

**Pleasant Grove City
Joint City Council and Planning Commission
Meeting Minutes
September 8, 2020
6:00 p.m.**

Mayor:

Guy L. Fugal

Council Members:

Dianna Andersen
Brent Bullock
Eric Jensen
Cyd LeMone
Todd Williams

Excused:

Eric Jensen

Planning Commission Members:

Todd Fugal, Chair
Bobbi Jo Blake
Lisa Coombs
Dustin Phillips
Peter Steele

Excused:

Tim Clyde
Jim Martineau
Jeffrey Butler

Staff Present:

Scott Darrington, City Administrator
Tina Petersen, City Attorney
Daniel Cardenas, Community Development Director
Kathy Kressser, City Recorder

Others:

Jon Hawkins, State House Representative

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

6:00 P.M. JOINT MEETING

1) CALL TO ORDER

Mayor Guy L. Fugal called the meeting to order. All Council Members were present. Participants were reminded of social distancing requirements. Those present introduced themselves.

2) DISCUSSION OF THE VISION OF THE GROVE ZONE.

City Administrator, Scott Darrington, gave a history of The Grove Zone, which previously consisted of empty fields. A new interchange was constructed to attach State Street to I-15, which opened up development in the community.

Historically, there has been significant discussion about the interchange. The area is referred to as The Grove. There are specific rules within The Grove as far as development is concerned. There are also sub-districts, including mixed housing, commercial sales, and what is called "the interchange." Administrator Darrington explained that early on, there was a lot of discussion regarding the look and feel of the Interchange Zone. He commented that much of tonight's discussion will focus on those topics. Lengthy discussions were held five to six years ago regarding the vision for the zone.

The desire was to ensure that the area includes retail. Therefore, they instituted a 50/50 rule, meaning that the zone must have at least 50% retail within the development area. Initially, the Council did not approve fast food or convenience stores within The Grove Zone and certain other uses were zoned out. Administrator Darrington explained that they have made changes to the 50/50 rule. They also made changes to allow a limited number of fast-food establishments and convenience stores based on acreage. The changes were made at the request of the developer.

Administrator Darrington next addressed the Atrium Property. In 2006, it was designated for a 10-story full-service hotel, convention center, and restaurants as well as a second, limited-service hotel. The project folded in 2008 due to the recession. The City purchased the property and it was given to the Hammonds Corporation as an incentive, with the idea that future taxes generated by the property would satisfy the bond payment. Although nothing was constructed on the property and no tax revenue was generated, the Hammonds Corporation made the bond payments for several years prior to filing for bankruptcy. Atrium purchased the Hammonds Corporation's assets and they currently own the property. There remains a bond in the amount of \$13 to \$14 million on the property, and Atrium is required to pay it off by December 2021.

Administrator Darrington expressed his belief that Atrium will not develop the property themselves. The property is listed for sale and there have been inquiries. The Council and Planning Commission have been involved in changing some of the zoning requirements for that property to allow for a fractionalized hotel, including a school next to an events center and a concert venue.

In response to an inquiry from Council Member Dianna Andersen, Administrator Darrington stated that the zoning for a fractionalized hotel runs with the property, although it can be removed. They are in a 'wait and see' mode to see what Atrium does with the property. Atrium is anxious to sell the property, but there have been issues with the asking price and the 50/50 rule.

Community Development Director, Daniel Cardenas provided additional detail on the vision for The Grove zone. He described the sub-districts within The Grove zone, including entertainment, mixed housing, and commercial. Director Cardenas reported that they have a vision for the entire

zone. Each sub-district also has its own list of uses. With regard to The Grove Interchange District, the purpose behind its creation was to promote the development of a regional center for retail, hotel, and professional office uses, with high-quality architectural designs. The vision was to create an attractive gateway from I-15 into the City.

Director Cardenas highlighted the Interchange District, which is slightly more lax with regard to the list of permitted uses but has a longer list of restricted uses. Prohibited uses include car washes (unless associated with a gas station), heavy industrial, outdoor storage, residential, and sexually-oriented businesses. Director Cardenas presented the list of permitted uses in The Grove Interchange District. Recent changes included Use No. 5532, which allows convenience stores with gasoline and general merchandise. The use was previously prohibited but was recently listed as permitted and limited in number to one for every 20 acres within the project area.

Use No. 5810 now allows fast-food restaurants but limits them to one per every 10 acres. The Planning Commission also addressed the type of fast-food restaurants allowed and where they can be located. Fractionalized hotels are also newly permitted but only permitted in areas previously permitted for hotel uses. It was clarified that the fractionalized use cannot exist by itself. There are no conditional uses within The Grove Interchange District.

