

**Pleasant Grove City
Special City Council Meeting Minutes
Thursday, July 6, 2023
5:00 p.m.**

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

Staff Present: Scott Darrington, City Administrator
 Denise Roy, Finance Director
 Kathy Kresser, City Recorder
 Neal Winterton, Public Works Director
 Kyler Brower, Assistant to the City Administrator
 Drew Engemann, Fire Chief
 Keldon Brown, Police Chief

Excused: Mayor Guy L. Fugal
 Tina Petersen, City Attorney

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

5:00 P.M. SPECIAL CITY COUNCIL MEETING

1) CALL TO ORDER

In the absence of Mayor Guy Fugal, Mayor Pro Tempore, Cyd LeMone called the meeting to order at 5:00 p.m. All City Council Members were present.

PUBLIC HEARING ITEMS

- A. Public Hearing to Consider for Adoption an Ordinance (2023-12) Amending City Code Section 10-14: The Grove Zone by Creating a New Overlay Zone called Valley Grove Overlay (Section 10-14-28), which provides for Master Planned High-Density Residential Uses in Conjunction with Commercial Uses within The Grove Zone. (CITYWIDE) (St. John Properties Applicant). *Presenter: Director Cardenas.***

City Administrator, Scott Darrington, reported that before starting with the agenda items, the work done by staff pertaining to the proposed St. John Properties (“SJP”) development would be presented. After initial discussions regarding the SJP development, the City Council directed staff to work with SJP on the framework for a Development Agreement that the City Council could then definitively address. Staff, represented by City Attorney, Tina Petersen; Community Development Director,

Daniel Cardenas; and Administrator Darrington, met on multiple occasions with the developer and came up with what should be included in a Development Agreement. During the discussions, they were aware of the differing opinions of the various City Council Members regarding what should be included. They recognized there was no consensus. Administrator Darrington added that staff also varied in opinion as to what should be included in the agreement. The proposal was staff's best effort but could be revised accordingly. Negotiations took place in good faith and each side has modified positions. The decision was now before the City Council regarding how the document is to look. Staff was open to Council feedback regarding items to be added or revised.

Using SJP's Executive Summary, which was provided to the City Council the previous day as a guide, Director Cardenas addressed the creation of the overlay, which was the mechanism under which SJP will operate with respect to zoning, specific requirements, and restrictions. The overlay includes a residential component with a maximum density of 26 units per acre, which is consistent with the 1,155 units the developer wants to develop. Administrator Darrington added that the developer has always been clear that the preference is to develop that number of residential units. Without it, they cannot financially deliver on the promenade and the structured parking. Further, the parking structure allows for an increase in retail space. Director Cardenas indicated that he would address that parking component. He noted that the studies addressing parking identify how staff came up with the numbers provided.

The two public hearings scheduled for this meeting address the creation of the overlay and its application. City Council approval means that the City Council is approving the creation and application of the proposed overlay on the property. The rules of the Interchange Zone will apply to this property recognizing that the overlay rules will modify some of the zoning requirements. Furthermore, the Development Agreement will modify what is allowed in the development. Director Cardenas would also address the specifics of the Development Agreement and address the design standards.

An issue involving a person in distress that was unrelated to City Council business was briefly addressed and referred for law enforcement guidance.

Director Cardenas reported that the subject property is owned by St. John Properties and is currently located in The Grove Zone in two different subdistricts. Most of the property is in the Interchange Subdistrict with the remainder being in the Commercial Sales Subdistrict. An overlay is created to allow certain uses to be permitted or conditional in a zone. Historically, such modifications can only be done through a Code Text Amendment but currently, the law allows such changes to be done by way of a Development Agreement. In this case, the City prepared a Code Text Amendment to create the Overlay Zone. The overlay does not contain specific detailed information but provides parameters regarding uses, parking, and setbacks which were reviewed by the Planning Commission. The Development Agreement is addressed only by the City Council.

The proposed Code Text Amendment, Section 10-14-28 creates a new zone called the Valley Grove Mixed-Use Overlay Zone, which allows a mixture of retail, office, and high-density residential space. As the City Council was aware, residential uses are not permitted in The Grove Zone's Interchange and Commercial Sales Subdistricts. The overlay would allow Use 1150, which includes high-rise apartments and condominiums. The maximum residential density allowed is 26 units per acre. The

acreage to be counted is what remains after dedicated land is excluded. To qualify for the overlay application, the project must be 40 acres or more in size.

