

Pleasant Grove City Council Meeting Minutes
Work Session
September 24, 2013
6:00 p.m.

PRESENT:

Mayor:

Bruce W. Call

Council Members:

Cindy Boyd
Cyd LeMone
Jay Meacham
Heather Pack

Excused:

Kim Robinson, Council Member
Scott Darrington, City Administrator
Marc Sanderson, Fire Chief
Kathy Kresser, City Recorder
Lynn Walker, Public Works Director

Staff Present:

Dean Lundell, Finance Director
Degen Lewis, City Engineer
Tina Petersen, City Attorney
David Larson, Assistant to the City Administrator
Deon Giles, Parks and Recreation Director
Mike Smith, Police Chief
Ken Young, Community Development Director
Libby Flegal, NAB Chairperson
Dave Thomas, Deputy Fire Chief
Barbara Johnson, Planning Tech
John Goodman, Street Superintendent

Other:

Randy Sant, City Economic Advisor
Justin Earl, Ivory Commercial Development

The City Council and staff met in the City Council Chambers at 86 East 100 South, Pleasant Grove, Utah.

1) **CALL TO ORDER.**

Mayor Call called the meeting to order and noted that Council Members Boyd, LeMone, Meacham, and Pack were present. Council Member Robinson was excused from the meeting.

2) **PLEDGE OF ALLEGIANCE.**

The Pledge of Allegiance was led by City Engineer, Degen Lewis.

3) **OPENING REMARKS.**

The Opening Remarks were given by Street Superintendent, John Goodman.

Mayor Call reported that the Jubilee Celebration the Citizen of the Year presentation was cut short due to an incoming storm.

The Mayor commented that the Citizen of the Year Award is an opportunity for the City to recognize one citizen who has made an outstanding contribution to the community. The 2013 award was presented to Libby Flegal. Mayor Call remarked that no one in the community was more deserving of the award than Ms. Flegal.

4) **TO CONSIDER FOR APPOINTMENT: BRUCE CHESNUT AS STRAWBERRY DAYS COMMITTEE CHAIR, MELISSA FINCH AS STRAWBERRY DAYS COMMITTEE VICE-CHAIR, AND JASON HUNTER AS STRAWBERRY DAYS FINANCE COMMITTEE CHAIR.**

Mayor Call reported that the Council has received background information on the individuals proposed to be appointed to the Strawberry Days committee. He expressed confidence in those who will be overseeing Strawberry Days in the coming years.

ACTION: Council Member Boyd moved to appoint to the Strawberry Days Committee Bruce Chesnut as Chair, Melissa Finch as Vice-Chair, and Jason Hunter as Finance Committee Chair. Council Member LeMone seconded the motion. The motion passed with the unanimous consent of the Council.

5) **TO CONSIDER FOR APPOINTMENT: AMY CARDON AS A REGULAR MEMBER OF THE PLANNING COMMISSION, TERM SEPTEMBER 24, 2013 TO JANUARY 15, 2016 AND LEVI ADAMS AS AN ALTERNATE MEMBER OF THE PLANNING COMMISSION, TERM SEPTEMBER 24, 2013 TO JANUARY 15, 2017.**

Mayor Call stated that Amy Cardon has been serving as an alternate Planning Commission Member and will now begin serving as a regular member of the Commission. Her term will expire at the beginning of 2016 as she will be taking Steve Shrader's position. Levi Adams will serve on the Planning Commission as an alternate.

Mr. Adams introduced himself and stated that he is a Pleasant Grove native. His wife and four children would soon be moving to the Manila area. He works as an attorney in Provo and does mainly litigation. Mr. Adams looked forward to serving the community and hoped to make a difference.

ACTION: Council Member LeMone moved to appoint Amy Cardon as a regular member of the Planning Commission, with a term from September 24, 2013, to January 15, 2016, and Levi Adams

as an alternate member of the Planning Commission, with a term from September 24, 2013, to January 15, 2017. Council Member Meacham seconded the motion. The motion passed with the unanimous consent of the Council.

