



## **CITY COUNCIL MEETING STAFF REPORT**

**DATE OF MEETING:** April 7, 2026

**NAME OF PROJECT:** Alcohol Dispensing Establishment

**NAME OF APPLICANT:** Megan Dial

**OWNER:** Daniel Luster

**NAME OF RESTAURANT:** Montblu

**AGENDA ITEM:** Conditional Use Permit and Local Consent

**LOCATION OF ITEM:** 23 North Holly Lane, Midway, Utah

**ZONING DESIGNATION:** C-2

### **ITEM: 7**

Megan Dial, agent for Montblu, is applying for a Conditional Use Permit (CUP) and Local Consent for an alcohol dispensing establishment. Montblu is in the Southhill development, located at 23 N. Holly Lane, and in the C-2 Zone

### **BACKGROUND:**

Montblu is a proposed bistro intended to occupy the “teahouse” building H in the Southhill

Development. It will be open for breakfast and lunch. They would like to serve mimosas and other cocktails.

Per the current application,

*“We are opening a Bistro at Southill that will be open for breakfast and lunch. We would like to serve mimosas as well as other cocktails. Our mission is to cultivate a cozy, French-inspired gathering place where quality ingredients, careful craft, and warm hospitality encourage connection, conversation, and unhurried moments.”*

The property is in the C-2 zone. Restaurants are permitted uses in that zone although alcohol dispensing establishments must be approved for a conditional use permit to serve alcohol. If they receive City consent, the applicant likely will apply for a Full-Service Restaurant Liquor License from the UDABC. They plan to offer mimosas and other cocktails, as well as non-alcoholic beverages in the restaurant, for on-premises consumption. The current building has been referenced as the “teahouse” by the developer. It is denoted on the Southill Plat A as building “H”, “restaurant”, 1860 square feet, single level, with capacity of 32 seats.

The approval of a CUP is an administrative act but, per State Code, the approval of the ability to sell alcohol is a legislative act, and the City has broad discretion in that decision. Tourism does generate business and taxes and some might argue that limiting alcohol licenses could inhibit tourism in the City.

The City has approved many alcohol licenses, including the following:

Lupita’s  
Café Galleria  
Zermatt Resort  
Homestead Resort  
7-11  
Ridley’s  
Ridley’s Market (convenience store)  
Market at Midway  
Market Express (convenience store)  
Blue Boar Inn  
Midway Mercantile  
Lola’s  
The Corner Restaurant  
Heirloom Common Restaurant and Market  
Harvest Restaurant  
Hidden Peak Provisions

This item has been noticed on the City’s website and on the State’s website for the Planning Commission meeting. Mailed notices were sent to all property owners within 600’ in anticipation of the public hearing before the City Council.

## ANALYSIS:

Section 16.26.120 of the Midway Municipal Code governs Conditional Use Approvals and Regulations. This provision provides that the Planning Commission shall:

*“ . . . recommend the granting or denying of the conditional use permit based upon the standards set forth in this Section. The Planning Commission may also recommend conditions to be imposed on the use if the permit is granted.”*

The comments in italics represent Planning Staff’s comments pertaining to compliance or lack of compliance with the findings the City Council must make in considering this request. Section 16.26.120 requires specifically the City Council to find that:

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 have a significant impact on the neighborhood as long as special events comply with Midway City Code and are held with the proper permitting.*
2. The proposed use is consistent with the General Plan; *no issues have been identified.*
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 applicant shall obtain approval of the CUP, Local Consent, and obtain and comply with all applicable state licensing requirements of the UDABC.*
4. There will be no potential, significant negative effects upon the environmental quality and natural resources that could not be properly mitigated and monitored; *no issues have been identified.*
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 proposed use and associated traffic is consistent with commercial uses in the commercial zone of the City.*
6. The subject site is physically suitable for the type and density/intensity of the proposed use; *it appears that the proposal is suitable based on the proposed use. Special events will need to receive the proper City approvals that will look specifically at noise and traffic impacts of any proposed events.*

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; *no detrimental impacts have been identified.*

**Signage:** The current sign code does not allow illuminated product signs. This structure is highly visible from Main Street, the City’s main transportation corridor, partly because of the 10’ setback that is allowed in the commercial zones. Consistent with past CUP and local consent for alcohol, staff recommends that no alcohol related signage be visible on the exterior of the building or on the inside, visible from the outside, including from Main Street/Midway Lane.

## **PLANNING COMMISSION RECOMMENDATION**

At its regularly scheduled meeting held on February 10, 2026, the Midway City Planning Commission made the following recommendation:

**Motion by Commissioner Probst:** “I make a motion that we accept for approval the conditional use permit and local consent at 23 N. Holly Lane, and that we accept the staff report, the list of accepted findings, and proposed condition of no alcohol-related signage.”

**Second:** Commissioner Facer

**Ayes:** Commissioners: Probst, Facer, Lineback, Winegar, Dougherty, Knight

**Nays:** None

**Motion:** Passed

## **POSSIBLE FINDINGS:**

- 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 districts;
- The proposed use is consistent with the General Plan.
- The approval of the conditional use permit for the proposed use complies with the requirements of state, federal and Midway City regulations. The applicant shall obtain approval of the CUP, Local Consent, Business License, Alcohol License, and obtain and comply with all applicable state licensing requirements of the UDABS;
- There will be no potential, significant negative effects upon the environmental quality and natural resources that could not be properly mitigated and monitored.

- 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 proposed use and associated traffic are consistent with commercial uses in the C-2 zone;
- The subject site is physically suitable for the type and density/intensity of the proposed use. Special events will need to receive the proper City permitting/approval and comply with Midway City Code, including but not limited to light and noise ordinances;
- 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 license would allow the sale of alcohol at Montblu for on-site consumption.
- The restaurant property is not located within 200' of a public park, school, library, church, or other facility which might limit granting of an alcohol license.
- The State does regulate this type of alcohol license.
- Special events on site would be required to comply with Midway City Code.

## **POSSIBLE ACTIONS**

1. Approval (conditional). This action can be taken if the City Council determines that conditions placed on the approval can resolve any outstanding issues.
  - a. Accept staff report
  - b. List accepted findings
  - c. Place condition(s)
2. Continuance. This action can be taken if the City Council determines 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. Denial. This action can be taken if the City Council determines that the request does not meet the intent of the ordinance.
- a. Accept staff report
  - b. List accepted findings
  - c. Reasons for denial

**PROPOSED CONDITION:**

- 1. No alcohol related signage to be visible on the exterior of the building or on the inside, visible from the outside, including from Main Street.



