



CITY COUNCIL MEETING STAFF REPORT

DATE OF MEETING: October 6, 2026

NAME OF APPLICANT: Cooper Jenkins

AGENDA ITEM: Workforce Housing – 41 West Main Street
Legislative Development Agreement

ITEM: 5

Cooper Jenkins proposes establishing six workforce housing units within an existing commercial building at 41 West Main Street which is zoned C-2. Approval of this project is contingent upon the City adopting a Legislative Development Agreement.

BACKGROUND:

Cooper Jenkins is proposing a workforce housing project at 41 West Main Street by converting the basement of the existing commercial building into residential units. The building was constructed approximately 25 years ago, and the basement was originally designed with utilities stubbed for six residential units.

The proposed units would each be less than 900 square feet. Five would be studio apartments, and one would be a one-bedroom apartment. Monthly rents would range from \$1,300 to \$1,400 with all utilities included.

In addition to the housing proposal, the developer is requesting that the City lease water rights for the project and waive building permit fees. In exchange, the developer is proposing a 30-year deed restriction that would require the units to remain available at the agreed-upon affordable rental rates for the duration of the agreement.

Utah law authorizes municipalities to use Legislative Development Agreements (LDAs) to facilitate affordable and moderate-income housing by offering development incentives, such as density bonuses, height increases, fee waivers, or other forms of assistance. Because Utah municipalities cannot require developers to include affordable housing units, the State has established a voluntary framework that allows affordable housing commitments to be negotiated in exchange for meaningful development incentives.

Under this framework, a municipality may provide direct development incentives in exchange for the developer voluntarily recording a deed restriction that preserves affordable or moderate-income housing for a specified period. This approach enables the City to secure long-term affordability while ensuring that any incentives provided are supported by a legally enforceable agreement.

The Midway General Plan recognizes the City's shortage of moderate-income housing and supports policies that encourage the development of housing to address this need. The proposed workforce housing project is consistent with several goals and objectives identified in the Moderate-Income Housing chapter of the General Plan (pages 43-47), including:

- Create development code specific to facilitating the inclusion of Moderate Income and Service worker attainable housing components in development plans in designated higher-density areas.
- Apply the density bonus provisions in the Development Code for additional moderate-income housing units when they supply housing for clearly expressed community needs.
- Consider allowing moderate-income housing to use M&I water, leased by Midway, to lower development costs.
- Consider workforce housing to mitigate the impact of commercial developments upon the housing needs of the City.
- Negotiate with developers to create workforce housing for developments in the Resort Zone.
- Encourage increased moderate-income housing in central residential zones adjacent to commercial centers.
- Encourage discussions about moderate-income housing to explain and educate the community about the need for affordable housing in terms of providing housing for persons who work in Midway, but cannot afford to live here, and persons who live in Midway but cannot afford to purchase a home.
- Moderate income housing is an investment in a vital community and insurance of a locally-based work-force.

In 2023, the City of Midway received a grant from the Mountainland Association of Governments (MAG) to retain a consultant to study housing affordability and transportation within the community. The purpose of the study was to better understand the relationship between local housing availability, workforce needs, and transportation impacts. The study identified several significant findings that support the need for additional workforce and moderate-income housing in Midway, including the following:

- On an average day, approximately 928 employees commute into Midway from outside the city for work.
- Providing housing opportunities for these employees could reduce commuter traffic, improve housing and employment accessibility, and strengthen the connection between where people live and work.
- Many individuals employed in essential community services face long commutes to work in Midway. Expanding housing opportunities for these workers would improve their quality of life while enhancing the resiliency and overall well-being of the community.
- The study identified essential workers as including employees in the hospitality industry, seasonal workers, teachers, emergency medical personnel, firefighters, law enforcement officers, and others who provide critical services to the community.
- Historically, Midway home values have generally followed trends in surrounding communities. However, in 2023, Midway home values appreciated at a faster rate than the county average for the first time since 2009.
- Midway is experiencing a high and rapidly rising concentration of non-working families which indicates a high demand for vacation homes, second homes, and retirement estates.
- Consistent with statewide and national trends, housing affordability has become an increasing challenge for households across a broad range of income levels in Midway.
- In 2021, only 19.5 percent of employees at The Homestead resided in Midway.
- In 2021, only 15.9 percent of employees at Zermatt Utah Resort resided in Midway.

These findings demonstrate the growing disconnect between employment opportunities and housing availability within Midway. They also reinforce the objectives of the City's General Plan by highlighting the need for additional workforce and moderate-income housing to support local businesses, reduce commuter traffic, and maintain a healthy, year-round community.

The Midway General Plan clearly identifies the need to expand housing opportunities that are attainable for essential workers, service-sector employees, and other moderate-income households. Likewise, the Midway Mobility Study demonstrates the need for additional housing options for individuals who work in Midway but are unable to live within the community.

Recognizing that municipalities in Utah cannot require developers to construct affordable housing, the Utah Legislature has authorized cities to enter into Legislative Development Agreements that provide development incentives in exchange for long-term affordable housing commitments. Through an LDA, the City may offer incentives that improve a project's financial feasibility while securing deed restrictions that preserve workforce housing for an agreed-upon period.

Potential incentives available to the City include the following:

- **Increased Residential Density.** One of the most effective incentives available is allowing a higher residential density than would otherwise be permitted under the zoning ordinance. The C-2 and C-3 commercial zones currently allow only one residential dwelling per mixed-use project or per acre, creating an opportunity for the City to negotiate additional density through a Legislative Development Agreement. Allowing additional residential units can significantly improve a project's financial viability while directly increasing the supply of workforce housing.
- **Municipal and Industrial (M&I) Water.** The City may lease its municipal and industrial water to qualifying moderate-income housing projects, reducing development costs by eliminating the need for the developer to acquire additional water rights. If the affordability commitment is limited to a specified term, the LDA could provide that the water lease terminates when the deed restriction expires. At that time, the developer could be required to dedicate the necessary water rights to serve the project at market-rate status, allowing the City's leased water to be reallocated to future affordable housing projects.
- **Building Permit and Development Fees.** The City may waive, reduce, pay, or defer certain development and building permit fees to improve project feasibility. The agreement may also provide that deferred fees become payable if the project no longer qualifies as workforce or moderate-income housing before the end of the affordability period.
- **Impact Fees.** Under Utah law, impact fees cannot be waived. However, the City may choose to pay the required impact fees using another lawful funding source, such as the General Fund or other available revenues. Similar to other incentives, the LDA could require reimbursement of those costs if the affordability restrictions terminate or the units are converted to market-rate housing before the end of the agreed-upon affordability period.

These incentives are intended to balance the public benefit of creating long-term workforce housing with the City's responsibility to ensure that public resources are used to achieve measurable and lasting affordability outcomes. A Legislative Development Agreement provides the legal mechanism to document these commitments and ensure that both the developer and the City fulfill their respective obligations throughout the term of the agreement.

The City and the applicant have discussed potential incentives which have been included in the proposed Legislative Development Agreement (LDA) attached for your review:

- **Term Limit & Extensions:** A 30-year minimum term limit, with built-in incentives to extend the agreement to 40 years and beyond.
 - **Extension Incentives:** Extensions include fee repayment forgiveness and the option to continue the Municipal and Industrial (M&I) water lease.
 - **Early Termination Penalties:** If the applicant does not extend the agreement to 40 years, all forgiven fees must be repaid, the water lease will terminate, and the associated water rights must be dedicated to the City.
- **Density Increase:** An increase in allowable density from one dwelling unit to six dwelling units.
- **Affordable Housing Rents:** Rental rates will be set at 65% of the 2027 Wasatch County Area Median Income (AMI) and adjusted annually to maintain the 65% AMI threshold.

The Planning Commission and the City Council will need to determine if the proposed agreement is in the best interest of the community and will help meet an unmet need.

PLANNING COMMISSION RECOMMENDATION:

Motion by Commissioner Nokes: “I'd like to make a motion we recommend approval of the proposal of establishing six workforce housing units within the existing commercial building at 41 West Main Street, which is zoned currently C-2. Approval of this project is contingent upon the city adopting a legislative development agreement. I'd also propose that we recommend the approval with the findings in support and the recommendations from staff.

I'd like to amend the motion to include an occupancy restriction based on building code and square footage. Some of those units are smaller than others, so those units would be limited to two people, or whatever the building code allows, and maybe some of the bigger ones would allow three people. I think we need to research what the building code would allow as far as occupancy and get that in front of City Council to consider.”

Second: Commissioner Farrell

Ayes: Commissioners: Nokes, Farrell, Facer, Winegar, Dougherty

Nays: None

Motion: Passed

POSSIBLE FINDINGS (in support):

1. The proposed project advances the goals and policies of the Midway General Plan.
2. The project addresses a documented community need.
3. The proposed Legislative Development Agreement provides a lawful mechanism for achieving long-term workforce housing.
4. The requested development incentives are reasonably related to achieving the public purpose of workforce housing.
5. The project promotes the public health, safety, and general welfare by increasing housing opportunities for Midway's workforce.

POSSIBLE FINDINGS (against):

6. The proposed 30-year deed restriction does not provide sufficient long-term public benefit to justify permanent fee waivers and a permanent 5-unit density bonus.
7. The developer's request for a City-subsidized Municipal and Industrial (M&I) water lease uses city resources that could be used in a way that would better serve the community.
8. The proposed density increase will have an impact on the community that does not justify the possible benefits.
9. The proposed project does not sufficiently advance the goals and policies of the Midway General Plan.

ALTERNATIVE ACTIONS:

1. Approval. This action can be taken if the City Council finds that the proposed language is an acceptable amendment to the City's Municipal Code.
 - a. Accept staff report
 - b. List accepted findings

1. Continuance. 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

2. Denial. This action can be taken if the City Council finds 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



Midway



Midway





Executive Summary - Workforce Housing Apartments

41 W Main St, Midway, Utah 84049

This document provides a conceptual overview of the apartment floor plans proposed for completion and rental at 41 W Main St in Midway, Utah. The project is intended to provide quality housing options that support the local workforce and help address the growing shortage of attainable housing in the Midway area.

A major objective of this project is maintaining reasonable rental pricing for workforce housing and apartment rentals. The ownership group recognizes the increasing difficulty local employees face in securing housing close to their workplaces. These apartments are intended to provide practical and well-designed living spaces that remain attainable for working individuals and families.

Another key motivator for this project is the operational need for employee housing associated with several local businesses in Midway. At present, staffing has become increasingly difficult because many employees are forced to commute significant distances due to limited local housing availability. Providing nearby apartment options will improve employee retention, reduce commuting burdens, support local businesses, and strengthen the long-term workforce serving the community.

Additionally, there is an option being considered to divide the North 1 unit into two separate apartments, increasing the total apartment count from five units to six units. This option would further improve housing availability and flexibility while continuing to support workforce-oriented rental pricing. The pricing will include utilities.

Estimated Market Rent Analysis (Based on Market Analysis of Midway)

Unit	Approx. Size	Estimated Monthly Rent
North 1/2	683 sq ft/699 sqft	\$1,300 each
North 2 (Office)	831 sq ft	\$1,400
North 3	510 sq ft	\$1,300
North 4	857 sq ft	\$1,300
North 5	660 sq ft	\$1,400

Midway, Utah – Average Monthly Rent by Square Footage

Market Comparison Overview

The table below shows average rental rates in Midway based on current market data across a range of apartment sizes.

Approx. Size (Sq Ft)	Average Monthly Rent in Midway
500 sq ft	\$1,500 – \$1,700
600 sq ft	\$1,700 – \$1,900
700 sq ft	\$1,900 – \$2,100
800 sq ft	\$2,100 – \$2,400
900 sq ft	\$2,300 – \$2,600

Source: Combined analysis of local rental listings and market trend data.

We intend to sign the following as a 20 year deed agreement on the property.

\$8,000 Rent total

\$1,333 Average per unit

\$52,470 annually is 55% AMI in Midway Utah.

Federal Government Standard is 30 percent of income to be considered affordable or workforce housing. 30% of a 5% AMI in Midway would be \$15,741 (\$1,350 monthly) currently. We are below 55% AMI. We plan to sign a deed locking in annually scaling AMI% up to 80% AMI but starting at 55% (assuming 30% of income for housing) for rent price with a 20 year deed term.

We also propose that the city lease the water shares as part of this affordable housing initiative, as well as waiving property taxes.

We will also be adding patio areas and community spaces at the top of both staircases for tenants to be able to BBQ, eat outside, have gatherings, etc.

Another benefit is these apartments will inflict zero design or aesthetic changes to Midway, as they are all located in the basement. You will get the benefits of workforce housing, without the impact of the giant ugly apartment buildings in vineyard you see when you go to the movies.

These apartments will provide the ability for workforce employees to be able to walk to work, as opposed to long commutes daily.

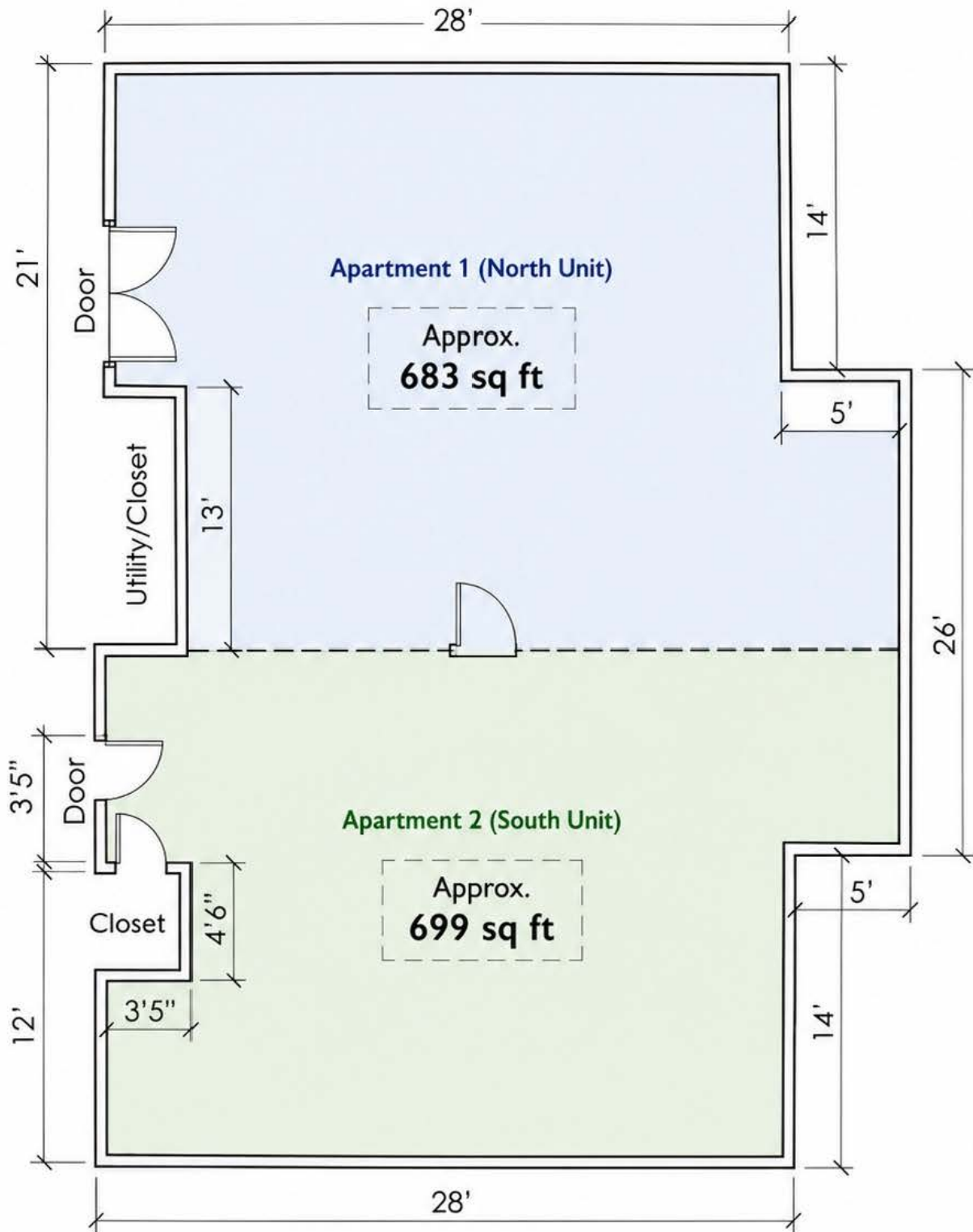
We also have a signed letter guaranteeing the needed parking for these apartments. All units have individual power meters, and impact fees are assumed to have been paid when building was built.

We intend to spend near \$100,000 to finish these apartments and make them high quality living conditions for workforce level employees in Midway.

North 1 – Split Option (Horizontal)



Option to divide into two separate apartments



Apartment 1 (North Unit)
Approx. 683 sq ft

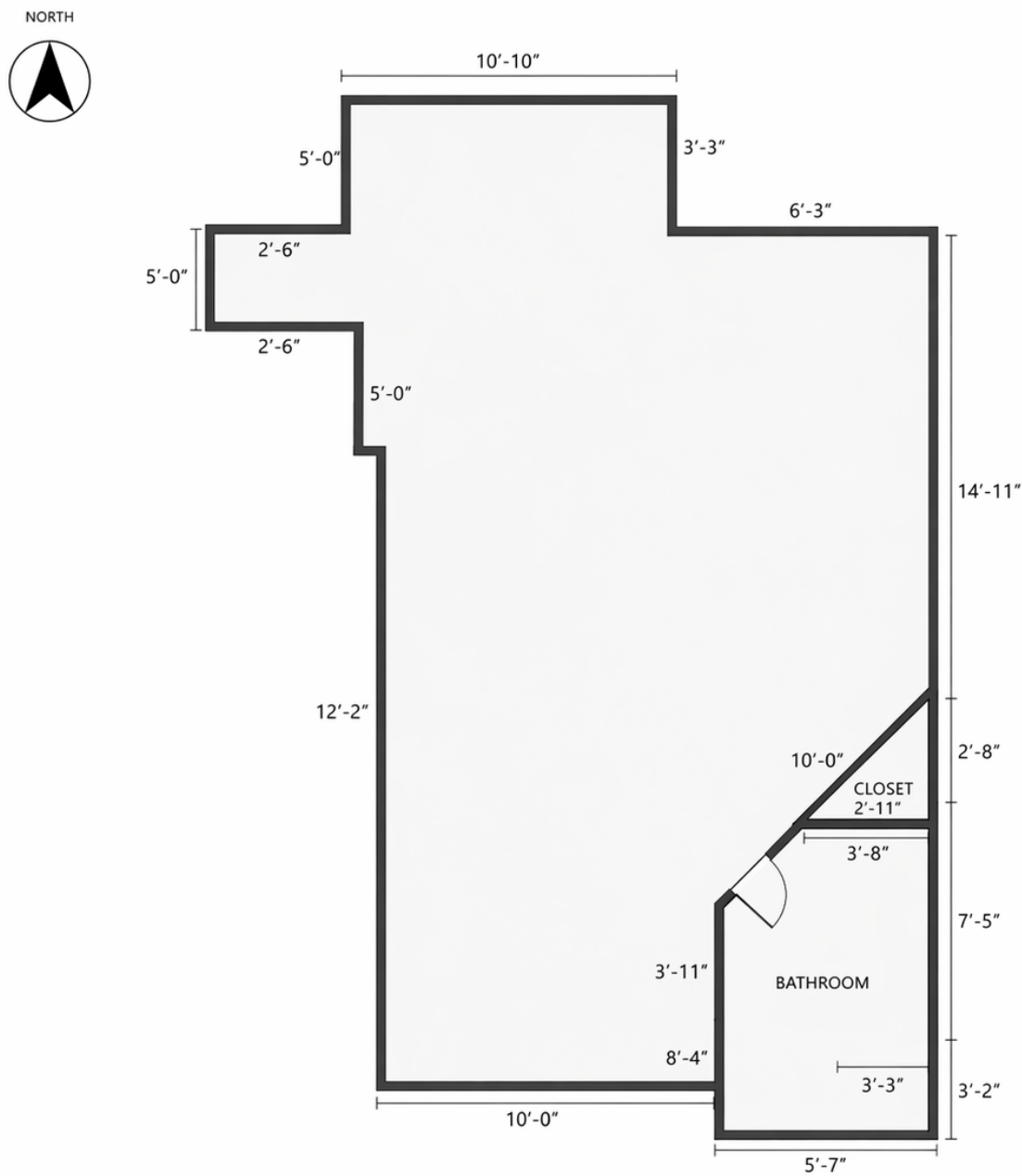
Apartment 2 (South Unit)
Approx. 699 sq ft

Total Area (Both Units):
1,382 sq ft (Estimated)



*All dimensions are approximate.

North 2 Floor Plan



FLOOR PLAN

North 2" Andy's Office
Plano, TX 75024

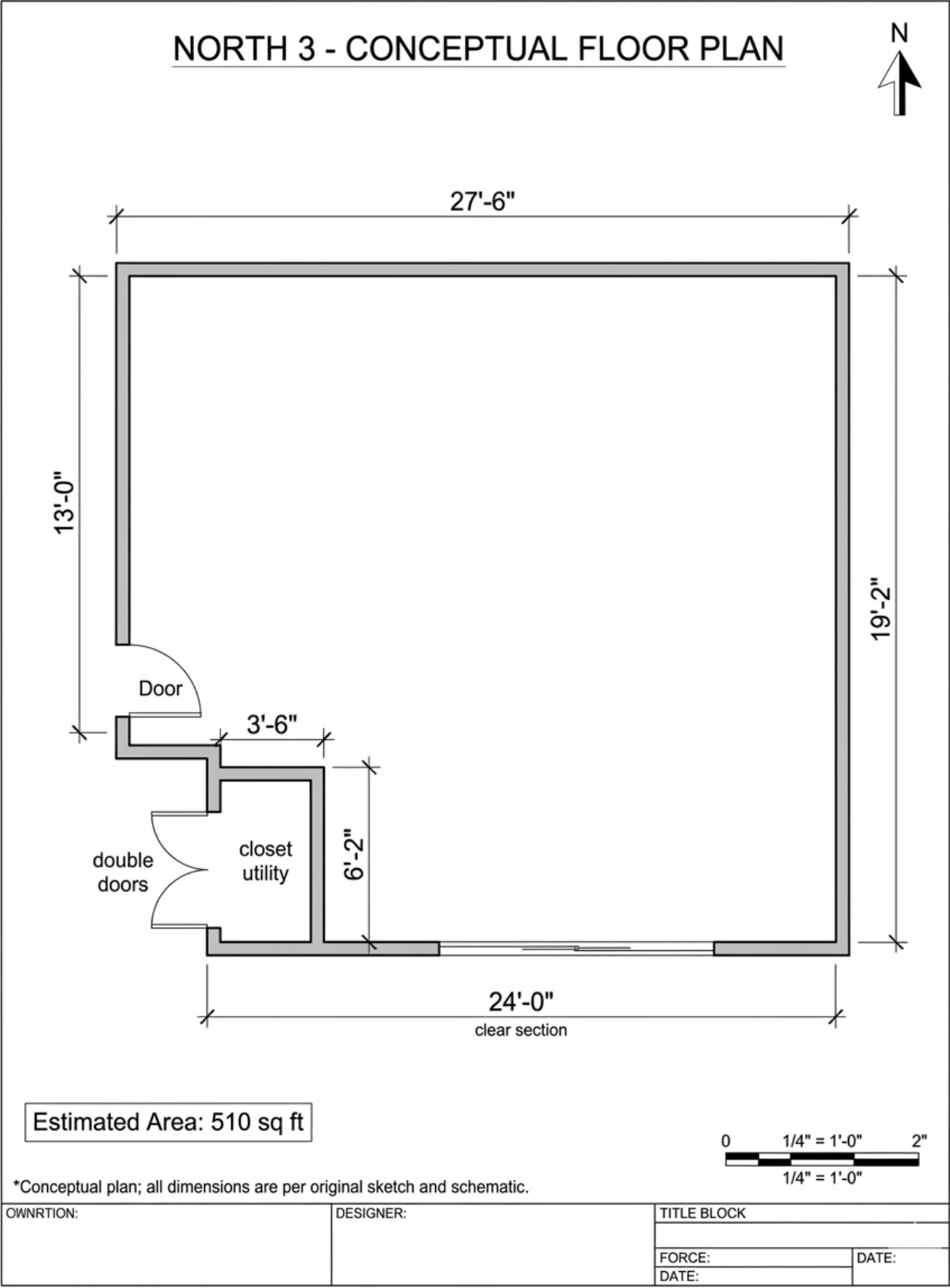
TOTAL SQUARE FOOTAGE

831 SQ FT
(Calculated Interior Area)

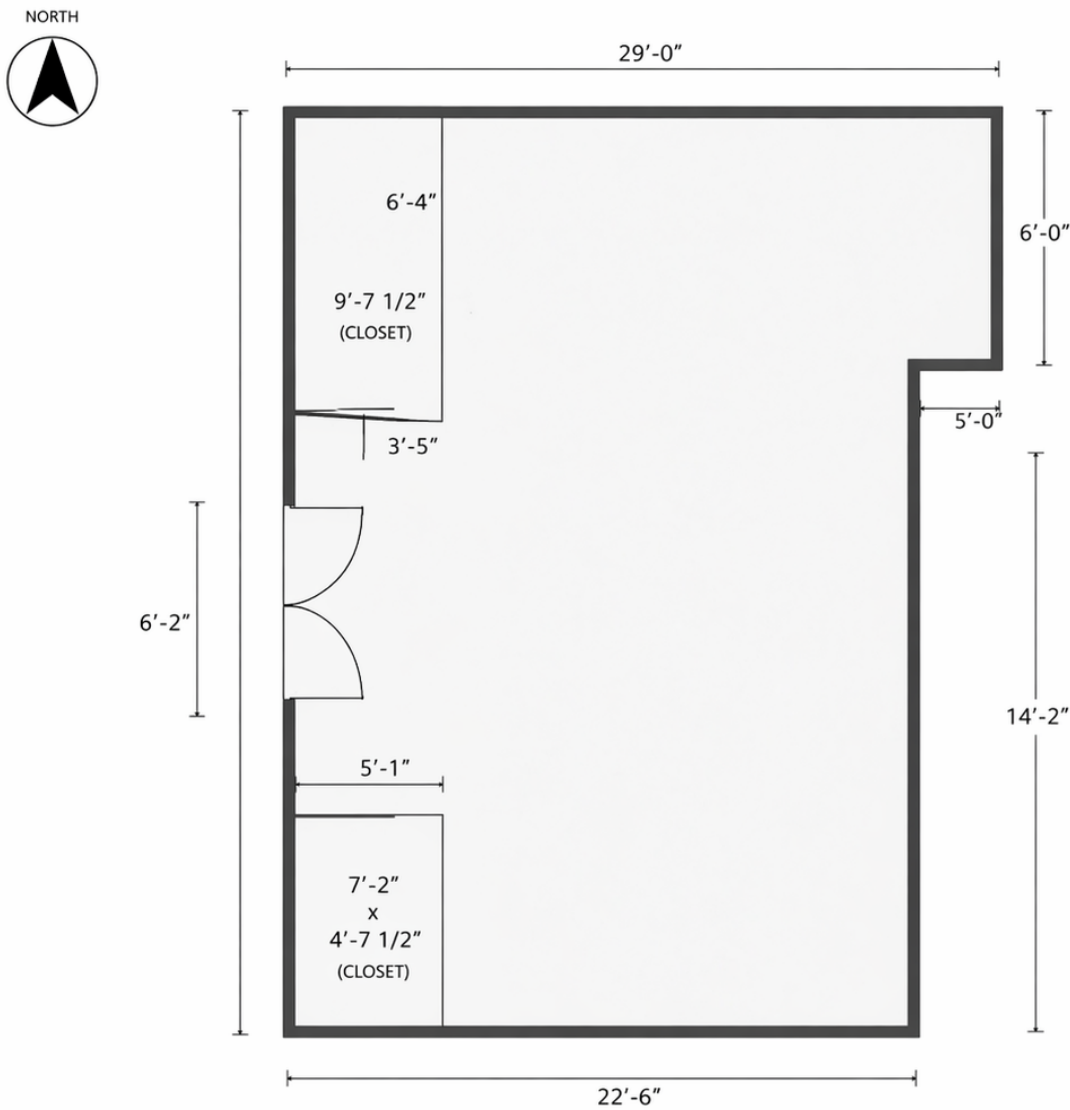
NOTES

- All dimensions are approximate
- Interior measurements are to inside face of walls
- Drawn to scale

