

**Pleasant Grove City
City Council Regular Meeting Minutes
February 17, 2015
6:00 p.m.**

PRESENT:

Council Members: Dianna Andersen
Cindy Boyd
Cyd LeMone - Mayor Pro-Tem
Jay Meacham
Ben Stanley

Staff Present: Scott Darrington, City Administrator
David Larson, Assistant to the City Administrator
Dean Lundell, Finance Director
Deon Giles, Parks and Recreation Director
Tina Petersen, City Attorney
Mike Smith, Police Chief
Dave Thomas, Fire Chief
Ken Young, Community Development Director
Lynn Walker, Public Works Director
Kathy Kresser, City Recorder

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

1) **CALL TO ORDER**

Mayor Daniels was excused from the meeting. Mayor Pro-Tem Cyd LeMone called the meeting to order and noted that Council Members Boyd, Andersen, Meacham, and LeMone were present. Council Member Stanley arrived at 6:40 p.m.

2) **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Scout Seth Lyman.

3) **OPENING REMARKS**

The opening remarks were given by Mr. Jack Freeman.

4) **APPROVAL OF AGENDA**

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

5) **OPEN SESSION**

Council Member LeMone opened the open session. There were no public comments. Council Member LeMone closed the open session.

6) **CONSENT ITEMS**

- a) **City Council and Work Session Minutes:
City Council Minutes for the January 27, 2015 Meeting.**

The consent items were reviewed.

ACTION: Council Member Andersen moved to approve the consent items as presented. Council Member Boyd seconded the motion. The motion passed with the unanimous consent of the Council.

7) **PRESENTATIONS**

There were no presentations.

8) **ACTION ITEMS READY FOR VOTE:**

- A) **TO CONSIDER FOR APPROVAL KARAMJIT SINGH'S REQUEST FOR A CLASS "A" OFF-PREMISE BEER LICENSE FOR THE 7-ELEVEN CONVENIENCE STORE/FUEL STATION #36340, LOCATED AT 715 SOUTH MAIN, PLEASANT GROVE, UTAH. STRING TOWN NEIGHBORHOOD.**

Presenter: Attorney Petersen.

City Attorney, Tina Petersen, presented the staff report and stated that this application is a transfer, rather than a new store. Mr. Singh is assuming ownership of the franchise and has completed the majority of requirements necessary to obtain the license. He passed the background check and submitted a cash bond. There were still, however, a couple of pending items. Should the Council choose to grant the license, the motion should include a condition that the remaining requirements be completed. Attorney Petersen noted that the applicant has paid all fees. Mr. Singh needs to have a State sales tax number issued and be granted approval by the Utah County Health Department. Furthermore, the applicant needs a weights and measures approval from the Department of Agriculture. The applicant submitted a Self-Inspection Fire Report but still needs to submit a Commercial Certificate of Insurance. The County also requires training for each of Mr. Singh's employees.

The applicant, Karamjit Singh, introduced himself, and stated that he is originally from California. This is a new business venture for him. Council Member LeMone welcomed Mr. Singh to Pleasant Grove and asked him if there was a particular reason he chose this area. Mr.

Singh replied that the decision was partly based on the franchise; however, he decided that Utah would be a great place to raise his family.

ACTION: Council Member Boyd moved that the Council approve Karamjit Singh's request for a Class "A" Off-Premise Beer License for the 7-Eleven Convenience Store/Fuel Station #36340, located at 715 South Main, Pleasant Grove, Utah, pending unfinished requirements that still need to be completed. Council Member Andersen seconded the motion. The motion passed with the unanimous consent of the Council.

B) TO CONSIDER FOR APPROVAL MATT WALLING'S REQUEST FOR CLASS "C" ON PREMISE LIQUOR LICENSE FOR THE STAR SALOON LOCATED AT 15 EAST CENTER. OLD FORT NEIGHBORHOOD. Presenter: Attorney Petersen.

