



MINUTES OF THE SOUTH OGDEN CITY COUNCIL WORK SESSION AND CITY COUNCIL MEETING

TUESDAY, NOVEMBER 16, 2021

WORK SESSION – 5 PM IN COUNCIL ROOM

COUNCIL MEETING – 6 PM IN COUNCIL ROOM

WORK SESSION MINUTES

COUNCIL MEMBERS PRESENT

Mayor Russell Porter, Council Members Sallee Orr, Brent Strate, Susan Stewart, Mike Howard, and Jeanette Smyth

STAFF MEMBERS PRESENT

City Manager Matthew Dixon, Assistant City Manager Doug Gailey, Parks and Public Works Director Jon Andersen, Communications and Events Specialist Jamie Healy, and Recorder Leesa Kapetanov

Note: The time stamps indicated in blue correspond to the audio recording of this meeting, which can be found by clicking the link:

https://www.southogdencity.com/document_center/Sound%20Files/2021/CC211116_1759.mp3

or by requesting a copy from the office of the South Ogden City Recorder.

I. CALL TO ORDER

- Mayor Porter called the work session to order at 5:02 pm. He stated some Council Members (Orr and Strate) were not yet present but on their way. The mayor then called for a motion to open the meeting. 00:00:14

Council Member Howard so moved, followed by a second from Council Member Smyth. Council Members Stewart, Howard, and Smyth all voted aye.

II. REVIEW OF AGENDA

- No one requested a review of agenda items

III. DISCUSSION ITEMS

- A. Update on Economic Development Strategy from Zion's Bank
 - Staff overview 00:00:51

- Note: Council Members Orr and Strate joined the meeting during the staff overview
- Update by Susie Becker 00:04:10 Ms. Becker used a visual presentation as part of her update. See Attachment A.
- Council Discussion 00:40:29

B. Wasatch Choice Vision Workshop Recap

- Staff overview 00:56:02

IV. ADJOURN

- Mayor Porter called for a motion to adjourn the work session
00:58:40

Council Member Strate so moved, followed by a second from Council Member Howard. All present voted aye.

The work session ended at 6:01 pm.

COUNCIL MEETING MINUTES

COUNCIL MEMBERS PRESENT

Mayor Russell L. Porter, Council Members Sallee Orr, Brent Strate, Susan Stewart, Mike Howard, and Jeanette Smyth

STAFF MEMBERS PRESENT

City Manager Matthew Dixon, Assistant City Manager Doug Gailey, Parks and Public Works Director Jon Andersen, Police Chief Darin Parke, Fire Chief Cameron West, Communications and Events Specialist Jamie Healy, and Recorder Leesa Kapetanov

OTHERS PRESENT

Loralee Gacioch, Bruce & Joyce Hartman, J. Michal Scott, Lenette Girres, Elise & Brian Fortin, Janae Rock

Note: The time stamps indicated in blue correspond to the audio recording of this meeting, which can be found by clicking this link:

https://www.southogdencity.com/document_center/Sound%20Files/2021/CC211116_1903.mp3

or by requesting a copy from the office of the South Ogden City Recorder.

I. OPENING CEREMONY

A. Call To Order

- At 6:06 pm, Mayor Porter called the meeting to order and entertained a motion to begin
00:00:09

Council Member Smyth so moved. The motion was seconded by Council Member Howard. In a voice vote, Council Members Orr, Strate, Stewart, Howard, and Smyth all voted aye.

B. Prayer/Moment of Silence

The mayor led those present in a moment of silence.

C. Pledge Of Allegiance

- Council Member Orr led everyone in the Pledge of Allegiance.

II. PUBLIC COMMENTS

- There were no comments from those present in the room. The mayor also stated the online streaming was not working, so no one was able to comment online.

III. RESPONSE TO PUBLIC COMMENT

- Not applicable at this time

IV. PRESENTATION

Bonneville Communities That Care

- Ms. Lorelee Gacioch gave an award to the City for its participation in the Communities That Care Program 00:01:22

V. AWARD OF OGDEN-WEBER TECHNICAL COLLEGE SCHOLARSHIP

Mayor Porter awarded the Ogden-Weber Technical College Scholarship to Lenette Girres
00:03:47

V. CONSENT AGENDA

A. Approval of October 19, 2021 Council Minutes

- The mayor read the consent agenda and asked if there were any comments; Council Member Stewart pointed out some corrections in the minutes. Mayor Porter then called for a motion to approve the consent agenda with the corrections.

00:06:30

Council Member Smyth so moved, followed by a second from Council Member Howard. Council Members Orr, Strate, Stewart, Howard, and Smyth all voted aye.

VI. DISCUSSION / ACTION ITEMS

A. Consideration of Resolution 21-34 – Canvassing the South Ogden City 2021 General Election

- Staff overview 00:07:40
- Comments by Council 00:12:35
- Motion 00:13:38

Council Member Strate moved to approve Resolution 21-34, canvassing the 2021 election. Council Member Orr seconded the motion. After determining there was no more discussion, the mayor called the vote:

Council Member Orr- Yes

Council Member Strate-	Yes
Council Member Stewart-	Yes
Council Member Howard-	Yes
Council Member Smyth-	Yes

Resolution 21-34 was adopted.

The mayor announced they would move to item E. next. There was no opposition from any member of the Council.

- E. Consideration of Resolution 21-38 - Approving a Lease Agreement with Unified Fleet Services**
- Staff overview 00:14:13
 - Discussion 00:18:45
 - Motion 00:21:27

Council Member Howard moved to approve Resolution 21-38, a lease agreement with Unified Fleet Services. The motion was seconded by Council Member Strate. There was no discussion on the motion. The mayor made a roll call vote:

Council Member Smyth-	Yes
Council Member Howard-	Yes
Council Member Strate-	Yes
Council Member Orr-	Yes
Council Member Stewart-	Yes

Resolution 21-38 passed.

- B. Consideration of Resolution 21-35 – Approving an Agreement with Municode for Self-Codification Services**
- Staff overview 00:21:52
 - Discussion 00:24:17
 - Motion 00:27:35

Council Member Strate moved to adopt Resolution 21-35, followed by a second from Council Member Smyth. Seeing no further discussion, the mayor called the vote:

Council Member Stewart-	Yes
Council Member Orr-	Yes
Council Member Strate-	Yes
Council Member Howard-	Yes
Council Member Smyth-	Yes

The agreement with Municode was approved.

- The mayor announced the on-line streaming was now working and he would open up a 10-minute public comment period for those online

C. Consideration of Resolution 21-36 – Approving a Betterment Agreement with UDOT for Powder Coating of Street Lights

- Staff overview 00:28:19
- Discussion 00:29:32
- Motion 00:34:58

Council Member Strate moved to adopt Resolution 21-36. Council Member Howard seconded the motion. Mayor Porter asked if there were any comments; there was no response so he called the vote:

Council Member Strate-	Yes
Council Member Orr-	Yes
Council Member Howard-	Yes
Council Member Stewart-	Yes
Council Member Smyth-	Yes

The motion stood.

D. Consideration of Resolution 21-37 – Approving an Agreement with AAA Excavation for Oak Street Waterline Project

- Staff overview 00:35:15
- Discussion 00:37:08
- Motion 00:39:24

Council Member Smyth moved to approve Resolution 21-37. The motion was seconded by Council Member Strate. The mayor called for further discussion, and seeing none, he called the vote:

Council Member Smyth-	Yes
Council Member Strate-	Yes
Council Member Orr-	Yes
Council Member Stewart-	Yes
Council Member Howard-	Yes

The resolution was adopted.

F. Discussion on Employee Compensation and Retention

- Staff overview 00:39:45
- Discussion/Questions 00:41:35
- Motion 01:03:30

Council Member Strate moved to accept staff's recommendations with a 2% COLA and the holiday bonuses. He also stated that a discussion should be held at the next meeting concerning the issues Council Member Howard had brought up concerning police policies. City Manager Dixon asked if the motion included the step increases in Parks. Council Member Strate said it did. Council Member Smyth seconded the motion. Mayor Porter asked if there was further discussion. Council Members Orr and Stewart asked questions about the 2% COLA and the 2-step increases in Parks. Staff answered their questions. The mayor then called the vote:

Council Member Howard-	Yes
Council Member Orr-	Yes
Council Member Smyth-	Yes
Council Member Stewart-	Yes
Council Member Strate-	Yes

The motion stood.