North 3 Floor Plan



North 4 Floor Plan



FLOOR PLAN

11074 4th Street
Plano, TX 75024

TOTAL SQUARE FOOTAGE

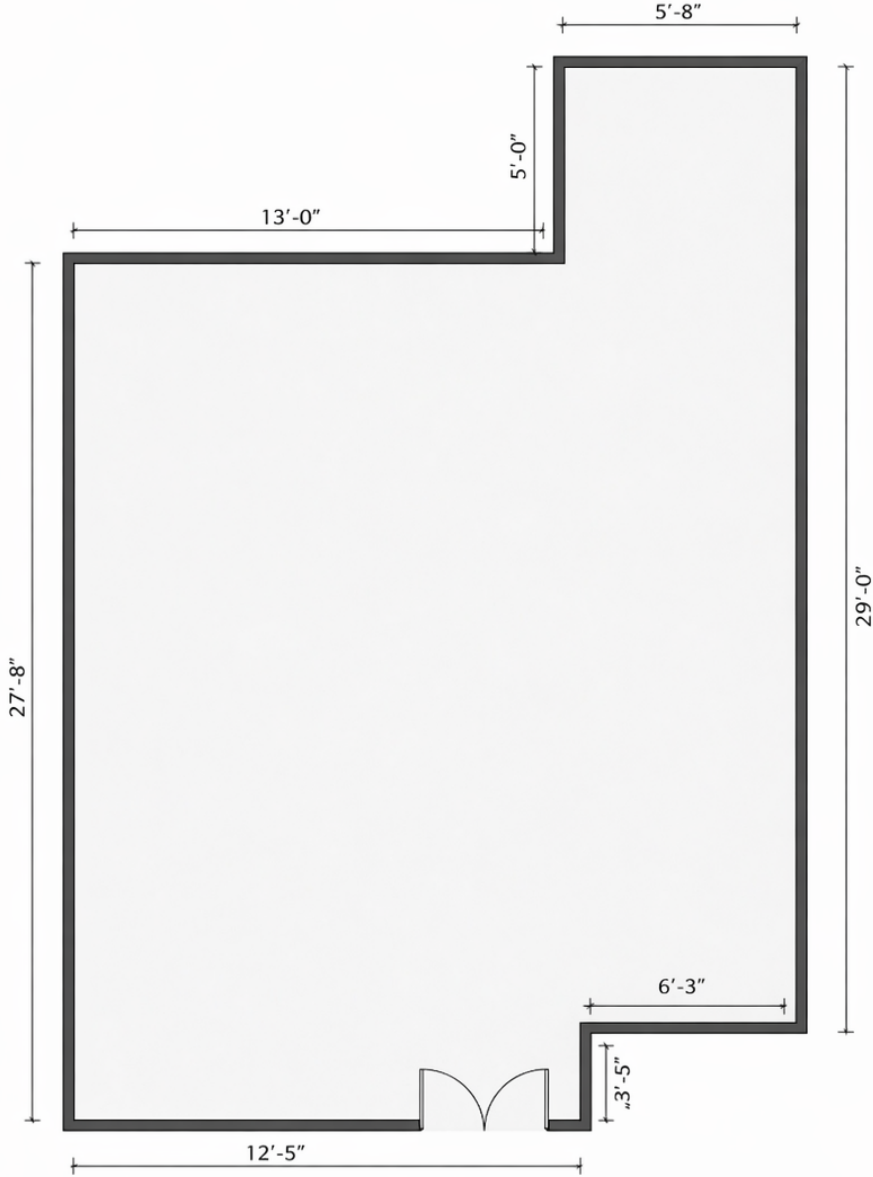
857 SQ FT

(Calculated Interior Area)

NOTES

- All dimensions are approximate
- Interior measurements are to inside face of walls
- Drawn to scale

North 5 Floor Plan



FLOOR PLAN

123 Main Street
Plano, TX 75001

TOTAL SQUARE FOOTAGE

660 SQ FT
(Calculated Interior Area)

NOTES

- All dimensions are approximate
- Interior measurements are to inside face of walls
- Drawn to scale



MIDWAY

MOBILITY BLUEPRINT

City Council Update

June 2024



Today's Agenda

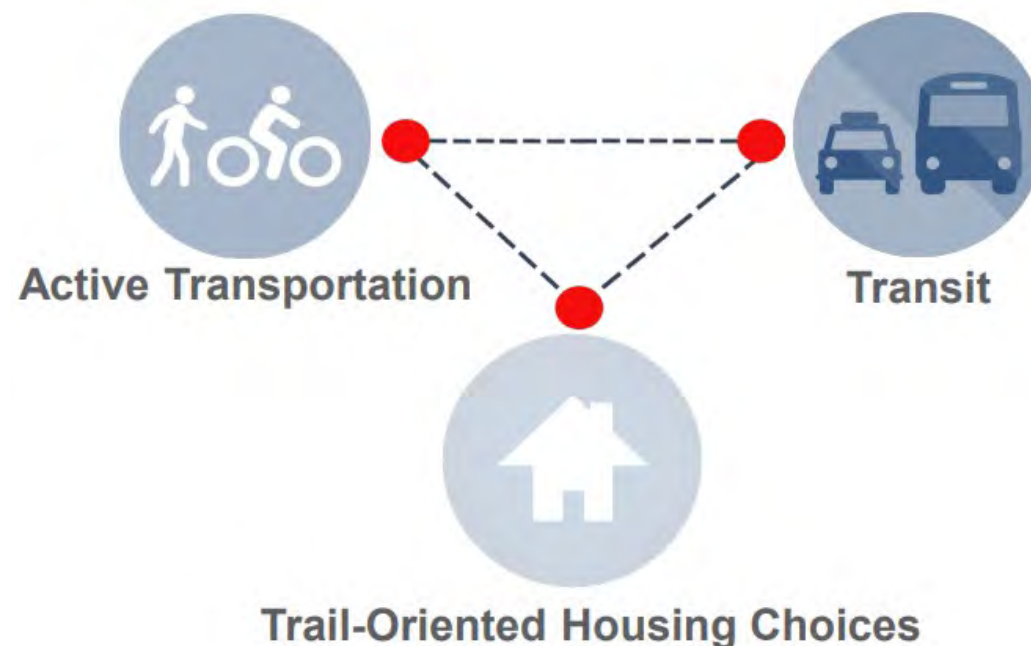
1. Study Overview
2. Summary of Public Survey Findings
3. Summary of Recommendations
4. Council Discussion and Direction on Next Steps





Study Overview

1. This plan focused on identifying opportunities to increase housing options for residents, with an emphasis on essential workers.
2. The plan also focused on connecting the identified trail-oriented housing with safe and comfortable walking, biking, and transit networks.





What is Trail-oriented Housing?

Supporting our Essential Workers

- Support the 'Missing Middle' housing gap for employees that support our community
- Future housing will be high-quality, and scaled appropriately
- Context sensitive, fitting in with the Swiss architecture and ranching community



*Missing Middle: a range of multi-unit or clustered housing types, **compatible in scale with single-family homes***



What is Active Transportation?

Supporting Healthy and Active Transportation Networks

- Connecting trail-oriented housing areas with destinations in Midway through active transportation networks
- High-quality, comfortable, and connected paths, trails, sidewalks and bike lanes
- This effort was focused on connecting gaps in the network, and recommending ways to calm traffic in town



Active Transportation: human-powered transportation that includes bike lanes sidewalks, multi-use trails, and helps create a vibrant community by providing safe, comfortable, and affordable ways to get around.



What is Transit?

Supporting Affordable and Convenient Travel Options for our Essential Workers

- Midway is looking ahead at ways to support people who live and work in Midway with transit options
- Short term goals of growing micro-transit ridership (already high!)
- Long term goals of local circulator, and connection into the High Valley Transit District and transit connections to Heber



Transit: currently, transit operating in Midway is on-demand micro transit. Future transit that supports essential workers may grow transit service.

Study Overview





MIDWAY
MOBILITY BLUEPRINT

Community Profile

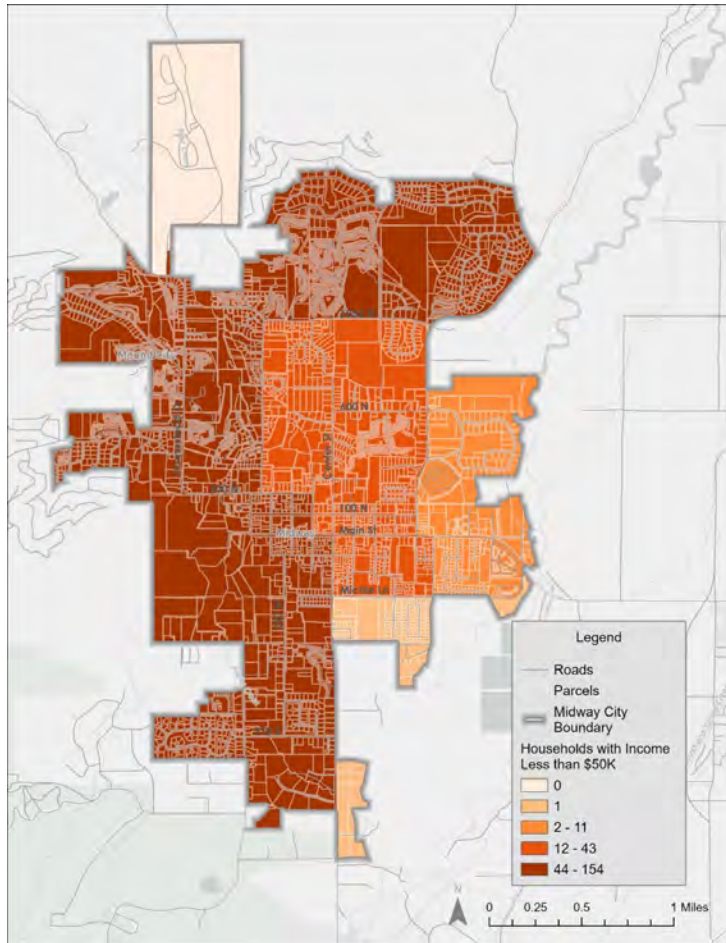
Who are we planning for, and what are their needs?



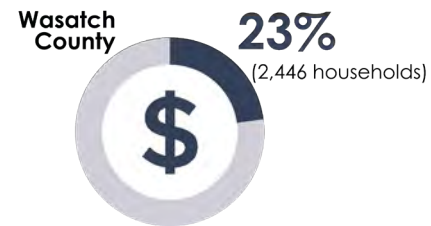
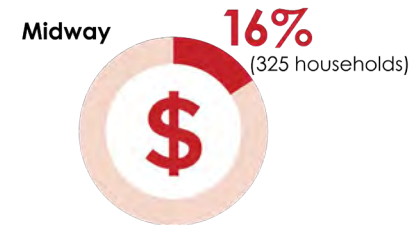
MIDWAY

MOBILITY BLUEPRINT

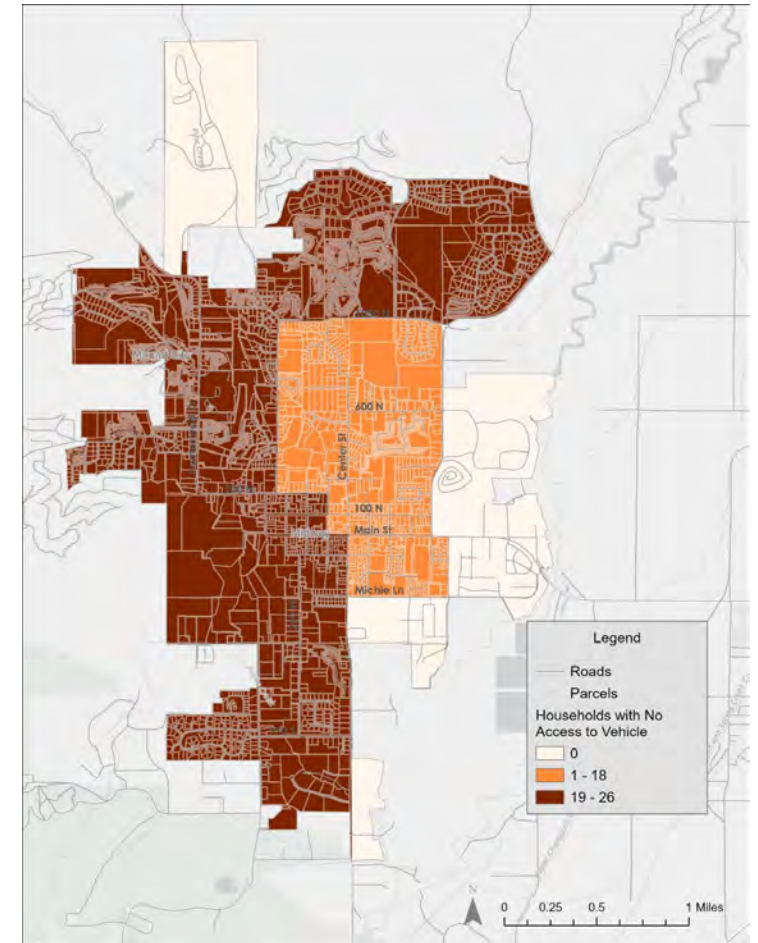
Low-Income Households



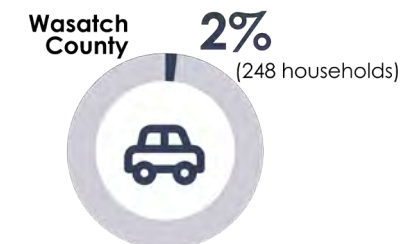
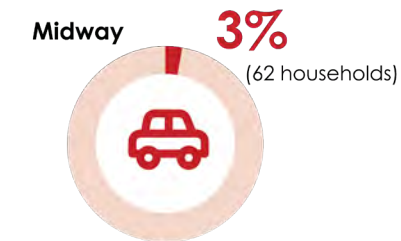
Low-Income Households



No-Vehicle Households



No Vehicle Households



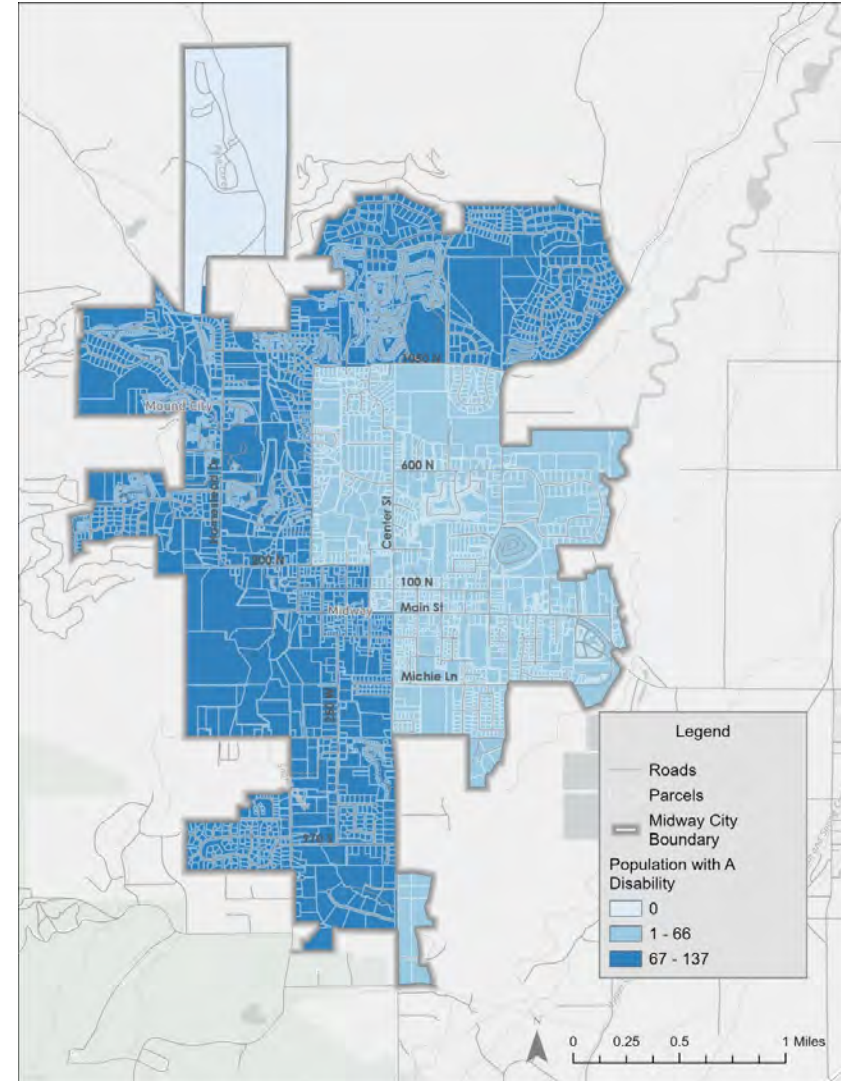
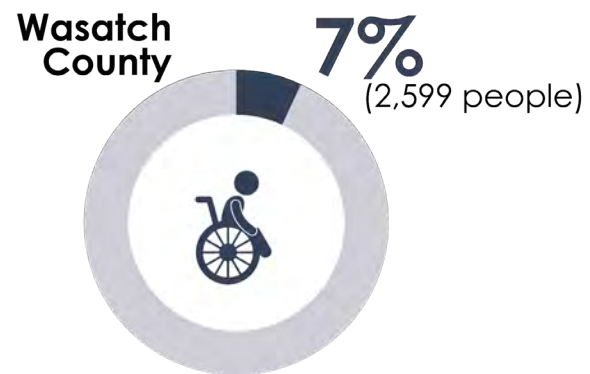
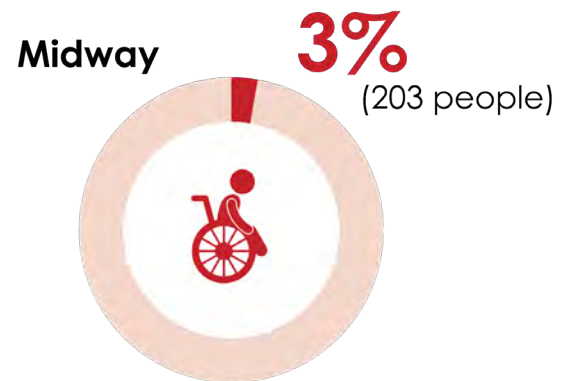
Source: American Community Survey 2017-2021



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Population with a Disability



Source: American Community Survey 2017-2021

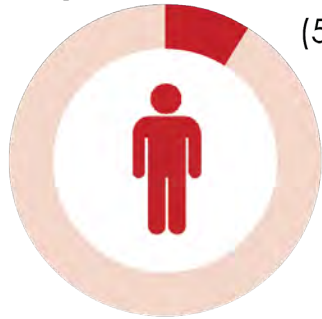


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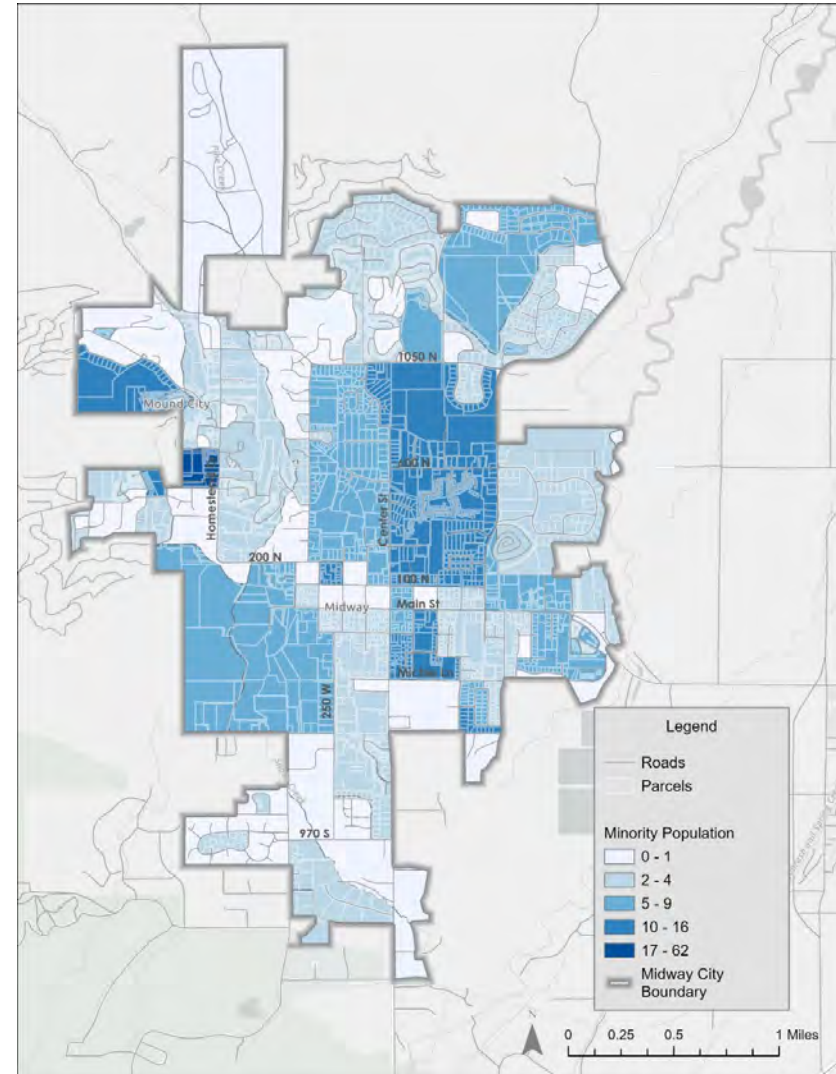
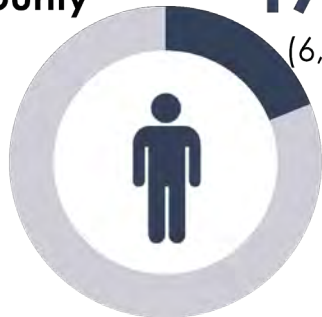
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Minority Population

