

**Pleasant Grove City
City Council Work Session Meeting Minutes
January 9, 2018
6:00 p.m.**

PRESENT:

Mayor: Guy L. Fugal

Council Members: Dianna Andersen
Eric Jensen
Cyd LeMone
Lynn Walker
Todd Williams

Staff Present: Scott Darrington, City Administrator
David Larson, Assistant to the City Administrator
Denise Roy, Finance Director
Deon Giles, Parks and Recreation Director
Mike Smith, Police Chief
Kathy Kresser, City Recorder
Dave Thomas, Fire Chief
Marty Beaumont, Public Works Director
Daniel Cardenas, Community Development Director
Sheri Britsch, Library and Arts Director
Tina Petersen, City Attorney

The City Council and Staff met in the Library at 30 East Center Street, Pleasant Grove, Utah.

1) Call to Order.

Mayor Fugal called the meeting to order and noted that all Council Members were present.

2) Pledge of Allegiance.

The Pledge of Allegiance was led by Cole Draney.

3) Opening Remarks.

The opening remarks were given by Council Member Andersen.

4) Approval of Meeting's Agenda.

ACTION: Council Member Jensen moved to approve the agenda. Council Member Andersen seconded the motion. The motion passed with the unanimous consent of the Council.

5) Discussion on density in multiple zones. *Presenter: Director Cardenas.*

Community Development Director, Daniel Cardenas, stated that in light of the Community Development Office recently receiving numerous requests to increase density on multiple properties throughout the City, staff was requesting the Council's direction on the matter. He noted that while all of the proposals are for residential developments, they each have different intentions. Some of the applicants want to develop residential on land not currently zoned as such, while others are proposing mixed use developments with a residential component.

Director Cardenas displayed an aerial map depicting several parcels for which proposals had been submitted. The properties were described as follows:

Property 1 – 11.5 acres

- The Grove (Commercial Sales)
- Presently no residential is allowed
- Proposal is to create a new zone with mixed uses
- The property in question would have a density of 12 units per acre

Property 2 – 10 acres

- The Grove (Commercial Sales)
- Presently no residential is allowed
- Proposal is to create a new zone with mixed uses
- The property in question would have a density of 20-30 units per acre

Property 3 – 8 acres

- Business Park and Manufacturing Zone (BMP)
- The zone recently was recently amended to allow more uses
- Presently no residential is allowed
- Proposal is to include residential as a permitted use in the BMP zone
- The property in question would have a density of 12-16 units per acre

Property 4 – 6.5 acres

- Commercial Sales-2 Zone
- Presently the zoning allows 12 units per acre with specific requirements
- Proposal is to rezone the subject property to RM-7, which does not have site development requirements
- The property in question would have a density of 16 units per acre

Administrator Darrington stated that mixed uses need to be defined. He explained that commercial could mean office or retail and the City would likely accept one type of development over the

other. He provided an additional explanation of the properties as listed above. He identified a piece of property currently owned by the City that needs to be sold, and noted that all of the proceeds will go towards funding the public safety building.

Director Cardenas stated that the Design Review Committee (DRC) has reviewed two of the properties. Administrator Darrington asked the Council for feedback on whether they are willing to entertain any of the proposals, and if so, give staff direction regarding the terms of the development agreements.

In response to a question from Mayor Fugal, Director Cardenas noted that the developer of Property 4 was not proposing any retail component to the project. The developer of Property 1 is still working out specific details of their mixed use proposal. Administrator Darrington stated that Property 1 will not be a power center with a big box retail store. The development will likely be apartments above ground-floor retail.

Developer, McKay Christiansen, stated that his proposal was for a genuine, urban mixed-use development, in the sense that all of the used will be integrated. The retail level will be floor-to-ceiling height of up to 15 feet tall, and residential will be built above the retail level. They are planning to build rental products, but could also build owner-occupied products as well. Somewhere in the mixed-use environment they hope to provide office and restaurants. He stated that the proposed density would allow them to bring in the type of retail that otherwise would not be attracted to this site.

In response to a question from Council Member Andersen, Mr. Christiansen stated that they would be willing to introduce a live-work component into the project. Council Member Andersen asked if he had a model depicting their residential plans. Mr. Christiansen responded in the affirmative. He stated that their target demographic includes working professionals and young, married couples. He also noted that most of the units will have one or two bedrooms.

City Attorney, Tina Petersen, reminded the Mayor and Council that the purpose of tonight's discussion is to review the City's general policies relative to density not to entertain specific applications.

Council Member LeMone was not open to any proposals for high density housing projects, based on commitments she made to the public. While she did not doubt that Mr. Christiansen's products were high quality, the property in question is a prime area for commercial development. She stated that with what is happening in The Grove, she was confident that a retail developer will eventually come in and develop the area without requesting residential and office components.

