

# **CITY COUNCIL STAFF REPORT**

DATE OF MEETING:	May 20, 2025
NAME OF PROJECT:	CTM Subdivision (Midway Granary)
PROPERTY OWNER:	Midway Granary, LLC
AUTHORIZED REPRESENTATIVE:	James Hendricks
AGENDA ITEM:	Preliminary Approval to Subdivide, Plat Map Amendment to allow subdivision of the Midway Granary into 14 residential condominiums and 5 commercial condominiums, and a Conditional Use Permit for the same.
LOCATION OF ITEM:	695 E Main Street
ZONING DESIGNATIONS:	C-2

## **ITEMS: 7-8**

James Hendricks, representative of Midway Granary, LLC, is requesting a Plat Map Amendment to allow subdivision of the Midway Granary into residential and commercial condominiums. The proposal would convert 14 residential units and five commercial spaces into condominiums and allow for individual ownership of each unit, necessitating a corresponding Plat Amendment to allow for individual ownership of each unit, and a Conditional Use Permit for the same. The property is located at 695 E Main Street and is in the C-2 zone.

## **BACKGROUND:**

The Midway Granary currently consists of 14 residential units and five commercial spaces, which are rentals under single ownership. Converting these to condominiums

would allow the owner to sell each of the units to different entities that would be governed by a Property Owners' Association and Codes, Covenants, and Restrictions (CC&Rs) to be created and recorded.

Commercial Condominiums and Residential Condominiums in a mixed-use project are conditional uses in the C-2 zone under Section 16.05.020 of the Midway City Code. Currently, the Midway Granary is a mixed-use development with five commercial spaces and 14 residential units. The Applicant seeks to amend the plat to the recorded CTM Subdivision Amended Plat. The original plat allowed only "one detached single-family dwelling per lot with the exception of parcel A which may be a duplex." This plat was amended in 2014 to remove this note and restriction. The amended plat requested on the current application would be a condominium plat for the Granary building with 19 condominium units (14 residential and five commercial). Each condominium would have its own tax identification number and could be sold individually.

The site is located along Main Street along the eastern entry corridor into Midway, just east of the Southill Development, across from 700 East.

*TROD*: The entire Granary building falls within the TROD. The proposed plat contains a note numbered 1 stating "*The Granary Place is in the nightly rental zone. Nightly rental is allowed*". While this statement is true at this time, because zoning is subject to change by future boards, this note should be removed from the amended plat prior to recording. We have proposed removal of this note as a condition of approval.

*Easements*: Since the Granary Building was built under single ownership, the units ae served by shared gas and utility lines. The proposed plat contains the following language with respect to easements, which easements are proposed conditions of approval:

- Residential and commercial unit owners are granted easements in section 11.04 and 11.05 of the Declaration of Condominiums of Midway Granary Place Condominiums to access common elements and other units for purposes of operating, maintaining, repairing and replacing machinery, equipment, utility lines, wires, circuits, cable ad conduits servicing individual units. Refer to such sections for the conditions to such easements.
- Easement and right-of-way as recorded (entry No. 460127) Beginning at a point on the northerly line of an existing public highway, said point being east 15.25 chains, south 896.3 feet, and east 165 feet, more or less from the northwest corner of the southeast quarter of section 35, in township 3 south, range 4 east of the Salt Lake Base and Meridian, and running thence north 170.83 feet; thence east 40 feet, thence south 170.53 feet, more or less to the north line of said public highway; thence west 40 feet to the place of beginning.

The landscaping and parking areas are recorded as common area and would be maintained by a Property Owners' Association to be created, the CC&Rs of which will apply to and govern all units.

## **CONDITIONAL USE PERMIT:**

There are existing residents and commercial businesses in the CTM Subdivision, and the use is expected to continue in a similar fashion with the proposed conversion to condominiums and private ownership. There are residents and businesses in the general area, and additional businesses and residences are expected in connection with Southill.