Midway **9%**
(554 people)



Wasatch County **19%**
(6,620 people)



Source: American Community Survey 2017-2021

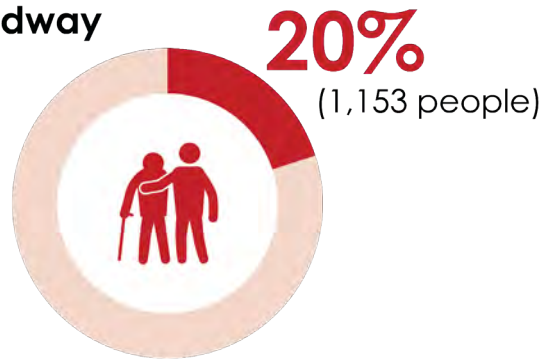


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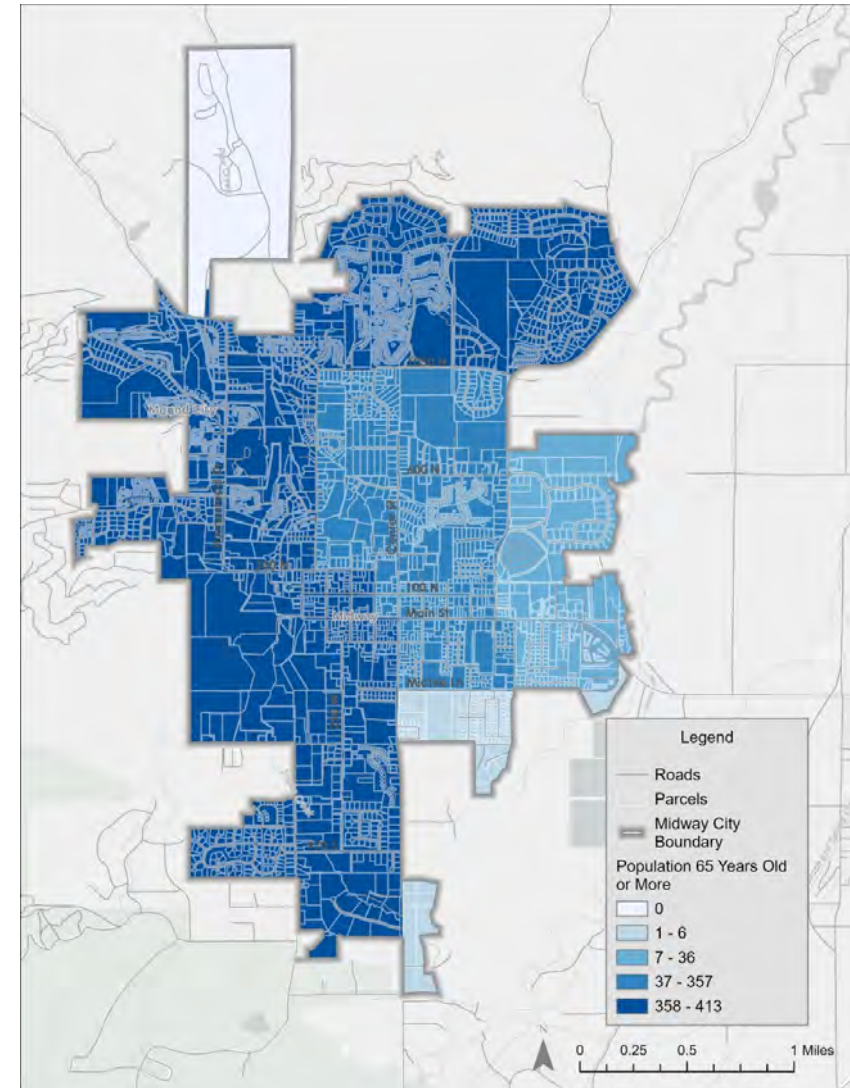
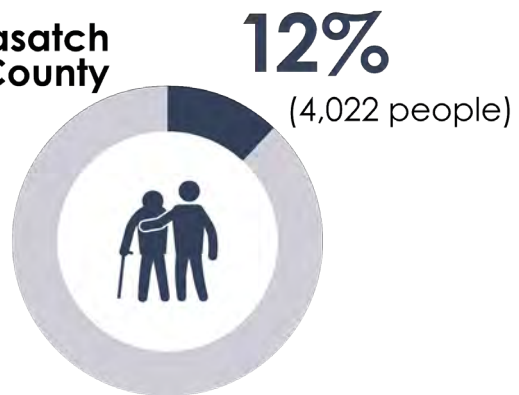
MOBILITY BLUEPRINT

Senior Population

Midway



Wasatch
County



Source: American Community Survey 2017-2021



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MOBILITY BLUEPRINT

Housing Profile

Who needs housing in Midway?



Current Household Demographics

Midway vs. County & Peers

- Significantly higher median age, lower household size
 - *More retirees, dependent population*
- Lower poverty, higher income, higher educational attainment
 - *High socioeconomic status*
 - Housing implications:
 - *Higher monthly costs, home values*

Projected Household Growth

- Growth in **Midway** is anticipated to keep pace with peer cities and the larger County through 2050
 - ***Population doubling by 2050***
- Household size will likely **decrease** in Wasatch County and its cities through 2050
 - ***2023: 3.03 persons/HH***
 - ***2050: 2.56 persons/HH***
 - ***Households more than doubling (2.25x) by 2050***



Household Demographics

Demographic Category	Midway	Heber City	Wasatch County	State of Utah
Median Age	41.2	28.1	34.5	31.3
Average Household Size	2.89	3.58	3.18	3.08
Median Household Income	\$108,672	\$86,365	\$94,044	\$79,133
Median Home Value	\$609,900	\$381,200	\$490,500	\$339,700
Median Monthly Housing Costs	\$2,713	\$1,874	\$2,214	\$1,682
Owner-Occupied Housing Unit Rate	81.3%	77.4%	76.7%	70.5%
Median Gross Rent	\$2,788	\$1,276	\$1,487	\$1,171
Persons in Poverty	2.5%	4.8%	4.9%	8.2%
Bachelor's Degree or Higher Rate (25 or older)	54.7%	38.1%	44.2%	35.4%

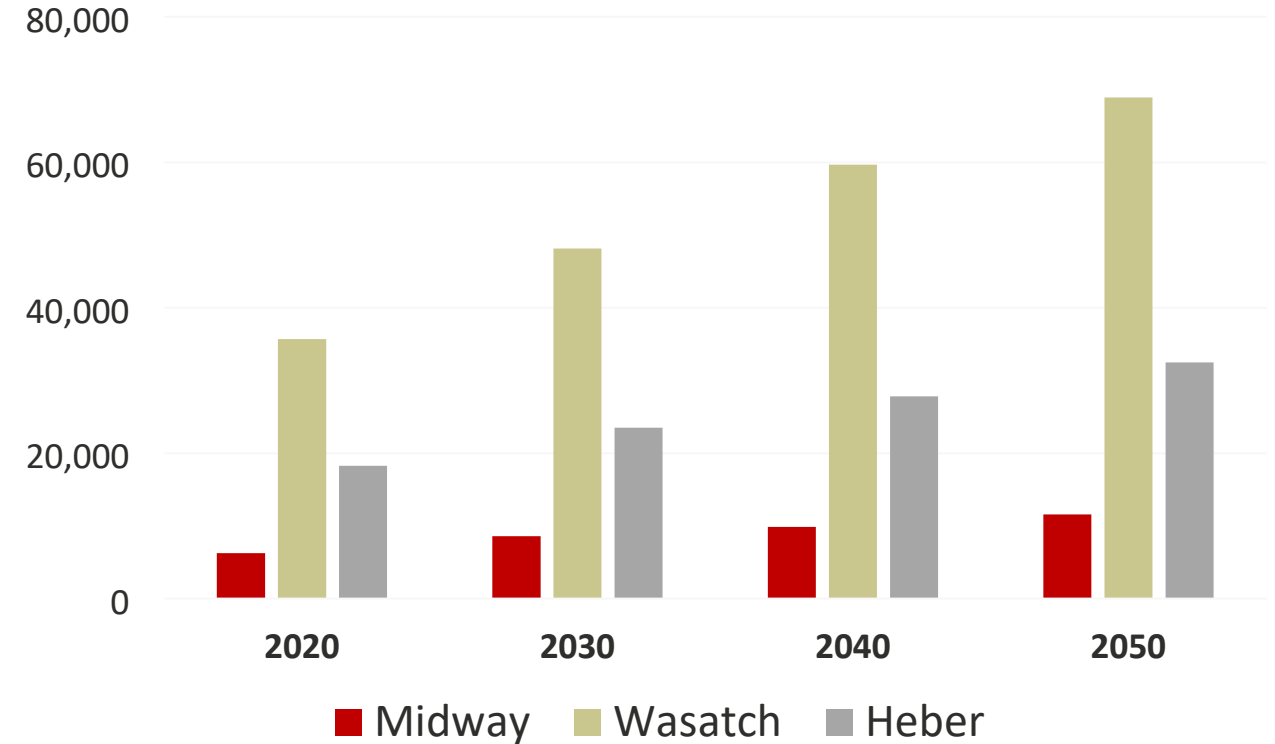


Household Growth

Projected Population

Source: Mountainland AOG 2017

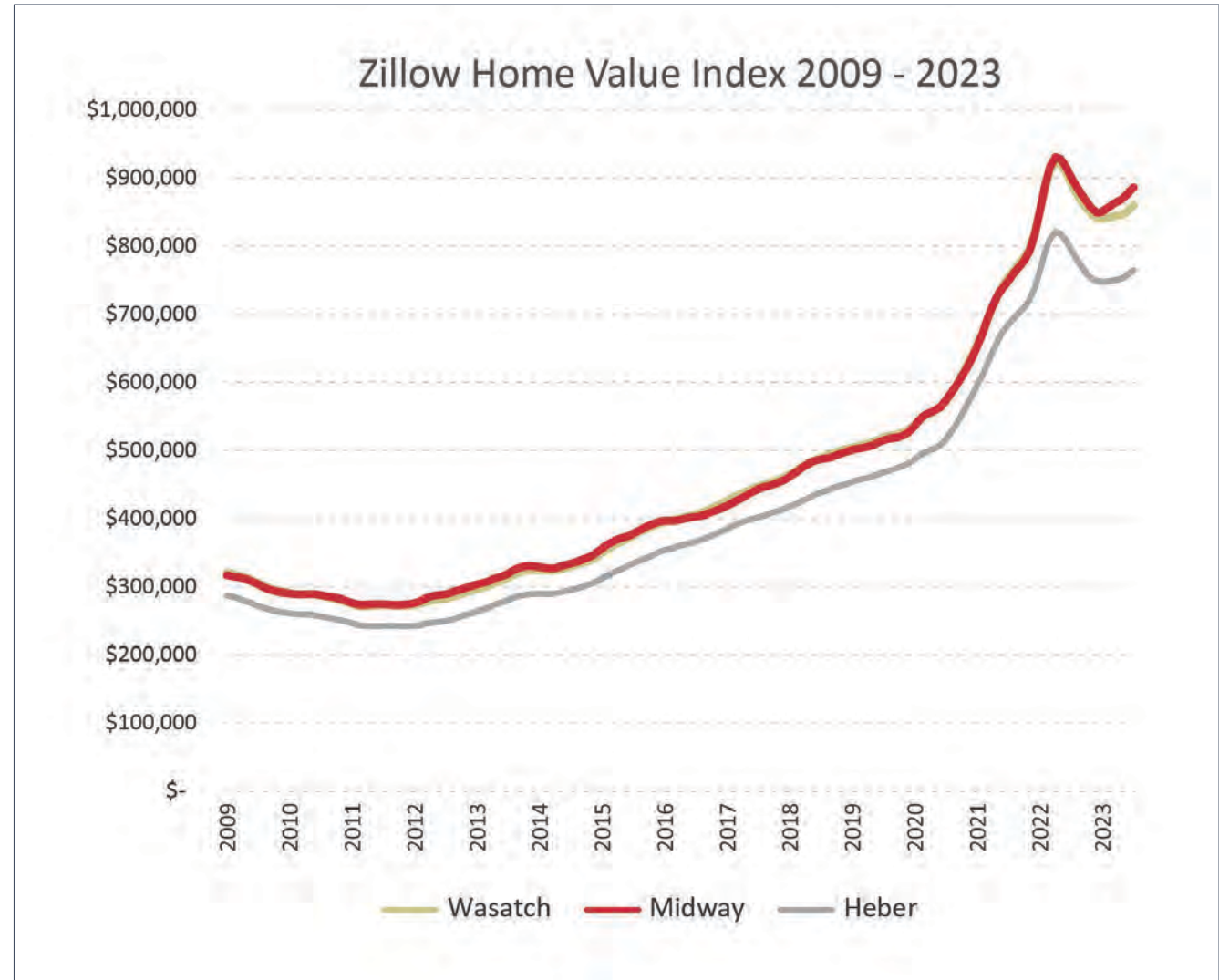
	Midway	Wasatch	Heber
2020	6,277	35,713	18,250
2030	8,577	48,168	23,500
2040	9,877	59,665	27,800
2050	11,577	68,904	32,500
△	84.4%	92.9%	78.1%





Historical Housing Costs

Midway home values have historically tracked those of surrounding areas, but **in 2023 home values appreciated faster than the County's** for the first time since 2009.



Unique Challenges for Housing in Midway

Are vacation homes influencing housing costs in Midway?

A **high** and **rapidly rising** concentration of **non-working families** indicates a high demand for **vacation homes, second homes, and retirement estates**.

Families with no workers in the last 12 months			
Year	Midway	Wasatch	Heber
2021	21%	10%	5%
2018	15%	10%	5%
2015	12%	9%	5%

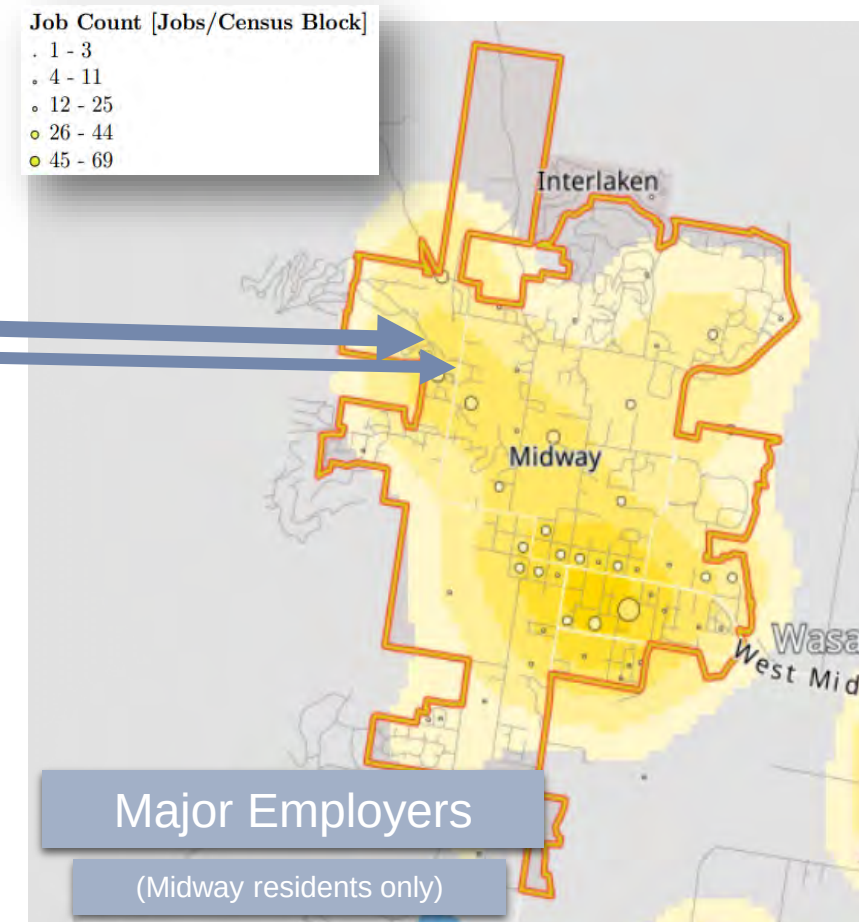
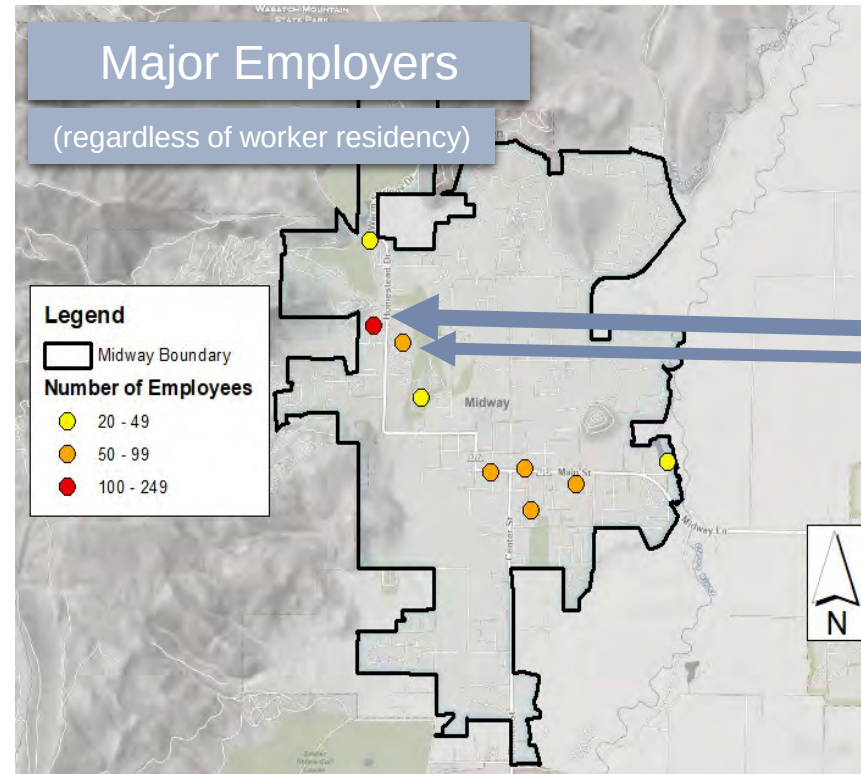


Unique Opportunities for Housing in Midway

Jobs & Housing Access:

Large resorts rely on **workers from outside** of Midway to meet staffing needs.

Suitable housing for these employees **could reduce traffic** congestion and **strengthen jobs and housing accessibility**.



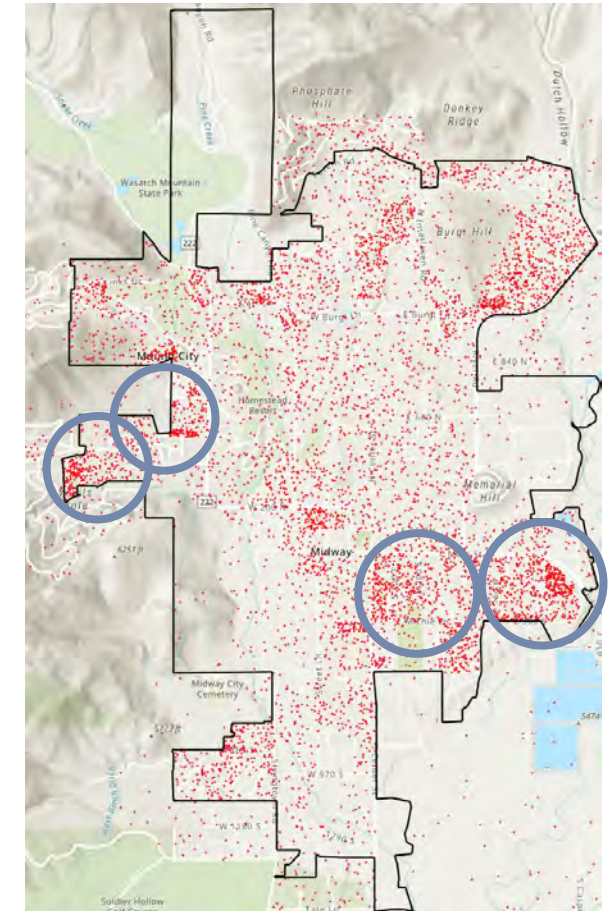
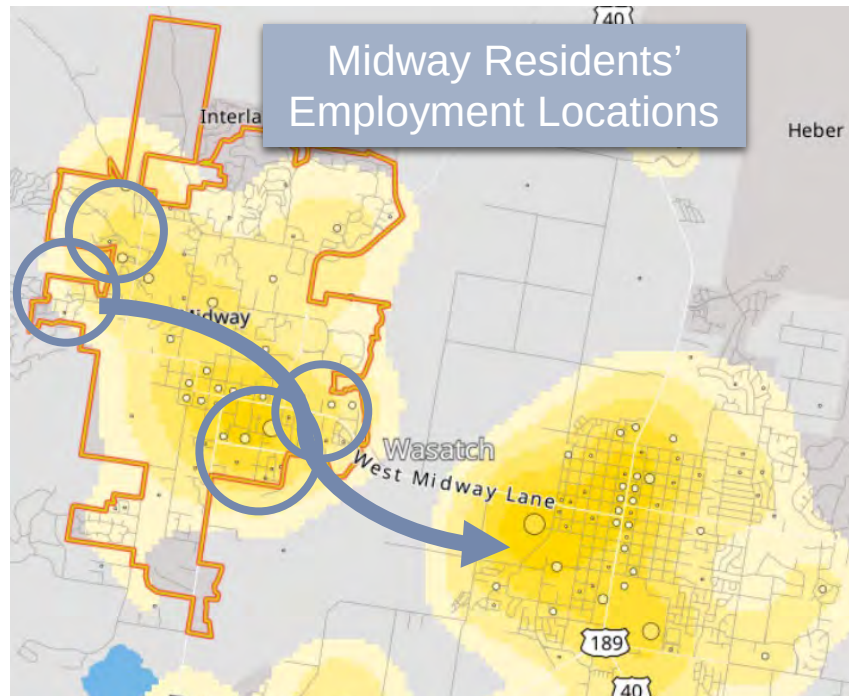


Unique Opportunities for Housing

Jobs & Housing Access:

Midway has minimal residential clustering, however, **existing residential clusters moderately align with employment centers off SR-113.**

Locating new housing development for workforce housing along transit-employment corridors can strengthen jobs and housing accessibility.