The overlay also addresses parking. Director Cardenas explained that typically there is a specific number of parking stalls designated per unit regardless of the number of bedrooms. The City conducted studies of various locations outside Pleasant Grove and found that the average number of units ranges between 1.3 and 1.4 stalls per unit. A 2019 study done by Orem City showed that parking needs vary based on the types of units built. The City, in working on the overlay, factored the number of bedrooms in each unit into the requirements. Orem's recommendation was to require a minimum of .75 stalls per bedroom. In evaluating what is currently done in Pleasant Grove, staff determined the following ratios:

- 1.5 stalls for studio units;
- 1.5 for one-bedroom units;
- 1.75 stalls for two-bedroom units; and
- 2 stalls for three-bedroom units.

Parking requirements will depend on the unit sizes that are constructed. It was noted that the calculations take visitor parking into account.

With regard to buffers, setbacks in the zone are usually designated as being from the back of the curb. In this case, however, the measurement will be from the back of the right-of-way, which provides a greater buffer setback in areas such as collectors. Sidewalks, parking strips, and curb and gutter will no longer be counted when making larger land dedications. All of these features serve as a framework for development.

Administrator Darrington addressed the phasing component of the Development Agreement. Referencing the Executive Summary and the proposed Development Agreement, he stated that the intention of the phasing is to preclude all residential units from being built without any commercial development. The phases were identified as follows:

- Phase 1 requires the developer to put 65,000 square feet of retail space (for sales tax generating uses) "under construction" (which means at least built to the foundation). The developer can then obtain a Building Permit for one residential building. There will be a total of three residential buildings.
- Phase 2 requires an additional 67,000 retail square footage to be built, at minimum, to the foundation. The Phase 1 retail development is to be completed or occupiable. The developer will be required to start one acre of the two-acre Promenade as part of this phase, including obtaining a City-approved site plan. If all of this is done, the developer can obtain a Building Permit for the second residential building. Additionally, if the first half of the Promenade is completed, the developer can get one of the following:
 - Obtain occupancy of the second of the three residential buildings; or
 - Obtain occupancy of the office building adjacent to the promenade; or
 - Complete the 132,000 square feet of retail space.

- Phase 3 will require the additional 68,000 square feet of retail, completion of the Promenade, and one of the occupancy conditions as listed in Phase 2. This ensures that retail and housing will be done in lockstep fashion.

The developer also recommended the addition of a 130-room hotel, which they want credit for as the City benefits in both tax revenue and Transient Room Tax. The developer suggested a 177 square feet per room credit, which would result in a credit of 23,000 square feet. The suggestion was explored and determined to be of benefit to the City. That contingency was built into the agreement.

Administrator Darrington addressed the definition of “luxury units”. Staff explored various options for how to define “luxury” in the Development Agreement. One option would be to use construction costs. This approach concluded that “luxury” would double the construction costs, at \$250,000, and the developer would be required to meet that cost. To reach this number, they used a cost index estimator. Using rental value as a luxury indicator was considered more nebulous. A third option would be to identify what amenities should be included to make a unit a luxury unit, which could be addressed both by way of design standards and in the Development Agreement. He reviewed the type of details listed in the design standards and reviewed what was covered in the Development Agreement. Multiple issues, including comfort, quality, security, services, and conveniences were considered and additional amenities were identified as required or optional. The list of amenities mentioned included the following:

- A 24-hour fitness facility
- Social or business conference rooms;
- A TV area;
- Outdoor play areas;
- Pools;
- Structured parking;
- Additional storage areas;
- Outdoor game areas;
- Pizza ovens;
- Barbecue areas;
- Fire pits;
- Saunas; and
- Pet spas.

He noted that most of the Council Members had been on tours of locations claiming to be luxury units.

The two-acre promenade was to be contiguous, although the developer has the option to make minor changes to locations for tenant issues. The size, however, cannot be reduced. Administrator Darrington used an exhibit to show the promenade footprint and described the various features including a stream, passive open spaces, bicycle racks, enhanced landscaping, fire pits, and entertainment areas. The features are set forth in detail in both the Development Agreement and the

design standards. There is also a road that goes through the Promenade that was not counted as part of the two acres.