- City Manager Dixon clarified with the Council when the different benefits should be implemented.

VIII. REPORTS/DIRECTION TO CITY MANAGER

A. City Council Members

- Council Member Smyth - 01:10:51
- Council Member Stewart - 01:11:09
- Council Member Howard - 01:11:42
- Council Member Orr - 01:12:12
- Council Member Strate - 01:14:55

B. City Manager 01:15:51

C. Mayor Porter 01:22:40

- As part of his report, Mayor Porter verified there had been no on-line public comment
01:24:53

IX. ADJOURN

- At 7:34 pm, the mayor called for a motion to adjourn city council meeting
01:27:53

Council Member Orr so moved, followed by a second from Council Member Smyth. The voice vote was unanimous in favor of the motion.

I hereby certify that the foregoing is a true, accurate and complete record of the South Ogden City Pre-Council Work Session and Council Meeting held Tuesday, November 16, 2021.


Leesa Kapetanov, City Recorder

December 7, 2021

Date Approved by the City Council

ATTACHMENT A

Presentation by Susie Becker, Zions Bank



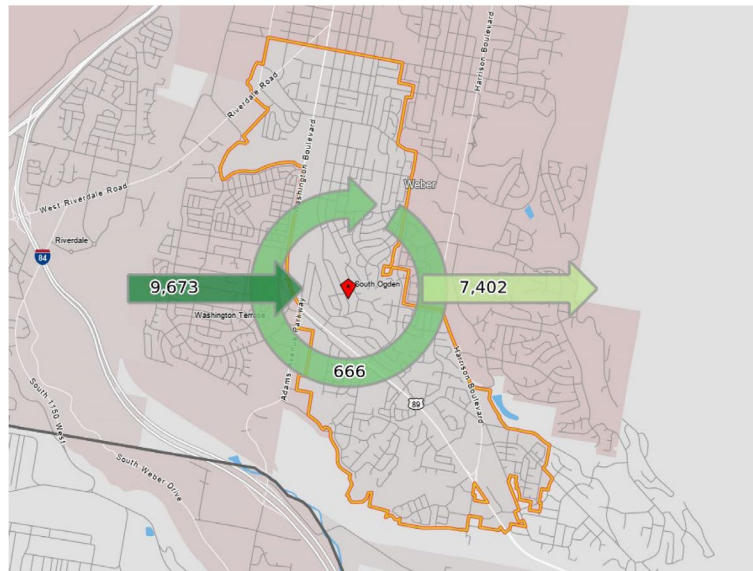
South Ogden Economic Data

November 16, 2021

ZIONS PUBLIC FINANCE, INC.

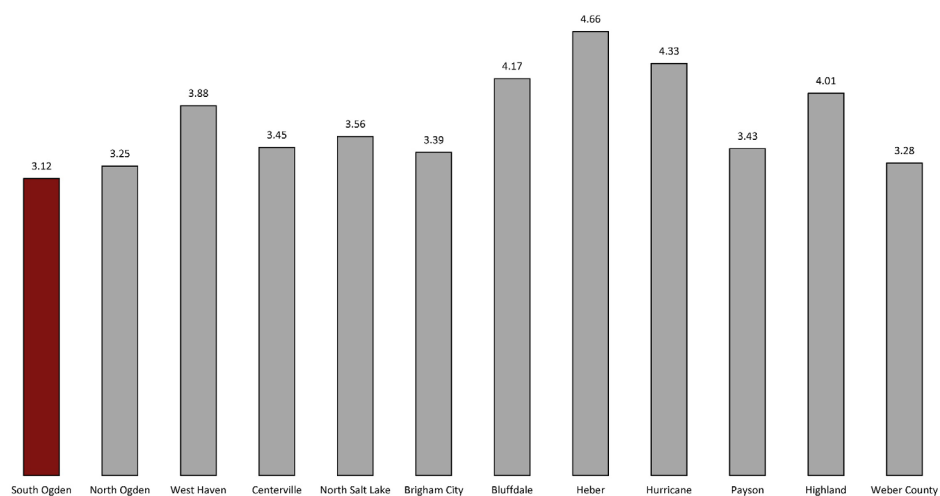
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EMPLOYMENT DATA



HOUSING AFFORDABILITY

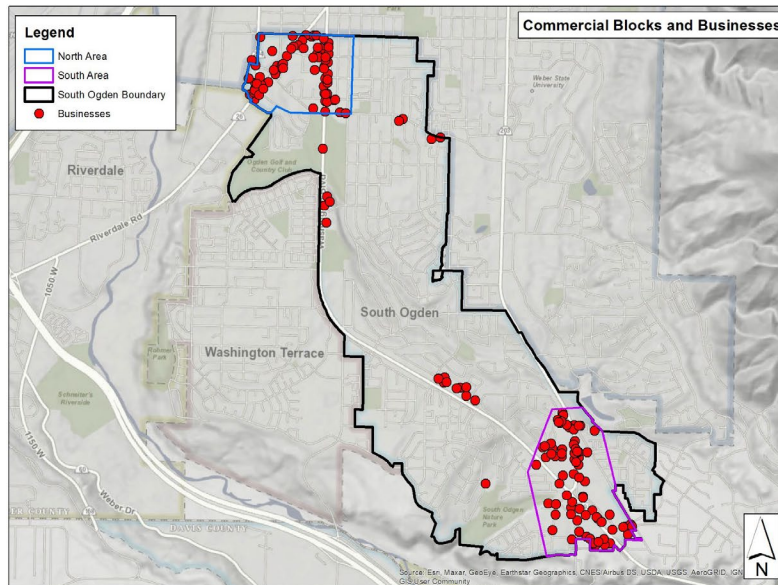
AFFORDABILITY INDEX



SALES LEAKAGE

Category	2020 Leakage	2020 Capture Rate
General Merchandise Stores	\$179,620,344	599.11%
Motor Vehicle and Parts Dealers	\$30,888,696	171.90%
Food Services and Drinking Places	\$4,354,084	116.98%
Food and Beverage Stores	\$2,553,142	108.49%
Miscellaneous Store Retailers	\$1,252,524	112.52%
Personal and Laundry Services	\$816,520	147.33%
Museums, Historical Sites, and Similar Institutions	(\$232,702)	0.09%
Performing Arts, Spectator Sports, and Related Industries	(\$235,794)	0.43%
Amusement, Gambling, and Recreation Industries	(\$725,396)	77.88%
Health and Personal Care Stores	(\$1,059,898)	66.82%
Sporting Goods, Hobby, Book, and Music Stores	(\$2,423,255)	65.67%
Gasoline Stations	(\$2,862,010)	62.25%
Repair and Maintenance	(\$3,509,926)	51.45%
Furniture and Home Furnishings Stores	(\$4,415,351)	29.09%
Electronics and Appliance Stores	(\$5,188,482)	19.79%
Clothing and Clothing Accessories Stores	(\$5,276,053)	42.37%
Nonstore Retailers	(\$5,797,969)	80.08%
Accommodation	(\$8,210,300)	1.62%
Building Material and Garden Equipment and Supplies Dealers	(\$24,599,014)	2.15%
TOTAL	\$154,949,161	159.68%

COMMERCIAL BUSINESSES BY LOCATION



SALES BY GEOGRAPHIC AREA

% of Total City Sales:

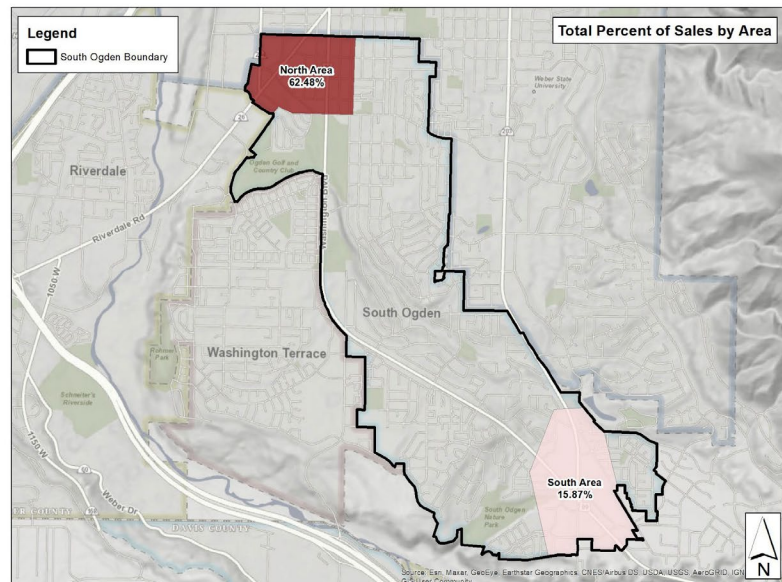
North Area – 62.48%

South Area – 15.87%

TOTAL – 78.36%

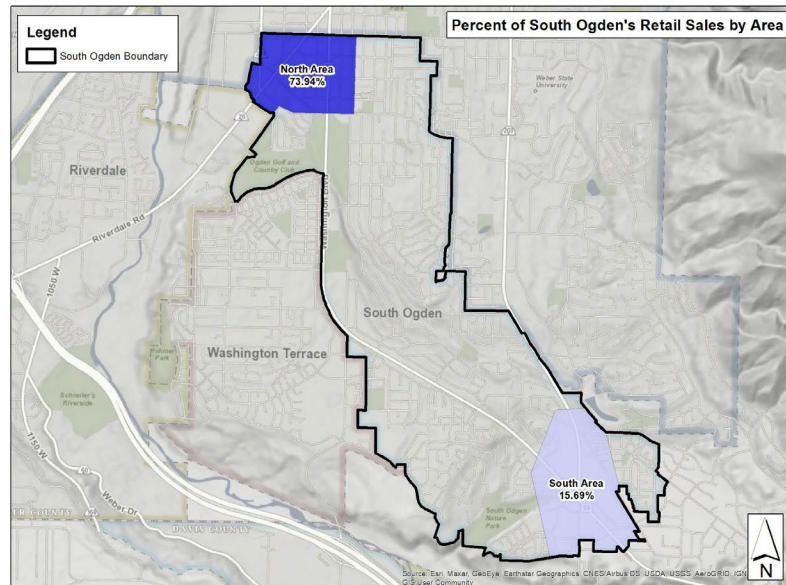
North Area without Costco:

26%



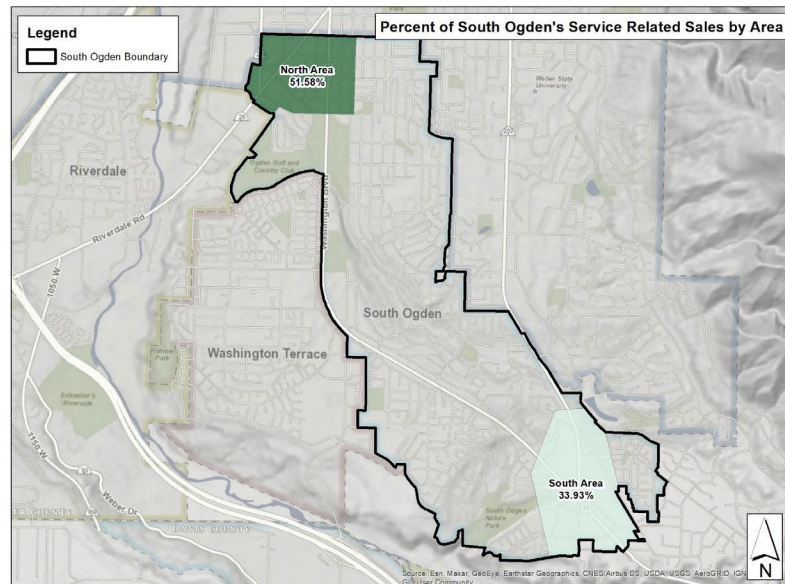
SALES BY GEOGRAPHIC AREA

% of Total City Retail Sales:
 North Area – 73.94%
 South Area – 15.69%
TOTAL – 89.63%



SALES BY GEOGRAPHIC AREA

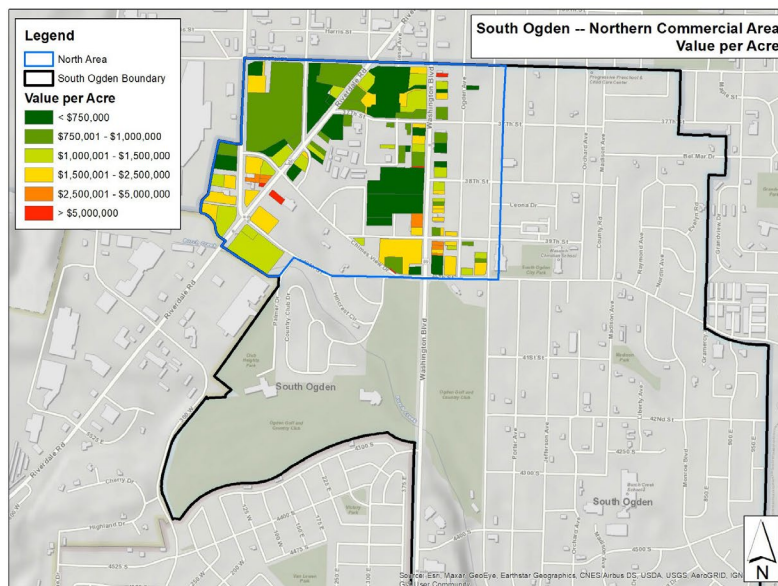
% of Total City Service-Related Sales:
 North Area – 51.58%
 South Area – 33.93%
TOTAL – 85.51%



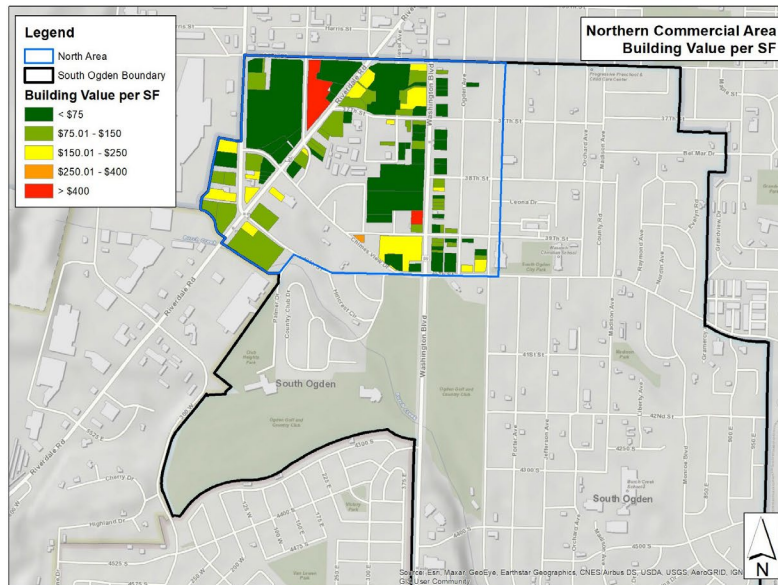
COMPARATIVE PROPERTY VALUE

Area	Commercial Acres	Commercial Market Value	Commercial Market Value per Acre
North	91	\$124,517,696	\$1,368,011
South	114	\$189,307,041	\$1,662,386