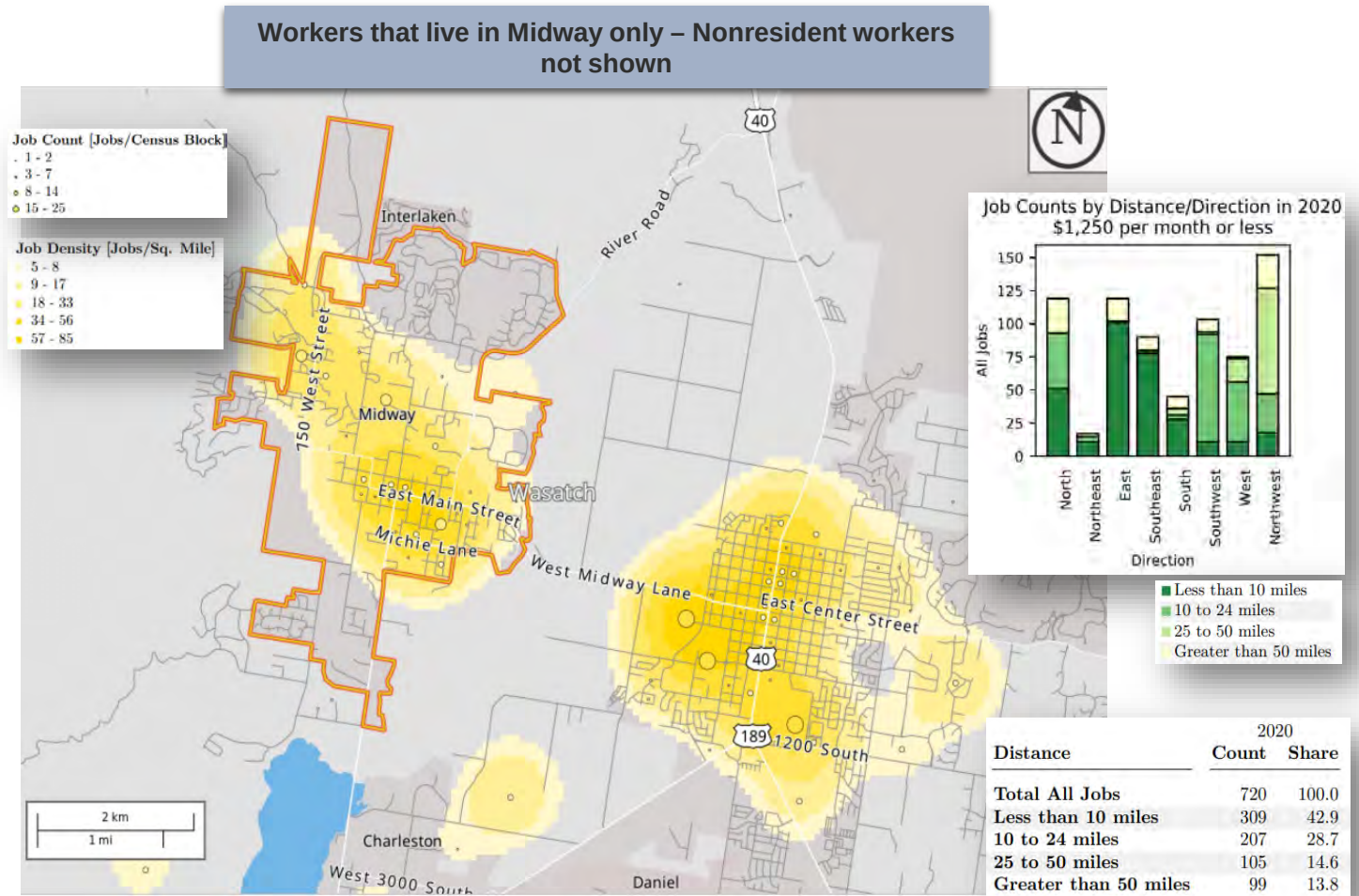
Unique Opportunities for Housing in Midway

Many lower-income residents:

- work close to home
- and work closer to SR-113

Residents earning $\leq \$1,250$ per month:

- 43% work within 10 miles of home
- roughly 1 in 4 work within 1 mile of SR-113 in Midway or Heber City





Essential Worker Housing Affordability

Household Income	Example Occupations		Households in Income Range	Housing Units in Affordability Range	Total Shortage or Surplus of Affordable Units
	1-worker household	2-worker household			
Less than \$14,999	1 full-time worker (at \$7.25/hour)	2 parttime workers	75	21	-54
\$15,000 to \$24,999	Lifeguard, Ski Patrol	1 fulltime + 1 parttime, or 2 parttime workers	38	17	-21
\$25,000 to \$34,999	Cashier, Food Prep, Childcare Provider	1 fulltime + 1 parttime, or 2 parttime workers	131	38	-93
\$35,000 to \$49,999	Retailer, Bus Driver, Firefighter	Lifeguard, Ski Patrol, Food Prep	96	52 to 60	-44 to -36
\$50,000 to \$74,999	Teacher, Med Tech, Postman, Police	Cleaner, Cashier, Substitute Teacher	363	132 to 197	-231 to -166
\$75,000 to \$99,999	Engineer, Architect, Accountant	Retailer, Farm worker	244	141 to 315	-103 to +71
\$100,000 to \$149,999	Manager, Vet, Dentist, Lawyer	Welder, Paramedic, Electrician	388	506 to 680	+118 to +292
\$150,000 or More	Chief Executive	Professor, Therapist, Architect	699	1,063	+364



MIDWAY
MOBILITY BLUEPRINT

Commuting Profile

Where do people live and work in relation to Midway?

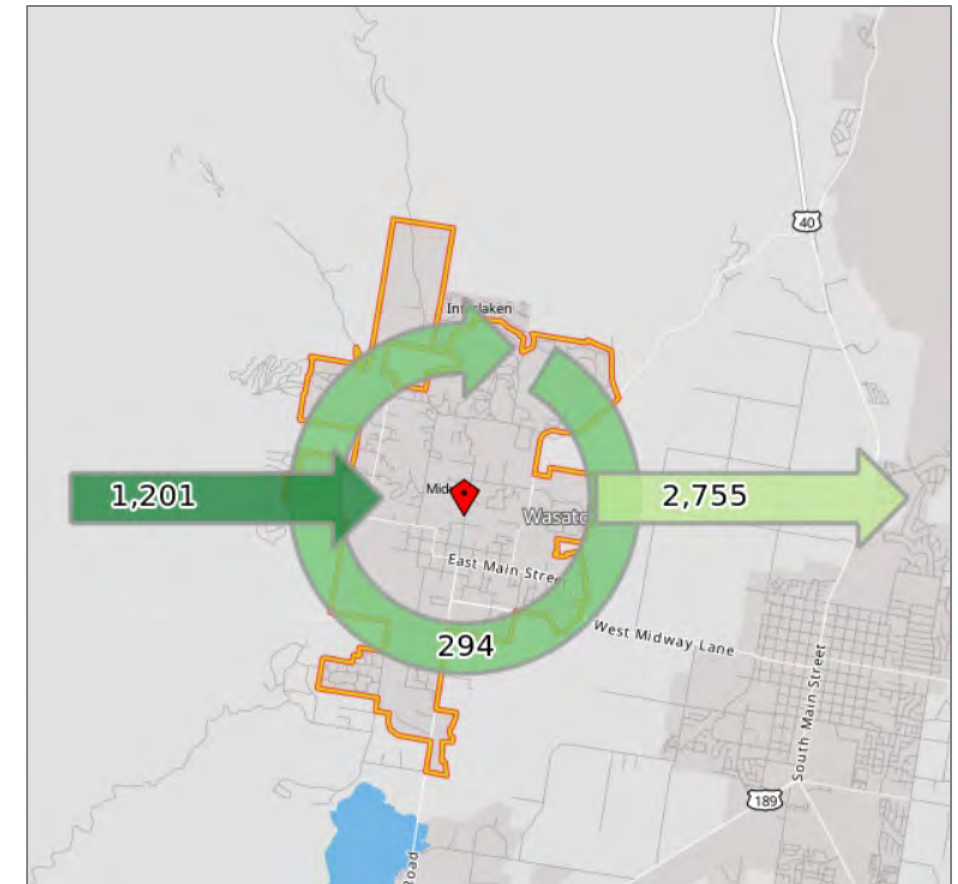


Commuter Patterns in 2021

Inflow – 1,201 workers travel to Midway who live outside

Outflow - 2,755 workers who live in Midway travel outside for work

Interior - 294 workers employed and live in Midway





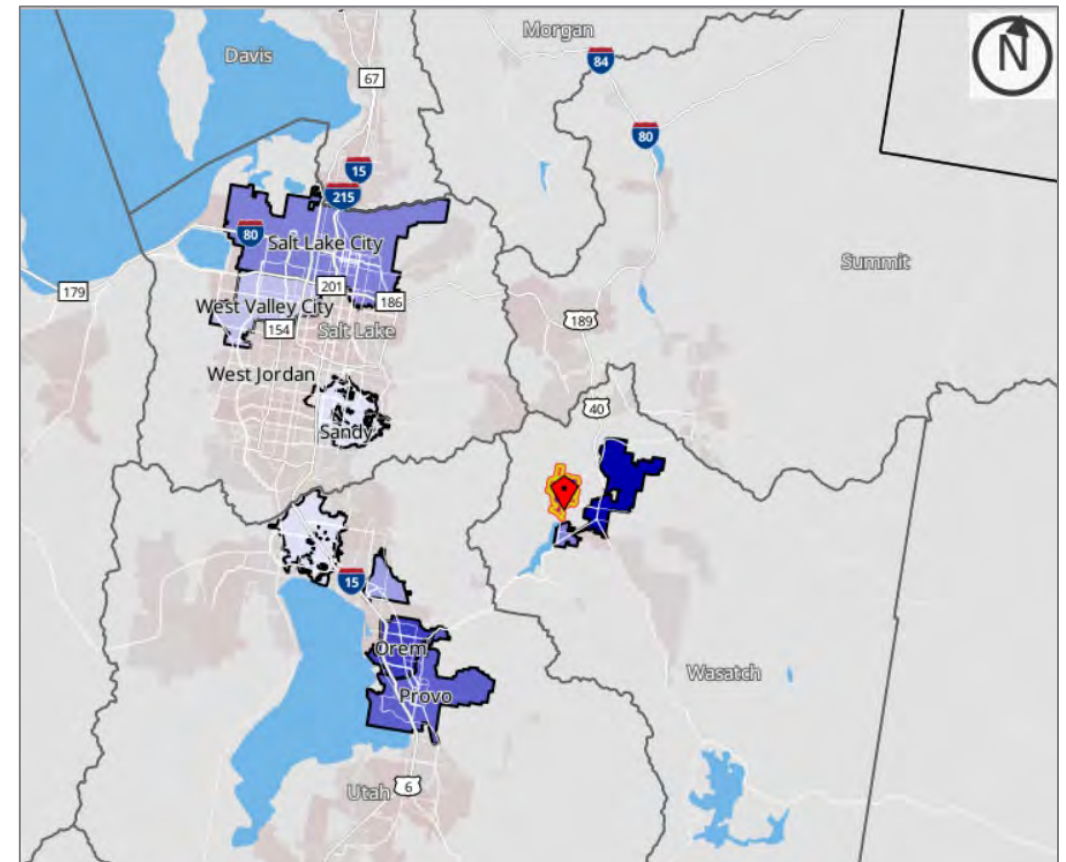
Where Do People Who Work in Midway Live?



Jobs Counts by Places (Cities, CDPs, etc.) Where Workers Live - All Jobs

2021

	Count	Share
All Places (Cities, CDPs, etc.)	1,495	100.0%
Heber city, UT	329	22.0%
Midway city, UT	294	19.7%
Orem city, UT	54	3.6%
Provo city, UT	43	2.9%
Charleston town, UT	28	1.9%
Salt Lake City city, UT	28	1.9%
Pleasant Grove city, UT	20	1.3%
West Valley City city, UT	17	1.1%
Lehi city, UT	16	1.1%
Sandy city, UT	16	1.1%
All Other Locations	650	43.5%



Source: Longitudinal Employer-Household Dynamics (LEHD) data, 2021

Homestead Resort Employee Characteristics

Total jobs in 2021 in Homestead Resort: 87



Worker Age

	2021	
	Count	Share
<u>Age 29 or younger</u>	20	23.0%
<u>Age 30 to 54</u>	52	59.8%
<u>Age 55 or older</u>	15	17.2%

Earnings

	2021	
	Count	Share
<u>\$1,250 per month or less</u>	22	25.3%
<u>\$1,251 to \$3,333 per month</u>	38	43.7%
<u>More than \$3,333 per month</u>	27	31.0%

Jobs Counts by Places (Cities, CDPs, etc.) Where Workers Live - All Jobs

	2021	
	Count	Share
<u>All Places (Cities, CDPs, etc.)</u>	87	100.0%
<u>Heber city, UT</u>	22	25.3%
<u>Midway city, UT</u>	17	19.5%
<u>Orem city, UT</u>	5	5.7%
<u>Provo city, UT</u>	4	4.6%
<u>Eagle Mountain city, UT</u>	3	3.4%
<u>West Valley City city, UT</u>	3	3.4%
<u>Cottonwood Heights city, UT</u>	2	2.3%
<u>Interlaken town, UT</u>	2	2.3%
<u>Midvale city, UT</u>	2	2.3%
<u>Salt Lake City city, UT</u>	2	2.3%
<u>All Other Locations</u>	25	28.7%



Source: Longitudinal Employer-Household Dynamics (LEHD) data, 2021



Zermatt Employee Characteristics

Total jobs in 2021 at Zermatt Resort: 151



Worker Age

	2021	
	Count	Share
<u>Age 29 or younger</u>	53	35.1%
<u>Age 30 to 54</u>	69	45.7%
<u>Age 55 or older</u>	29	19.2%

Earnings

	2021	
	Count	Share
<u>\$1,250 per month or less</u>	48	31.8%
<u>\$1,251 to \$3,333 per month</u>	80	53.0%
<u>More than \$3,333 per month</u>	23	15.2%

Jobs Counts by Places (Cities, CDPs, etc.) Where Workers Live - All Jobs

	2021	
	Count	Share
<u>All Places (Cities, CDPs, etc.)</u>	151	100.0%
<u>Heber city, UT</u>	55	36.4%
<u>Midway city, UT</u>	24	15.9%
<u>Orem city, UT</u>	14	9.3%
<u>Lehi city, UT</u>	4	2.6%
<u>Provo city, UT</u>	4	2.6%
<u>Millcreek city, UT</u>	3	2.0%
<u>American Fork city, UT</u>	2	1.3%
<u>Charleston town, UT</u>	2	1.3%
<u>Daniel town, UT</u>	2	1.3%
<u>Armona CDP, CA</u>	1	0.7%
<u>All Other Locations</u>	40	26.5%



Source: Longitudinal Employer-Household Dynamics (LEHD) data, 2021



MIDWAY
MOBILITY BLUEPRINT

Active Transportation & Transit Profile

How are people using the active transportation network?

How are people in Midway currently using transit?

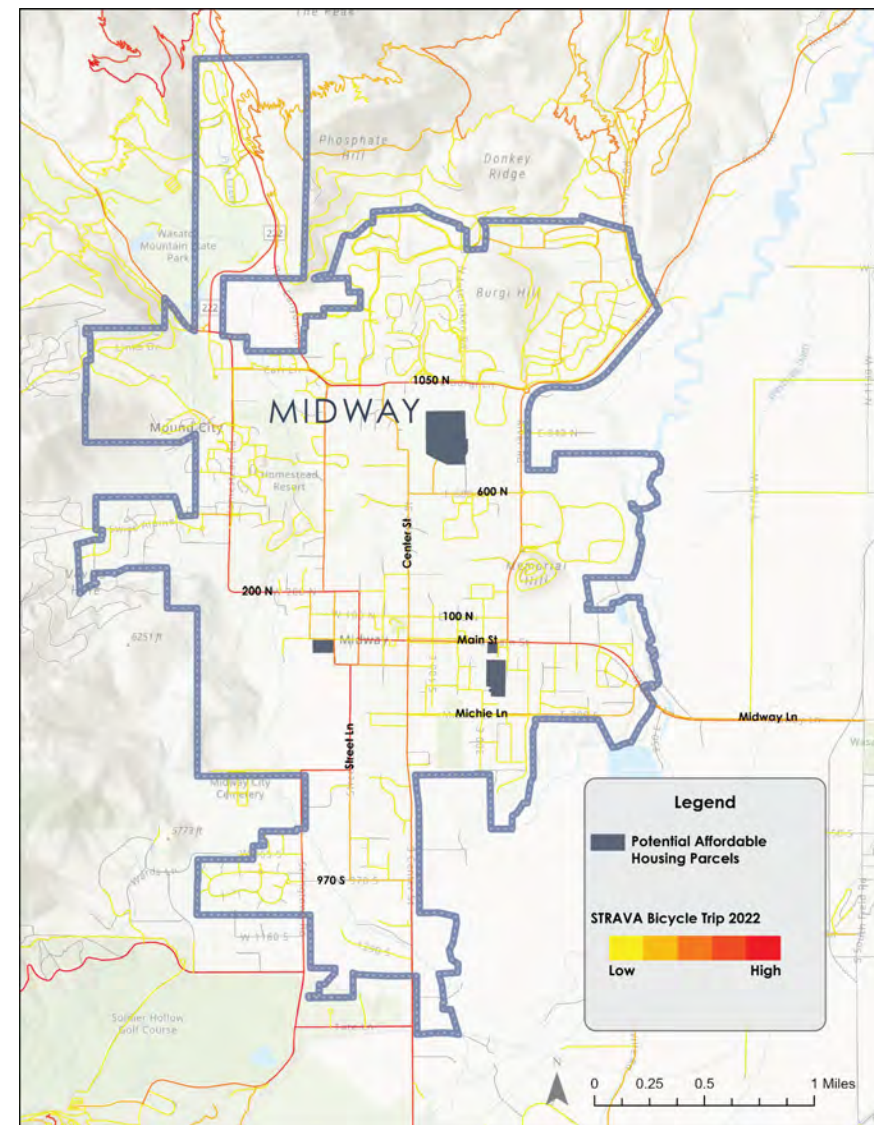


Active Transportation STRAVA Data

The most utilized streets for biking are:

- **1050 North/Pine Canyon Road**
 - 3,035 annual trips
- **750 West**
 - 3,845 annual trips
- **250 West**
 - 6,050 annual trips
- **Main Street**
 - 4,935 annual trips

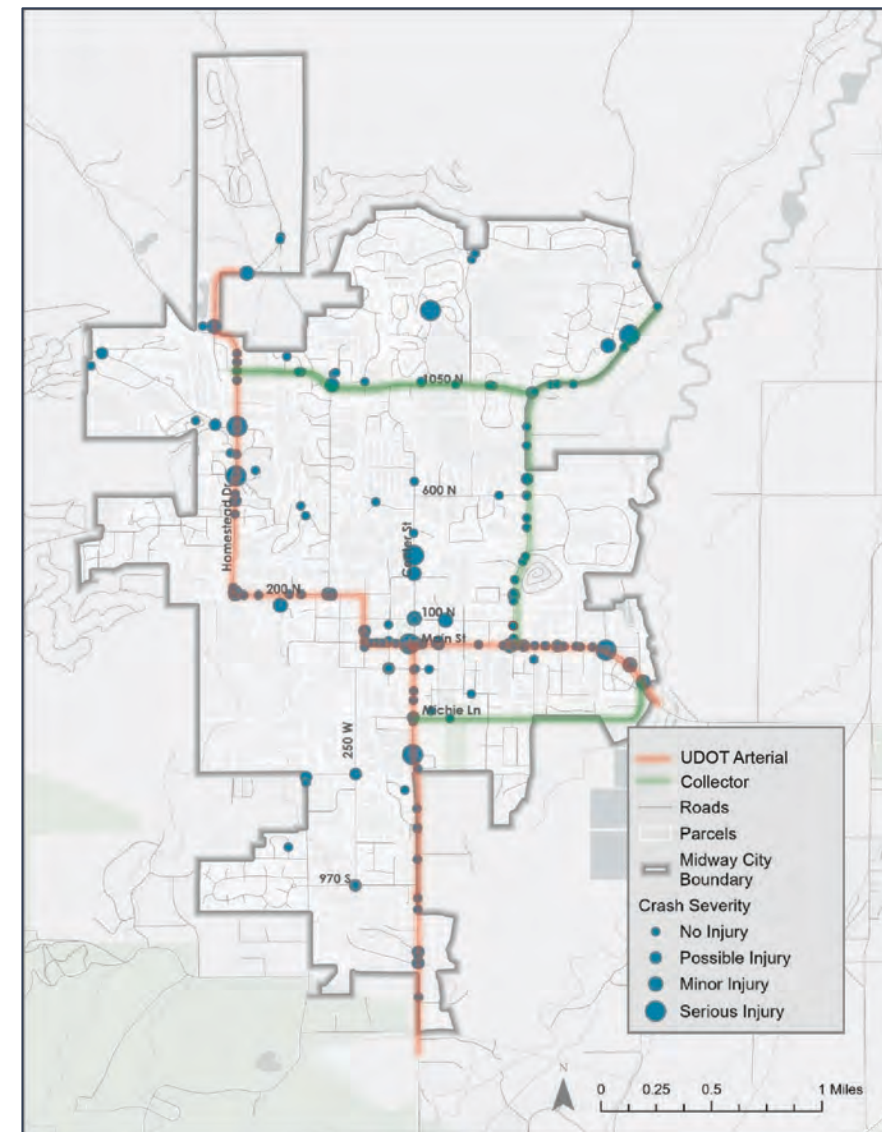
Source: STRAVA Bicycle Trip 2022





Safety Analysis (2018-2022)

- 8 crashes resulted in a serious injury
- 14 involved a minor injury
- 23 involved possible injury
- 156 reported as no injuries / property damage only
- 1 pedestrian-involved crash ending in fatality
- 3 bicycle-involved crashes occurred; two with possible injury and one with no injury





High Valley Transit Service Wasatch Micro Transit Area

Popular destinations are:

- Wasatch Mountain State Park
- Utah Valley University
- Soldier Hollow Nordic Club

2023 ridership overview:

- 80,386 Passengers
- 3.6 passenger utilization average
- 43.8% shared rides
- 92.0% met demand (service was available)
- 3.1 miles average trip distance
- 145 ft average pick up walk distance





High Valley Transit Service Wasatch Micro Transit Service

Most popular routes within Wasatch Back Zone

- Midway Main Street
- Red Ledges Golf Course
- UVU Wasatch Campus
- Soldier Hollow
- Deer Creek Reservoir
- Many micro transit rides travel along SR-189 in Heber





MIDWAY
MOBILITY BLUEPRINT

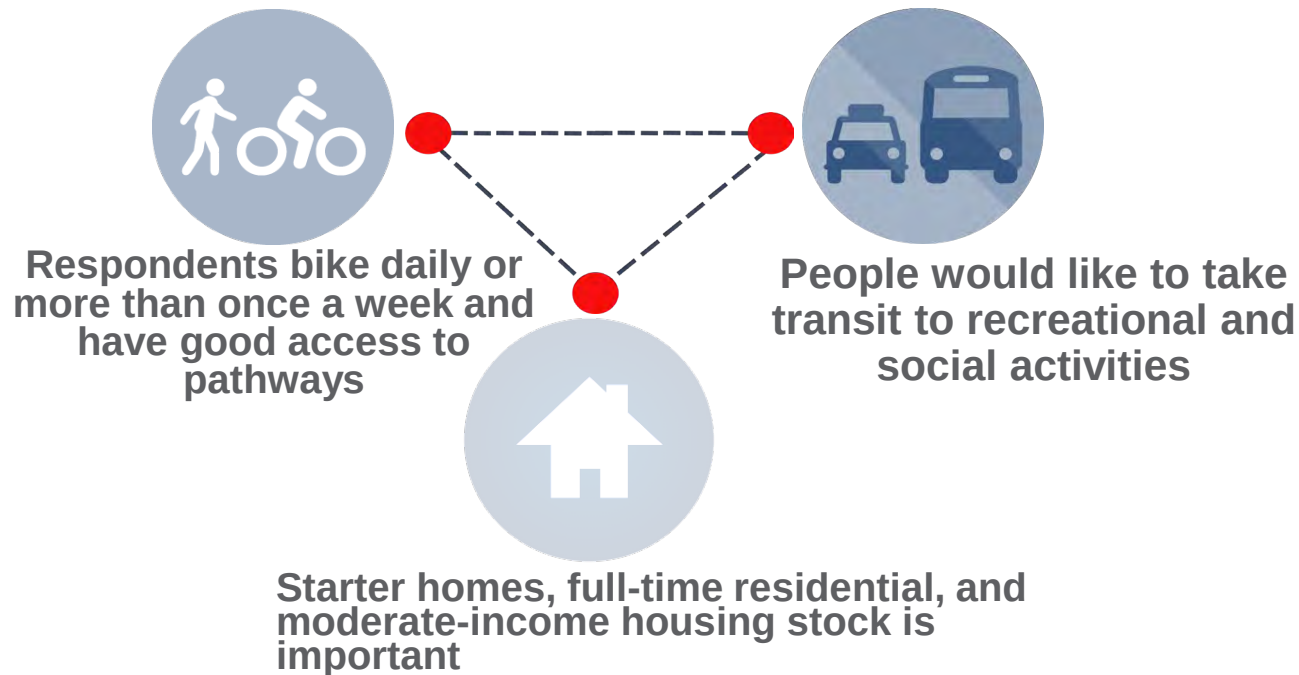
Public Survey

We asked people how they felt about the current and future state of transit, active transportation, and housing in Midway



Public Survey Findings

Major Themes:



211 responses

Open to the public from 12/22/23 to 02/05/24

MIDWAY
MOBILITY BLUEPRINT

Grüezi!
(Translation: A Swiss "Hello!")

MIDWAY'S MOBILITY BLUEPRINT
is a new study being conducted by Midway City that will identify opportunities to expand housing, transit, and active transportation (walking and biking accommodations) options in Midway.

We want to hear from anyone that visits, works, or lives in Midway!

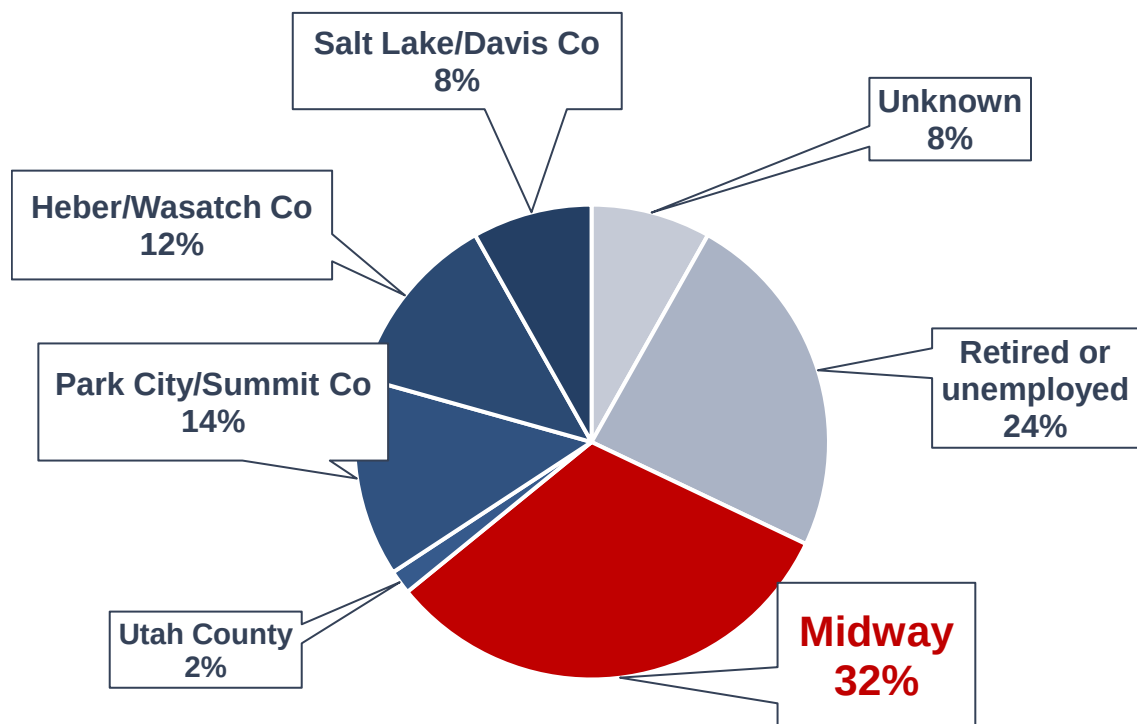
VISIT OUR WEBSITE AND TAKE THE SURVEY TO BE ENTERED INTO A RAFFLE FOR A \$50 a GIFT CARD.

