



PLANNING COMMISSION MEETING STAFF REPORT

DATE OF MEETING:	August 11, 2026
NAME OF PROJECT:	Transient Rental Overlay Zone (TROD) Rezone
NAME OF APPLICANT:	Midway City
AGENDA ITEM:	Land Use Map Amendment
LOCATION OF ITEM:	- Turnberry & Turnberry Woods - Midway Village - Mountain Spa Rural Preservation Subdivision - 100 South between 50 West and 100 West - Rising Ranch Subdivision - An area in the C-2 zone that is east of Fox Den Road and south of Main Street
PROPOSED ZONING:	Removal of the TROD

ITEM: 2

Midway City is proposing a zone map amendment in several areas of the city. The proposed amendment would remove areas from the Transient Rental Overlay District (TROD) which allows properties to be rented on a short-term basis. Areas proposed for removal include Turnberry, Turnberry Woods, Midway Village, lots in the Mountain Spa Rural Preservation subdivision, 100 South between 50 West and 100 West, Rising Ranch subdivision, and an area in the C-2 zone that is east of Fox Den Road and south of Main Street. If these areas are removed from the TROD then no new short-term rentals will be allowed in these areas.

SUMMARY:

Midway City is proposing a zone map amendment to remove several areas from the Transient Rental Overlay District (TROD), which governs short-term nightly rentals (less than 30 days). If approved, no new short-term rentals will be permitted within the affected boundaries.

The areas proposed for removal from the TROD include:

- Turnberry PUD
- Turnberry Woods PUD
- Midway Village PUD
- Rising Ranch subdivision
- Specific lots in the Mountain Spa Rural Preservation subdivision
- 100 South, between 50 West and 100 West
- An area within the C-2 zone located east of Fox Den Road and south of Main Street

BACKGROUND & ANALYSIS:

Established in 2006, the TROD regulates where short-term rentals can legally operate. Midway City was an early adopter of short-term rental regulations in Utah, creating an ordinance framework that numerous other municipalities across the state have since modeled.

While the TROD primarily targeted commercial and resort zones, it also incorporated certain residential areas. Residential properties were included if their specific Covenants, Conditions, and Restrictions (CC&Rs) explicitly permitted short-term rentals, or if they had a documented history of nightly rental use. These included:

- Subdivisions with permissive CC&Rs: Turnberry, Turnberry Woods, The Kantons, Mountain Springs, Swiss Creek, Chalets on the Creek, and Midway Village.
- Historical nightly rental properties: The Blue Boar Inn, Johnson Mill, and a Homestead Drive property since developed into the Rising Ranch subdivision.

Several of the residential developments originally included in the overlay—specifically Turnberry, Turnberry Woods, and Midway Village—have since amended their CC&Rs to prohibit short-term rentals. This shift prompted a reassessment of the current TROD boundaries.

During a City Council work meeting on May 19, 2026, the Council reviewed TROD regulations, geographic boundaries, enforcement strategies, and the formal amendment process. Following this discussion, the Council directed staff to initiate a formal boundary amendment.

Amending the TROD requires a public notice and hearing process before both the Planning Commission and the City Council.

- Staff mailed 152 letters directly to affected property owners to inform them of the potential rezone, invite them into the planning process, and solicit their feedback.
- In accordance with public hearing requirements, notices were posted on the Midway City website and the Utah Public Notice website.

Midway City maintains a restrictive approach to short-term rentals to balance conflicting community needs:

- **Benefits:** Short-term rentals provide vital revenue for property owners, generate transient room and resort taxes for the City, and support the local economy by attracting tourist spending.
- **Drawbacks:** Short-term rentals create commercial competition for local resorts, introduce neighborhood disruptions, reduce the long-term housing supply for permanent residents, and can erode the city's sense of community.

To address these challenges, the Midway City General Plan explicitly discourages expanding short-term rental zones. The General Plan states:

"TROD boundaries should not expand beyond current boundaries to help preserve available long-term housing supply and to help preserve Midway as a community filled with permanent residents that will help preserve Midway's community feel."

By removing residential areas that no longer permit short-term rentals or are poorly suited for transient use, the proposed amendment aligns directly with the General Plan's core mission to protect Midway's neighborhood character and permanent housing stock.

Findings in Support of the Proposed Amendment:

1. The proposed amendment directly aligns with the Midway City General Plan, which explicitly discourages the expansion of short-term rentals in order to preserve the long-term housing supply. Removing these residential areas from the TROD protects neighborhood stabilization, prevents the erosion of community cohesion, and supports the General Plan's mandate to maintain Midway as a community of permanent residents.

2. Several of the affected developments (including Turnberry, Turnberry Woods, and Midway Village) have officially amended their private Covenants, Conditions, and Restrictions (CC&Rs) to prohibit short-term rentals. Amending the TROD map to remove these areas eliminates conflicting regulations between private community governance and public municipal zoning codes, creating regulatory consistency.
3. Restricting new transient rentals in residential zones reduces common neighborhood nuisances such as increased traffic, parking overflow, and noise disruptions. Furthermore, it channels tourist lodging toward established commercial zones and local resorts, protecting the town's traditional hospitality investments from decentralized commercial competition.

Findings Against the Proposed Amendment:

1. The amendment eliminates a flexible use of private property, removing a viable revenue-generating opportunity for current and future landowners. Restricting short-term rental rights may negatively impact property values in the excluded zones by reducing the marketability of the homes to buyers seeking investment properties.
2. Reducing the geographical size of the TROD limits the overall inventory of visitor lodging, which may decrease the collection of municipal transient room taxes and resort taxes. A lower capacity for overnight visitors can cause a downstream reduction in discretionary spending at local restaurants, retail shops, and recreation businesses.
3. If approved, any existing legally permitted short-term rentals within the removed areas may become legal non-conforming uses ("grandfathered" status). Managing and monitoring a mix of grandfathered active rentals alongside strict prohibitions for new neighbors increases the administrative burden, tracking complexity, and enforcement costs for city staff.

ALTERNATIVE ACTIONS:

1. Recommendation of Approval (conditional). This action can be taken if the Planning Commission finds proposal is acceptable and is in the community's best interest.
 - a. Accept staff report
 - b. List accepted findings
 - c. Place condition(s)

2. Continuance. This action can be taken if the Planning Commission finds that there are unresolved issues.
 - 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. Recommendation of Denial. This action can be taken if the Planning Commission finds that the request is not acceptable and not in the best interest of the community.
 - a. Accept staff report
 - b. List accepted findings
 - c. Reasons for denial