Director Cardenas addressed design requirements, which typically deal with the exterior of the building and site where plans have been submitted. Usually, the developer seeks general requirements, and the City aims for a more concise approach. Here, the staff review of the developer's design was more detailed and specific in the requirements for varied building materials, landscaping, size of open spaces, the promenade, height of building around the promenade, walkways, lighting, and locations of maintenance areas resulting in 30 pages of requirements. They wanted to ensure that the area retains the look envisioned by the City and is walkable with adequate access. The details for the Promenade and open spaces were included in the Development Agreement so that the details of what is to be done can be fashioned accordingly.

Council Member Williams raised the issue that on the tours there were a variety of opinions regarding what constitutes "luxury." Some places were impressive while others were not. His concern was with what is inside the units such as cabinet materials, countertops, and floor coverings, and the location of the pool. He wanted luxury to be defined by staff. Mayor Pro Tem LeMone stated that in this case, the quality of the interior features is critical to the concept. She noted that not much other than the structured parking and pool separate this from other units in Pleasant Grove. Administrator Darrington stated that the construction cost requirement supports high-quality materials and amenities. The definition of "luxury" has been the most difficult challenge. Input on the interior features could be provided if directed by the City Council. That discussion had not yet occurred.

Discussion among the City Council continued regarding the need for additional review of development costs, identification of required amenities, differing opinions on what constitutes "luxury", and concern about the adequacy of the rental market in Pleasant Grove with possible negative outcomes. Administrator Darrington stated that they put a number to the required construction costs and amenities and they were now asking for input from the City Council.

SJP representative, Marty Beaumont, reported that there had been numerous tours and in some of the buildings the units on different floors are of different quality. Some floors have granite countertops while others do not. His opinion was that the luxury feel of the building comes from the setting and not the specific units. He explained how difficult it is to obtain cost information from other developers and that the figures obtained came from others that were then converted to the current value. To him, the luxury is found in the detailed design guidelines and the value in the cost construction costs. The quality must be there along with amenities, space, security, and structured parking. The construction costs guarantee the quality. All of those factors denote luxury.

Mayor Pro Tem LeMone opened the public hearing.

Lon Lewis expressed opposition to the proposed density of 26 units per acre and stated that luxury apartments are not necessary in Pleasant Grove. It was his opinion that the market for such units will not come from Pleasant Grove and he did not see how such units or the Promenade would benefit the residents.

There were no further public comments. The public hearing was closed.

Administrator Darrington cautioned that any motion should be contingent upon the Development Agreement being adopted and signed. Such additional language would ensure that nothing is in effect until the Development Agreement is adopted and signed.

Council Member Andersen reported that she had heard many people express support for the project. She added that the project is beautiful and will benefit the City by showing that the City is open to business. She expected businesses to come to Pleasant Grove because of this project.

ACTION: Council Member Andersen moved to ADOPT, contingent on the Development Agreement being adopted and signed, Ordinance 2023-12 Amending City Code Section 10-14: The Grove Zone by creating a New Overlay Zone called The Valley Grove Overlay (Section 10-14-28), which provides for master-planned high-density residential uses in conjunction with commercial uses within The Grove Zone. Council Member Bullock seconded the motion. City Council Member vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; and Todd Williams, Yes. Cyd LeMone, No. The motion carried 4-to-1.

Mayor Pro Tem LeMone stated that as a Member of the City Council, the project will be beautiful and bring in restaurants and shopping. She was opposed, however, to the general concept in that it is against what she has supported for 10 years in trying to manage multi-housing in the City.

- B. Public Hearing to Consider for Adoption an Ordinance (2023-13) to Apply the Valley Grove Mixed Use Overlay on 47.28 acres of Unplatted land in The Grove-Commercial Sales Subdistrict, approximately located south of Valley Grove Way and East of Pleasant Grove Boulevard. (SAM WHITE'S LANE NEIGHBORHOOD) (St. John Properties Applicant) Presenter: Director Cardenas.**

- C. Public Hearing to Consider for Adoption an Ordinance (2023-14) to Apply the Valley Grove Mixed Use Overlay on 5.22 Acres of Property Zoned The Grove-Commercial Sales Subdistrict, on Parcel B of The Grove Subdivision Plat A, located East of South Mountain View Lane and North of South North County Boulevard. (SAM WHITE'S LANE NEIGHBORHOOD) (St. John Properties Applicant) Presenter: Director Cardenas.**

The above two items were considered together but voted on separately.