CONTACT INFORMATION
Phone (385) 545-5003 Website tinyurl.com/MidwaysMobilityBlueprint

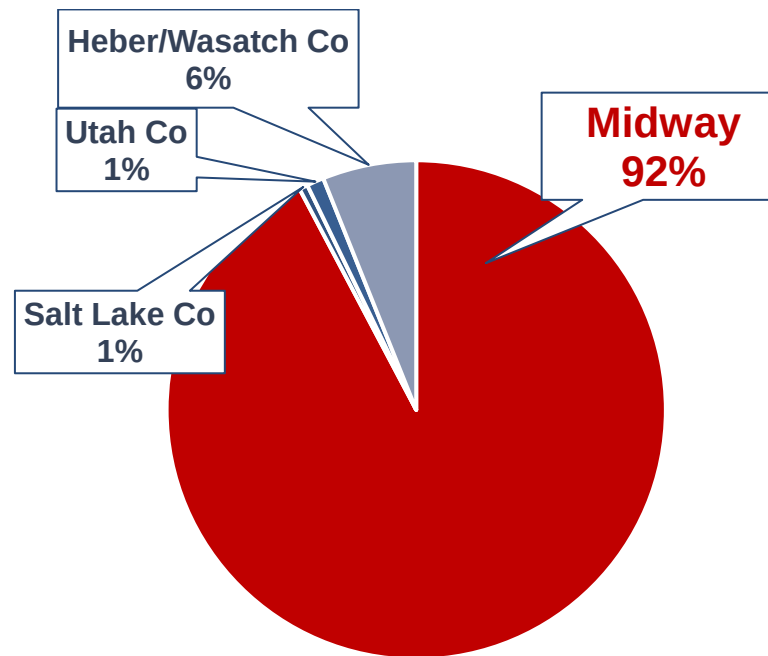


Public Survey Findings

Where do you work?

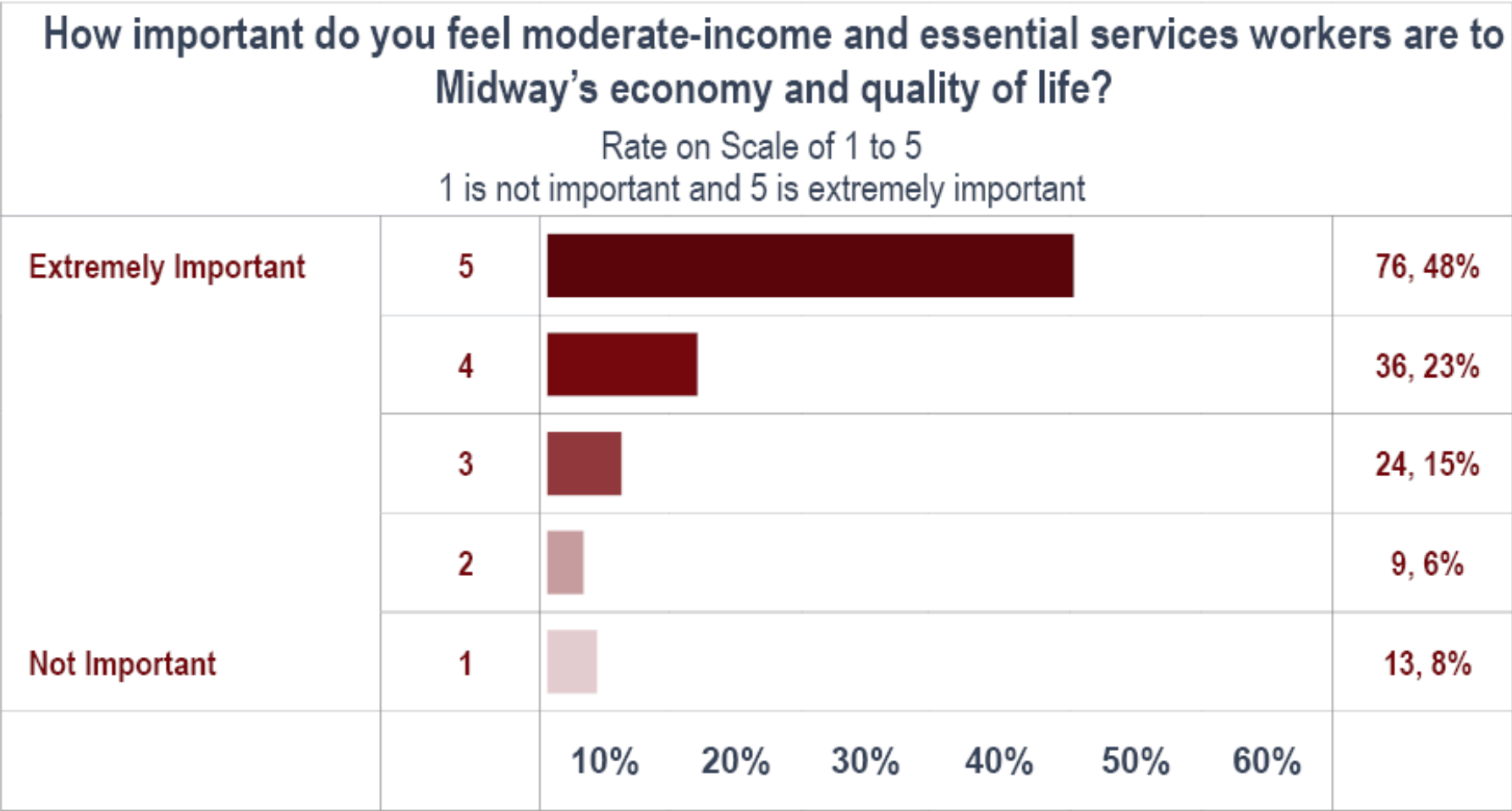


Where do you live?





Public Survey Findings

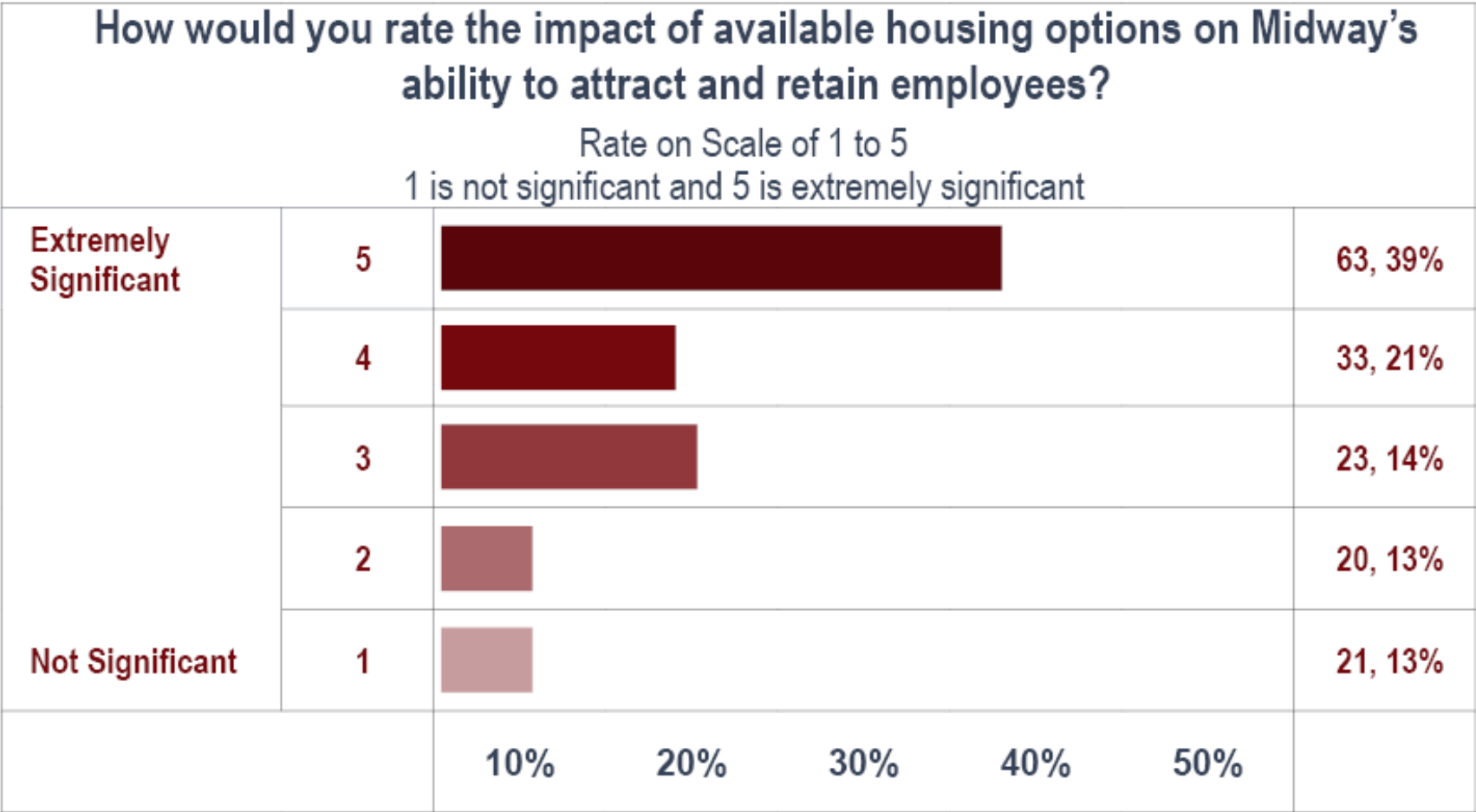


Respondents feel essential workers are extremely important to Midway's economy.





Public Survey Findings



People view the lack of available housing as an extremely significant issue.

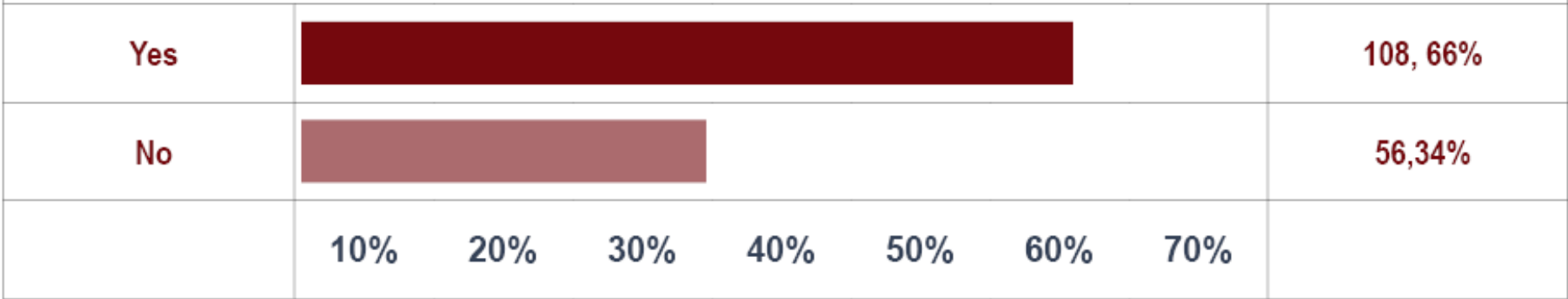




Public Survey Findings

Should Midway have more affordable housing options for moderate-income and essential services workers who cannot afford to live in Midway?

(government, health care, emergency service, retail, hospitality, housekeeping, grounds maintenance, and education workers)

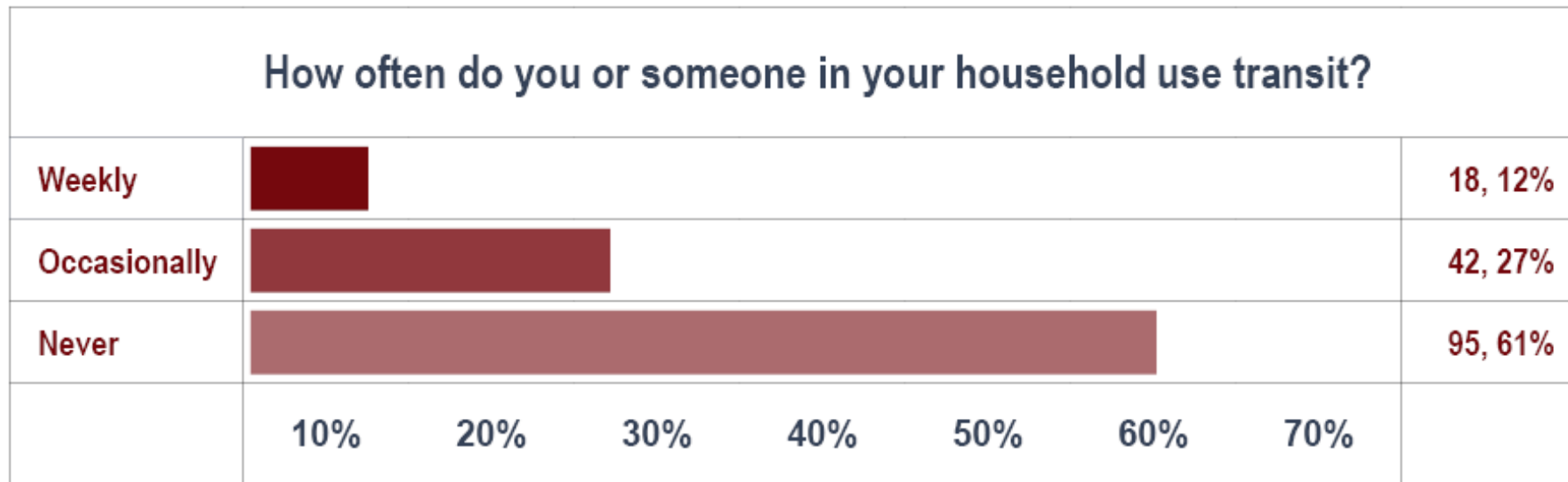


Most respondents are in favor of more affordable housing options.





Public Survey Findings

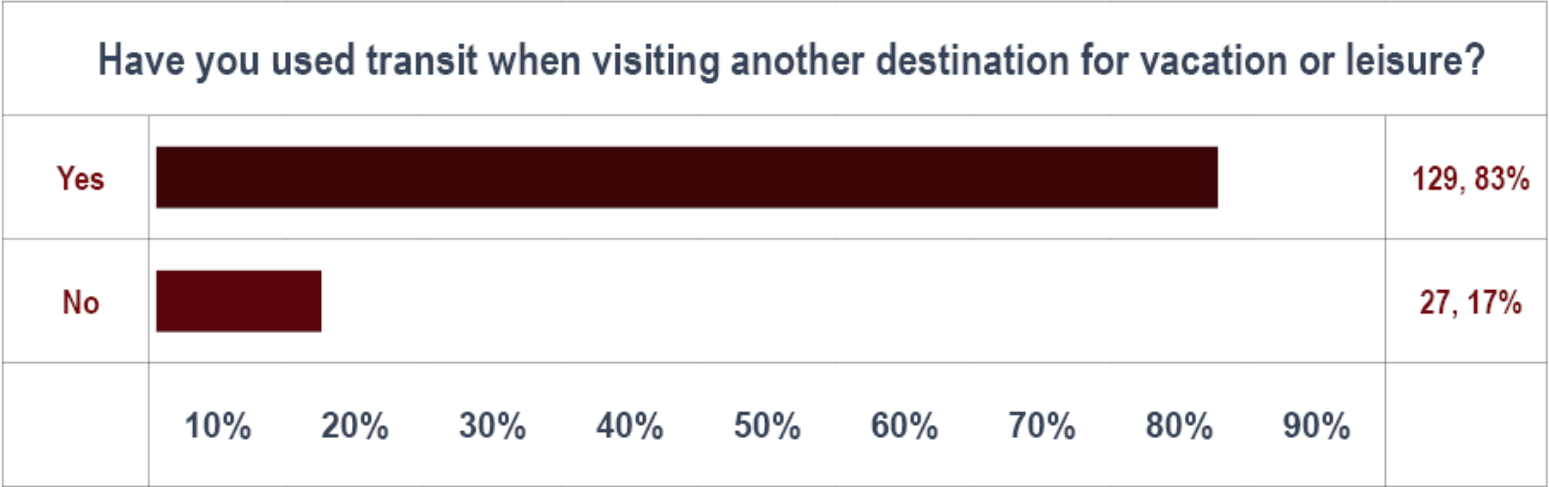


Several people use transit weekly, and over twice as many use it occasionally.

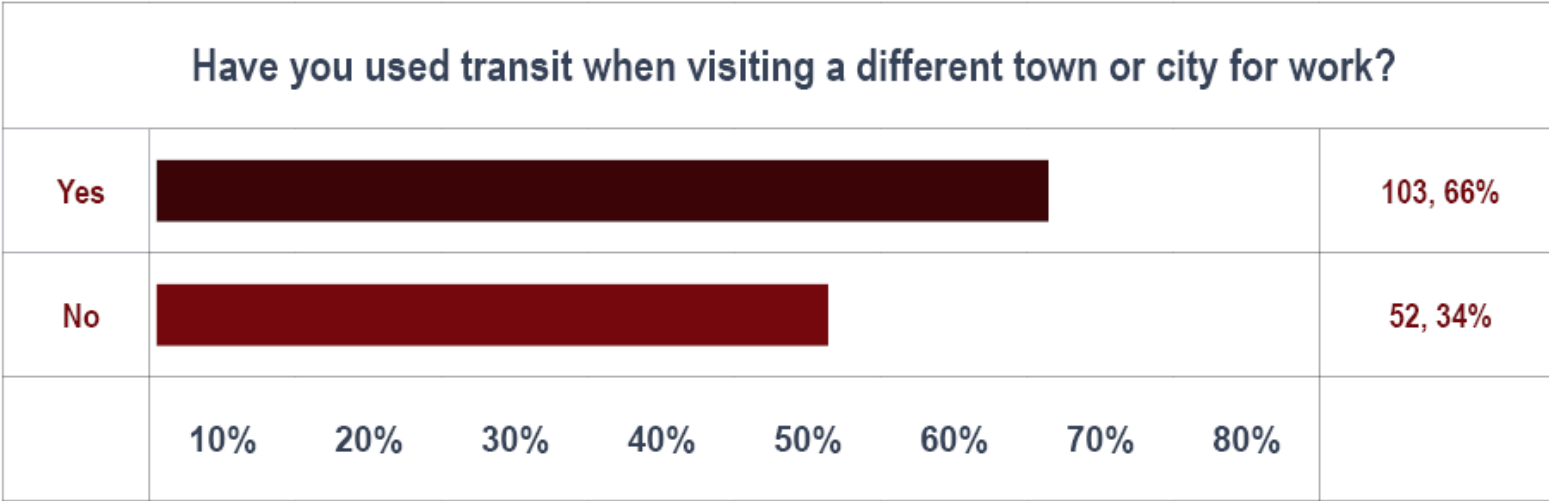




Public Survey Findings



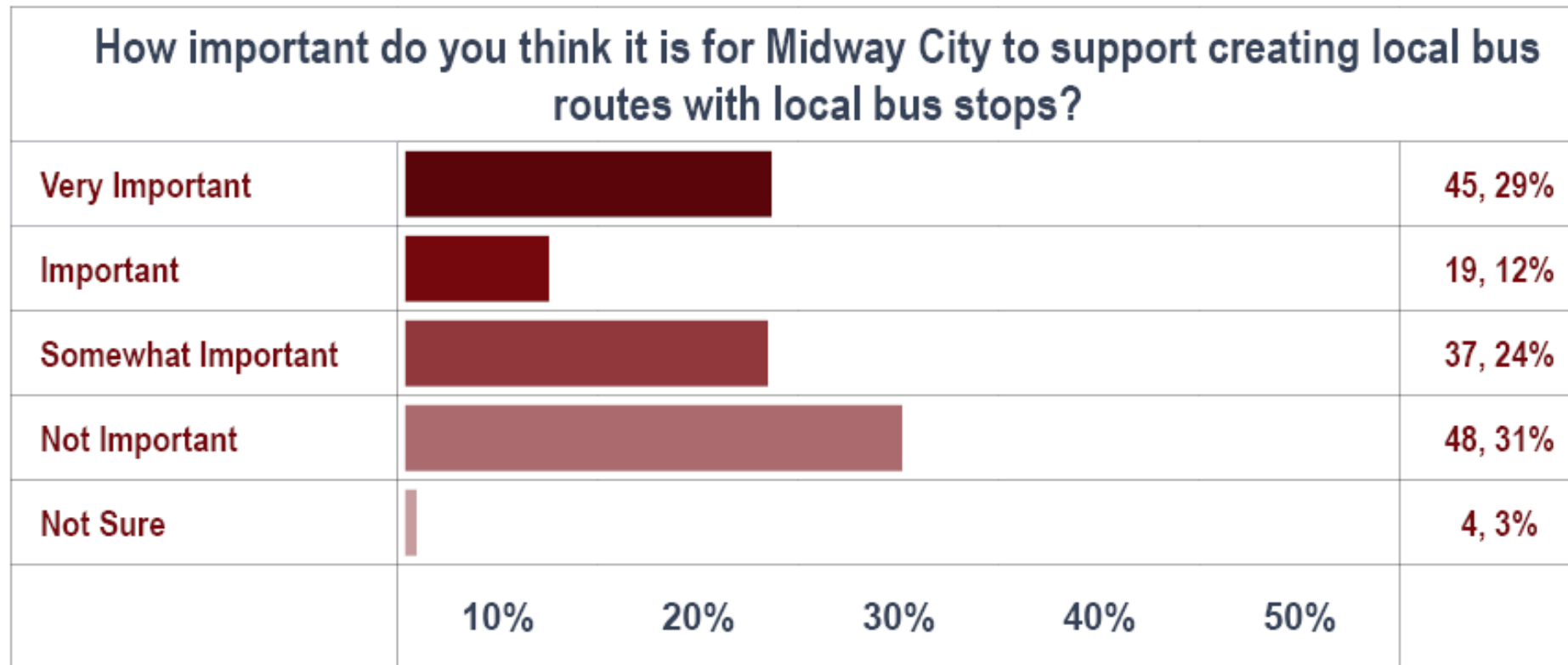
More than half of respondents have used transit while traveling, either on vacation or for work.



Transportation



Public Survey Findings

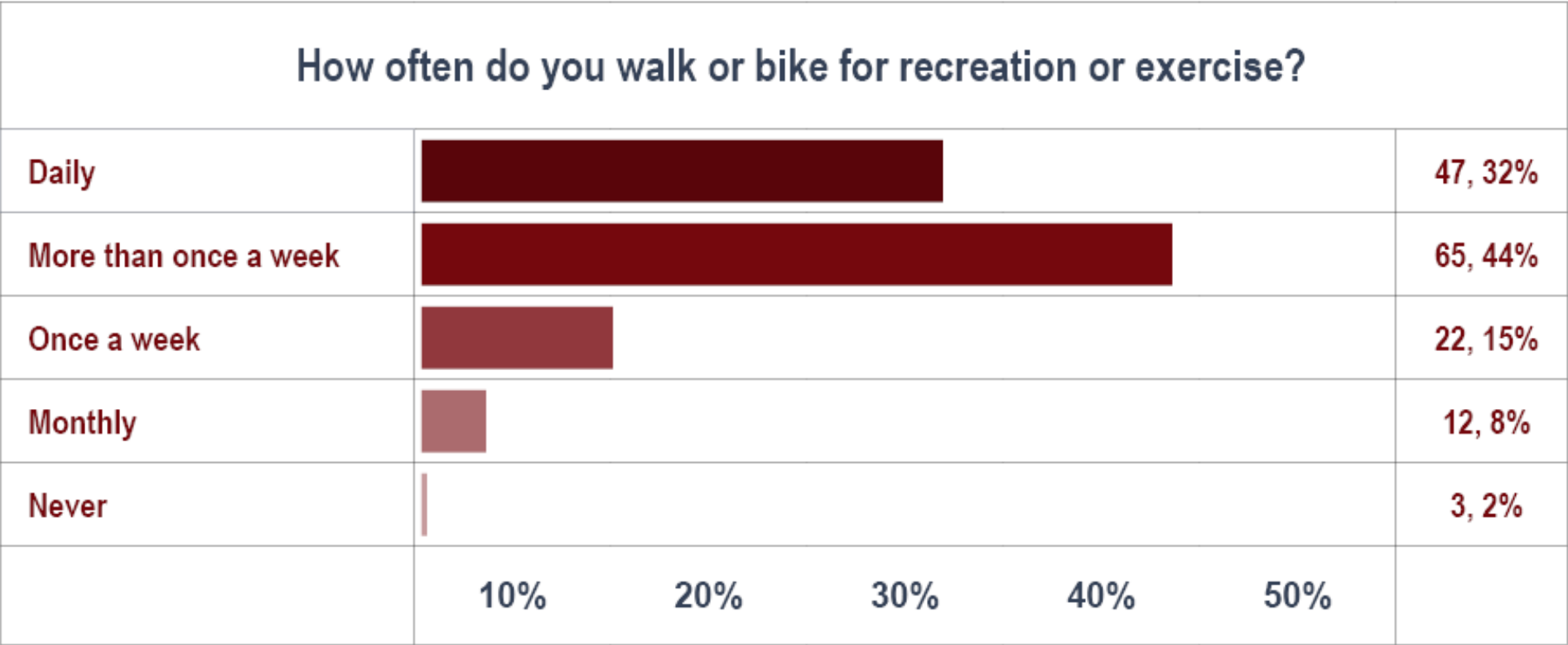


More respondents think creating local bus routes is important than respondents who think it is not important to do so.