NORTH AREA – COMMERCIAL PROPERTY VALUES



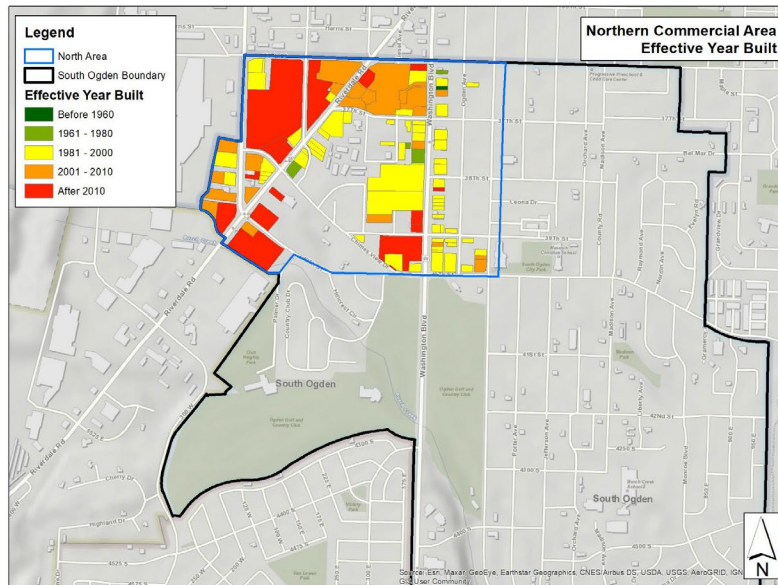
NORTH AREA – COMMERCIAL BUILDING VALUES



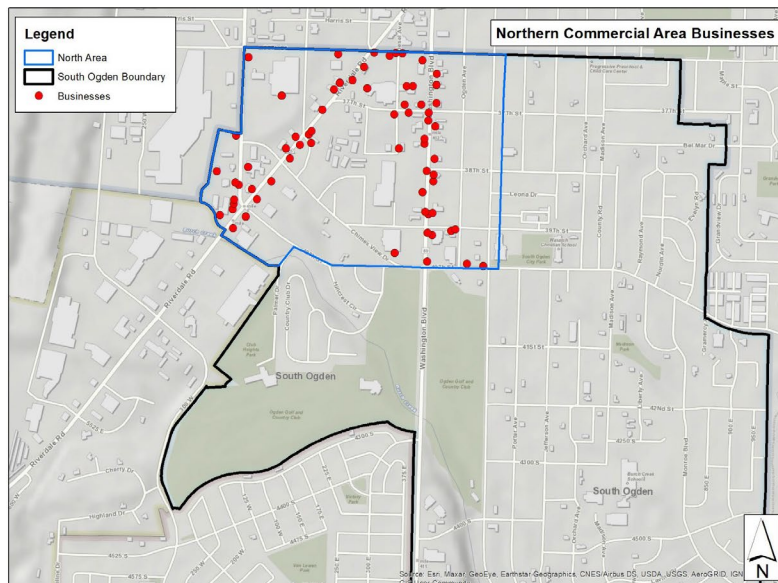
COMPARATIVE PROPERTY VALUES AND SALES PER ACRE

	Property Value per Acre	Sales per Acre	Sales per Acre without Costco
North Area	\$1,368,011	\$3,422,423	\$1,081,069
South Area	\$1,662,386	\$694,946	NA

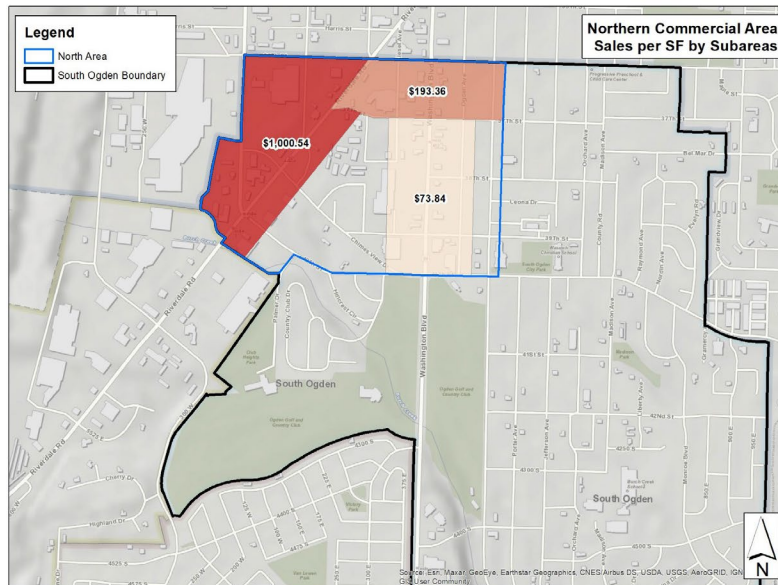
NORTH AREA – COMMERCIAL BUILDING YEAR BUILT