Council Member Williams echoed Council Member LeMone's remarks and stressed the need for economic development in the City. Mr. Christiansen commented that every time his company pursues a project, they hire a market analyst to assess retail viability. He was of the opinion that the property in question is better suited for offices than retail. There was further deliberation on the matter.

Developer Larry Myler, agreed that some of the property identified in the presentation is a prime commercial area. He commented that they are not suggesting removing commercial from the street frontage; however, the location is not feasible for double stacked retail. He explained that his proposal includes retail on the front end of the property and residential in the back. Mr. Myler explained that the architects were still working out details as of today. As a result, he did not have conceptual drawings readily available for the Council's review. The Planning Commission was scheduled to review the proposal later in the week. He described the various components of the project.

Council Member Andersen was open to discussing Mr. Myler's proposal. She asked if the residential units will be owner occupied. Mr. Myler stated that they will mostly be owner occupied, single-family home lots; however, there will also be two and three-story townhomes. He reported that there will be a small percentage of units that will be rentals.

Mr. Christiansen stated that they were not planning on getting rid of any retail. Administrator Darrington advised Mr. Christiansen to submit an application and noted that any rezone proposals will first go through the Planning Commission. Mr. Christiansen asked if it was worth their time as a company to go through the application process if the City is not interested in entertaining a proposal. Council Member LeMone reiterated her previous statement and indicated that she was not interested in entertaining high density residential development projects. After subsequent deliberation, Mayor Fugal indicated the Council was not interested in hearing a proposal that included high density.

Council Member Jensen commented that each of the sites reviewed are different and each has its own unique variables. He stated that while the developer could go through the application process, the citizens have expressed opposition to high-density housing. He stated that he would be more comfortable with a density closer to 12 units per acre.

6) Discussion on funding roads. *Presenter: Administrator Darrington.*

Administrator Darrington provided a recap on this issue from the past few years. He stated that the City had a road fee analysis conducted by Lewis Young Robertson & Burningham (LYRB) in 2016 that was patterned after a similar fee implemented in Provo City. The analysis assessed trips generated from residential, commercial/public use developments, and from that data determined specific fee amounts based on the intent of generating \$1 million in revenue. Administrator Darrington presented an Excel spreadsheet detailing various scenarios the City could pursue. The spreadsheet included the following funding sources: Class C revenues, additional gas tax, General Fund-Base Budget, General Fund-New Money and the implementation of a road fee. He noted that an existing bond would soon be paid in full, and therefore was not included on the spreadsheet. The annual funding goal for all of the scenarios was \$3.8 million.

Council Member Andersen asked if any cities had implemented fee reductions or exceptions for businesses. Administrator Darrington answered in the affirmative and gave South Ogden City as one example. He also explained that any fee the City decides to implement will be reviewed by legal counsel. Council Member Andersen was interested in implementing fee reductions or exceptions for certain types of businesses.

Council Member LeMone stated that she would like to see a scenario that is neither low nor high, but something that is in the middle in terms of revenue generated from a road fee. She supported the idea of fully funding roads, but wondered if the fee could be tiered for businesses. In addition, she would like to include public use properties (i.e., churches and schools) in the road fee calculations. Administrator Darrington clarified that churches and schools were rolled in with commercial properties. Council Member LeMone was not interested in allocating any more funds from the General Fund-Base Budget, because she felt that \$425,000 was already a significant portion of the budget.

Council Members Andersen and Walker both expressed interest in pursuing Scenario 6 as outlined on the spreadsheet, which showed a Residential Road Fee of \$9.88. Council Member LeMone commented that it would be worthwhile to inform the residents that roads will be funded by the 2019 school year.

Mayor Fugal asked about utility replacements in conjunction with road repairs. Public Works Director, Marty Beaumont, stated that the City has several high quality utility lines underneath roads that need to be repaired. He explained that the Public Works Department’s three-year road plan has been assessing utility replacements synonymously with road maintenance projects throughout the City, albeit with less funding. He stated that the process of moving forward in coordinating projects would require significant planning efforts.

Council Member Andersen stated that Highland City recently implemented a road fee of \$18.50. She asked if the legal language of this fee accounted for additional labor needs. Attorney Petersen explained that there aren’t any restrictions on how road fee revenues need to be spent, as long as it is spent on road maintenance. She stated that this may include labor costs; however, the numbers presented on the spreadsheet only address infrastructure. Director Beaumont disagreed with Attorney Petersen’s last statement. He explained that once the revenues are brought into the City, staff will have to make decisions regarding the most efficient way of handling projects. In some cases, this may mean bringing in additional labor support.