Attorney Petersen explained that similar to the previous item, this is also a transfer of ownership. The applicant, Mr. Walling, is currently in the process of acquiring an existing business. He has applied for his own business license, social club, and on-premise alcohol license. Attorney Petersen noted that Mr. Walling has submitted all of the required documents with the exception of the Utah County Health Department approval and the City's written consent for the State's licensure. As is the case with Mr. Singh, Mr. Walling will be required to take alcohol training and education classes.

Council Member Meacham asked Attorney Petersen to elaborate on the difference between the different licensing classifications. Attorney Petersen explained that beer licensing is governed by municipalities, whereas liquor licensing is governed by the State. Class "C" is on-premise retail, meaning that alcohol is purchased and consumed on-site. Class "B" is off-premise retail, meaning that alcohol is purchased in containers and must be consumed off-site. Council Member Meacham asked how a buyer knows which type of licensing is to be maintained by the business. Attorney Petersen replied that bartenders who work for on-premise establishments are trained in the law.

The applicant, Matt Walling, stated that he is from Lehi and has lived in Utah for 10 years. Fire Chief, Mike Smith, asked if the previous owner will be involved in the business. Mr. Walling replied that they will be only be involved during the transition process. He discussed some of the minor changes that will be made once the transfer of ownership is complete. Council Member LeMone remarked that the City looks forward to Mr. Walling continuing his business in Pleasant Grove.

ACTION: Council Member LeMone moved that the Council approve Matt Walling's request for a Class "C" on premise liquor license for the Star Saloon located at 15 East Center pending unfinished requirements that still need to be completed. Council Member Andersen seconded the motion. The motion passed with the unanimous consent of the Council.

9) ACTION ITEMS WITH PUBLIC DISCUSSION

There were no action items with public discussion.

10) DISCUSSION ITEMS FOR THE FEBRUARY 24, 2015 MEETING

Note: Item 10 was discussed after item 11.

Council Member LeMone read from next week's draft agenda and reported that there will be a public hearing to receive comments on the fiscal year 2014/2015 budget amendments. She stated that this is part of the City's ongoing budget process. Finance Director, Dean Lundell, explained that periodically the City needs to amend the budget for various reasons. He reviewed 17 line items, including descriptions, amounts, expenditures, and revenue sources for each adjustment. It was noted that a detailed list of adjustments is available for review on the City's website.

11) ITEMS FOR DISCUSSION – NO ACTION TAKEN:

Note: Item 11 was discussed before item 10.

A) PRESENTATION/DISCUSSION ON A POTENTIAL DEVELOPMENT IN THE GROVE AREA.

City Administrator, Scott Darrington, explained that about three weeks ago, the City received an email from Daniel Thomas regarding properties in the Grove Area that are currently under contract. Staff met with Mr. Thomas to discuss his plans and they felt it would be a good idea for Mr. Thomas to present his ideas to the City Council.

Mr. Thomas introduced his team and stated that he is representing a company called St. John Properties. He thanked the Council for their time and commented that Pleasant Grove is a beautiful City. Mr. Thomas identified four main objectives. The first was to present a conceptual development plan for the interchange subdistrict. Second, Mr. Thomas wished to demonstrate his team's capacity to deliver the development plan. Third, he hoped to obtain insight and feedback. Last, Mr. Thomas explained that it his intent to bring retail to Pleasant Grove.

Mr. Thomas described his background and stated that he earned a Bachelor's Degree in Real Estate Finance from Portland State University and a Master's Degree in Real Estate Development from John Hopkins University. He served as the past Chair of the University of Baltimore's Real Estate and Economic Development Advisory Board and he is an adjunct professor at the University of Utah. Mr. Thomas explained that St. John Properties was founded by Ed St. John 45 years ago. He is still the sole owner of the company. The company's portfolio comprises nearly 17 million square feet of suburban office, retail, and flex business parks, and is valued at over \$2.2 billion. St. John Properties has a long-term investment model, which means the City would work directly with the company for many years to come.