6) **DISCUSSION ON AGENDA ITEMS FOR THE OCTOBER 1, 2013 CITY COUNCIL MEETING.**

Mayor Call stated that item “a” will be a public hearing with a request from Robert Schow to rezone from A1 to RR. Community Development Director, Ken Young, stated that the applicant wants to subdivide his property. A portion of the property is already zoned RR and the applicant wants the remaining 2.229 acres to be rezoned RR.

Mayor Call said that item “b” pertains to the Young two-lot subdivision on 500 North 600 East. Director Young remarked that this is a housekeeping item that will update the lot lines.

Item “c” pertained to Pine Meadows Plat B in the RR Zone. Engineer Lewis stated that the improvements were going in for the new subdivision on Tracey Flinders’ property. A neighbor wanted to sell his property which was large enough to subdivide. Mr. Flinders was working with the neighbor to acquire the additional property to add an additional lot to the plat. Item “d” was connected to item “c” and there were no concerns. City Attorney, Tina Petersen, suggested grouping items “c” and “d” together.

Engineer Lewis stated that item “e” pertains to a potential connection on Geneva Road and 100 East. He indicated that this will give the Council an opportunity to take a stand on the issue. There would be two resolutions prepared. One will indicate the Council’s support for the preferred alternative and the other will state non-support by the Council. Mayor Call requested that all documentation be provided to the Council as soon as possible so they will have time to review the information.

Engineer Lewis stated that item “f” was a clean-up item from a previous meeting. Item “g” was also a clean-up item regarding property near the Battle Creek secondary water tank. He explained that the property is comprised of separate parcels and staff was working to combine it all.

Finance Director, Dean Lundell, stated that item “h” adopts the amended budget, which was available on the City’s website.

7) **DISCUSSION ON TUSCAN GARDENS.**

Director Young stated that a few weeks earlier representatives from ICO presented the Council with their potential plan for the Tuscan Gardens area. They had not yet purchased the property and wanted the Council’s input before moving forward or abandoning the project. The Council asked ICO to meet with the City’s Economic Advisor, Randy Sant, which they did.

Justin Earl from Ivory Commercial Development (ICO) addressed the Council and stated that they want to make the project work for the City. Since the previous meeting they met multiple times with staff including Advisor Sant, the City’s Economic Advisor. ICO took a serious look at the project and timing and what they thought was reasonable and feasible to make the project more

palatable for the Council while still making it work for ICO. Mr. Earl remarked that the Tuscan Garden area is a blighted site. It is an important crossroad to the City and he felt it would be beneficial for the area to be cleaned up. ICO is a top five commercial developer in the state who wants to create a nice clean development.

Mr. Earl stated that the main concern addressed by the Council was the residential component. The original proposal was for commercial space that could include medical office, office, or retail. Retail and restaurants would be located on the front side of the property. The residential component would be located on back side of the property. The Council expressed concern that previously developers promised to add commercial after completion of the residential component, however, that did not happen. The City was trying to reduce the number of multi-family residential developments. ICO stated that the housing component was necessary for the remainder of the project to be viable.

Mr. Earl stated that at the previous meeting one Council Member was in favor of the project while two encouraged ICO to rework the project with new ideas. ICO took the feedback and suggestions from the Council and sought to address their concerns.

Mr. Earl stated that senior housing is easier to sell constituents than a typical multi-family development. Seniors typically drive less, do not have high crime rates, and do not contribute to school overcrowding. In addition, ICO's design standards are very high which will help the development fit in the area. He offered to provide the Council with data from previous studies completed by ICO.

The Council was concerned about the need for more commercial and less residential. Mr. Earl stated that some items made putting too much retail and commercial into the area difficult including the fact that the marketing window is limited. He stated that there was a great marketing window on State Street and the train tracks preserve a view corridor into the property. It was noted that the marketing window did not stretch to the back of the site, which would make retail difficult if not impossible.

