

**MINUTES OF THE
MIDWAY CITY COUNCIL
(Work Meeting)**

**Tuesday, 4 October 2022, 5:00 p.m.
Midway Community Center, Council Chambers
160 West Main Street, Midway, Utah**

Note: Notices/agendas were posted at 7-Eleven, Ridley's Express, the United States Post Office, the Midway City Office Building, and the Midway Community Center. Notices/agendas were provided to the City Council, City Engineer, City Attorney, Planning Director, and The Wasatch Wave. The public notice/agenda was published on the Utah State Public Notice Website and the City's website. A copy of the public notice/agenda is contained in the supplemental file.

1. Call to Order

Mayor Johnson called the meeting to order at 5:04 p.m.

Members Present:

Celeste Johnson, Mayor
Steve Dougherty, Council Member
Jeff Drury, Council Member
Lisa Orme, Council Member
Kevin Payne, Council Member
JC Simonsen, Council Member

Staff Present:

Corbin Gordon, Attorney
Michael Henke, Planning Director
Wes Johnson, Engineer
Brad Wilson, Recorder

Note: A copy of the meeting roll is contained in the supplemental file.

2. The Village / TROD Determination / Development Agreements (Midway Heritage Development – Approximately 60 minutes) – Discuss the boundary for the Transient Rental Overlay District (TROD) and the development agreements for Phases 1 and 2 of The Village located at 541 East Main Street.

Michael Henke gave a presentation regarding the request and reviewed the following items:

- Transitional use determination
- Land Use Map
- Existing TROD boundary
- Proposed TROD boundary
- Municipal Code, Section 16.13.30
- Needed findings
- Benefits and drawbacks of the proposed boundary
- Possible findings

Mr. Henke also made the following comments:

- The units dissected by the TROD were not allowed as transient rentals in the adopted master plan.
- The proposed boundary would allow 16 more units to be transient rentals.
- The Land Use Map would not be amended. The Municipal Code allowed adjustments within 100 feet of the line. These adjustments were discretionary.

Note: A copy of Mr. Henke's presentation is contained in the supplemental file.

Dan Luster, applicant, made the following comments:

- The Planning Commission suggested that the TROD boundary followed roads. This provided better separation between transient and non-transient rentals.
- He did not absolutely need the additional transient rentals.
- The existing boundary would dissect units, cause confusion, and cause complaints.
- Insurance for attached units had to be carried together.
- Wanted the nightly rentals to be closer to Main Street and the non-nightly rentals further away.
- Would encourage one manager for all nightly rentals. Everyone using that manager would have to meet certain standards.
- Did the City want more nightly rentals?
- Changing the boundary for all the units to be transient rentals was a more complicated process.

The Council, staff, and meeting attendees discussed the following items:

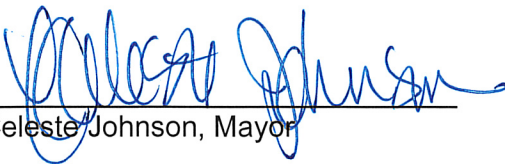
- The Council was specific about transient rentals during the approval process for the project.
- Transient rentals were specifically addressed in each agreement and proposal for the project.
- What had changed that would justify 16 more transient rentals?
- Loans would also be affected by a shared unit.
- The applicant was encouraged to receive final approval before requesting the determination.
- There had been problems when a building was dissected by a boundary.
- Buildings with common walls should be in the same boundaries.
- A future council would have to deal with the problems of dissected units.
- It was beneficial for all the transient rentals to have the same management company.
- The City required that all transient rental managers be local. There were six such managers in Midway with two overseeing most of the rentals. They did a good job.
- The Village would have one HOA.
- The City would lose the ability to impose the resort communities tax unless it did something dramatic.
- More than 50% of the units in the development could be transient rentals.
- Transient rentals competed with affordable housing.
- The units would not be affordable regardless of how many could be transient rentals.
- Some units would be long-term rentals which would increase inventory which could

- reduce rents.
- Nightly rentals made a development an investment property. It was difficult for service workers to live in such developments.
 - The current TROD boundary was arbitrary.
 - It made little sense for the owner to have separate property managers.
 - Usually, an onsite manager received most of the rental business.
 - It would be difficult for managers to explain the current TROD boundary.
 - Residents said that the commercial boundary for the area had been changed in a non-transparent way.
 - The TROD boundary for the project should not be changed from what was approved.
 - Five of the new transient rentals did not touch the current TROD boundary.
 - One of the two-bedroom units would require a \$300,000 subsidy to be affordable for someone making the median income.
 - 30% down was required for investment properties.
 - Nightly rentals helped maintain a rural atmosphere and were what the market wanted.
 - The TROD boundary should not dissect any buildings.
 - Only two neighbors expressed concern with the proposal.
 - Unit owners would complain to the City when the ownership costs increased.
 - The City needed to be aware of even small impacts.
 - Insurance and management issues needed to be resolved.
 - The issue of affordable housing would eventually come to the forefront.
 - An owner would have to voluntarily exclude their property from the TROD. They should sign a deed restriction.
 - The one unit on the southeast corner should not be allowed as a transient rental.

3. Adjournment

Motion: Council Member Orme moved to adjourn the meeting. Council Member Payne seconded the motion. The motion passed unanimously.

The meeting was adjourned at 6:02 p.m.



Celeste Johnson, Mayor



Brad Wilson, Recorder