

**Pleasant Grove City  
City Council Meeting Minutes  
Regular Session  
October 18, 2022  
6:00 p.m.**

Council Members: Brent Bullock – Mayor Pro Tempore  
Dianna Andersen  
Eric Jensen  
Cyd LeMone  
Todd Williams

Staff Present: Scott Darrington, City Administrator  
Daniel Cardenas, Community Development Director  
David Packard, Human Resource Director  
Kyler Brower, Assistant to City Administrator  
Deon Giles, Parks Director  
Tina Petersen, City Attorney  
Kathy Kresser, City Recorder  
Neal Winterton, Public Works Director  
Denise Roy, Finance Director  
Drew Engemann, Fire Chief  
Sheri Britsch, Library and Arts Director  
DaSheek Akwenye, Recreation Director

Excused: Mayor Guy Fugal

The City Council and staff met in the Community Room, 108 South 100 East, Pleasant Grove, Utah.

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**6:00 P.M. REGULAR CITY COUNCIL MEETING**

**1) CALL TO ORDER**

In the absence of Mayor Guy Fugal, Mayor Pro Tempore Brent Bullock called the meeting to order at 6:00 p.m. All City Council Members were present.

**2) PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Council Member LeMone.

3) **OPENING REMARKS**

The opening remarks were offered by Council Member Williams.

4) **APPROVAL OF MEETING AGENDA**

**ACTION:** Council Member Jensen moved to APPROVE the meeting agenda. Council Member LeMone seconded the motion. Council Members vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; Cyd LeMone, Yes and Todd Williams, Yes. The motion passed unanimously.

5) **OPEN SESSION**

There were no public comments.

6) **CONSENT ITEMS**

a. **City Council Minutes:**

**City Council Minutes for the September 27, 2022, Meeting.**

b. **To Consider Approval of Change Order No. 2 and Payment Request No. 6 for J. Lynn Roberts and Sons for the Manila Pond Booster Station.**

c. **To Consider Approval of Payment Reports for October 6, 2022.**

**ACTION:** Council Member Jensen moved to APPROVE the Consent Items. Council Member Andersen seconded the motion. Council Members vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; Cyd LeMone, Yes and Todd Williams, Yes. The motion passed unanimously.

7) **BOARD, COMMISSION, AND COMMITTEE APPOINTMENTS**

There were no appointments.

8) **PRESENTATIONS**

There were no presentations.

9) **PUBLIC HEARING ITEMS**

A. **Public Hearing to Allow Public Input Regarding (A) The Issuance and Sale of Not More than \$35,000,000 Aggregate Principal Amount of Lease Revenue Bonds, Series 2022, (The "Bonds") and (B) Any Potential Economic Impact that the Project Described Herein to be Financed with the Proceeds of the Bonds Issued Under the Act May Have on the Private Sector; and Related Matters.**

City Administrator, Scott Darrington, reported that the bond is to help with the construction of the new Hale Center Theater in Pleasant Grove City on the doTERRA campus. The City will borrow \$35 million in the form of a revenue bond with funding that will include certain costs to be taken out

of the bond proceeds. The costs include capitalized interest and a Debt Service Reserve Fund, which holds one year of payments in reserve. After deducting those costs, the amount available for the construction of the facility is about \$30 million to fund the cost of the bottom floor that will house the two theaters. The bond requires the City to hold a public hearing allowing the public to speak to the issue. Once the public hearing has been conducted, representatives from Hale Center Theater will provide an update on the project.

Mayor Pro Tempore Bullock opened the public hearing. There were no public comments. The public hearing was closed.

Jeff Fisher, Director of Hale Center Theater Foundation for the Arts and Education, reported that the ground-breaking ceremony is scheduled for November 15, 2022. They planned to meet with architects and contractors the following day. Construction was to begin by the end of November. He thanked the City Council for their support.