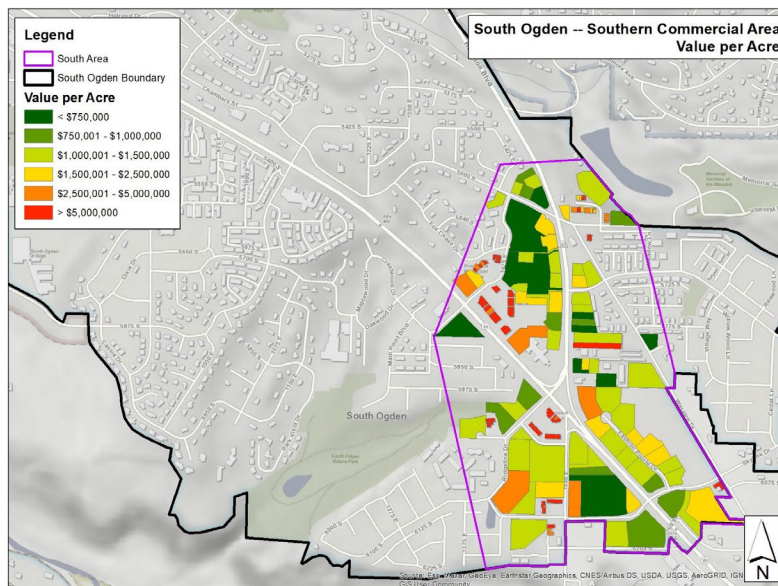
NORTH AREA – BUSINESSES



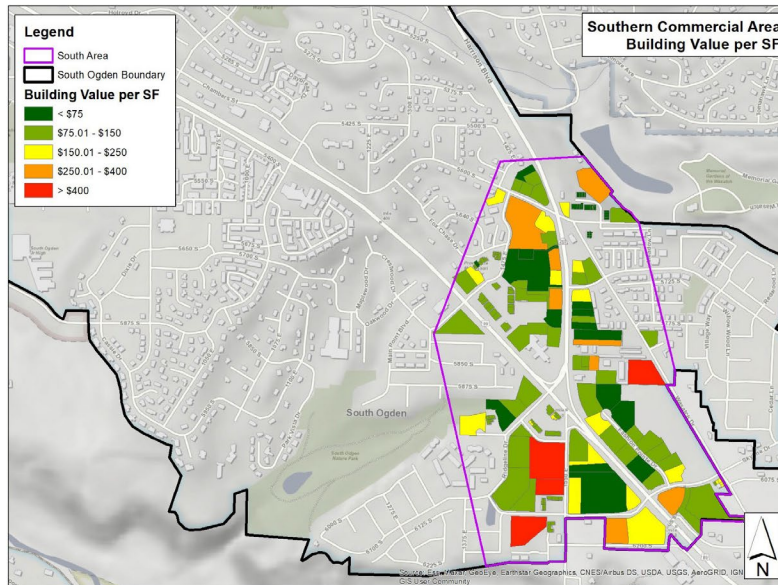
NORTH AREA – SALES PER SF BY SUBAREAS



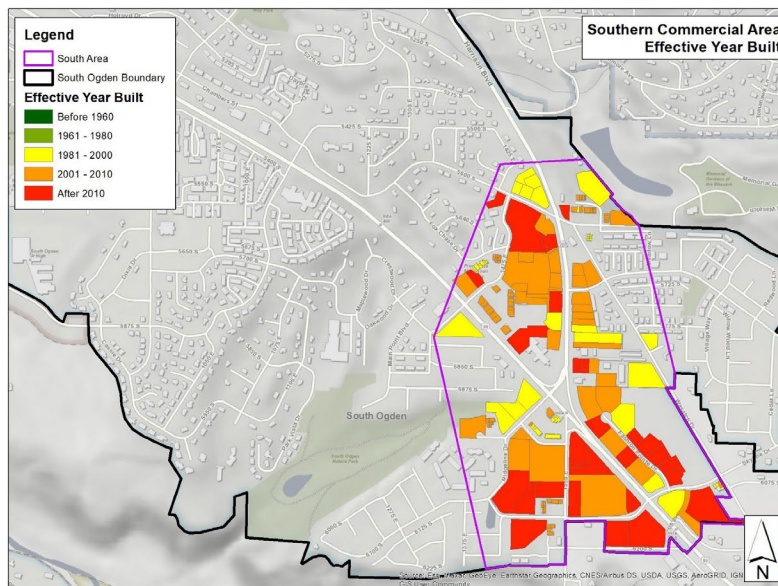
SOUTH AREA – COMMERCIAL PROPERTY VALUES



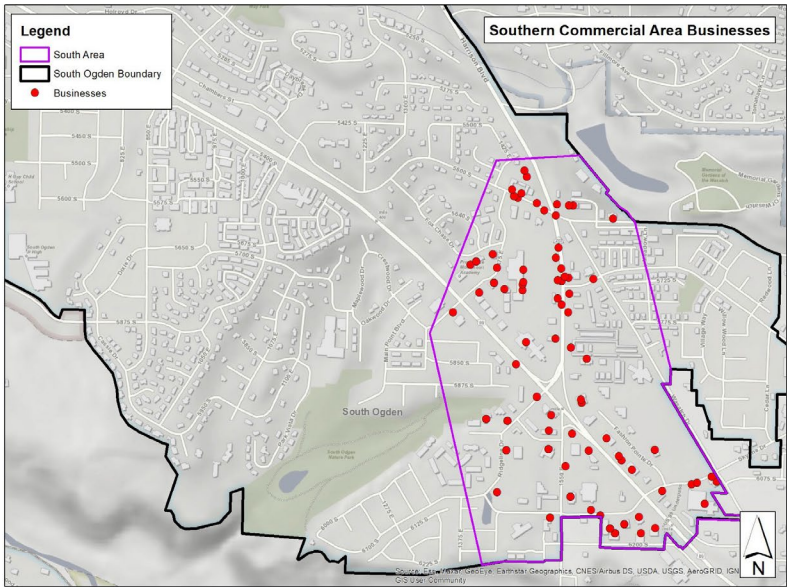
SOUTH AREA – COMMERCIAL BUILDING VALUES



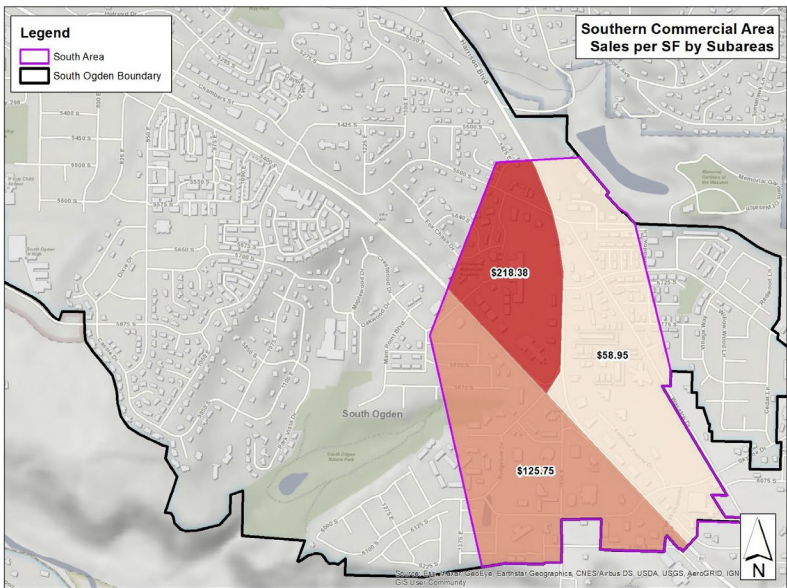
SOUTH AREA – COMMERCIAL BUILDING EFFECTIVE YEAR BUILT



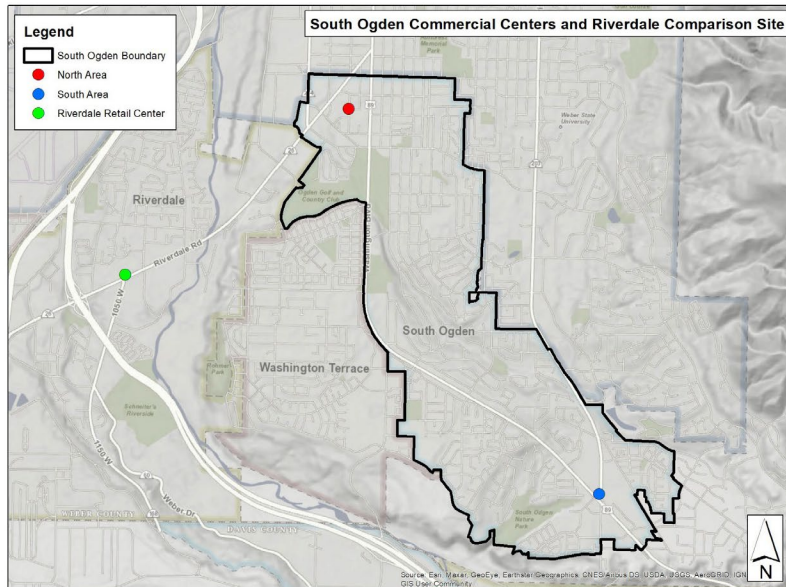
SOUTH AREA – BUSINESSES



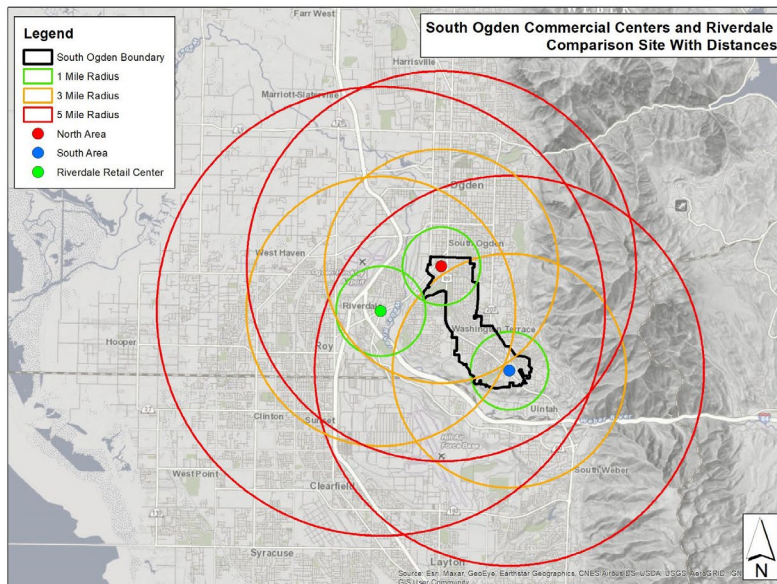
SOUTH AREA – SALES PER SF BY SUBAREAS



COMMERCIAL CENTERS



COMMERCIAL CENTERS



COMPETITIVE POPULATION ANALYSIS

North Area					
Distance	2021	2030	2040	Growth by 2030	Growth by 2040
1 Mile	13,207	15,630	17,944	2,423	4,737
3 Mile	90,575	101,768	111,930	11,193	21,354
5 Mile	173,724	192,666	210,095	18,942	36,372

South Area					
Distance	2021	2030	2040	Growth by 2030	Growth by 2040
1 Mile	10,198	10,855	11,426	658	1,229
3 Mile	50,176	52,190	54,610	2,014	4,434
5 Mile	135,468	146,488	160,280	11,019	24,812

Riverdale					
Distance	2021	2030	2040	Growth by 2030	Growth by 2040
1 Mile	13,080	15,341	17,982	2,262	4,902
3 Mile	106,873	117,980	128,183	11,107	21,310
5 Mile	240,924	264,321	287,678	23,397	46,753