Public Survey Findings



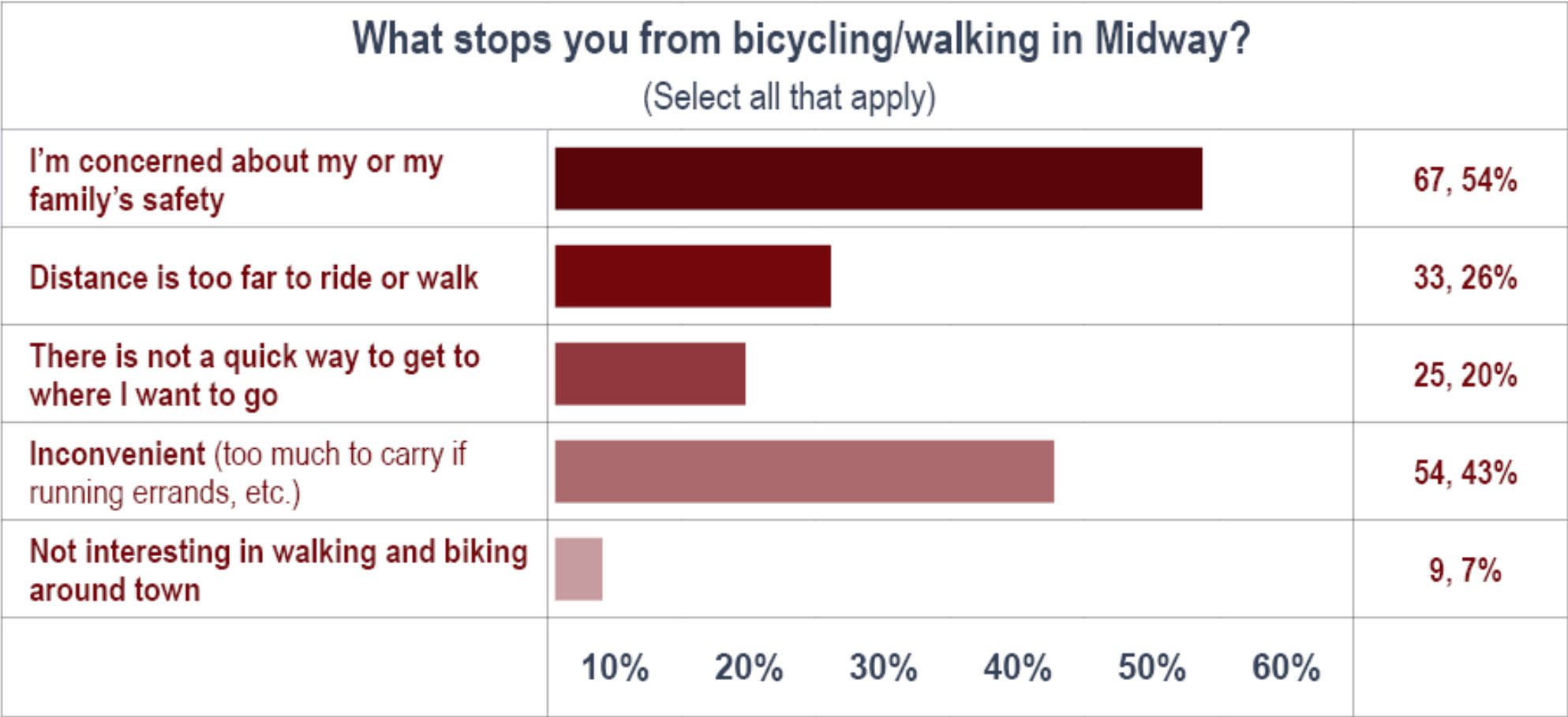
Most respondents walk or bike more than once a week.



**Active
Transportation**



Public Survey Findings



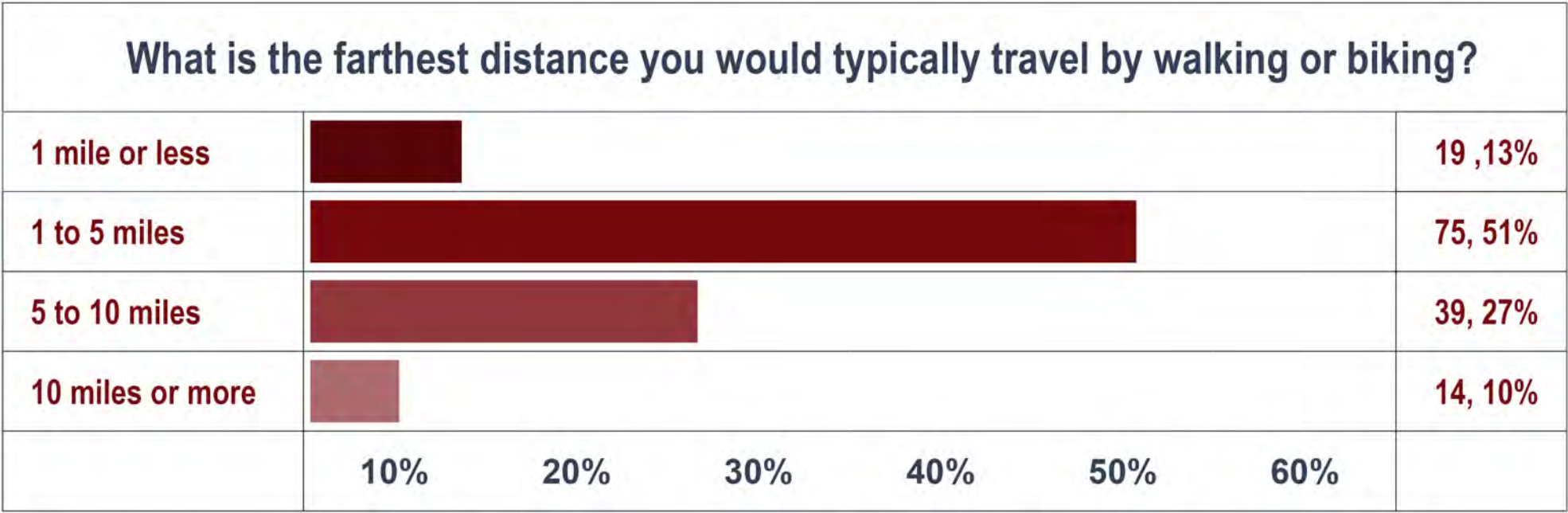
Safety is a top concern that prevents people for walking or biking in Midway.



**Active
Transportation**



Public Survey Findings



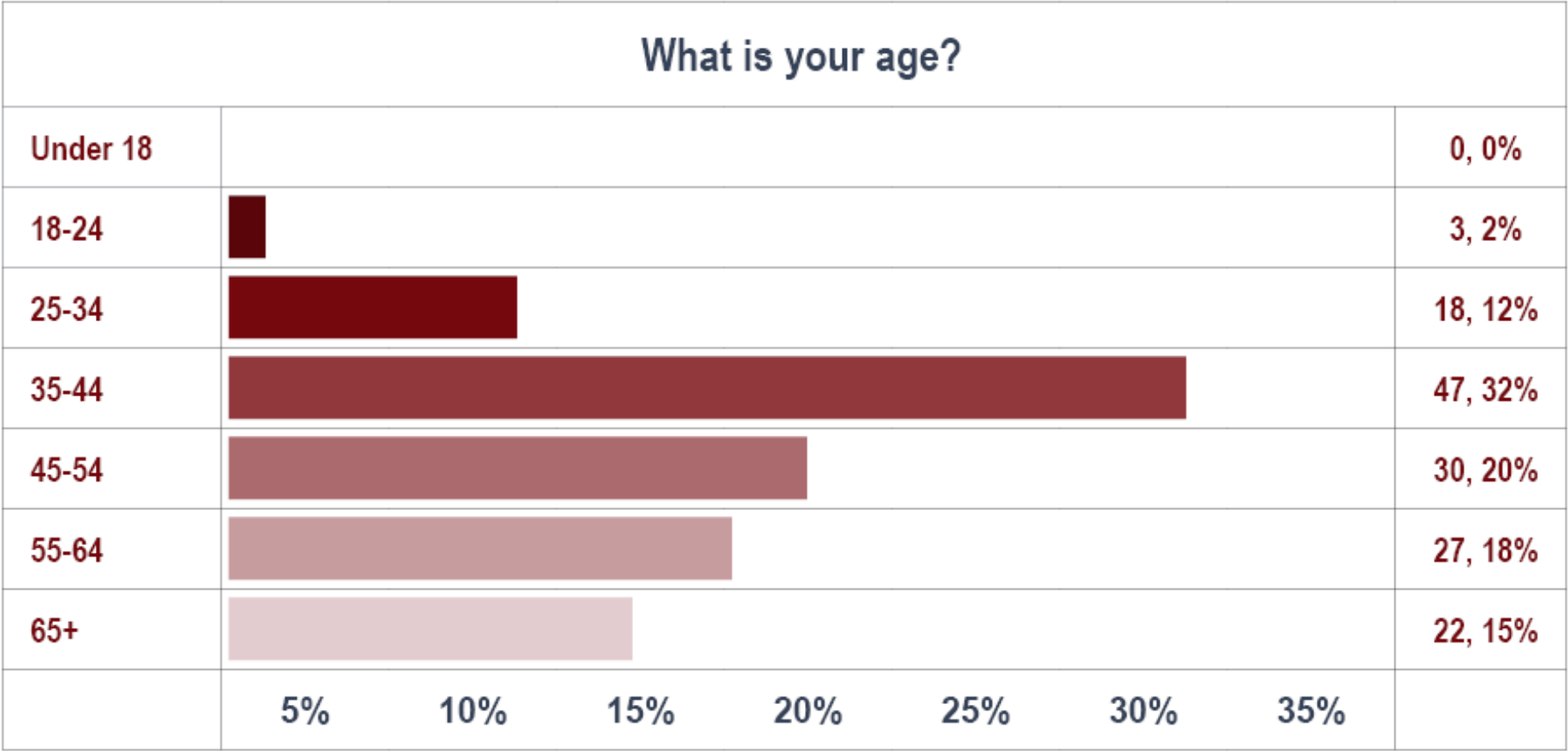
Over 50% of people who responded will travel between 1 to 5 miles when walking or biking.



**Active
Transportation**



Public Survey Findings



Most people who took the survey were between 25 and 64.



Housing Discussion

Supporting our Essential Workers

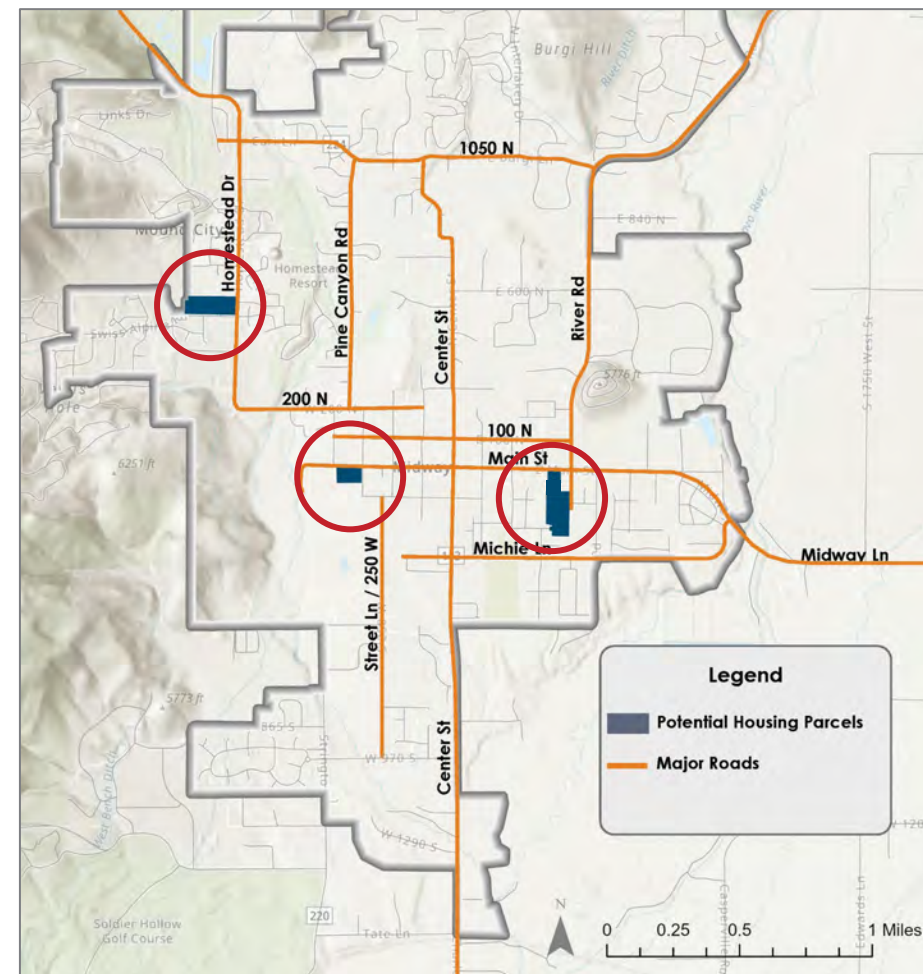
- What does affordability mean in Midway?
- Who needs this type of housing in Midway?
- What tools does the City have to aid in adding attainable housing choices?



Trail-oriented Housing Opportunities

Three locations identified to support 'Missing Middle' housing for essential workers.

- Inputs from City staff based on feasibility, land use, and ownership





Economic Development Tools for Housing

New: First Home Investment Zones (FHIZ)

Requirements:

- Zone of 10 to 100 acres
 - 51+% residential
 - 30 units per acre or more overall
 - 25+% of FHIZ units owner-occupied
 - 12+% of FHIZ units affordable (= 80% of County median price)
- City receives **60%** of the tax increment for **25 out of 45 years**.

New: Home Ownership Promotion Zones (HOPZ)

Requirements:

- 10 acres or less
 - 6+ units/acre
 - 60% of units affordable (80% of County median home price)
- City receives up to **60%** of the tax increment for **15 years**.

Incentives and Concessions

Water Rights:

- Municipal code requires 0.8 acre-feet per unit (ERU)
 - Going rate: \$10,000+ per acre-foot (*if available at all*)

Impact Fees:

- Waivers offset development costs

Streamlined Permitting Process:

- Speed reduces cost of holding land for developers



MIDWAY
MOBILITY BLUEPRINT



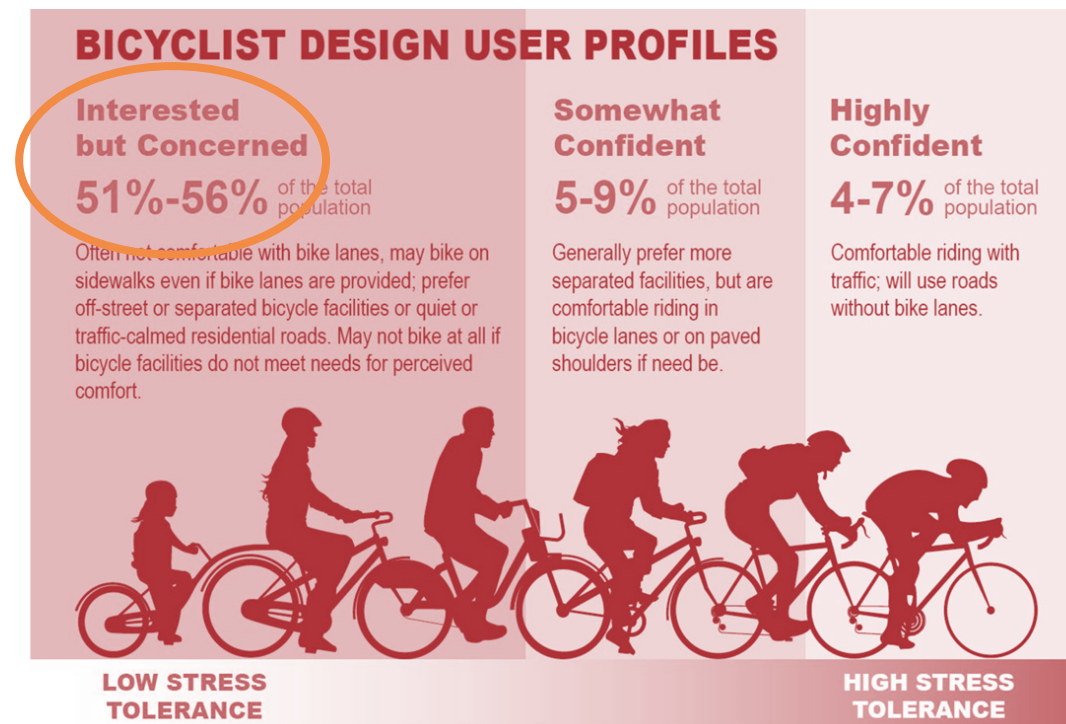
Council Discussion



Active Transportation Discussion

Supporting Active and Healthy Networks

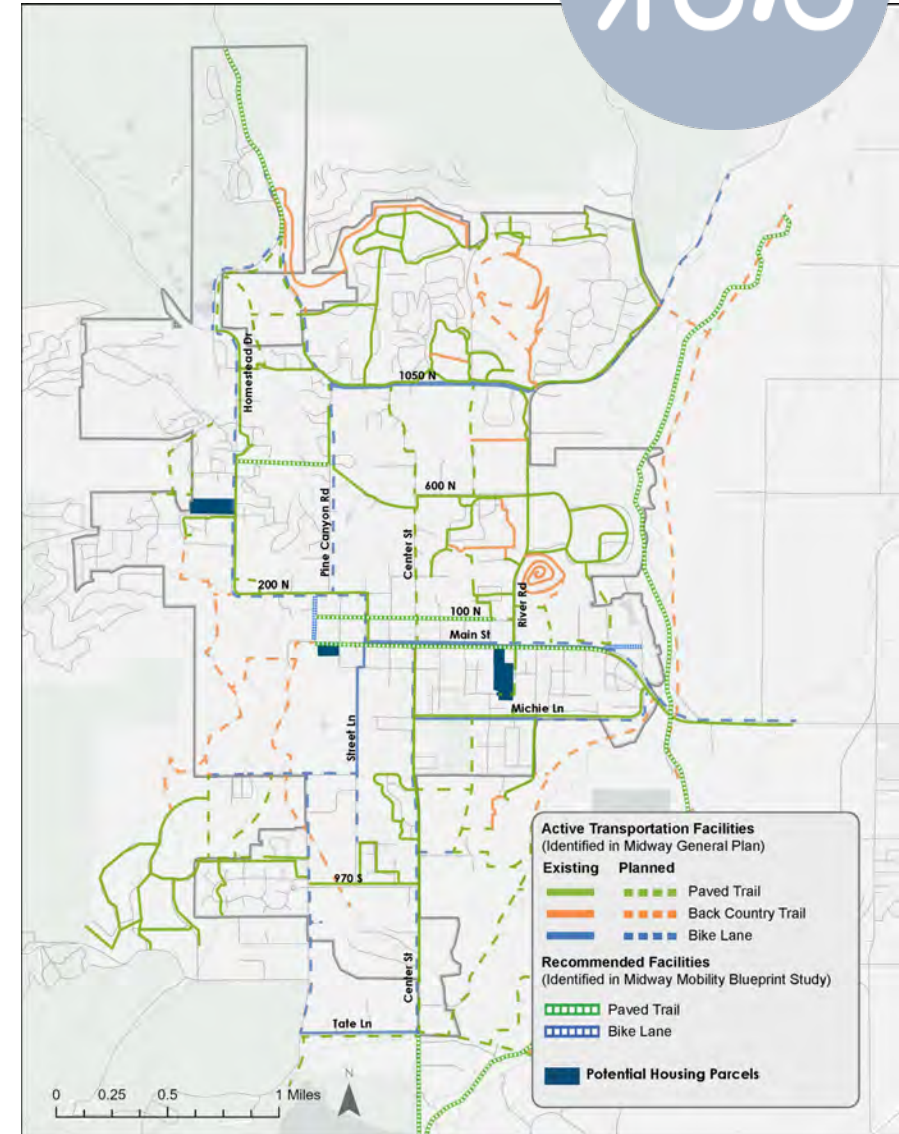
- What can we supplement the existing active transportation plan with to make sure we are connecting people with places?
- How can we help advance the City's desire to calm traffic in town and especially on Main Street?
- How do we coordinate with UDOT to achieve that?