10) **ACTION ITEMS READY FOR VOTE**

- A. To Consider for Adoption a Resolution (2022-058) Authorizing the Mayor to Declare 16 iPhones and a 2016 Honda Pioneer SXS500 and a 2015 Honda Pioneer SXS500 as Surplus and Direct that they be Disposed of According to the City's Policy for Disposing of Surplus Property and Providing an Effective Date. Presenters: Chief Engemann and Director Winterton.**

Public Works Director, Neal Winterton, reported that both Honda Pioneers are well-used and ready for disposal as surplus property. Replacements have been purchased.

Fire Chief, Drew Engemann, stated that the phones are old and need to be recycled.

**ACTION:** Council Member Andersen moved to ADOPT Resolution 2022-058 authorizing the Mayor to declare 16 iPhones and a 2016 Honda Pioneer SXS500 and a 2015 Honda Pioneer SXS500 as surplus and direct that they be disposed of according to the City's policy for disposing of surplus property and providing an effective date. Council Member Jensen seconded the motion. Roll call vote on the motion: Council Members vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; Cyd LeMone, Yes and Todd Williams, Yes. The motion passed unanimously.

- B. To Consider for Adoption a Resolution (2022-059) of the Pleasant Grove City Council Outlining Its Support of the 2022 General Obligation Bond for \$595 Million Proposed by Alpine School District and Providing an Effective Date. Presenter: Administrator Darrington.**

Administrator Darrington presented this matter and advised that Mayor Fugal had been approached by a member of the Alpine School District asking the city to support their general obligation bond which will be on the ballot on November 8, 2022. If adopted by the Council, the resolution lets the citizens, who reside within that school district, know that the City Council supports the Bond. Pleasant Grove High School will get upgrades through the bond. Mayor Pro Tempore Bullock stated that he understood the School District had paid off some bonds. Administrator Darrington stated that

the district has a rolling bond system, where bonds periodically get paid off, but that the School District needs the public's periodic approval to maintain their GO-bond rate. Mayor Pro-Tempore Bullock advised that Mayor Fugal told him the bond approval carried no tax effect.

**ACTION:** Council Member Jensen moved to ADOPT Resolution 2022-059 of the Pleasant Grove City Council outlining its support of the 2022 General Obligation Bond for \$595 Million proposed by Alpine School District and providing an effective date. Council Member Andersen seconded the motion. Council Members vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; Cyd LeMone, Yes and Todd Williams, Yes. The motion passed unanimously.

## 11) ITEMS FOR DISCUSSION

### A. **Discussion on St. John Properties Development Project in the Grove.**

Administrator Darrington invited St. John Properties ("SJP") representatives, Regional Partner, Daniel Thomas, and Development Manager, Marty Beaumont to review the matrix which was provided to the Council previously.

Mr. Beaumont reported that they were present tonight to hear the Council's thoughts on the market and above-market costs of the project including concepts such as the plaza and the impact the value of the residential units will have on those costs. The options presented provided the numbers determined to represent the costs including the cost of the above-market concepts. He noted that with a reduction in the number of residential units, SJP will assume responsibility for approximately \$6 million of those costs.

With regard to the connection between retail and residential units, Mr. Thomas stated that retail businesses like the idea of nearby residential, which increases the source of their customers and makes it more likely that retail will settle in the area. That fact alone has value. In addition, residential units bring life to the downtown area at night.

Council Member Jensen asked what the numbers provided mean to the City. Mr. Thomas stated that residential units always help retail but does not solve all of the problems. He expected that ownership of the 1,155 luxury residential units will generate a total average median income in the range of \$150-200 million in annual buying power. He noted, however, that not all of that money will be spent in Pleasant Grove.

Council Member Andersen commented on the project renderings and commended the developers for the financial graph and the explanation of SJP's work to reduce traffic congestion. This eased some of her concerns in that regard. She also thought it would be good for many to be able to live where they work. She was in favor of the plaza, which she recognized the City cannot afford but considered it an opportunity. Council Member Jensen commented that changes were made at the State level regarding how cities can subsidize or incentivize retail.