Because commercial planned unit developments and residential condominiums in mixeduse projects are conditional uses, the City Council may require reasonable conditions to mitigate negative impacts to the neighbors and the area. Conditional uses are governed by the following standards:

(a) A conditional use shall be approved if reasonable conditions are proposed, or can be imposed, to mitigate the reasonably anticipated detrimental effects of the proposed use in accordance with applicable standards.

(b) If the reasonably anticipated detrimental effects of a proposed conditional use cannot be mitigated by the proposal or the imposition of reasonable conditions to achieve compliance with applicable standards, the conditional use may be denied.

The original Conditional Use Permit issued to the Midway Granary was for a mixed-use development under Section 16.05.030 of the Midway City Code, with commercial and warehouse on the entire lower floor and residential on the upper floor. Russ Watts, as agent for Watts Enterprises, requested and received an amended Conditional Use Permit in 2017 to remove the warehouse area on the lower floor and include four more residential units in that area, resulting in approximately 2/3 of the lower floor as commercial space and the entire upper floor and roughly a third of the lower floor as residential. This is the current layout and use of the building, which is expected to continue unchanged. The only change contemplated is ownership.

## LAND USE SUMMARY:

- C-2 zone
- Approximately 1 acre
- The Granary building is approximately 24,000 square feet
- The Granary Building will be a condominium plat
- The Granary building consists of:
  o Five lower floor commercial units

- Fourteen residential units
- Private driveways, parking, and landscaping that will be common area and will be maintained by the Property Owners' Association

## ANALYSIS:

*Architectural Theme* – The developer received architectural approval for the Granary Building when it was built.

*Parking* – There are 45 on-site parking stalls. The parking is located to the side and rear of the main building on each commercial lot pursuant to Midway Code Section 16.05.030(E). The use is not changing.

*Height of structures* – Does not exceed 35' in height, measured from natural grade to the roof, per code.

*Transient Rental Overlay District* – The transient rental overlay district (TROD) covers the entire site.

*Property Owners' Association* – A Property Owners' Association (POA) is required for the proposed mixed use commercial and residential development. Creation of a POA and recording of Codes, Covenants, and Restrictions (CC& Rs) are conditions precedent for this application.

*Landscaping* – Landscaping and fencing were completed when the Granary building was constructed. It is anticipated that this would be maintained through the POA.

*Lighting Plan* – At the time of construction of the Granary building, the applicant submitted a statement that all lighting will have full cut-off as required by code.

*Water* – Water shares were dedicated to the City at the time of construction. The contemplated use remains unchanged. The only change contemplated is ownership.

*Access* – it appears access to the existing development is through an easement granted by the property owners to the north. The proposed change to condominiums and private ownership would change and potentially expand the group of beneficiaries required for the easement. The proposed amended plat contains a note referencing an access easement.

The italicized comments represent Planning Staff's comments pertaining to compliance or lack of compliance with the findings the City Council must make in considering the request for a Conditional Use Permit. Section 16.26.120 requires specifically the City Council to find that:

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- 1. The proposed use is conditionally permitted within the Land Use Title and would not impair the integrity and character of the intended purpose of the subject zoning district and complies with all of the applicable provisions of this Code; *planning staff believes that the proposal will not impair the integrity and character of the C-2 zone. The proposal appears to comply with the requirements specific to commercial and mixed-use projects as listed in the Municipal Code. The design of the project was reviewed and approved at the time of construction and remains unchanged. The only contemplated change is ownership, not use*
- 2. The proposed use is consistent with the General Plan; *the proposed uses are not changing from the existing use, which was granted a conditional use permit. The only change contemplated is ownership.*
- 3. The approval of the conditional use or special exception permit for the proposed use is in compliance with the requirements of state, federal and Midway City or other local regulations; *the businesses located in the development are required to have approved business licenses with the City. Again, the use remains unchanged. The only change contemplated is ownership.*
- 4. There will be no potential, significant negative effects upon the environmental quality and natural resources that could not be properly mitigated and monitored; *none known. The use remains unchanged form the current use which was granted a conditional use permit.*
- 5. The design, location, size, and operating characteristics of the proposed use are compatible with the existing and future land uses with the general area in which the proposed use is to be located and will not create significant noise, traffic, or other conditions or situations that may be objectionable or detrimental to other permitted uses in the vicinity or adverse to the public interest, health, safety, convenience, or welfare to the City; *the use remains unchanged from the current use for which a Conditional Use Permit was granted. The City has not received substantiated complaints regarding noise or traffic in connection with the current use.*
- 6. The subject site is physically suitable for the type and density/intensity of the proposed use; *it appears that the location is suitable for this type of business as they have been operating at the location and the use remains unchanged.*
- 7. There are adequate provisions for public access, including internal and surrounding traffic flow, water, sanitation, and public utilities, and services to ensure that the proposed use would not be detrimental to public health and safety; *the proposed use is a continuation of the existing use of the site. The City has not received any complaints regarding access, traffic flow, etc., and is aware of no detriments to public health and safety associated with the current use.*

## **PLAT AMENDMENT:**

The proposed plat amendment does not seek to change anything except ownership. The parcel is in an entry corridor to the City that is zoned commercial and has been mixed use residential and commercial.

In order for the Land Use Authority to approve a plat amendment, Utah State Code requires the Land Use Authority find:

- (a) there is good cause for the vacation, alteration, or amendment; and
- (b) no public street, right-of-way, or easement has been vacated or altered.

As to the first, the applicant seeks to amend the plat to allow the units existing under common ownership to be divided into condominiums, each with a separate taxpayer identification number, which may be sold to independent owners.

As to the second requirement, no public street, right-of-way, or easement will be vacated or altered by the proposed amendment.

# **POSSIBLE FINDINGS:**

- 1. The application seeks to change ownership of the Granary building from single ownership to individual ownership of units as condominiums. The property would change from one taxpayer identification number to different taxpayer identification numbers for each unit.
- 2. The proposal would give residents and commercial companies the option to own their residence/commercial site as opposed to renting.
- 3. The proposal may help the City comply with State requirements regarding the ability to collect resort tax.
- 4. Commercial condominium developments and mixed commercial and residential condominium developments are conditional uses in the C-2 zone.
- 5. Change in ownership necessitates the creation of a Property Owners' Association (POA) for the proposed mixed use commercial and residential development. Creation of a POA and recording of Codes, Covenants, and Restrictions (CC& Rs) are conditions precedent for this application.
- 6. Change in ownership necessitates a Plat Amendment. Such amended plat shall depict any and all common areas and/or limited common areas as well as set forth

easements necessary for access to the units and access to and maintenance of utility lines including, but not limited to, shared electric and gas lines and water and sewer lines servicing the property.

7. Good cause for the proposed plat amendment exists in that it will permit separate ownership of the units and investment by multiple owners in the community. No public streets, rights-of-way or easements will be vacated or altered by the proposed plat amendment.

# **NOTICE:**

Notices were sent to all neighboring property owners within 600 feet of the property as required by State Law and the Midway Municipal Code. Notice was also published in the Wasatch Wave.

# PLANNINC COMMISSION:

The Planning Commission reviewed the applicant's request for preliminary approval to subdivide, plat amendment, and condition use permit at its regularly scheduled meeting held April 8, 2025. At that time, the Planning Commission made the following recommendations:

## Item 4- Preliminary Approval- Subdivide Granary

Motion: Commissioner Lineback: I make a motion that we recommend approval to subdivide The Granary into commercial and residential condominiums. The proposal is to convert 14 residential units and five commercial spaces into condominiums which will allow for individual ownership of each unit. The property is located at 695 East Main Street and is in the C-2 zone. We accept the findings in the staff report and the four conditions listed in the staff report. Seconded: Commissioner Nokes Chairman Garland: Any discussion on the motion? Chairman Garland: All in favor. Ayes: Commissioners: Wardle, Osborne, Nokes, Lineback and Knight Nays: None Motion: Passed