Mr. Earl stated that access to the site is likely the biggest hurdle. He explained that it is difficult to access the property compared to a typical successful retail site. There are five turns off of State Street and traffic will be problematic. The International Council of Shopping Centers and Alliance Programs of Retail Development through Public/Private Partnerships were identified as two non-profit organizations who serve as advocates for retail development. They conducted a study that showed that in order to be viable supermarket developments need 15,000 cars per day to pass by. Dollar stores and other retailers need 15,000 cars while restaurants need 30,000 cars per day to pass by in order to be successful. The study showed that visual familiarity is incredibly important.

UDOT traffic data reported that on State Street there are nearly 27,000 cars per day and that figure was trending upward slightly. ICO felt that was a good number for the development. The problem came from the numbers on Main Street where there are 1,800 cars per day.

Mayor Call asked what retail establishment would consider opening in the Tuscan Garden area with those traffic numbers. Mr. Earl felt that destination retail such as a restaurant, photography, or boutique shopping would be successful there. Stores that are not impulse driven would do well

also. The site is roughly 18,000 square feet and a typical retail user needs 2,000 square feet, which would accommodate roughly eight to 10 retailers.

Mr. Earl stated that the original site plan approved years ago does not require additional approval from the City. Someone could purchase the property and complete the project as originally planned. ICO did not believe that plan was in line with the vision of the City and they thought a better project could be developed. Medical office was the target of the original plan and would include eye doctors, physical therapy, massage, dentists, etc. ICO hoped to see more traditional retailers such as Jimmy Johns, Maggie Moos, Leatherbees, bakeries, clothing boutiques, cellular, etc. He thought it was important for the Council to understand what the approved project will allow. It includes 106,000 square feet of office space versus the ICO proposal, which consists of 46,000 to 68,000 square feet of office.

Mr. Earl explained that the concern of the Council regarding developers not keeping their retail commitments could be reduced by creating verbiage in a development agreement. ICO was willing to enter into a development agreement that would require commercial to be developed. He believed ICO was the best development partner for the City because there are outside forces that make it unlikely that a third party would be able to develop in the foreseeable future. Attorney Petersen offered to answer the Council Member's questions in that regard. Mr. Earl stated that it has nothing to do with the City, but there are other legal outside forces that could thwart development for a long time. One of ICO's company values states that they look at each project as if were their family's only asset and one that must be operated for 50 years and never sold. Mr. Earl hoped that would help alleviate concern on the part of the City that ICO will not develop commercial. ICO's reputation is of utmost importance.

Mr. Earl indicated that he met with Attorney Petersen and Administrator Darrington to discuss what ICO would be comfortable with in a development agreement. ICO was comfortable with the City's requirements for site requirements, parking, setbacks, and landscaping. They would need to unravel previous approvals, which should not be problematic for the City or ICO. There will likely need to be some type of zone change to allow for residential on the site. He thought a senior housing overlay may be the easiest way to accommodate the senior housing. The City will want control of the type, look, feel, and finishes of the exterior of the buildings. ICO wants to be involved in that decision process.

Mr. Earl stated that Advisor Sant expressed potential interest in sharing in the cost rerouting Garden Drive and installing a traffic signal. If warranted, ICO would be willing to pay to reroute the road if the City is willing to pay for the signal. ICO would clean the site up immediately upon purchase. If residential is approved by the City, ICO would be willing to consider delaying residential development until 2015, which would allow them to spend time performing preleasing activities and potentially complete commercial first. Attorney Petersen stated that they discussed inserting a liquidated damages clause in the contract as well.

Mr. Earl remarked that if the Council is agreeable to ICO's plan they will begin as soon as possible. ICO was under time constraints from the FDIC. They were under contract until October 25 with the potential for one 30-day extension. ICO was not comfortable proceeding until they know that the City is on board. They want to move through the approval process at an expedited rate. ICO was willing to devote their attorney to work with Attorney Petersen over the next week to complete the

development agreement. They hoped to have the proposal on an agenda as an action item by the end of the following month.

Mr. Earl said that ICO hopes to have the opportunity to work with Pleasant Grove City and that his presentation answered some of the Council's concerns.