COMPETITIVE EMPLOYMENT ANALYSIS

North Area					
Distance	2021	2030	2040	Growth by 2030	Growth by 2040
1 Mile	13,566	15,873	16,539	2,307	2,973
3 Mile	82,940	92,881	96,599	9,941	13,659
5 Mile	129,547	146,804	153,852	17,257	24,305

South Area					
Distance	2021	2030	2040	Growth by 2030	Growth by 2040
1 Mile	6,482	6,842	7,082	361	600
3 Mile	30,375	33,122	34,555	2,748	4,181
5 Mile	111,144	124,876	132,912	13,732	21,768

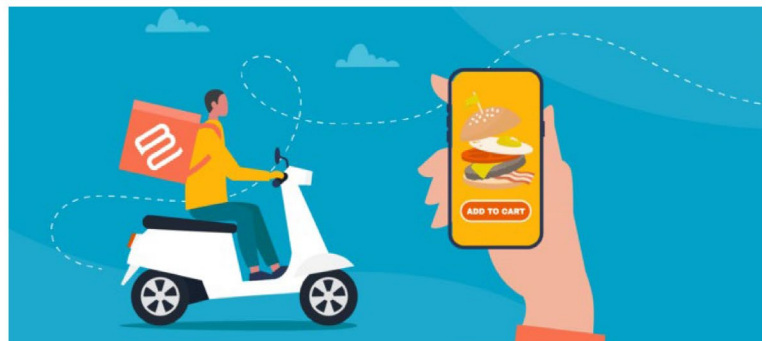
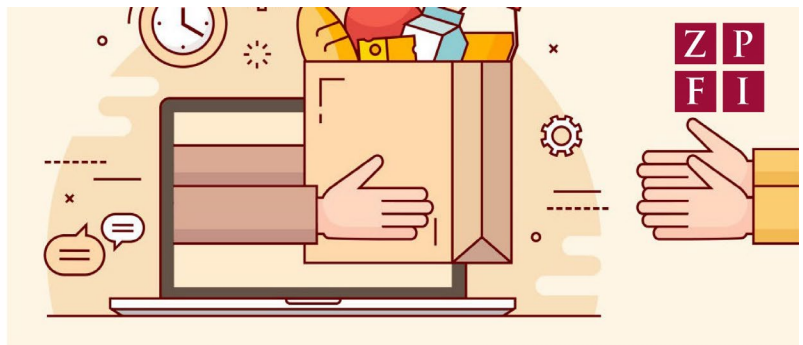
Riverdale					
Distance	2021	2030	2040	Growth by 2030	Growth by 2040
1 Mile	11,598	13,226	13,883	1,628	2,284
3 Mile	83,223	94,541	99,820	11,318	16,596
5 Mile	177,397	201,234	214,468	23,837	37,071

Retail Market Summary

- Consumer is still purchasing, but notable increase in online spending results in expedited shift
- Significant bankruptcies and store closings
- Nimble and agile have been rewarded
- Space needs per capita are significantly declining



Changing Retail Trends

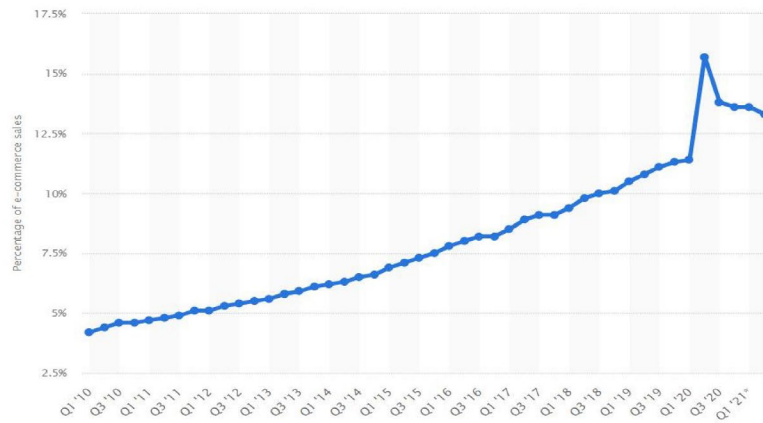




Companies that pivoted well during the pandemic

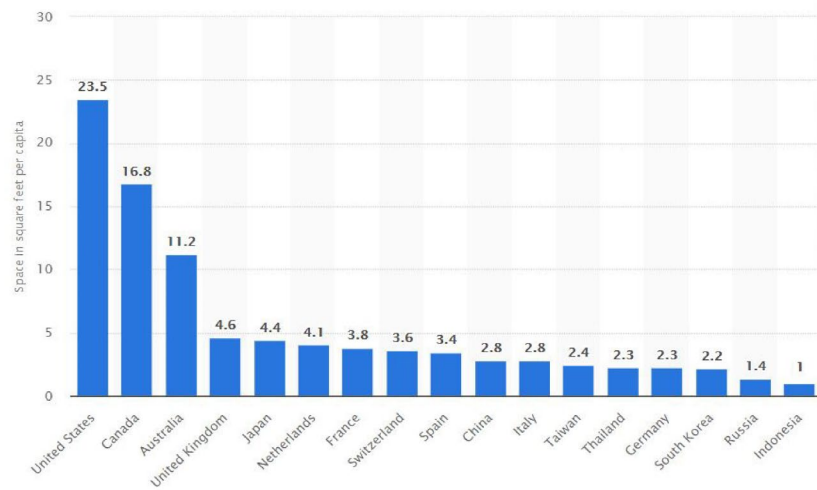
E-Commerce as % of US Retail Sales

Source: Statista



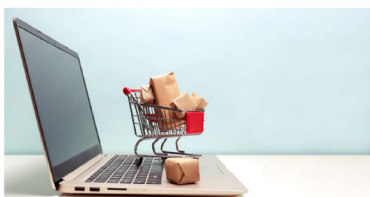
What are major retail trends going forward?

Retail SF per Capita



What are major retail trends going forward?

Retail Space Needs Per Capita	
Year	Space Needs Per Capita – Square Feet
2000	25
2017	20
2020	15



As stated by Price Waterhouse Cooper's (PWC) head of US real estate practice, Byron Carlock, "We are clearly overretailed in America."

Carlock goes on to state, "With the pandemic continuing to impact the retail industry, retail space providers would consider using retail spaces more efficiently. Physical stores would continue to be relevant but parts of it would be demolished and repurposed to build establishments like fitness centers and medical facilities." He also said that the US could cut down retail spaces to reach close to 16 square feet per person. He further added that if this reuse and replacement continues, America would have 30% more space for the "kind of development people actually need."

Retail Site Criteria

(sampling of potential retailers and their site requirements)

Michael's – population minimum of 200,000 in a 10-mile area, required to have near access to a major traffic arterial, desire for areas of high income and high percentage of female population

Average 15,000 to 30,000 square feet, minimum parking of 5.0 spaces per thousand

Bed Bath & Beyond – population minimum of 150,000 in 6-mile area, minimum of 15,000 households in area with over \$55,000 incomes, high home ownership ratios, areas of solid planned population growth

Average 20,000 to 40,000 square feet, parking at a minimum of 5.0 spaces per thousand. Reject locations that are near theaters, gyms, and restaurants

TJ Maxx – population minimum of 100,000 in a 3-mile area, with close proximity to high-traffic tenants, grocery stores, clothing stores, bath and home stores; require mid-to-upper incomes, higher percentage of female population

Average size of 30,000 square feet, parking at a minimum of 5.0 spaces per thousand

Retail Site Criteria

(sampling of potential retailers and their site requirements)

Wal-Mart – minimum population of 100,000 in three miles, major arterials in immediate area (40,000 ADT), avoid high or extra low-income areas

Average 140,000 to 200,000 square feet (Super Centers), parking at 4.5 to 6.0 per thousand

Sprouts – minimum population of 100,000 within a 10-minute drive time, median incomes that are above average in the draw area, and easy access from a main thoroughfare

Average store size of 30,000 square feet, desirable to have minimum of 150-feet of storefront, parking at a minimum of 4.5 per thousand