The Council was invited to submit their comments and input on other issues they would like the Planning Commission to consider.

Council Member Williams stated that this adequately represents his vision for The Grove Zone. They have considered potential developers who have desired to make changes to the uses within the zone. He acknowledged that the COVID-19 pandemic may alter what they will allow going forward because developers have indicated that hotels and sit-down restaurants are dying with the pandemic and they do not know how long it will last.

Council Member Andersen stated that the zone is the gateway to the City and something they have been striving to achieve. She pointed out that the mayor who annexed the interchange, Mayor Lloyd Ash, did not get re-elected. Many in the City were upset with the annexation and the development of the interchange. She did not want to see something similar occur again. Council Member Andersen wanted to have a conversation on the 50/50 rule because there will likely be a decline in Class A office buildings. Additionally, hotels are at 20% occupancy at the most.

Council Member Williams asked what the Council wants to see at the interchange. If the pandemic continues, Class A office space will decline, as will sit down restaurants. He invited the Planning Commission to comment on the 'new normal' if the pandemic continues.

Administrator Darrington stated that they should remember that COVID-19 will eventually go away but the practices that led to COVID-19 will continue. In their discussion, he stressed the importance of not making decisions based on the pandemic as it exists today. They must, however, think about what the future will look like.

Planning Commission Chair, Todd Fugal recognized that The Grove Zone is Pleasant Grove's chance of creating a revenue stream for the City. As they address the uses in light of COVID-19, they should still rely on the vision that development of the area drives revenue for the City.

Council Member Williams had issues with language in the Code that the City wants to maintain its "signature image." As they move forward, he expressed his hope that they clarify what the City wants in terms of development and the "signature image" for the area. The intent of the Code and the "signature image" language was discussed. Tina Petersen, City Attorney stated that when the Code was written, they wanted this area of the City to look different. The intent at the time was to implement that "signature image" in the design requirements of the zone. They wanted a certain look and feel in the zone, although they have modified it for certain projects at the request of developers.

The "signature image" was implemented through other elements in the Code that had certain design standards and not necessarily through types of use. Attorney Petersen clarified that discussions regarding use within the zone were held simultaneously with the design discussions. Administrator Darrington stated that they implemented the 50/50 rule in approximately 2012 after the original Code was passed.

Council Member Bullock stated that historically, they wanted to bring retail into Pleasant Grove, but development in surrounding communities impacted that plan. He expressed concern that the City has jumped the gun by trying to attract developers to the City. He stressed that they have developed standards and Code requirements and they need to stick with them. In surrounding communities, there is no longer any open land to develop. He suggested that they stick with what they believe is in the best interest of the City.

Council Member Bullock commented that developers have come before the Council seeking variances in design standards, which were approved. In his opinion, it was all about money. He encouraged the Council to think more long term and about what future City Councils will be faced with.

Administrator Darrington stated that the City sets the design standards and the Codes and when the developer comes into the City they should already know how they want their project to look. The developer wants the City to change the Code to match their project. The City Council and Planning Commission must decide if the project is worthwhile to the City and if they are willing to change the Code. The decision will depend on how committed the City is to have the zone developed in a certain way weighed against the positive financial impact of a particular development.

Council Member Andersen noted that the Council took political heat for not approving the very first development for The Grove Zone. She stated that it will be easier if they clearly define what "signature image" the Council wants for The Grove Zone. Planning Commissioner, Bobbi Jo Blake, pointed out that the reality is that changes and modifications to the Code have already been made so it would be helpful to evaluate what already exists so that they are not basing their idea of "signature image" off of a previous idea of what that term means.

Planning Commissioner, Dustin Phillips, suggested that perhaps the wording should be changed from "signature image" to "signature purpose."

Council Member LeMone stated that historically, the Council went from 32 multi-family units per acre down to 12 units per acre. Council Member Andersen previously suggested, and was still in favor of, zoning out multi-family units altogether. She would also be in favor of no more office uses. She favors retail and stated her belief that people want land and will come to the City for the retail. If the true purpose is collecting revenue from retail, the City must be patient and not give up land to office space and multi-family housing.

Administrator Darrington noted that office space and retail helps bring people to the restaurants. Council Member LeMone responded that she thinks they have hit the maximum with regard to multi-family housing and office space, much of which is currently vacant. She stated that they need to decide what the retail will look like in terms of quality and vision. No one foresaw anyone buying up the entire west side of Main Street to use for office space, which now precludes it from retail use. She expressed support for a majority of the decisions of the Planning Commission, and discussions regarding varying opinions are a healthy part of the process. Her vision was to focus on retail to create revenue for the community. Citizens do not want more housing or office buildings in the area. She acknowledged that there needs to be a revenue stream for restaurants and hotels, but they should not make rash decisions based on COVID-19. Since the Council has become involved in restricting use in The Grove Zone and paying attention to what is being developed, the zone has become a beautiful area of the City, but it can be better.