Advisor Sant reported that he was asked to meet with ICO and City staff to give his opinion regarding the potential for more retail on the site. He spent time with a few retail brokers and reviewed the site plan and what is in the surrounding area. He and the brokers agreed with the developer regarding the marketing window and that retail will fail toward the back of the property and a theater will not be enough of a draw. Advisor Sant stated that the senior housing will be very helpful in making retail successful. Seniors tend to spend more than average multi-family housing residents on their specific needs, which will benefit the entire property.

Advisor Sant felt that the number of commercial and office tenants ICO wants to have in the development makes sense for the property. The leasing time for tenants will likely be two years. Advisor Sant liked the site plan and thought it worked well with the property. Staff recommended entering into a development agreement to address some of the Council's concerns. Advisor Sant suggested moving forward quickly with the development agreement. He felt there were many sites in the City that are better for commercial development than Tuscan Garden and he was concerned that if the Council pushes commercial in this property it may affect the success of the other areas.

Advisor Sant stated that the traffic signal will likely not be worth the cost of putting it in, but they can evaluate it as the project is developed. Council Member LeMone asked if accessing the property from the railroad tracks that would change anything. Advisor Sant did not think Union Pacific would grant access and doubted it would change anything.

Council Member LeMone asked to hear from the Water Gardens owner, Mike Daniels, with regard to his opinion about the potential development. Mr. Daniels stated that he recently saw the site plan for the first time and wanted to use caution. He thought restaurants would be beneficial to all retail in the area as well as the movie theater. Mr. Daniels had no issue with senior housing and thought it would meet both the spirit and the law of what the City had been working on for many years. It would be especially beneficial to have eye doctors and other medical offices near the senior housing. Mr. Daniels remarked that seniors are not the target market of the movie theater.

Mr. Earl reported that 60 units are proposed for the senior housing facility and each typically has one or two residents. Mayor Call asked what has been done in other ICO communities to ensure that it is actually senior housing. Covenants could be included in the agreements requiring age limits. In addition the grants being sought by ICO would require an age restriction with ICO acting as the landlord. Mr. Earl remarked that there are waiting lists at nearly all of their facilities and there are certain requirements and restrictions included in the lease that allow them to be selective about who their tenants are. Council Member LeMone asked how long Ivory will remain the landlord and who will maintain the property. Mr. Earl stated that Ivory will remain the landlord and for maintenance they will partner with Utah Non-Profit Housing Corporation, a top management corporation in Utah.

Council Member Boyd asked if the proposed units are single level. Mr. Earl responded that that the units are one level but the facility will have three stories. Council Member Boyd asked for details about the timing of pre-leasing and construction of the buildings. Mr. Earl assumed that in the development agreement there will only be a restriction regarding how long it will take ICO to get retail started. He stated that ICO prefers to get retail completed as quickly as possible. Council Member Boyd asked for the addresses of other commercial and housing facilities developed by ICO.

Council Member LeMone did not want the area to only cater to seniors and asked how ICO will ensure a balance of retail and office space to cater to all in the community. Mr. Earl stated that the retail will be market driven. He did not think 60 units would be enough to anchor any of the retail or office spaces. The retail pads will include stores that will be beneficial to all age groups. Council Member LeMone asked if the office space will target medical. Mr. Earl stated that they will specifically target some medical for at least one of the buildings. Because of the development IHC was working on, other national medical companies are interested in coming to the area.

Council Member LeMone expressed concern about rushing too quickly and asked Attorney Petersen if one week was enough time to enter into a successful development agreement. Attorney Petersen felt that one week was an optimistic timeframe. She suggested that the development agreement be created simultaneously with the development approvals. Zoning approvals and other important issues should be approved before the development agreement.

Council Member Meacham asked if there was anything in what had been proposed in the development agreement that made the City uncomfortable. Attorney Petersen said that thus far the proposal has not presented any concerns and only addresses the initial Council concerns.

Council Member Meacham asked how the liquidated damages will be assessed. Attorney Petersen stated that they spoke with Advisor Sant who suggested calculating the sales tax revenue and property tax revenue off the space, which would be the number to begin with for liquid damages.