After subsequent discussion on points previously stated, Mayor Fugal stated his preference for Scenario 6, as outlined as follows:

Scenario #6	\$25,000 General Fund New Money	\$3.8 million by FY 25				
	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Class C Revenue	\$ 1,180,000	\$ 1,180,000	\$ 1,180,000	\$ 1,180,000	\$ 1,180,000	\$ 1,180,000
General Fund-Base Budget	\$ 425,000	\$ 450,000	\$ 475,000	\$ 500,000	\$ 525,000	\$ 550,000
General Fund-New Money	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Road Fee (5% annual increase)	\$ 1,580,000	\$ 1,659,000	\$ 1,741,950	\$ 1,829,047	\$ 1,920,499	\$ 2,016,524
Total Revenue Available	\$ 3,210,000	\$ 3,314,000	\$ 3,421,950	\$ 3,534,047	\$ 3,650,499	\$ 3,771,524
Road Fee Per Month-Residential	\$ 7.74	\$ 8.13	\$ 8.53	\$ 8.96	\$ 9.41	\$ 9.88
Road Fee Per Month-Commerical	\$ 95.12	\$ 99.88	\$ 104.87	\$ 110.11	\$ 115.62	\$ 121.40

Director Beaumont explained that timing was critical when planning projects; there may be some projects where it would make sense to carry over money from one year to the next. He indicated that staff is committed to using the funds for road maintenance.

Council Member Andersen asked how the timing of the implementation of the road fee will affect the bidding process. Director Beaumont explained that it will take time for the revenues to come in immediately upon passing a road fee. Furthermore, staff will need time to plan projects before going out to bid. He stated that there are different windows that are ideal for certain projects; however, bidding can take place at any point in the year. In response to a question from Mayor Fugal, Director Beaumont stated that if the Council passes a road fee, the current three-year road plan will be rolled in with new road projects.

Council Member LeMone liked the idea of fully funding roads upfront because residents will know what to expect. Administrator Darrington pointed out that Scenario 6 would double the City's road funding in one year, between 2018 and 2019. He explained that based on feedback from State representatives, the legislature is not going to address road funding needs for local municipalities. There are presently 10 to 15 cities that collect a road fee and the legislature has not indicated any plans of shutting this option down. He stated that there are some cities currently facing legal hurdles on this issue, but it is unknown as to how long those situations will play out. He noted that this item would be on next week's agenda as well, and provided a brief overview of what steps need to be taken next.

7) Discussion on County form of Government. *Presenter: Mayor Fugal.*

Mayor Fugal stated that the North Utah County Mayors (NUC) met last Friday morning. He reported that there is currently a movement throughout Utah County to implement a new form of county government. Council Members LeMone and Andersen expressed support for this movement. Mayor Fugal indicated that based on the feedback provided at NUC's meeting last Friday, it appeared that there weren't any mayors who did not support this movement. He suggested that the City wait to see how the movement rolls out; the Council agreed. Director Beaumont then provided project updates on several MAG and UDOT road projects happening throughout Utah County.

8) Review and discussion on the January 16, 2018 City Council Meeting Agenda.

Staff and the elected officials briefly reviewed and discussed the agenda items for the aforementioned meeting.

9) Staff, Council and Mayor Business.

Fire Chief, Dave Thomas, announced the annual Fire Fighters Kick-Off event at Fox Hollow Golf Course this coming Friday at 6:00 p.m. He invited all to attend. Police Chief, Mike Smith, reported that the Police Department received a \$15,000 grant to purchase car cameras.

Library and Arts Director, Sheri Britsch, announced that the library received an anonymous \$7,000 donation. The donor's only request was that it be used to benefit local children. She also provided updates on the elevator project.

Administrator Darrington stated that he would be sending out an agenda for the upcoming budget retreat to the Mayor and Council. He advised them to email him with any other items they wish to discuss. The retreat is scheduled for February 9 and 10. In response to a comment from Council Member Andersen, he also reported that some grading work has taken place on the Public Safety Building construction site.

Council Member LeMone announced National Law Enforcement Appreciation Day. She reported that she would be meeting with Greg Hudnall from Hope for Utah, along with the Pleasant Grove High School Hope Squad and an Idaho high school that has experienced several suicides in the past six months. She reported that Pleasant Grove High School has not experienced a suicide since the Hope Squad was formed.

Council Member Jensen wished to draw attention to an email the Mayor and Council received from Utah Valley University.

Council Member Walker welcomed all of the newly elected officials.

10) Adjourn.

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

The meeting adjourned at 8:02 p.m.

The minutes of January 9, 2018 City Council Work Session meeting were approved by the City Council on February 6, 2018.

Kathy T. Kresser, City Recorder, MMC

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