## Item 5- Plat Amendment of the CTM subdivision (Granary)

**Motion:** Commissioner Nokes: I make a motion that we recommend approval to a Plat Amendment of the CTM subdivision. The proposal is to convert 14 residential units and five commercial spaces into condominiums which will allow for individual ownership of each unit. The property is located at 695 East Main Street and is in the C-2 zone. Accept all findings and conditions. Seconded: Commissioner Wardle Chairman Garland: Any discussion on the motion? Chairman Garland: All in favor. Ayes: Commissioners: Wardle, Osborne, Nokes, Lineback and Knight Nays: None Motion: Passed

### Item 6- Conditional Use Permit- Granary

Motion: Commissioner Osborne: I make a motion that we recommend approving a Conditional Use Permit for The Granary. The proposal is to convert 14 residential units and five commercial spaces into condominiums which will allow for individual ownership of each unit. The property is located at 695 East Main Street and is in the C-2 zone. Seconded: Commissioner Knight Chairman Garland: Any discussion on the motion? Chairman Garland: All in favor. Ayes: Commissioners: Wardle, Osborne, Nokes, Lineback and Knight Nays: None Motion: Passed

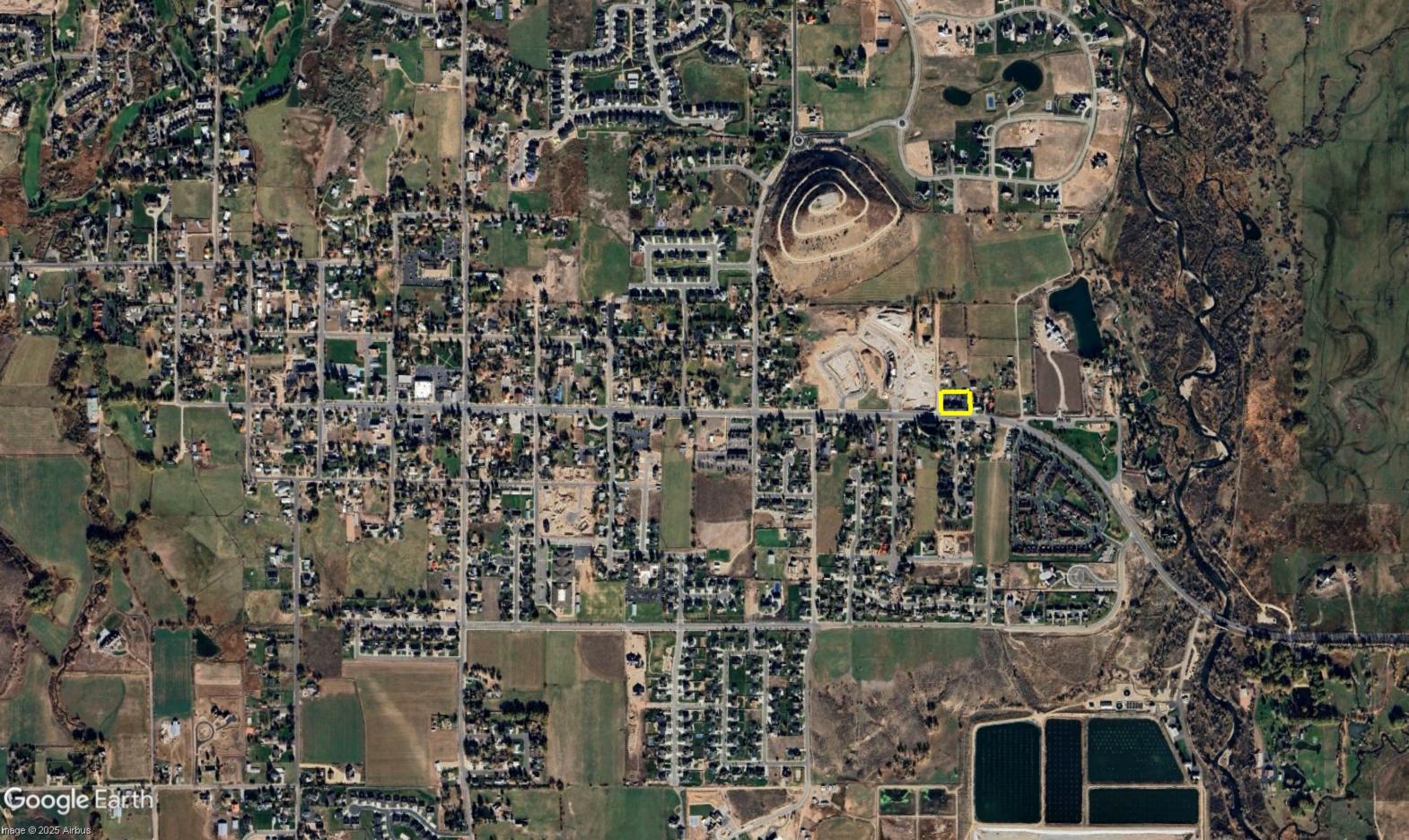
#### **ALTERNATIVE ACTIONS:**

- 1. <u>Approval</u>. This action can be taken if the City Council that the proposed language is an acceptable addition to the City's Municipal Code.
  - a. Accept staff report