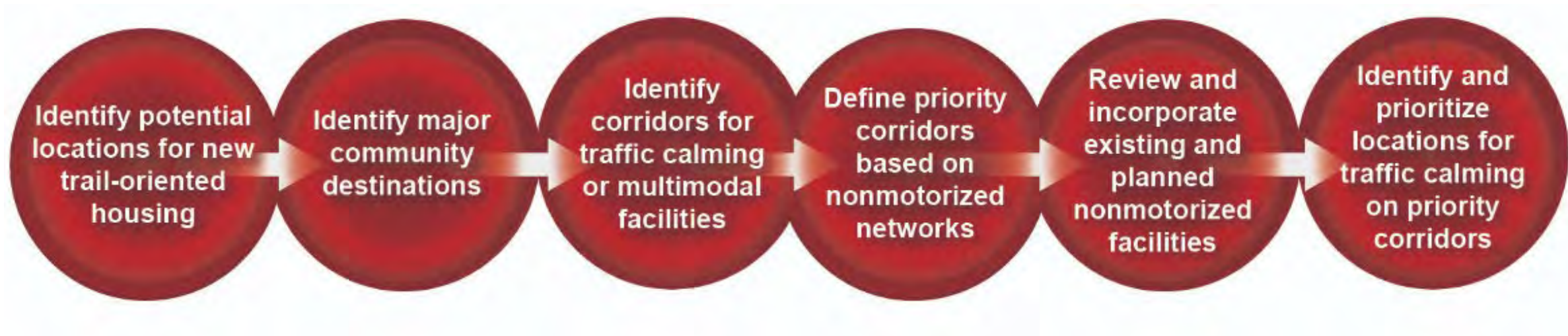
Active Transportation Recommendations

- Paved trail along Main Street (Hamlet Circle to 500 West)
- Paved trail along 100 North (300 East to 400 West)
- Paved trail along Provo River
- Paved trail along Bluff Road (Pine Canyon Road to Homestead Drive)
- Paved trail along Pine Canyon Road (Warm Springs Road to northern Midway boundary)
- Bike lane along Main Street (Johnson Mill Road to Haueter Lane)
- Bike lane along 400 West (200 North to Main Street)



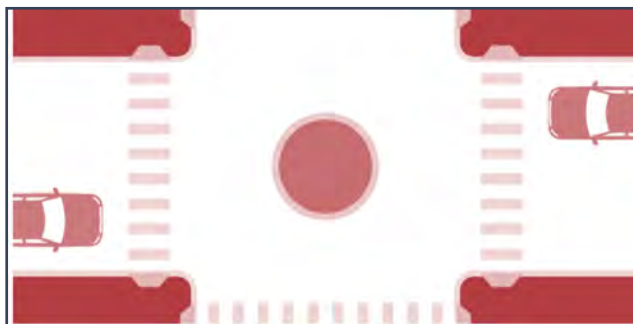


Identifying Traffic Calming Projects

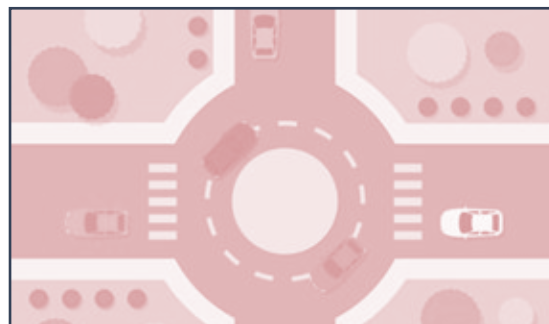




Traffic Calming Recommendations



Mini Roundabout



Roundabout



Right-In Right-Out



High-Visibility Crosswalk

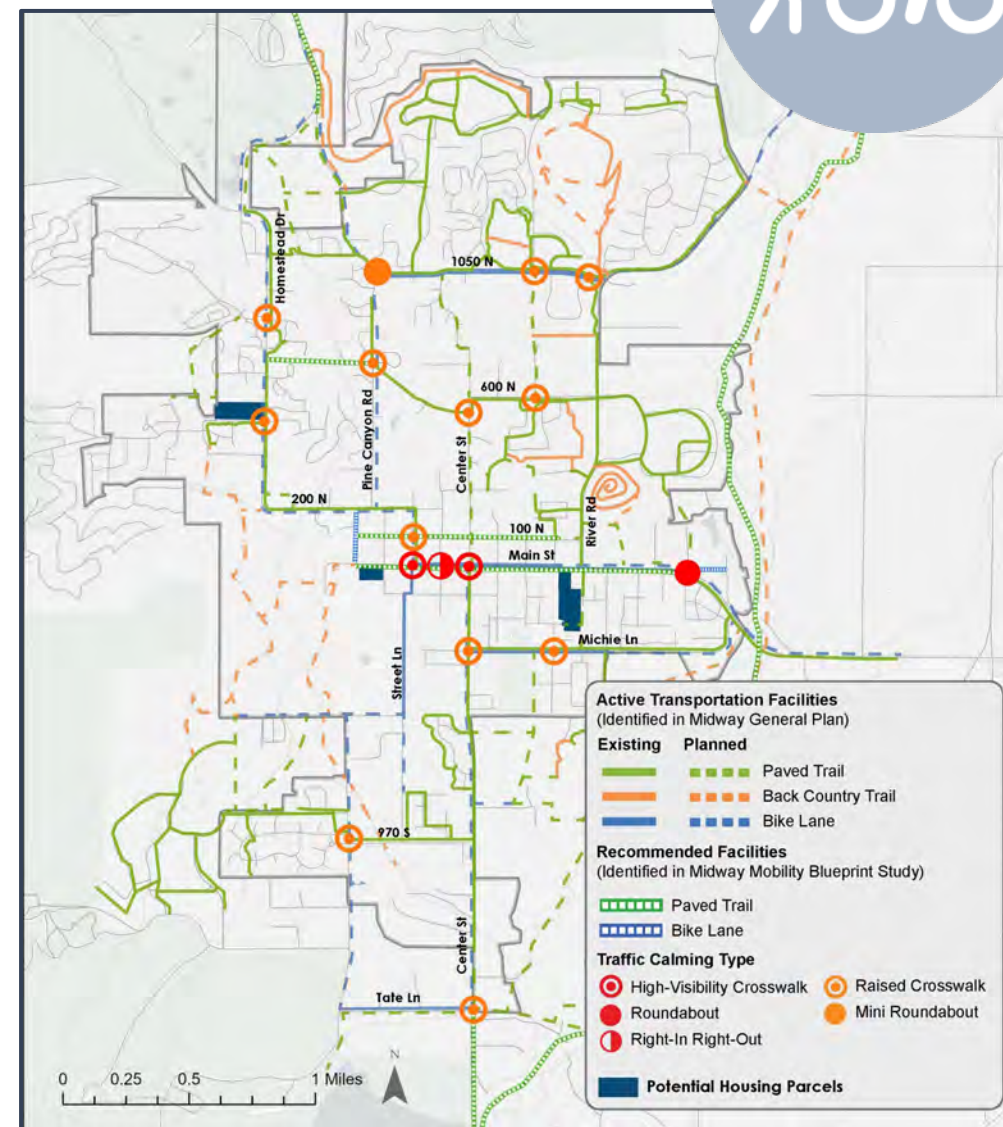


Raised Crosswalk



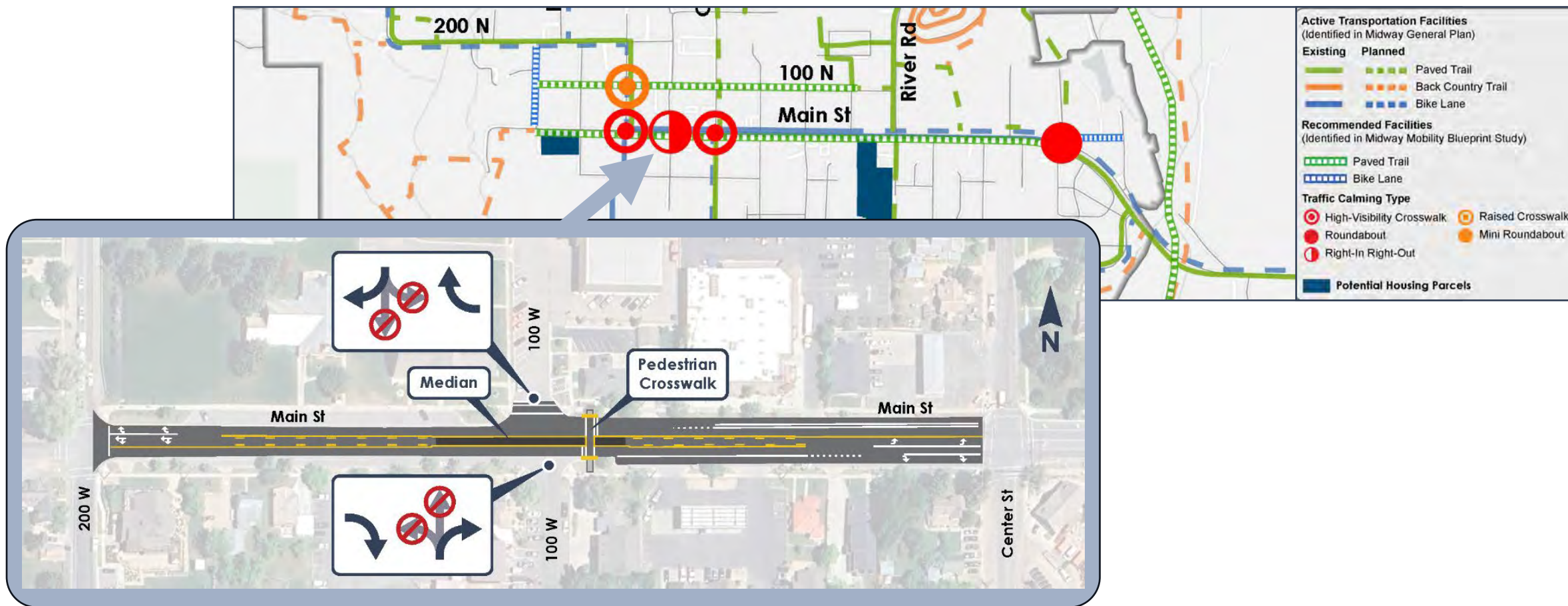
Traffic Calming Recommendations

- Raised crosswalks at 12 intersections
- High-visibility crosswalks at two intersections
- Roundabout at one intersection
- Mini roundabout at one intersection
- Right-in right-out at one intersection





Main Street Traffic Calming





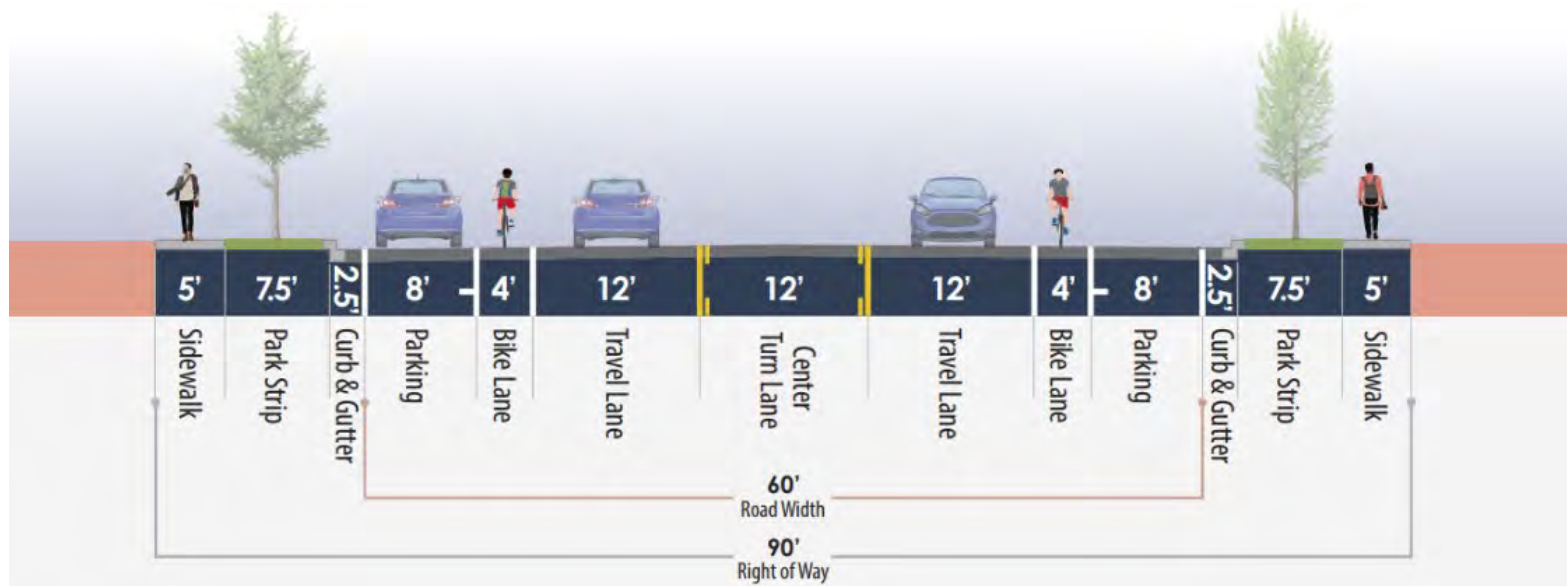
Main Street Traffic Calming

- What user should Main Street be designed for, primarily?
- Is through-traffic access important on Main Street?
- What are the opportunities for reimagining Main Street?
- Is Midway interested in exploring cross section changes?
- What does a partnership with UDOT look like for making changes?



Main Street

Active Transportation Recommendations



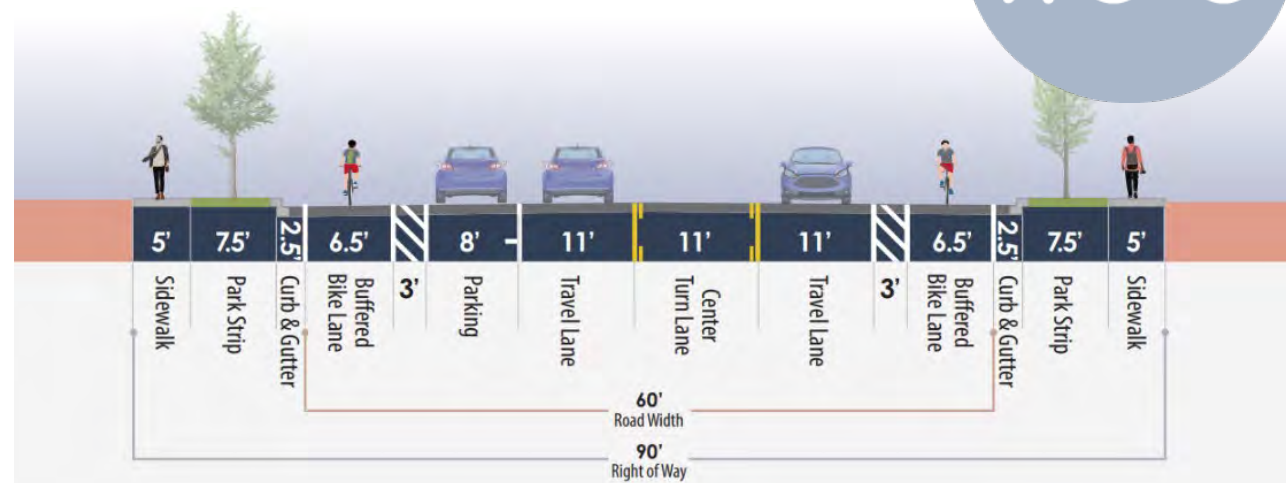
Existing cross section

- **Posted speed:** 35 mph
- **Average Daily Traffic:** 12,747

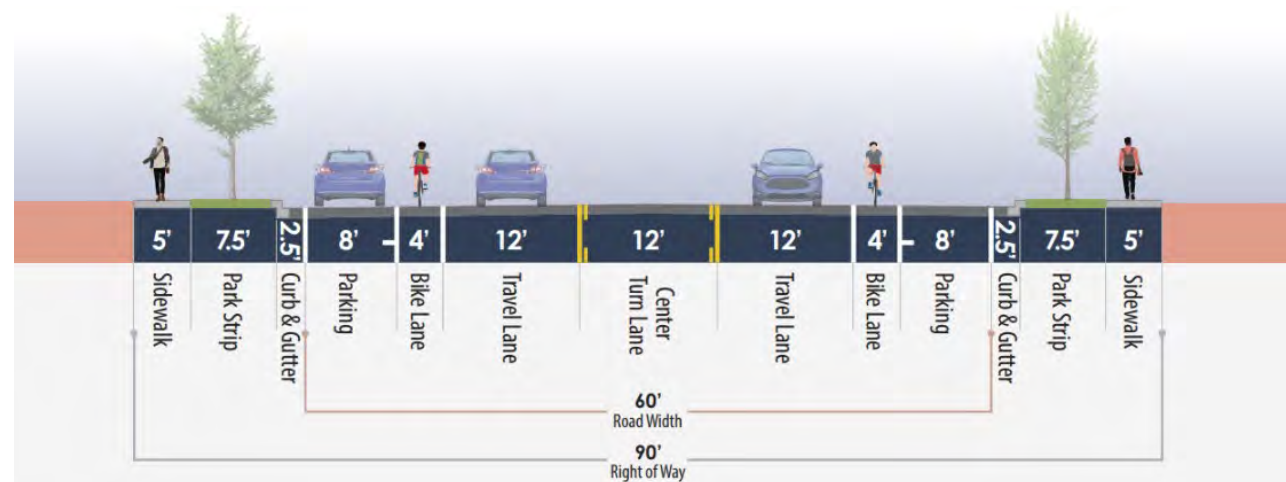


Main Street Concept 1

- Reduced travel lane widths
- Buffered bike lanes
- Parking reduced to one side of Main Street



Proposed: concept 1

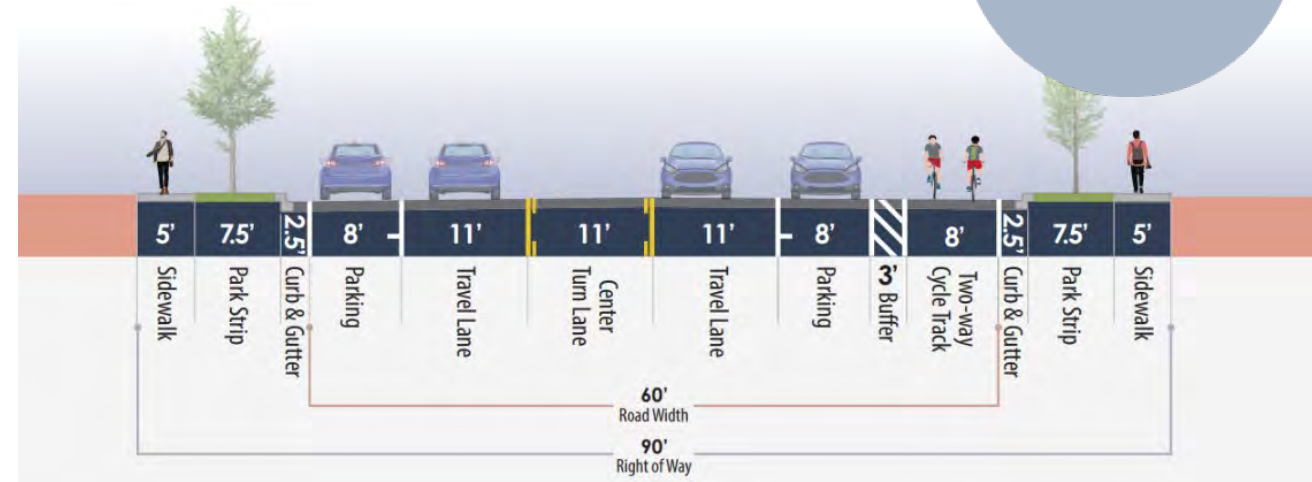


Existing cross section

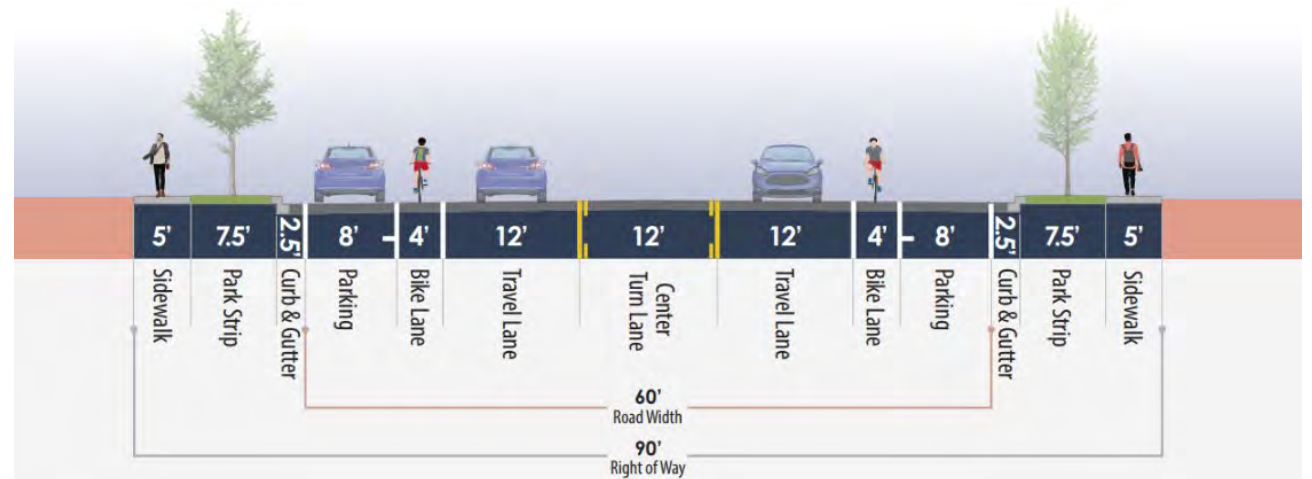


Main Street Concept 2

- Reduced travel lane widths
- Two-way buffered cycle track
- Parking on both sides of Main Street



Proposed: concept 2



Existing cross section

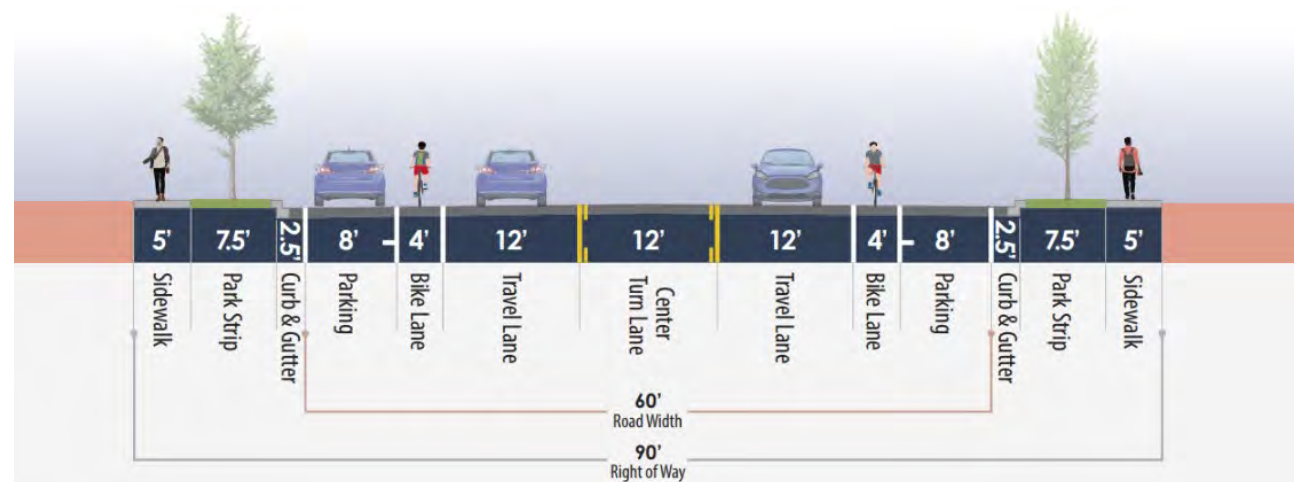


Main Street Concept 3

- Reduced curb-to-curb width
- Two-way buffered cycle track
- Parking on both sides
- Maintains existing lane widths



Proposed: concept 3



Existing cross section



MIDWAY
MOBILITY BLUEPRINT



Council Discussion



Transit Strategy Discussion

Supporting Affordable and Convenient Travel Options for our Essential Workers

- What type of transit can Midway feasibly support?
- What transit can Midway grow into?
- How can Midway leverage funding sources and regional resources to achieve future transit goals?



Transit Strategies

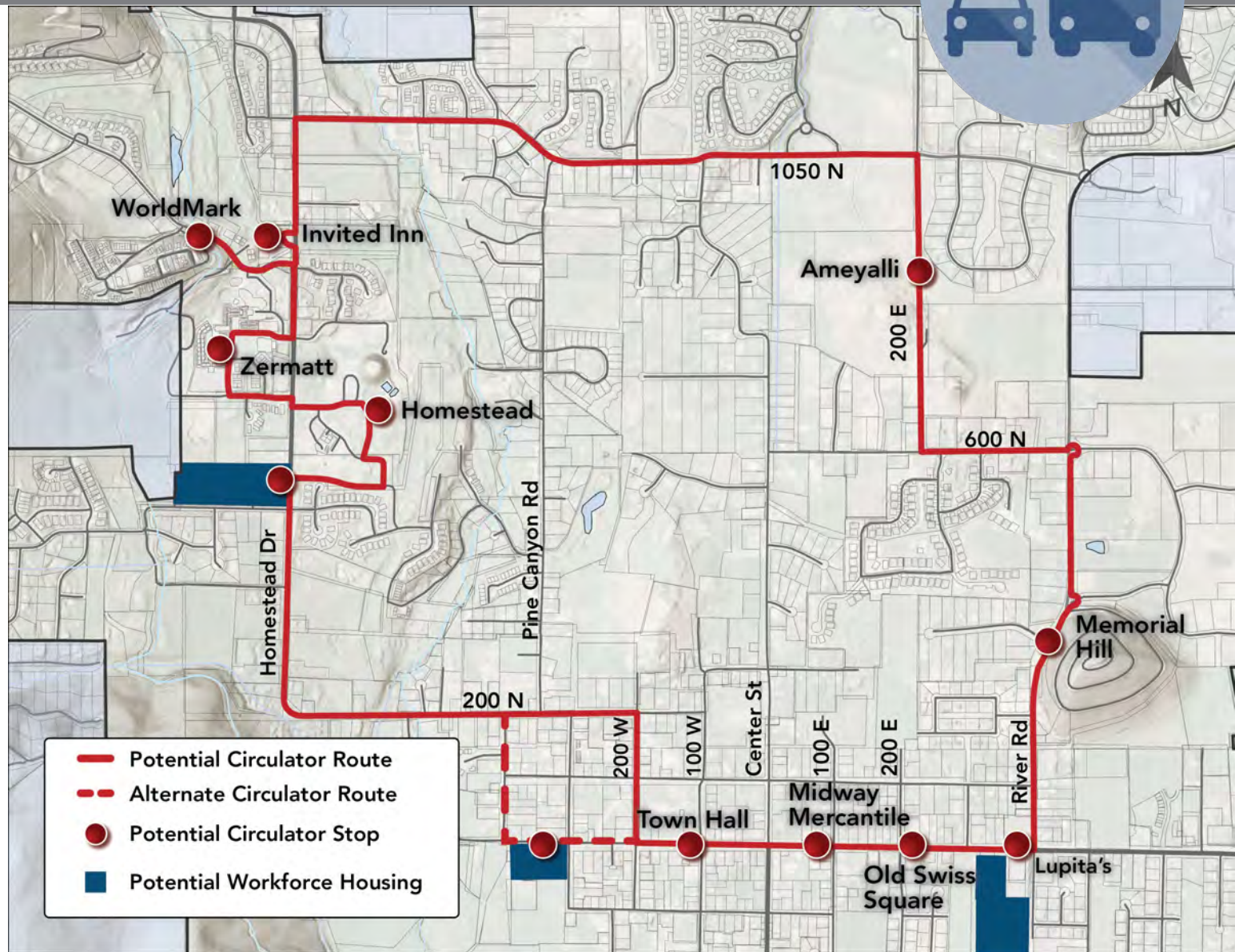
Local Strategies

- Launch a pilot circular during peak tourist season between downtown and the Midway resorts
- Collaborate with resorts and other large employers to build public private partnerships to fund a circulator
- Look at transit holistically and plan to accommodate tourists/visitors, residents, and workers in with a balanced approach
- Coordinate with developers to accommodate future transit facilities/hubs within new developments
- Align transit growth with other city plans including considering where to preserve and integrate passenger pickup locations for on-demand service, local shuttle service, or future fixed route service around trail-oriented development, the active transportation network, and downtown locations.