St. John Properties is ready and able to build in the Interchange Subdistrict. They are not currently seeking additional investors, pre-leasing, or financing contingency. Mr. Thomas stated that the company is able to build because they have \$100 million in unburdened cash for local investment and acquisitions at their disposal. Furthermore, as of this afternoon St. John Properties entered into an additional contract with the Baker family to purchase an additional 40

acres of prime retail land in the Interchange Subdistrict. It was noted that they currently own 23 acres.

An aerial map of the subject properties was displayed and was proposed to be called Valley Grove. Mr. Thomas explained how St. John Properties decided to enter into a contract with the Baker family for the additional 40 acres. Valley Grove is now a 62.20-acre master planned destination, which will include vibrant mixed uses, destination retail, professional, Class A offices and showrooms, hospitality, and retail sales. Mr. Thomas remarked that all of this will translate into revenue for the City. The exchange at Valley Grove is located in the southeast portion of Pleasant Grove Boulevard, where the 40 acres of prime destination retail are located. Mr. Thomas stressed the importance of having an amenity base for a growing business and residential community. He hoped the proposed development would push the Convention Center forward.

On the northwest side of Pleasant Grove Boulevard, St. John Properties has master planned the Valley Grove Business Park. The business park is comprised of 23 acres, which will be developed as professional Class A office, retail, and showroom space. The Valley Grove Business Park will complement the existing nearby mid-rise offices and BMW dealership. This will also provide a user base for the retail. Mr. Thomas did not plan to ask for any changes to the zoning code. He read from the code, which specifies that professional services (or office space) is limited to less than 50% of each individual project area, or less than 50% of a combination of such project areas, as approved by the City Council. With this approval, Mr. Thomas expressed confidence in his company's ability to deliver what the market wants.

Council Member Meacham asked for an overall project percentage. There was then discussion on the percentage of land that would be developed as retail and how much would be professional office space. The aerial map of the subdistrict was reviewed as part of the discussion. Administrator Darrington explained that St. John Properties needs to deliver 27 out of 53 acres of retail. Mr. Thomas stated that they are in the due diligence period with the sellers and it is his job to mitigate as much risk as possible prior to finalizing the purchase of the property. He hoped to better understand the legal process by which Council approval is obtained. Administrator Darrington provided an overview of the history of the property at the request of Council Member Boyd.

Mr. Thomas presented architectural drawings of what St. John Properties intends to deliver to the City of Pleasant Grove. He explained that as a business park and retail developer, one of the most critical aspects of any successful business park is to identify and provide a sense of arrival. Furthermore, common elements that run through the entire business park are crucial. Mr. Thomas stated that the Valley Grove Business Park will have numerous amenities and green space and all of the buildings are LEED certified for sustainability. He explained that the office buildings in the Valley Grove Business Park will be single-story structures, which is ideal for professional office and showroom space.

Note: Council Member Stanley joined the meeting at 6:40 p.m.

Community Development Director, Ken Young, identified a triangular piece of property and asked if St. John Properties was taking that acreage into account in their planning. Mr. Thomas

indicated that they had not factored in the portion of land in question and they are still unsure as to what will go there. Brandon Fugal added that it may be used for additional amenity space.

Attorney Petersen asked Mr. Thomas what type of a decision he would like the Council to make so that a future agenda item can be properly formulated. Mr. Thomas identified three specific properties outlined on the project map included in the presentation and stated that St. John Properties would like 50% of a combination of the project areas to be approved by the Council. Council Member Boyd asked if approval runs with the land rather than the owner. Staff discussed the matter and reviewed previous items, particularly how the retail percentage is to be determined.

Mr. Baker was present at the meeting and voiced his support for the project as presented by Mr. Thomas. He expressed confidence that St. John Properties will deliver a good product. Mr. Fugal added that St. John Properties is larger than any other developer in Utah. Furthermore, Ed St. John, the company's primary owner, is personally invested in the decision along with Mr. Thomas. He gave Mr. Thomas the latitude to do what is necessary to bring the product to Pleasant Grove. Mr. Fugal invited those present to verify the facts and review their other projects and visit the company website.