  - b. List accepted findings
  - c. Place condition(s)
- 2. <u>Continuance</u>. This action can be taken if the City Council would like to continue exploring potential options for the amendment.
  - a. Accept staff report
  - b. List accepted findings
  - c. Reasons for continuance
    - i. Unresolved issues that must be addressed
  - d. Date when the item will be heard again
- 3. <u>Denial</u>. This action can be taken if the City Council feels that the proposed amendment is not an acceptable revision to the City's Municipal Code.
  - a. Accept staff report

- b. List accepted findings
- c. Reasons for denial

### **PROPOSED CONDITIONS:**

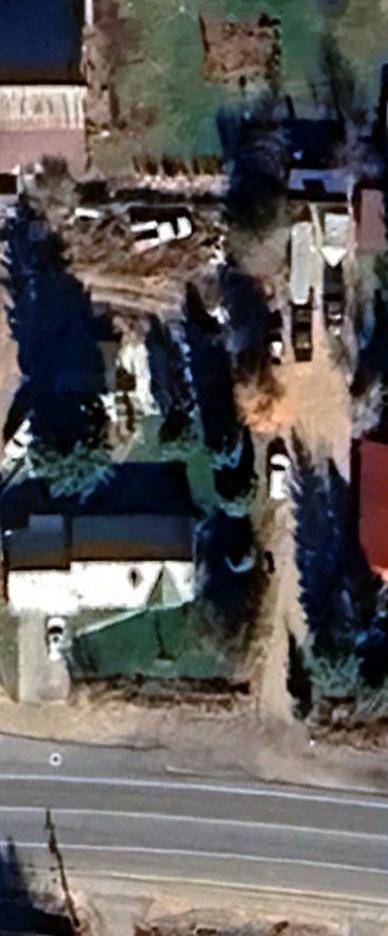
- 1. Creation of a Property Owners' Association (POA) and CC&Rs is required prior to the recording of any amended plat. The Applicant has forwarded proposed CC&Rs to the City for review.
- 2. Lighting shall comply with the City's current lighting ordinance.
- 3. Easements necessary for access to and maintenance of utility lines required for individual owners will be recorded and depicted on the plat. The plat provided by the applicant contains a note to this effect.
- 4. Access easements necessary to accommodate the proposed change in ownership will be recorded and depicted on the plat. The plat provided by the applicant contains a note to this effect.
- 5. The first note on the proposed amended plat, referencing nightly rentals, will be removed prior to recording the plat.