Director Cardenas presented the Staff Report and stated that the above two items request to apply the Valley Grove Mixed-Use Overlay to two separate tracts. He identified the location of the two tracts of land on an aerial map displayed. One tract is 47.28 acres in size and is in the Interchange Subdistrict. The other consists of 5.22 acres and is in the Commercial Sales Subdistrict. Both properties were presented to the Planning Commission which recommended unanimous approval.

Mayor Pro Tem LeMone opened the public hearing on both items. There was no public comment. The public hearing was closed.

ACTION: Council Member Jensen moved to ADOPT, contingent on the Development Agreement being adopted and signed, Ordinance 2023-13 to apply the Valley Grove Mixed Use Overlay on 47.28 acres of unplatted land in The Grove-Commercial Sales Subdistrict, approximately located south of Valley Grove Way and east of Pleasant Grove Boulevard. Council Member Andersen seconded the motion. City Council Member vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; and Todd Williams, Yes. Cyd LeMone, No. The motion carried 4-to-1.

ACTION: Council Member Jensen, moved to ADOPT, contingent on the Development Agreement being adopted and signed, Ordinance 2023-14 to apply the Valley Grove Mixed Use Overlay on 5.22 acres of property zoned The Grove-Commercial Sales Subdistrict, on Parcel B of The Grove Subdivision Plat A, located east of South Mountain View Lane and north of South North County Boulevard. (SAM WHITE'S LANE NEIGHBORHOOD). Council Member Andersen seconded the motion. City Council Member vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; and Todd Williams, Yes. Cyd LeMone, No. The motion carried 4-to-1.

3) **ACTION ITEMS READY FOR VOTE**

- A. **To Consider for Adoption a Resolution (2023-033) Authorizing the Mayor to sign a Development Agreement with St. John Properties regarding a Commercial/Residential Mixed-Use Development located approximately South of Valley Grove Way and East of Pleasant Grove Boulevard, Pleasant Grove, Utah, and Other Related Matters and Providing an Effective Date. *Presenter: Director Cardenas.***

ACTION: Council Member Bullock moved to ADOPT Resolution 2023-033 Authorizing the Mayor to sign a Development Agreement with St. John Properties regarding a commercial/residential mixed-use development located approximately south of Valley Grove Way and east of Pleasant Grove Boulevard, Pleasant Grove, Utah, and other related matters and providing an effective date. Council Member Jensen seconded the motion. City Council Member vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; and Todd Williams, Yes. Cyd LeMone, No. The motion carried 4-to-1.

- B. **To Consider for Approval a 22-Lot Commercial Condominium Plat called The Grove Cove Condominium Plat on 3.299 Acres, approximately located at 250 South North County Boulevard in The Grove Commercial Sales Subdistrict. (Sam White's Lane Neighborhood).**
- C. **To Consider for Approval a Commercial Site Plan for Four Retail Buildings, located at approximately 250 South North County Boulevard in The Grove Commercial Sales Subdistrict. (Sam White's Lane Neighborhood) (Parcell Construction, Applicant) *Presenter: Director Cardenas.***

The above two items were presented together but voted on separately.

Director Cardenas presented the requests for the approval of a 22-lot commercial condominium plat and commercial site plan in The Grove Commercial Sales Subdistrict. The project was to be the first

ACTION: Council Member Andersen moved to ADOPT Resolution 2023-034 Authorizing the Mayor to execute an agreement with James and Marilyn Oliphant to abandon an irrigation ditch and connect to the City's Pressurized Irrigation System in conjunction with the City's 2600 North Road Project for property located at approximately 2932 North 1130 West, Pleasant Grove, Utah; and providing an effective date. Council Member Jensen seconded the motion. City Council Member vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; Cyd LeMone, Yes; and Todd Williams, Yes. Motion carried unanimously.