Council Member Meacham inquired as to why St. John Properties specifically chose Pleasant Grove, Utah. Mr. Thomas responded that he convinced Mr. St. John that Utah was the place to be for long-term investment. As an investor, he wants to build in a place that is growing, provides job opportunities, and in general, is business friendly. Mr. Thomas stated that Pleasant Grove is in the heart of Utah County and is an ideal location for retail. Council Member LeMone expressed appreciation to Mr. Thomas and his team for considering Pleasant Grove.

Council Member LeMone brought the matter back to the Council for further discussion. In response to Council Member Boyd, Administrator Darrington noted that 27 acres of the three parcels outlined on the project map comprise half of the project area. Mr. Fugal noted that the Nordstrom Rack at South Towne Center is approximately 25 acres in size and the mall itself sits on about 40 acres. The Costco and Lowes project on State Street in Lehi is also comparable in terms of size.

Attorney Petersen asked the Council to voice their level of interest in working with St. John Properties. Mr. Thomas added that they are willing to follow protocol and work through the processes that are in place. He mentioned that time sensitivity is the only obstacle to moving forward. Attorney Petersen responded that an agenda item can be added to next week's meeting. The Council was united in their enthusiasm for the project proposal. Council Member LeMone thanked Mr. Thomas for providing background and the history of St. John Properties.

12) NEIGHBORHOOD AND STAFF BUSINESS

Director Young stated that tonight's conversation with St. John Properties is indicative of conversations staff has had recently as well. He mentioned that there is another group interested in 22 acres of land located to the east of Walmart on State Street. Furthermore, staff has visited with Bryant Bishop from Evermore who indicated that they plan to focus on technology development prior to moving forward and find an alternative location for their park.

Fire Chief, Dave Thomas, reported that a local family brought in a note and treats to the Fire Department earlier in the day. He read the note, which was a letter of appreciation to the personnel who, through their training, were able to save a man's life a year ago.

Chief Smith invited those present to visit the Police Department to see the hearts and thank you notes from Grovecrest Elementary students for the officers. Administrator Darrington announced that an RFP will be up on BidSync the following day. Attorney Petersen commented on an article that appeared in today's *The Daily Herald* that some of the City's Fire and Police personnel were recently honored by the VFW as first responders. Chief Smith added that the VFW wants to present the awards to the gentlemen with the Council present.

13) MAYOR AND COUNCIL BUSINESS

Council Member Andersen announced that the Viking Wrestling Team won the State Championship for the fifth year in a row. Council Member Stanley spoke about an event he recently attended in honor of former Pleasant Grove resident Jose Valdez, who was one of five Medal of Honor recipients in the State of Utah, and the only one from Utah County. The Medal of Honor is very rare and one of the most distinguished awards that the U.S. Military offers. Council Member Stanley explained that there were a lot of great people in attendance and several good messages were shared.

Administrator Darrington asked Council Member Stanley to report on the City Games Trivia. Council Member Stanley reported that the administrative teams did very well. The next City Game will be the Amazing Race. Council Member LeMone explained that the City Games are activities established by Recreation Manager, Clint Warnick, in an effort to bring all City departments together once a month.

Council Member Stanley mentioned that Private Valdez's portrait will be hung in the high school. An unveiling ceremony was to take place sometime in late April.

14) SIGNING OF PLATS

The following plats were signed: Lorraine's Place "A", and Maple Grove Amended "A".

15) REVIEW CALENDAR

There were no further calendar items to review.

16) ADJOURN

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

The City Council Meeting adjourned at 7:28 p.m.

Minutes of the February 17, 2015 meeting approved by City Council on March 17, 2015.

Kathy T. Kresser, City Recorder

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