Google Earth

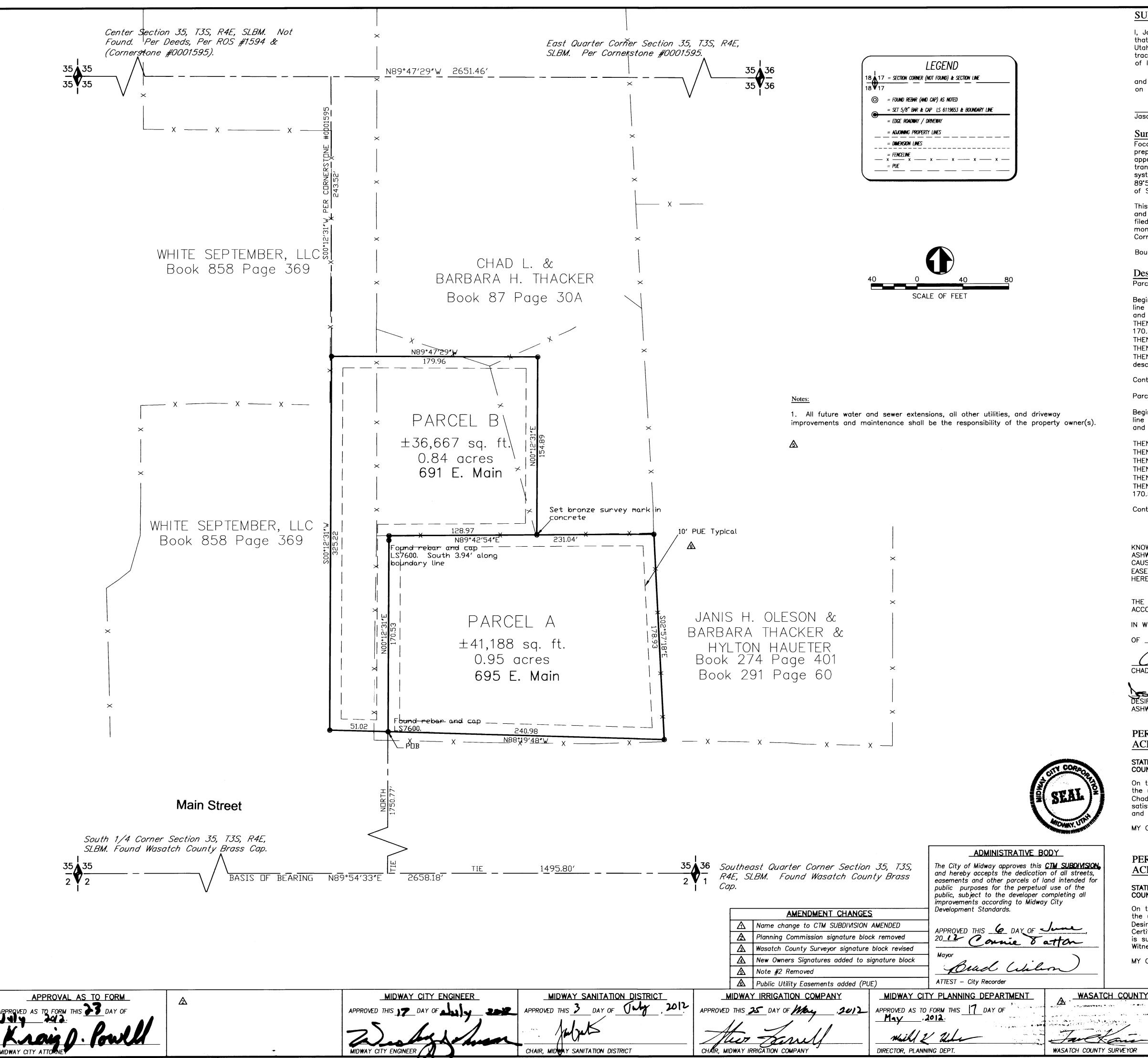
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