- F. To Consider for Adoption a Resolution (2023-035) Authorizing the Mayor to Execute an Agreement with Kenneth Nickell as Trustee of the Kenneth M. Nickell Trust to Abandon an Irrigation Ditch and Connect to the City's Pressurized Irrigation System in Conjunction with the City's 2600 North Road Project. Property located at approximately 965 West 2600 North, Pleasant Grove, Utah; and Providing an effective date. Presenter: Director Winterton.**

ACTION: Council Member Jensen moved to ADOPT Resolution 2023-035 Authorizing the Mayor to execute an agreement with Kenneth Nickell as Trustee of the Kenneth M. Nickell Trust to abandon an irrigation ditch and connect to the City's Pressurized Irrigation System in conjunction with the City's 2600 North Road Project for property located at approximately 965 West 2600 North, Pleasant Grove, Utah; and providing an effective date. Council Member Bullock seconded the motion. City Council Member vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; Cyd LeMone, Yes; and Todd Williams, Yes. Motion carried unanimously.

- G. To Consider for Adoption a Resolution (2023-036) Authorizing the Mayor to Sign a Cooperative Agreement between the Utah Division of Forestry, Fire and State Lands and the City of Pleasant Grove regarding Wildland Fire Management; and Providing an Effective Date. Presenter: Chief Engemann.**

Fire Chief, Drew Engemann reported that the proposed agreement pertains to wildfires on the Wildland Interface to the east of the City. Also present was Mike from the Utah Forestry Department who explained that the agreement was similar to an insurance policy in the event of a catastrophic fire and covers prevention work being done.

ACTION: Council Member Bullock moved to ADOPT Resolution 2023-036 Authorizing the Mayor to sign a Cooperative Agreement between the Utah Division of Forestry, Fire and State Lands and the City of Pleasant Grove regarding Wildland Fire Management; and providing an effective date. Council Member Andersen seconded the motion. City Council Member vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; Cyd LeMone, Yes; and Todd Williams, Yes. Motion carried unanimously.

- H. To Consider for Adoption a Resolution (2023-037) Authorizing the Mayor to Execute an Interlocal Agreement between Pleasant Grove City, Utah County Department of Health and Communities that Care for Substance Misuse Prevention; and Providing an Effective Date. Presenter: Nicole Khountham.**

Finance Director, Denise Roy presented reported that the proposed resolution renews the grant for Communities that Care. Nicole Khountham is now in charge of that program. The City will receive \$18,000 from the County, which will cover \$13,000 of Ms. Khountham’s salary and \$5,000 for travel and other expenses. Although the amount is less than what is normally funded, the City has a \$10,000 match. Ms. Khountham is doing a great job and they expect the program to continue under her leadership.

ACTION: Council Member Andersen moved to ADOPT Resolution 2023-037 Authorizing the Mayor to execute an Interlocal Agreement between Pleasant Grove City, Utah County Department of Health, and Communities that Care for Substance Misuse Prevention; and providing an effective date. Council Member Jensen seconded the motion. City Council Member vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; Cyd LeMone, Yes; and Todd Williams, Yes. Motion carried unanimously.

Administrator Darrington reported that the next Council Session will be on July 18, 2023. During that Work Session, there will be a Mid-Year Review with the City Council based on the Annual Retreat as well as updates on projects and items prioritized for the staff. He also indicated that there will be a meeting with Greg and Julie Cook regarding the naming of the Park. Notice will be provided. He also reported that the ground-breaking for the Park is scheduled for 10:00 a.m. on August 2, 2023.

Council Member Williams reported that they approved something good this evening. He hoped that in 10 to 20 years the City will be seen as having “really good” housing, a Promenade, and economic development. He did not want to be disappointed or have any regrets. Good relationships between the City and developers are important and a lot of effort will be needed to ensure that all goes well. The City Council takes its responsibility seriously and he stood by that position. It will take a lot of work to ensure that the things they agreed to are upheld and managed properly.

4) **ADJOURN**

ACTION: At 6:46 p.m. Council Member Williams moved to ADJOURN. Council Member Jensen seconded the motion. City Council Member vote: Dianna Andersen, Yes; Brent Bullock, Yes; Eric Jensen, Yes; Cyd LeMone, Yes; and Todd Williams, Yes. Motion carried unanimously.

The City Council minutes of July 6, 2023, were approved by the City Council on July 18, 2023.



Kathy T. Kresser, MMC
City Recorder

(Exhibits are in the Recorder’s office.)