It was noted that developers will let the City know what they believe will sell and give them a return on their investment.

Planning Commissioner, Lisa Coombs, reported that her career has completely changed as a result of COVID-19. Many large companies are scrambling to figure out what to do with their office space because they are having their employees work from home until at least the end of 2021. The City needs to consider that COVID-19 has changed how people are working. Some large companies, like Google, are converting some of their office space to residential.

It was noted that commercial space has been permanently impacted by the pandemic, as it is now acceptable to conduct business remotely.

Council Member Williams stated that they must recognize and acknowledge that times will change, and they must be open to the level of retail in relation to economic development in the City. Council Member LeMone commented that even retail is changing with the presence of Amazon, as is fast food. She suggested they not make rash decisions based on the pandemic but recognize that things are changing and they must be cognizant of this in making their decisions. She recalled that the 50/50 rule was instituted after a developer wanted to put in 100% office in a prime area within the zone, which would have precluded a significant amount of retail opportunities. She would support development that allows her to shop, eat, there, or play there.

Council Member Williams pointed out that one of the issues they had with the use involving a smoke shop was the use of subjective standards and words that the Planning Commission cannot interpret. When the Council says they want something that is "high class" there is no direction as to what it is or is not. He recounted a discussion where it was expressed that the Council did not want a Chuck E. Cheese, as opposed to an establishment like Dave and Busters. There is a different look and feel between the two types of retail, which bears on the issue of "signature image." Dave and Busters fits in with the "signature image" more so than Chuck E. Cheese.

There was further discussion regarding the meaning of "signature image" and the criteria for whether an establishment fits their vision. As it relates to the smoke shop, the Council felt that it was not the right image for the zone, specifically because there are three other smoke shops along State Street in other zones. Additionally, the Council felt that having a smoke shop in the Interchange District was not appropriate given the fact that there are other areas in the City where the smoke shop could have been placed.

Planning Commissioner, Peter Steele asked what it is about a smoke shop that does not fit the "signature image." Saying that a smoke shop could be put somewhere else says nothing about its image.

Council Member Williams had observed the clientele that frequents smoke shops and stated that it changes based on the time of day. When a smoke shop wanted to locate in R&R Barbeque, he felt it was not the right image for their flagship entry gateway into the City.

It was noted that the Code already allows stores to have 35% of their floor space devoted to tobacco products in the Interchange sub-district. The requested change in usage to allow a smoke shop in the Interchange District was not consistent with the original Code language. It was noted that what is confusing to the Planning Commission is uses in the area that are allowed to a certain extent, while other similar uses are not. Council Member Andersen stated that the more defined they can get, the safer they will be.

The issue of image versus use was discussed. It was suggested that the City can protect themselves in both areas by having a more defined standard. The group further discussed the issue of the denial of the use of the smoke shop versus the allowance of a barbershop that sells tobacco products.

Planning Commission Chair Fugal requested that they be provided with guidelines and direction as to what the Council wants in The Grove Zone. Council Member Williams compared the reasons for rejecting the smoke shop to why they disallow sexually-oriented businesses and heavy industrial uses. They want to have the right to protect the City's image, especially within the interchange zone.

Commissioner Steele noted that whether or not to approve cannot be just based on how the buildings look because any building can be made to meet the vision. He stated that the Planning Commission needs direction on what the buildings and the uses should look like.

Attorney Petersen suggested that the Planning Commission be provided with the minutes from discussions they had when the use list was created. There was likely conversation included in those discussions that would enlighten and remind everyone of the vision for the zone. She agreed that the standards are confusing in some aspects because they have listened to developers and modified their original plan for the area over time. If they look at some of the design requirements that have been removed and review the minutes from the meetings where these changes occurred, that would be helpful to the Planning Commission on understanding the vision for The Grove Zone.

When the area was developed, they envisioned an outdoor mall at the Gateway, a park, and a 100,000 square-foot conference center with a 10-story full-service hotel. Attorney Petersen questioned whether they missed some uses as a result of the grand vision presented by the developers early on. The initial vision is not what is currently there. If the Council wants to change the vision, there should be a discussion, but if the vision remains the same, the Planning Commission should be provided with some of the context for the vision early on.

It was suggested as an alternative that the Council define "signature image." Council Member LeMone stated that the Council cannot definitively state what is or is not consistent with their vision without seeing the developer's plans for a given project. There is a process between the Planning Commission and the Council that works. The Council is open to reviewing all proposed developments presented by the Planning Commission.