Administrator Darrington addressed the matrix and stated that the Council has been provided with renderings of the project concept and funding details, including a parking structure and the plaza, which will enhance the project. The parking structure will eliminate footprint space and add more

space for business development. The plaza will be an amenity that is desired by the City. SJP can do both at a cost of \$50 million and by presenting the matrix has suggested options for covering the costs. In part, they include residential units in the area.

Administrator Darrington stated that the options include the following:

- Option 2 has 1,155 residential units, the parking structure, and the plaza, without the need for incentives; and
- Option 8 has no residential units, no parking structure, no plaza, and no incentives.

He acknowledged that there are middle options but he limited his comments to Option 3, which had the lowest number of residential units at 840 and \$13 million in incentives. Based on past projects and changes to the law, Administrator Darrington stated that such incentives will be difficult. Since July 2022, by State law, cities can no longer incentivize retail. In addition, even though there is a housing component, school districts are unlikely to incentivize housing because they do not want to build more schools unless it is necessary. He acknowledged that an argument can be made that there will be no children living in the luxury apartments, however, it is something the Council should consider. To him, any incentive request would be difficult when school districts are a key component. He stated that if the Council is willing to consider incentives, staff will explore the issue with both the County and the School District.

If the Council pursues Option 2, a Code Text Amendment will be needed to create an overlay to include housing. A Development Agreement will also need to include details on luxury apartments and phasing of the development to ensure that residential is not built first with commercial following later. Additional content in the Development Agreement will need to address design standards and other issues. Option 8 will only require discussion regarding design standards. Staff concluded that Option 3 did not seem feasible.

Council Member Jensen stated that there is no way for the City to get \$13 million in incentives. He commented that there are costs to both the developer and the City and SJP has indicated a willingness to build fewer residential units. Mayor Pro Tempore Bullock disliked the term “multi-housing” as he has seen promises made in that regard that have not been kept. After considering the issue he concluded that the City cannot get what it wants unless the idea of housing changes and the decision is made to draw people to the downtown area. If SJP does what they have promised, there will be retail establishments that are attractive to the area residents. He expressed support for Option 2 but with fewer units. He concluded that if the Council insists on prohibiting residential, the developer will build office buildings. He remarked that people need to be drawn to the area. Council Member Andersen reported that she works in that area and loves the synergy of food trucks and people gathering to eat outdoors, which gives a feeling of increased activity.

Member LeMone did not see a gazebo or gathering place in any of the materials provided and instead saw concrete parking with no places to visit. Mr. Beaumont stated that there is a lot of open space available and buildings with patio space. This was their first attempt and invited input from the Council. Council Member LeMone had not seen any of the items mentioned such as green space, parks, creeks, and gathering spaces for the public. For the past decade, she has heard from the public

that they do not want multi-family housing. This is the largest housing development project ever presented to the City Council and it does not include what the public needs. She was frustrated that they were not proposing what the City has asked for. She stated that she was unwilling to support the number of units proposed. She stated that while some housing may be acceptable, 1,155 units are too many.

There was discussion regarding how above-market costs are covered. Council Member Williams stated that they have given in on development issues before and now it is unclear what they will be getting if they allow residential. Phrases like "luxury apartments" and "expensive courtyard" have no real definition. Furthermore, the Council's position has not changed over the past five years. There was discussion regarding funding, various components of the proposed project, and issues to be addressed to resolve the matter. Mr. Thomas stated that when decisions are difficult, frustration is inevitable. He recognized that there is a lot of work left to do. They have not fully developed all of the concepts but were open to doing what the Council desires. Their work can reflect the direction of the Council.

Administrator Darrington stated that nothing is being approved tonight. If a direction is approved, the Development Agreement can flesh out the details. There was discussion regarding the details to be worked out before moving forward with decisions. Council Member Jensen stated that in the past they have been told to trust that certain concepts will be included in a development if a housing component is approved. Ultimately, it never came to fruition. He noted that 1,100 units equates to 2,500 additional cars in the area in addition to vehicles for the office spaces. He did not object to housing but felt that 1,300 units was too many.