Staples – minimum population of 150,000 within a five-mile radius, plus a minimum of 5,000 small businesses. Focus on high-income areas and small business activity

Average store size of 25,000 square feet, parking required at 5.0 per thousand

Olive Garden – 125,000 population in 15-minute drive time. Average 8,000 square feet, 1.0-2.5 acres, parking at more than 10.0 per thousand

Family Dollar – median incomes *below* \$60,000 in 1-mile radius, desire grocery-anchored centers, average 8,500 square feet, parking in excess of 3.5 per thousand

Costco – suburb locations with minimum of 75,000 population within five miles. Will look at growing demographics within a 20-mile radius, near access to a major arterial required. Average store sizes of 145,000 square feet, parking typically required at 6.0 per thousand

Whole Foods – minimum population of 200,000 within a 20-minute drive time, higher percentage of college-educated residents than most areas, median incomes above average, visibility characteristics are emphasized. Average store sizes of 25,000 to 50,000 square feet, parking at 5.5 to 6.0 per thousand



Jamba Juice – population more than 45,000 within 2.0 miles – daytime employment greater than 15,000 within 2.0 miles – average age less than 38 within 2.0 miles. Average 1,200 square feet, parking in excess of 5.5 per thousand, end cap, pad, or corner

Cabela's – population minimum of 250,000 in 30-mile radius, minimum 75,000 daily traffic. Minimum of 5.0 acres, parking of 6.0 spaces per thousand

Impact of Various Retailers



Tenant	Avg. Sales Per Sq. Ft.	Average Store Size (square feet)	Fiscal Impact to City*
Olive Garden	\$540	8,000	\$21,600
Denny's	\$330	4,200	\$6,930
Costco	\$1,050	145,000	\$761,250
Burger King	\$140	3,200	\$2,240
Wendy's	\$280	3,200	\$4,480
Walgreen's	\$760	14,100	\$53,580
Black Bear Diner	\$480	5,300	\$12,720
Outback Steakhouse	\$540	6,200	\$16,740
Chili's	\$420	5,200	\$10,920
Papa John's	\$200	1,300	\$1,300

* Sales tax revenue only (does not include other taxes)

Impact of Various Retailers



Tenant	Sales Tax Generated Per Square Foot
Costco	\$5.25
Walgreen's	\$3.80
Outback	\$2.70
Olive Garden	\$2.70
Black Bear	\$2.40
Chili's	\$2.10
Denny's	\$1.65
Wendy's	\$1.40
Papa John's	\$1.00
Burger King	\$0.70
Shopko	\$0.40



= \$27.50 sq.ft.

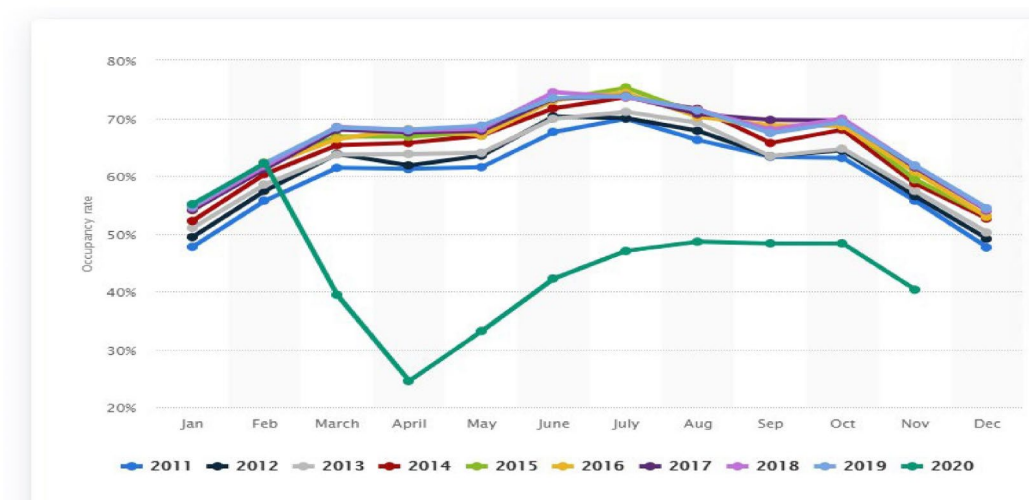
	2020 Distribution
36 th Street	\$90,827
Automall	\$21,745

Hospitality Market Summary

- Consolidation and bankruptcies anticipated
- Difficult market for “full service” hotels
- “Traveler” hotels, garden-style, etc., have rebounded from previous lows



Hotel Occupancy Rates



Hotel Occupancy Rates

U.S. Hotel Occupancy and Average Daily Rate

Weeks ending with specified dates



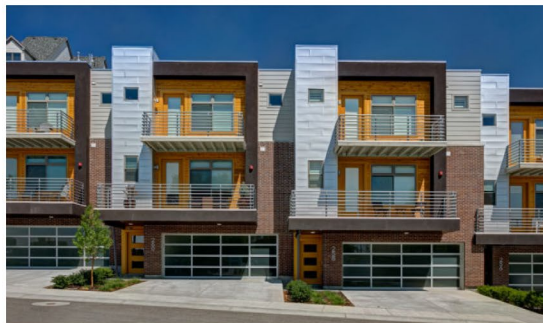
Office Market Summary

- Office Market – wait and see
 - Strong slow-down in new construction
 - Need for additional pre-leasing
 - Lots of Class B sublease space to enter market in 2021/2022
 - Market may remain healthy for smaller users in Class A locations
 - Likely 5.0% -10% decline in achievable office rates in 2021 through concessions and market weakness

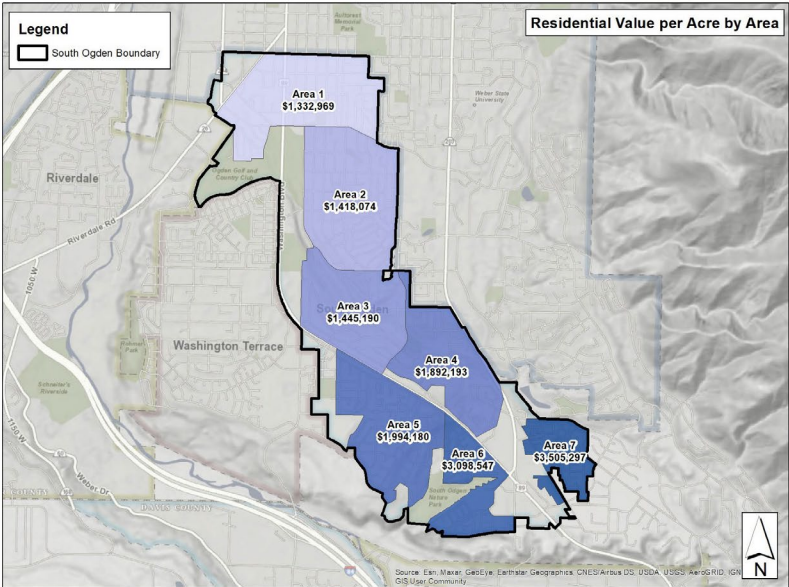


Residential Market Summary

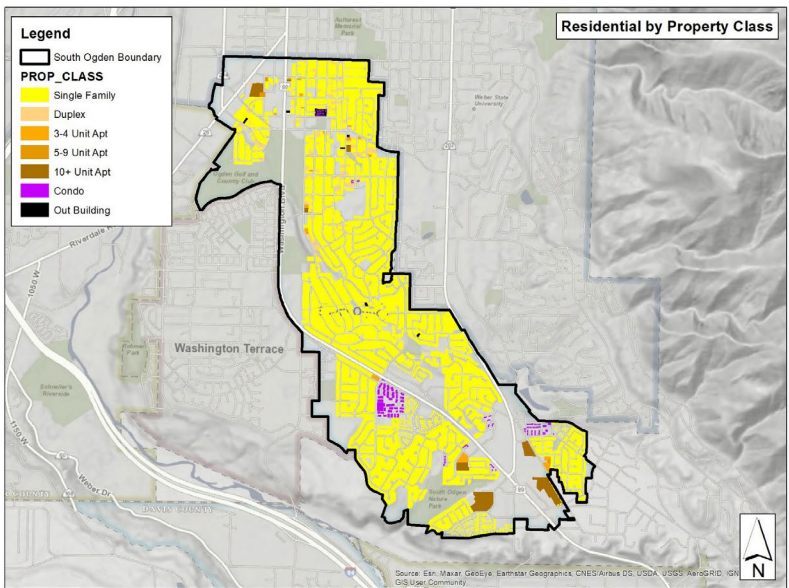
- Strong demand continues. Driven by low rates and strong in-migration
- Construction cost volatility further deepens affordability issues
- Demand for all product types in nearly all markets
- Fiscal impacts from residences have “improved” with online retail purchases