Council Member Williams stated that the Council likely does not want to provide a blanket vision standard and they will have to get specific on what is and is not consistent with their vision. The question to the developer should be focused on what modification to the Code they are requesting and how that will subjectively impact the vision for the zone.

Mayor Fugal stated that the Council must decide what does and does not fit within the vision on a case-by-case basis, using the Code. He expressed his concern with fast-food restaurants, as that is not really defined. It was noted that if more than 50% of the business is through a drive-through, it is considered a fast-food restaurant.

Council Member LeMone commented that her focus is on the highest and best use for the property in The Grove. The smoke shop was not the highest and best use of the land in the interchange. Even if land remains vacant using that standard, she was willing to wait. Mayor Fugal disagreed. Some of the modifications to the Code have helped bring in more retail to the zone. It was stressed again that they cannot make a decision before a proposal is submitted. Planning Commission Chair Fugal cautioned that that approach sends a mixed message to developers. If the City is turning developers away, then other developers are hearing that.

Commissioner Coombs stated that the Council and the Planning Commission should be on the same page so that they can send out a consistent message to developers. Developers talk, which could impact other potential developers coming forward with their proposals. Council Member Williams pointed out that there has not been a permitted use approved by the Planning Commission that was rejected by the Council other than the smoke shop.

Planning Commission Chair Fugal clarified that they are seeking guidance from the Council. He hoped to have a more unified front on "signature image" because it has changed so much over the years. Tonight's meeting was about defining the vision for the area and coming together.

Council Member LeMone preferred an ad hoc approach and wanted to hear the developer's ideas and the Planning Commissions' recommendations.

Council Member Andersen expressed the opinion that they need a written description of "signature image." There are photographs in the General Plan that depict what they wanted The Grove to look like.

Director Cardenas stated that this is the perfect time to define "signature image" because he will be reviewing the General Plan in the coming months. Commissioner Steele stated that this will not be a one-sentence definition and it will not be useful to focus on uses within the definition. Each use is so broad that you cannot define a specific use (e.g. Chuck E Cheese) out of the Code. He stressed that what the Planning Commission needs is direction on what the development should look and feel like.

Commissioner Steele reported that the entrance to the City looks like the entrance to every other city on I-15. Currently, there is nothing unique about The Grove. He questioned whether the City wants it to be unique and whether they can achieve it at this point. The Planning Commission can address the appropriateness of the design, while the appropriateness of the use is up to the City Council. The Planning Commission performs an administrative function and typically decide whether something is consistent with the Code. They cannot make determinations related to the legislative issue of use but can offer opinions to a developer as to the likelihood of the City Council approving a project that is not consistent with the Code.

It was clarified that the "signature image" definition is not just about building design. It is also about the amount of open space that is available. There was discussion as to how the design standards will not eliminate a particular type of business but they could change how it looks and feels. The example of a McDonald's being designed into a historic building in the Northeast, as well as the 7-Eleven in Park City was discussed.

The discussion returned to the inclusion of a Chuck E. Cheese within the zone. The consensus was that if the design meets certain standards, both the Planning Commission and the City Council will likely approve it, provided the use is approved in the zone.

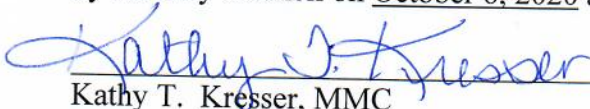
Administrator Darrington suggested that they begin the process with the General Plan. The timeline regarding approving a vision was discussed. In the interim, they will have developer proposals to consider, including those that would not be approved uses. They will also be faced with decisions of whether to reject a proposed development and the prospect of being branded a difficult City to deal with. Creating design standards will let everyone know what they want to develop based on design standards and use codes.

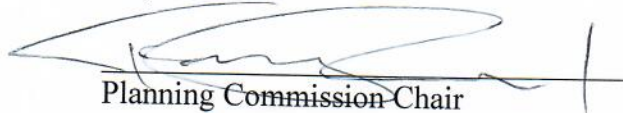
The next step will be to develop design standards. There was discussion on how specific they want to be in drafting the design standards. It was suggested that they begin with the staff to develop potential design standards to be presented and then have another joint meeting. Everyone was reminded that the design standards will still be subjective, and they cannot specify every detail of design that is part of the vision.

3) **ADJOURN**

The meeting was adjourned at 7:50 p.m.

The Joint City Council and Planning Commission minutes of September 8, 2020, were approved by the City Council on October 6, 2020 and by the Planning Commission on October 6, 2020.


Kathy T. Kresser, MMC
City Recorder


Planning Commission Chair

10/22/2020
Date



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