Mr. Thomas clarified that Option 1, with 1,300 units is no longer an option as they were aware that the City would not be amenable to that idea. This discussion was an opportunity to provide direction to both SJP and the City. With regard to the Plaza, they have no obligation to build it. They set aside 1.75 acres for a plaza, which will cost \$18 to \$19 million above what the market can support. If they can include residential units, that cost can be offset.

Council Member Williams stated that they are left with Options 1, 2, or 8. Option 3 also was not an option. There was discussion regarding the desired type of development, the associated costs, and the resulting responsibilities of both the City and the developer. Council Member Jensen stated that SJP has no obligation to build anything on the property. Although the position of the City has been the same for some time, the reality is that there is a market for what is proposed. There was discussion regarding other developments where the developer and City agree on the terms. Council Member Williams hoped the discussion would have evolved around fewer units. Mr. Thomas agreed that the Council needs more details on the plaza but he hoped to move forward to the next steps.

Council Member Jensen asked if they were amenable to a specific number of units. In response to a question from Council Member Jensen regarding vesting, Attorney Petersen stated that currently no land use applications have been filed and they are in the discussion phase. If more discussion or a detailed design is needed, another work session can be scheduled.

There was discussion regarding the information needed to move forward. Council Member Williams asked for details on what is being considered, such as cost projections, plans, and specific details on

the final product. It was determined that the Council was seeking a better definition of “luxury apartments”, a better representation of what is to be included in the plaza, the location of parking areas, and more detailed renderings of what is being considered.

Administrator Darrington’s understanding was that the residential unit discussion was either 1,155 units or none. If the Council was not willing to consider that number, they should make it known. SJP could then pursue Option 8. If the Council was willing to support 1,155 units, they could move forward with the details of the design and provide a clearer picture of what was being proposed.

Council Member Jensen asked about the basis for the calculations provided for the various options. Mr. Thomas explained that the numbers were taken conceptually from very specific building designs. The cost differences were based on the acreage required for the buildings. He further stated that reducing the number of units would not, by itself, reduce acreage as those reductions would come from interior building changes.

Council Member Andersen supported the \$1 million per year annual income generated from the 1,155 units. When asked how that income was determined, Administrator Darrington stated that SJP hired an Economic Development Specialist who looked at assessed valuations such as corporate profits, property taxes, and sales tax generation. Assumptions were made regarding the retail numbers, which were more open to interpretation. The information provided to the experts was described as the square footage for retail, office, and luxury residential spaces. Mr. Thomas stated that it was important to note that if they had approved Option 1, the sales and property taxes generated would equate to \$21 million to the City over 20 years. Option 2 would generate sales and property taxes in the amount of \$20,684,000 over that same 20-year period. He commented that with Phases 4 and 6, the tax income to the City would be about \$1 million annually if residential were allowed.

Council Member Andersen and Mayor Pro Tempore Bullock agreed to consider 1,155 residential units if all other parameters were met. Mayor Pro Tempore Bullock stated that they could build whatever they choose if it meets the 50-50 rule. Mr. Thomas acknowledged that the decision was difficult but appreciated the Council working with them to find solutions. Administrator Darrington stated that SJP would be going through the normal development processes. They will have some discussion on design standards.

12) **REVIEW AND DISCUSSION OF THE NOVEMBER 1, 2022, CITY COUNCIL MEETING AGENDA**

13) **MAYOR AND COUNCIL BUSINESS.**

City Council Jensen reported on invitations for Slim Chickens and a food-tasting event.


14) **SIGNING OF PLATS.**

15) **REVIEW CALENDAR.**

16) **ADJOURN**

**ACTION:** At 7:27 p.m. Council Member Jensen moved to ADJOURN. Council Member Andersen seconded the motion. Council Members vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; Cyd LeMone, Yes and Todd Williams, Yes. The motion passed unanimously.

The City Council minutes of October 18, 2022, were approved by the City Council on November 1, 2022.

  
Kathy T. Kresser, MMC  
City Recorder  
*(Exhibits are in the Recorder's office.)*