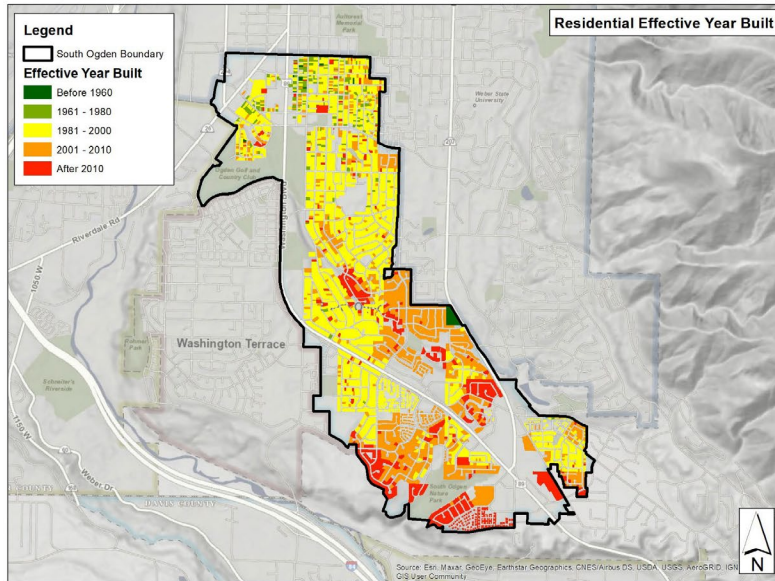
FISCAL IMPACTS BY DEVELOPMENT TYPE



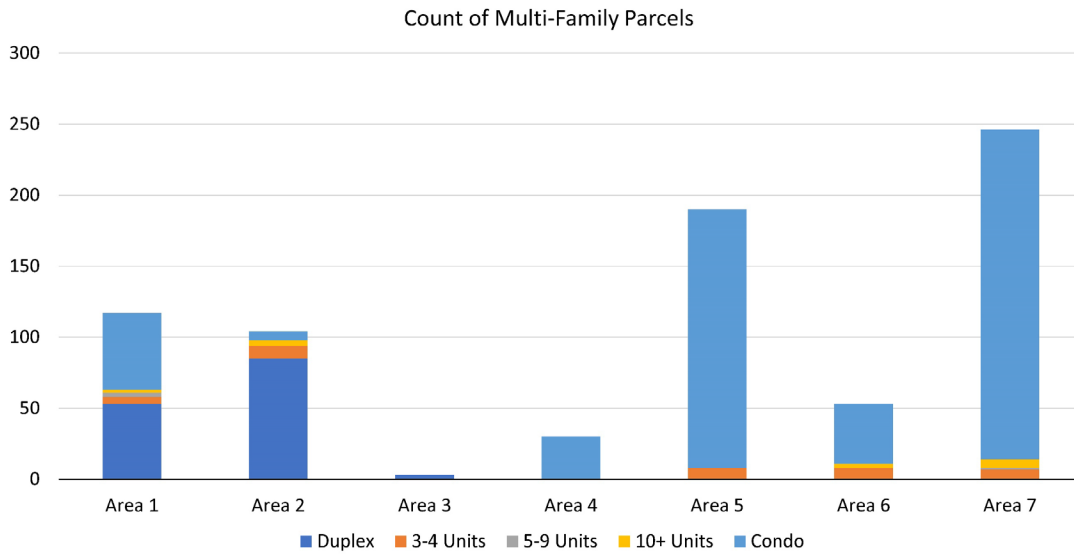
RESIDENTIAL PROPERTY TYPE



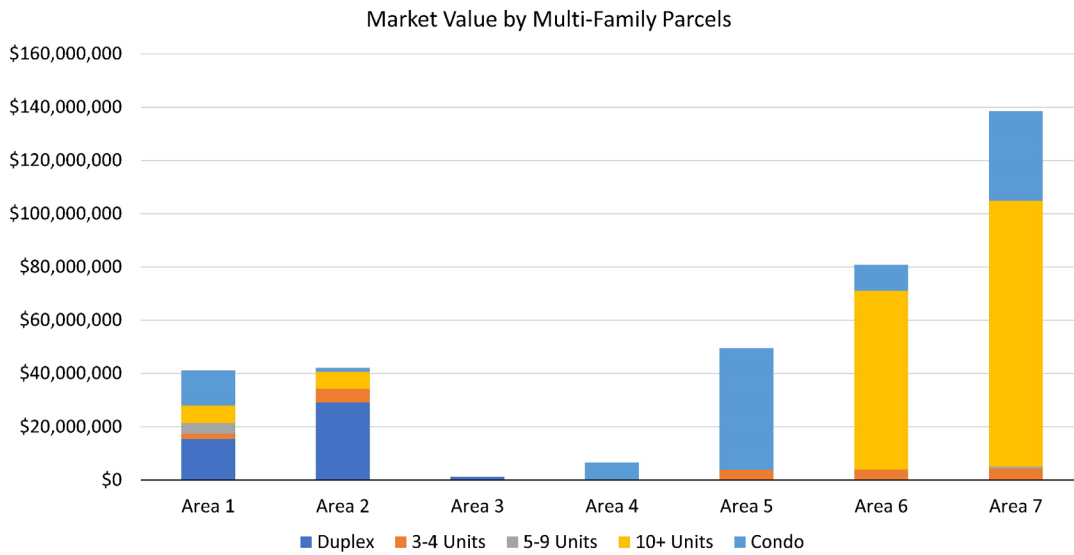
RESIDENTIAL YEAR BUILT



FISCAL IMPACTS BY DEVELOPMENT TYPE



FISCAL IMPACTS BY DEVELOPMENT TYPE



FISCAL IMPACTS PER ACRE – NORTH AND SOUTH AREAS

	Property Value per Acre	City Tax Rate	Property Tax Revenues per Acre
North	\$1,368,011	0.00265	\$3,625.23
South	\$1,662,386	0.00265	\$4,405.32

FISCAL IMPACTS PER ACRE – NORTH AND SOUTH AREAS

	Sales per Acre	Local Option Point of Sale	Sales Tax Revenue per Acre
North	\$3,422,423	0.005	\$17,112.11
South	\$694,946	0.005	\$3,474.73

FISCAL IMPACTS PER ACRE – NORTH AND SOUTH AREAS

With Costco	Property	Sales	Total
North	\$3,625.23	\$17,112.11	\$20,737.34
South	\$4,405.32	\$3,474.73	\$7,880.05

HIGHEST AND BEST USE

- Developer Perspective – return on land
- City Perspective – fiscal impacts
- Community Perspective – amenities needed or desired

HIGHEST AND BEST USE – DEVELOPER PERSPECTIVE

Type	Likely CAP Rates	Profit Percentage
Office	7.0%	10%
	7.5%	3%
Multi-Family - 20 units per acre	5.0%	21%
	5.5%	10%
Retail	7.0%	12%
	7.5%	5%

HIGHEST-AND-BEST USE - CITY PERSPECTIVE

	Office	Retail	Multi-Family - 20 units per acre	Multi-Family - 8 units per acre
Property Taxes	\$10,966	\$5,627	\$6,637	\$3,710
Sales Taxes		\$21,780	\$7,200	\$2,880
Municipal Energy	\$2,086	\$1,372	\$1,177	\$471
Class B/C Road Funds			\$1,676	\$670
Total Annual Revenue per Acre	\$13,052	\$28,780	\$16,690	\$7,732