Council Member LeMone indicated that she spoke with a handful of real estate brokers who all suggested the City take the proposal from ICO. They felt it may spur more retail and make the area successful. In addition, a national restaurant chain would be more likely to locate in the Grove area. The brokers felt that even with the senior housing it would benefit the City. Council Member LeMone was in favor of moving forward with the agreement and the project.

Council Member LeMone asked what would happen if ICO was not able to obtain the senior housing grants they are seeking. Mr. Earl stated that they will likely try to get approval for a different type of housing facility that will be no denser than the original proposal. Mayor Call asked what ICO's experience has been in obtaining senior housing grants. Mr. Earl responded that they have always received the grants they have applied for.

Council Member Boyd suggested the Council discuss the reason for the 60 units and see if they want to come up with a different number of units. She explained that there needs to be a reason for 60 units. Council Member Meacham was in favor of moving forward. He felt it was a difficult area to develop and was satisfied with senior housing especially with the development agreement.

Council Member LeMone remarked that Ivory has a wonderful reputation and will create a nice development. Ideally the entire area would be retail, but after hearing from Advisor Sant and speaking with different brokers it was clear that all retail was not realistic. She suggested the City compromise with ICO and move forward.

Council Member Pack stated that she is a big proponent of life cycle housing. The City needs to have housing for people in all stages of life if they expect to grow. She was not opposed to senior housing. Council Member Boyd was also in favor of moving forward and wanted to see the rough draft of the agreement as soon as possible.

Mayor Call stated that generally the Council gave a positive response. He felt the development would be a complementary use to the theater. He understood this is a difficult piece of property to develop and they would like to begin moving forward. He asked that there be a three-way communication between ICO, staff, and the City Council.

8) MAYOR, CITY COUNCIL AND STAFF BUSINESS.

Attorney Petersen presented a sample draft of the voter information pamphlet regarding the general obligation bond election. Staff continued to wait for final numbers from Finance Director, Dean Lundell. She asked that the Council share opinions about changes they would like to see made to the pamphlet. She noted that it complies with all statutory requirements of what is to be included in the voter information pamphlet. The State statute requires the City to produce a voter information pamphlet and distribute it by mail to the home of every registered voter. It was reported that the City has roughly 13,000 registered voters.

Director Young stated that there are copies of the new RAP sheet on the front desk for the Council. They recently received an application for the Strawberry Creek senior housing project, which would be heard by the Planning Commission on October 10. Auto Zone also submitted a site plan for a store to be located adjacent to the new Maverick.

Council Member LeMone asked about the status of the theme park. Director Young stated that the applicants will make big progress in the spring. Going forward Director Young will host occasional meetings to review the status of current and proposed new development. The meetings will be open to City employees, volunteers, Council officials, and citizens. Breakfast will be served. The first meeting was scheduled for Wednesday at 7:30 a.m.

Parks and Recreation Director, Deon Giles, stated that staff has begun shopping for the new vac truck. The truck has already been budgeted for but he reminded the Council that the purchase will occur shortly.

Deputy Fire Chief, Dave Thomas, stated that Evermore Landscape Architects will be meeting with Chief Sanderson and himself the following week. Banners will be hung throughout the City in the next few days to inform residents of times for police and fire station tours.

Police Chief, Mike Smith, reported that the Beer Tax Fund Report needs to be signed by the Mayor. Each year they receive funds from beer sales tax to be used for prevention, enforcement, and

prosecution of alcohol-related incidents. This year the City received \$31,397. Chief Smith read letters thanking Officers Raymond Robertson and Shawn Nelson for their excellent service.

Street Superintendent, John Goodman, stated that staff received complaints regarding road construction projects the City is working on. They were pacifying residents as best they could as complaints are received.

9) **ADJOURN.**

ACTION: Council Member LeMone moved to adjourn. Council Member Meacham seconded the motion. The motion passed with the unanimous consent of the Council.

The City Council Meeting adjourned at 7:34 p.m.

This certifies that the City Council
Minutes of September 24, 2013 are a true,
-full and correct copy as approved by
the City Council on _____

Kathy T. Kresser, City Recorder

(Exhibits are in the City Council Minutes binders in the Recorder's office.)