development Authority (DDA) and, in October 2016, updated the DDA's financing plan to prioritize statutorily-sanctioned efforts that work to attract underserved and/or unavailable retail options in Downtown. In June 2017, the DDA adopted a budget that directed funding to support marketing initiatives and/or a retail business incubation program that further the community's goals discussed above. Any expenditure of these funds must occur in accordance with sections 7(1)(r) and 7(2) the DDA's enabling statute PA 197 of 1975. **Thus, the amount awarded will be determined by the eligible uses in the above statutes.** Please find a copy of these requirements attached.

Potential Uses of Funds

This process is open to new businesses looking to open a retail location in Downtown Grand Rapids. The purpose of this RFP is to identify new businesses and new business owners that diversify Downtown's retail market. It is strongly recommended that proposals view this funding opportunity as a component of a comprehensive approach to supporting small business development and demonstrate steps taken to ensure the viability of their business downtown. Proposals that outline complementary business development support services outside of the requested funds will be viewed favorably. This can include but is not limited to technical assistance as well as financial support.

Funds available to support successful proposals are made available from local increment tax capture by the Downtown Development Authority. As such, funds are subject to geographic limitations, use restrictions, and payment availability as established by PA 197 of 1975 and other policies established by the Grand Rapids Downtown Development Authority Board.

In the event of a potential lease between a qualifying business and a property owner within the eligible geography, funds may be used to help reduce rent payments by up to **50%** for a period up to 18 months. Any program funds used for this scenario would be paid to the property owner according to a schedule that would be included within the leasehold agreement. In this instance, a property owner and the qualifying business owner are envisioned to be co-applicants to the program.

It should be noted that receipt of this grant does not preclude one from applying for one of DGRI's other grant programs such as the Downtown Enhancement Grant or the Activate This Place Grant. Please note however, that other programs have their own criteria, eligible uses and approval process.

Proposal Requirements

Proposals submitted shall be limited to 6 pages (front and back allowed). The proposal should include the following information:

Description of Approach – A summary of your venture, strategy, partnership(s) and/or any distinguishing points of the proposed action intended to achieve the community goals. Highlight the uniqueness or gap being filled by your business being and its expected impact.

Relevant Experience – A description of your previous experience and qualifications on similar or related types of venture or initiatives proposed to achieve the community goal. This can include education, years in business and utilization of other Entrepreneurial Support Organization.

Team – Description of the individual(s), businesses, organization(s) and/or other partners involved. Key personnel will be an important factor considered by the review committee. In particular, indicate other technical assistance resources being utilized.

Schedule – Overview of timeline and important project milestones to ensure measurable movement toward the community goal. Indicate if there are additional actions needed to open. ie: permitting, financing...etc.

Project Costs – An outline of proposed costs, professional fees, or other expenses required to complete the proposed approach. A clear budget outline that indicates the sources and uses of funds including this requested grant.

Evaluation Factors

DGRI and the *GR Forward* Goal 4 Alliance will evaluate proposals based on several key factors including:

- The use of funds is consistent with MI PA 197 state-statute, which empowers the Downtown Development Authority to fund retail recruitment and incubation efforts in the Downtown district.
- Alignment with the aforementioned community goals defined in *GR Forward*.
- Creativity and completeness of proposed solution/approach.
- Relevant past performance/experience.
- Speed of implementation.
- Potential for success/sustainability.
- Clear articulation of expected outcomes.

Timeline

Downtown Grand Rapids Inc. invites applications on a rolling basis and will review requests with the support the *GR Forward* Goal 4 Citizen Alliance on a quarterly basis.

A digital copy of the proposal can be emailed to kkitavi@downtowngr.org. Hard copy proposals, while not required, can be mailed to the address below.

Downtown Grand Rapids Inc.
Attn: Kyama Kitavi
29 Pearl Street NW, Suite #1
Grand Rapids, MI 49503

DDA Contracting and Purchasing Discussion #2
February 14, 2019

I. Intended Outcomes

a. Statement of Why this Matters for DGRI and the Community

i. GR Forward

- “Clearly conventional economic recovery and growth is not sufficient to solve the persistent racial and ethnic inequity in our community. We need a fundamentally new approach to systemically achieve growth with prosperity that is widely shared by all residents in the ‘new’ Grand Rapids.”
- Goals
 1. Establish a regional equity framework and plan of action
 2. Cultivate an equity perspective in civic governance
 3. Foster racially and ethnically diverse business ownership in Downtown (50 percent by 2025)
 4. Achieve a more diverse Downtown workforce
 5. Create a more welcoming and inclusive Downtown
 6. Attract a diverse population to the Downtown neighborhood

ii. Changing Demography

- 90 percent of metro area was white in 1980
- People of color now more than 30 percent of population in City

iii. Economics

- “Inequity undermines our values of fairness, decency and justice. It also weakens our economy.”
 - a. National Equity Atlas identified \$3.3 billion in lost due to racial income gaps in metro Grand Rapids.

b. Updated Policy for DDA Grants

- i. Downtown Enhancement Grant Policy
- ii. Development Support Policy

c. Updated Bidding and Purchasing Policy

- i. Revise May 2013 Policy (see attached)
- ii. Memorialize selection criteria for RFPs and RFQs
- iii. Upcoming DDA RFPs and RFQs in 2019
 1. River Corridor Business/Funding Analysis
 2. Ambassador
- iv. Extend to other DGRI Boards?

d. MWBE Directory

II. Follow Ups

a. Identify potential partners

- i. City
- ii. Chamber of Commerce – Omar, Guillermo
- iii. Association of Building Contractors
- iv. GRABB
- v. Spring GR

- vi. GROW
- vii. Start Garden

- b. Review other DDA policies
 - i. Detroit
 - ii. Kalamazoo
 - iii. Ann Arbor
- c. Project case study
 - i. Plaza Roosevelt
 - ii. DDA Projects TBD
- d. Identification of targets