Potential Transit Circulator Route

- Proposed “hub” locations
- Midway Resorts
- Main Street nodes
- Housing parcel locations

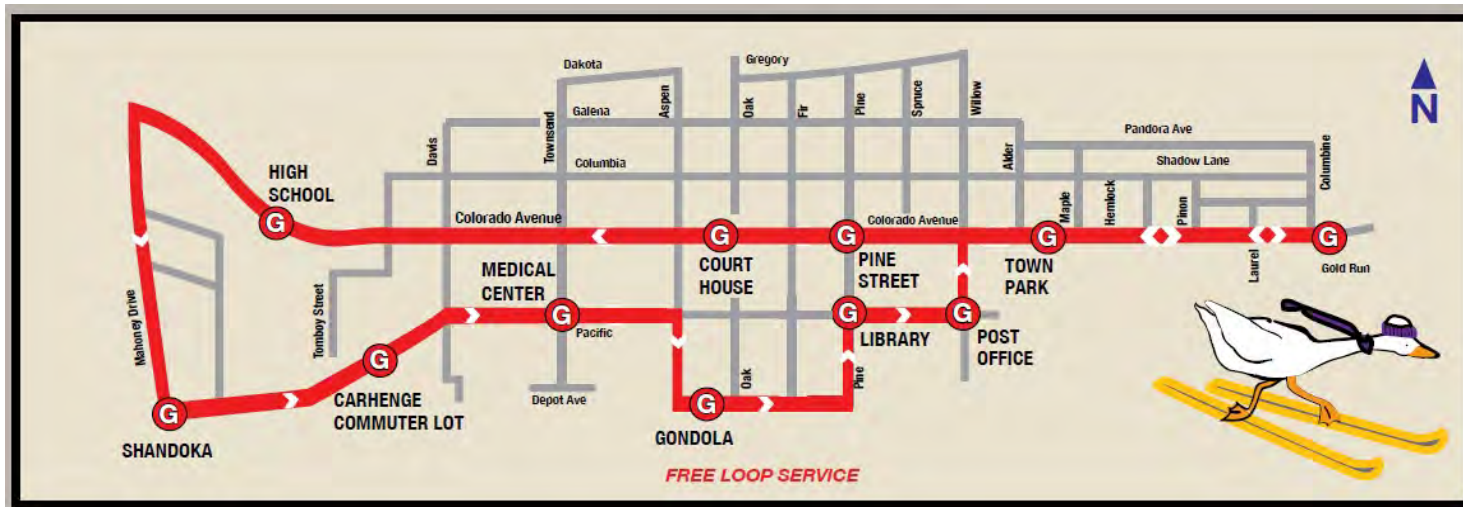




Transit Circulator Example

Telluride, Colorado

- 2.5-mile loop
- Part of Regional and on-demand transit network





Telluride, Co

Passenger Trips

- 196,384 one-way boarding passenger trips in 2022
- 4 shuttles operating at peak level service

Year	Annual Passenger Trips	Vehicles Operated in Maximum Service	Annual Vehicle Revenue Miles	Annual Vehicle Revenue Hours
2022	196,384	4	71,197	9,244
2021	164,758	4	195,840	11,640
2020	174,817	4	66,969	9,582
2019	351,148	4	105,366	14,307
2018	301,154	7	195,565	16,927
2017	307,440	7	188,929	16,891
2016	267,683	4	95,947	12,862

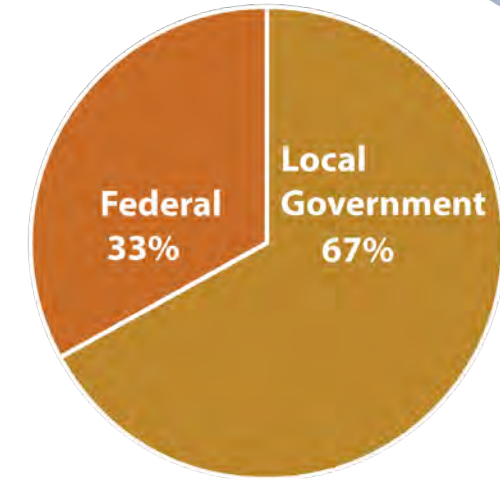


Telluride, Co

Operating Expense

- Expense per passenger trip = **\$7.65**

Year	Operating Expense per Vehicle Revenue Miles	Operating Expense per Vehicle Revenue Hours	Passenger Trip per Vehicle Revenue Miles	Passenger Trip per Vehicle Revenue Hours	Operating Expense per Passenger Trip	Total Operating Expense
2022	\$21.11	\$161.57	2.8	21.2	\$7.65	\$1,502,816
2021	\$8.15	\$137.09	0.8	14.2	\$9.69	\$1,595,693
2020	\$13.44	\$93.96	2.6	18.2	\$5.15	\$900,302
2019	\$10.28	\$75.70	3.3	24.5	\$3.08	\$1,083,036
2018	\$4.37	\$50.49	1.5	17.8	\$2.84	\$854,709
2017	\$5.14	\$57.54	1.6	18.2	\$3.16	\$971,869
2016	\$10.39	\$77.51	2.8	20.8	\$3.72	\$996,885



Federal	\$494,785
Local Government	\$1,008,031
Total Operating Funds	\$1,502,816



Telluride, Co

Capital Expense

- Average Fleet Age = 4.9 yrs

Capital Funding			
Year	Local	Federal	Total
2022	\$0	\$0	\$0
2021	\$19,675 (20.0%)	\$78,700 (80.0%)	\$98,375
2020	\$0	\$0	\$0
2019	\$39,087 (33.4%)	\$78,080 (66.6%)	\$117,167
2018	\$46,658 (18.1%)	\$210,499 (81.9%)	\$257,157
2017	\$0	\$0	\$0
2016	\$31,621 (39.7%)	\$48,000 (60.03%)	\$79,621



Transit Strategies

Regional Strategies

- Work with High Valley Transit on the Short Range Transit Plan (5-year transit plan, kicking off summer 2024)
- Get incorporated into the High Valley Transit District
- Coordinate with High Valley Transit on the option for a future fixed bus route between Heber and Midway



Transit Funding Strategies

Utah Code Title 59-12 provides various buckets transportation money can go into, including transit.

Midway would be able to generate about \$250,000 a year from 1/4 cent transportation sales tax (using separate sales taxes under state code).

County and City Sales Tax Opportunities			
8 options to get to 4 quarters + a fifth to fund transit & transportation			
Brief Description of Utah Code Title 59 -12; Revenue and Taxation: Sales and Use Tax Act			
1st Quarter	MT Mass Transit Tax: 2213 (County, City or Town) up to .30 100% transit	or	HT Highway Tax: 2215 (City or Town) .30 100% transit
2nd Quarter	MA Additional Mass Transit: 2214 (County, City or Town) .25 100% transit unless SLC 80% transit, 20% roads. State Legislature authorizes funding in UCA (1/5 of 1/4)	or	MF Mass Transit Fixed Guideway: 2216 (County) .30 87% Frontrunner, 5% BRT, 8% roads
3rd Quarter	CT County Option Sales Tax: 2217 (County) .25 Weighted priority process approved by State Legislature, COG recommends list to County once a year	or	HH County Airport, Highway, Public Transit: 2218 (County, City or Town) .25 Roads, transit, airport, trails. MPO recommends projects
4th Quarter	AT Transportation Infrastructure: 2219 (County) 40% UTA transit, 40% cities, towns, county, 20% county	or	AT Transportation Infrastructure: 2219 (County) percentages vary greatly depending on the class of the county and the size of the transit district
5th Fifth CP County Public Transit:	2220 (County) The revenue is split between the county and the cities and towns depending on transit status and may only be adopted <u>after</u> the other 4 are adopted		



Transit Funding Strategies

There are several opportunities for funding rural transit in Midway. Local taxes within the county and cities can be directed to funding transit, however, a choice must be made between the two because taxes from both the city and county cannot be combined to fund transit.

Percentage of Sales Tax	Jurisdiction	Transportation Sales Tax
19%	Wasatch County	\$324,532
2%	Charleston	\$30,396
2%	Daniel	\$32,659
60%	Heber	\$993,517
1%	Independence	\$12,818
0%	Interlaken	\$6,614
13%	Midway	\$224,212
1%	Wallsburg	\$12,575
2%	Hideout	\$27,690
100%		\$1,665,013



MIDWAY
MOBILITY BLUEPRINT

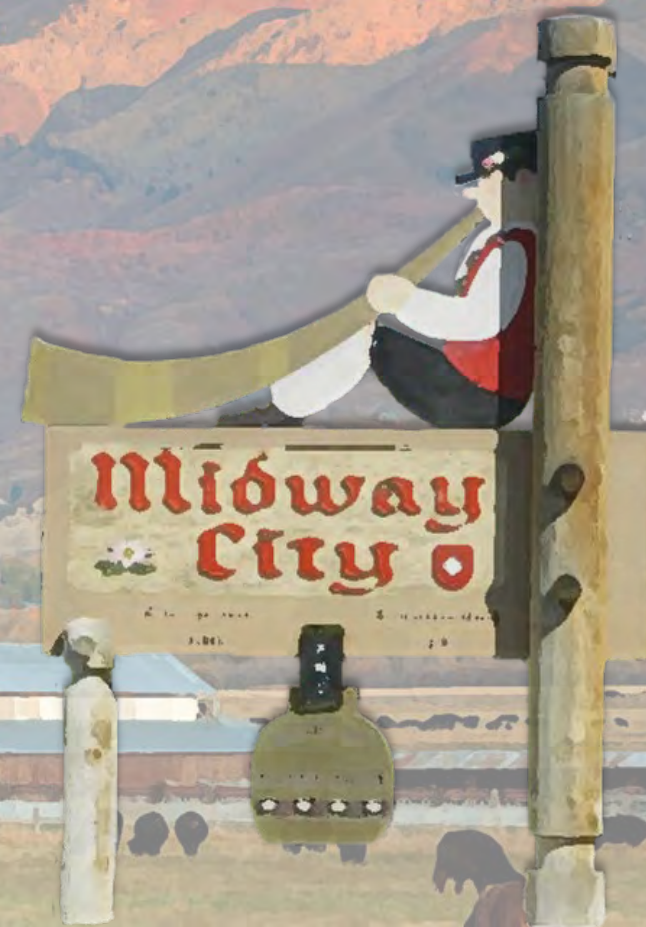


Council Discussion



Next Steps

- Finalize recommendations presented today
- Develop online StoryMap (website) content
- Finalize memorandums with recommended actions
- Seek funding to partner with UDOT on formal Main Street Study



MIDWAY CITY, UTAH
ORDINANCE NO. 2026-__

AN ORDINANCE APPROVING AND ADOPTING THE LEGISLATIVE DEVELOPMENT AGREEMENT FOR 41 WEST MAIN STREET WORKFORCE HOUSING; GRANTING A PROJECT-SPECIFIC LEGISLATIVE LAND-USE APPROVAL FOR SIX LONG-TERM RENTAL DWELLING UNITS IN THE EXISTING BASEMENT; AUTHORIZING EXECUTION AND RECORDATION; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE

WHEREAS, Midway City (the "City") is a Utah municipal corporation authorized by Utah Code Title 10, Chapter 20 to regulate the use and development of land and to enter into development agreements; and

WHEREAS, 1881 Prospector LLC (the "Owner") owns the real property and existing mixed-use commercial building commonly known as 41 West Main Street, Midway, Utah 84049 and identified as tax parcel number 00-0020-2570 (the "Property"); and

WHEREAS, the Property is located in the C-2 Commercial Zone, and the City's otherwise applicable land use regulations do not permit the six residential dwelling units proposed in the basement of the existing building; and

WHEREAS, the proposed Legislative Development Agreement for 41 West Main Street Workforce Housing (the "Agreement") would authorize, on a project-specific basis, no more than six long-term rental dwelling units in the existing basement, generally consisting of five studio units and one one-bedroom unit, with each unit containing less than 900 square feet and with no additional building area or height; and

WHEREAS, the Agreement requires all six units to remain deed-restricted workforce and moderate-income rental housing for a mandatory initial 30-year affordability period and includes income-based rent limits, employment priority, annual certification, monitoring, parking, water, recapture, transfer, and enforcement provisions; and

WHEREAS, the City incentives described in the Agreement include the project-specific use and density entitlement, waiver of specified City-imposed development fees, and a conditional lease of municipal and industrial water during the affordability term, while excluding any waiver of impact fees, utility charges, or property taxes; and

WHEREAS, Utah Code Section 10-20-508(1)(d) authorizes a municipality to enter into a development agreement containing terms relating to affordable or moderate-income housing with development incentives; and

WHEREAS, because the Agreement would allow a use or development otherwise prohibited by applicable land use regulations, Utah Code Section 10-20-508(2)(a)(iii) requires the legislative body to approve the Agreement in accordance with the procedures for enacting a land use regulation under Utah Code Section 10-20-502; and

WHEREAS, the Planning Commission, following the required notice and public hearing, reviewed the proposed legislative approval and forwarded its recommendation to the City Council, and the City Council considered the matter at a duly noticed public meeting; and

WHEREAS, the City Council finds that the project advances the moderate-income housing goals of the Midway General Plan, supports workforce housing near employment and services in central Midway, and serves the public health, safety, prosperity, convenience, and welfare, subject to the limitations and safeguards stated in the Agreement; and

WHEREAS, the City Council desires by this Ordinance to grant the required project-specific legislative land-use approval, approve and adopt the Agreement, and authorize its execution and recordation.

BE IT ORDAINED BY THE CITY COUNCIL OF MIDWAY CITY, UTAH:

Section 1. Findings and Recitals. The foregoing recitals are adopted as findings of the City Council and incorporated into this Ordinance.

Section 2. Project-Specific Legislative Land-Use Approval. Notwithstanding the residential use and density limitations otherwise applicable in the C-2 Commercial Zone, the City Council approves no more than six long-term rental dwelling units within the existing basement of the building on the Property, subject to the Agreement. This approval applies only to the Property, does not rezone the Property, does not amend the generally applicable standards of the C-2 Commercial Zone, and does not authorize additional building area, building height, or residential units.

Section 3. Agreement Approved and Adopted. The City Council approves and adopts the Agreement substantially in the form attached to this Ordinance as Attachment 1 and incorporated by this reference. The Agreement and this Ordinance together establish the project-specific legislative approval and the contractual rights and obligations of the City and Owner. If a direct conflict exists between this Ordinance and the Agreement, this Ordinance controls.

Section 4. Conditions Before Execution and Recordation. Before the Agreement is executed or recorded: (a) the Owner's exact legal name, entity status, signatory authority, and notice information shall be verified; (b) the current legal description from the vesting deed shall be inserted and the tax parcel number confirmed; (c) all required parties shall execute the Agreement with recordable acknowledgments; (d) the City Attorney shall approve the final form; and (e) the City-approved parking instrument required by the Agreement shall be completed and attached as Exhibit D when required by the Agreement. Any material change to the authorized use, number of units, affordability term, rent formula, marketing stages, employment priority, City incentives, or another material term requires further City Council approval through the procedure required by law.

Section 5. Execution and Recordation Authorized. Upon satisfaction of Section 4, the Mayor is authorized to execute the Agreement on behalf of the City, the City Recorder is authorized to attest the Mayor's signature, and the City Recorder is directed to record the fully executed Agreement, or an authorized memorandum of it, in the office of the Wasatch County Recorder in accordance with the Agreement. The City Attorney may approve nonmaterial corrections, completion of blanks, and clerical revisions that do not alter the legislative bargain.

Section 6. Administration. The Mayor, City Recorder, City Administrator, City Attorney, and other City officers and employees are authorized to take the ministerial and administrative actions reasonably necessary to implement this Ordinance and the Agreement within the authority delegated by the Agreement. No action under this Section may enlarge the approved entitlement, waive a material requirement, or amend a material term without the approval required by law.

Section 7. Scope and No Additional Waiver. The project-specific entitlement in Section 2 and the Agreement control over conflicting C-2 use and density limitations only to the extent expressly stated. Nothing else in this Ordinance waives or modifies the Midway City Municipal Code, building or fire codes, utility standards, impact fees, taxes, or any permit or approval required for lawful construction or occupancy of the project.

Section 8. Severability. If a court of competent jurisdiction holds any provision of this Ordinance or its application to any person or circumstance invalid or unenforceable, the remaining provisions and applications shall remain effective to the fullest extent permitted by law.

Section 9. Effective Date. Under Utah Code Section 10-3-712, this Ordinance takes effect on the day after its short summary is published as a class A notice, provided the Ordinance has been signed, recorded, and deposited with the City Recorder as required by Utah Code Sections 10-3-705, 10-3-711, and 10-3-713. The Agreement takes effect as provided in the Agreement after this Ordinance becomes effective.

PASSED AND ADOPTED by the City Council of Midway City, Wasatch County, Utah this ____ day of _____, 2026.

Council Member	AYE	NAY
Andy Garland	_____	_____
Lisa Orme	_____	_____
Kevin Payne	_____	_____
Andrew Osborne	_____	_____
JC Simonsen	_____	_____

APPROVED:

Craig Simons, Mayor

ATTEST:

Brad Wilson, City Recorder

APPROVED AS TO FORM:

Corbin Gordon, City Attorney

(SEAL)

ATTACHMENT 1 TO ORDINANCE NO. 2026-__

WHEN RECORDED, RETURN TO:

Midway City Recorder

75 North 100 West

P.O. Box 277

Midway, Utah 84049

Tax Parcel No.: 00-0020-2570

LEGISLATIVE DEVELOPMENT AGREEMENT 41 WEST MAIN STREET WORKFORCE HOUSING

THIS LEGISLATIVE DEVELOPMENT AGREEMENT FOR 41 WEST MAIN STREET WORKFORCE HOUSING (this “Agreement”) is entered into as of the later of the date last signed below or the effective date of Ordinance No. [2026-__] (the “Effective Date”), by and between MIDWAY CITY, a Utah municipal corporation (the “City”), and **1881 PROSPECTOR LLC**, a **Utah limited liability company** (“Owner” or “Developer”). The City and Owner may be referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

A. Owner owns the real property and existing mixed-use commercial building commonly known as 41 West Main Street, Midway, Utah 84049, legally described in Exhibit A (the “Property”).

B. The Property is located in the C-2 Commercial Zone. The City's otherwise applicable land use regulations do not allow the six residential dwelling units proposed by Owner in the basement of the existing building.

C. Owner proposes to complete six long-term rental dwelling units in the existing basement, consisting generally of five studio units and one one-bedroom unit, each containing less than 900 square feet, as conceptually shown in Exhibit B (the “Project”).

D. The Project is intended to provide workforce and moderate-income housing near employment, services, and transportation in central Midway. The City Council finds that the Project advances the moderate-income housing goals of the Midway General Plan and addresses a documented community need.

E. Utah Code §10-20-508 authorizes a municipality to enter into a development agreement containing terms relating to affordable or moderate-income housing with development incentives. Because this Agreement allows a use and density not otherwise permitted by the C-2 Zone, the City has processed and approved this Agreement through the legislative procedures required by Utah Code §§10-20-502 and 10-20-508(2)(a)(iii).

F. In exchange for the land use entitlement and the other City incentives stated in this Agreement, Owner voluntarily agrees to operate all six units as deed-restricted workforce and moderate-income rental housing throughout the Affordability Term and to comply with the income-based rent, 65% AMI eligibility and marketing requirements, employment priority, annual tenant certification, water, parking, reporting, recapture, and enforcement provisions below. Owner acknowledges that the Affordability Term includes a mandatory initial thirty-year period during which Owner may not terminate this Agreement or opt out of the affordability restrictions.

G. The City Council approved this Agreement by Ordinance No. [2026-__] after receiving the Planning Commission's recommendation, holding the required public hearing and public meeting, and making the findings stated in the ordinance.

NOW, THEREFORE, in consideration of the mutual covenants and other good and valuable consideration described below, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

TERMS

1. Incorporation; Definitions

1.1 Incorporation. The recitals and Exhibits A through D are incorporated into this Agreement.

1.2 Applicable AMI. “AMI” means the area median income for Wasatch County, Utah, adjusted for household size, as most recently published by the United States Department of Housing and Urban Development (“HUD”) or, if HUD ceases publishing applicable figures, a substantially equivalent source selected by the City.

1.3 Affordability Commencement Date. The date on which the City issues the first certificate of occupancy authorizing residential occupancy of any Restricted Unit.

1.4 Affordability Term. “Affordability Term” means the period beginning on the Affordability Commencement Date and continuing for a mandatory minimum period of thirty (30) years (the “Initial Thirty-Year Period”), and thereafter continuing automatically unless and until this Agreement is terminated in accordance with Section 14. The Affordability Term does not expire automatically at the end of the Initial Thirty-Year Period.

1.5 City Code. The Midway City Municipal Code, including its land use and development provisions, as amended from time to time, except only to the extent this Agreement expressly provides a different standard.

1.6 Contract Year. Contract Year 1 begins on the Affordability Commencement Date and ends on the day immediately preceding the first anniversary of that date. Each later Contract Year is the successive 12-month period beginning on an anniversary of the Affordability Commencement Date.

1.7 Gross Rent. All mandatory amounts paid by or on behalf of a tenant as a condition of occupancy, including rent and mandatory utilities or fees, but excluding refundable security deposits, lawful late fees, charges for tenant-caused damage, and truly optional services. Because the proposed rents include utilities, no separate utility charge may be imposed unless the City approves a corresponding utility allowance in writing.

1.8 Project Plans. The conceptual vicinity maps, property depictions, and unit floor plans attached as Exhibit B, together with the final plans approved through the building permit process. If there is a conflict, the final building permit plans control as to construction and life-safety matters, but may not increase the number, floor area, or exterior impacts of the Restricted Units beyond the entitlement stated in this Agreement without an amendment under Section 17.

1.9 Restricted Units. The six long-term rental dwelling units authorized by this Agreement and located within the existing basement of the building on the Property.

1.10 Annual Household Income. “Annual Household Income” means the current annualized gross income of all adult members of a tenant household, from all sources required by the City-approved income-certification methodology, before payroll deductions, determined from reasonably current source documents and adjusted for household size only when applying an AMI limit.

1.11 Midway Worker; County Worker. A “Midway Worker” is a household with at least one adult member whose primary place of employment is within the corporate limits of Midway City. A “County Worker” is a household with at least one adult member whose primary place of employment is elsewhere within Wasatch County. Employment includes bona fide self-employment conducted primarily at the stated work location.

2. Legislative Approval and Project Entitlement

2.1 Authorized Use and Density. Notwithstanding the residential density or use limitation otherwise applicable in the C-2 Zone, Owner may construct and operate no more than six Restricted Units within the existing basement. This is a project-specific legislative approval and does not rezone the Property or establish generally applicable C-2 standards.

2.2 Unit Mix and Size. The Project may include five studio units and one one-bedroom unit, generally corresponding to the preliminary schedule in Exhibit C. No Restricted Unit may exceed 900 square feet. The City Administrator may approve a different studio/one-bedroom designation or a de minimis floor-plan adjustment if the Project remains at six or fewer units, each unit remains below 900 square feet, and the change does not materially affect parking, exterior appearance, life safety, or affordability.

2.3 No Exterior Expansion. The entitlement is limited to adaptive reuse of the existing basement. It does not authorize additional building area, height, or residential units. Exterior work reasonably required for lawful access, egress, utilities, patio or common areas, and code compliance remains subject to ordinary City review and any applicable historic, architectural, building, fire, and engineering standards.

2.4 Long-Term Rental Use Only. Each lease or other rental period for a Restricted Unit shall be for at least 30 consecutive days, and the unit shall be used as the tenant's principal residence. No Restricted Unit may be used as a nightly rental, short-term rental, hotel room, lodging facility, or transient accommodation.

3. Compliance with Laws and Permitting

3.1 Building and Safety Codes. Nothing in this Agreement waives or modifies the State Construction Code, fire code, accessibility requirements, health and safety requirements, utility standards, or the authority of the building or fire official. Owner shall obtain all permits and approvals required for lawful residential occupancy.

3.2 Applicable Land Use Standards. Except for the six-unit residential use and density expressly approved in Section 2, the Project shall comply with the City Code and all lawful conditions of final building permit approval. Matters not specifically addressed by this Agreement are governed by Utah law and applicable City regulations, consistent with Utah Code Section 10-20-508(2)(g).

3.3 Certificate of Occupancy. No person may occupy a Restricted Unit until the City has issued a certificate of occupancy for that unit. The City may issue certificates separately if each unit and all facilities necessary to serve it are complete and lawful.

3.4 Commencement Deadline. Owner shall submit a complete building permit application within 12 months after the Effective Date and obtain the first certificate of occupancy within 24 months after the Effective Date. The City Administrator may grant one extension of up to 12 months for good cause shown in writing. Failure to meet these deadlines terminates the unexercised Project entitlement after notice and opportunity to cure under Section 13.

4. Vested Rights and Future Laws

4.1 Scope of Vesting. Subject to this Agreement, Owner is vested in the project-specific right to construct and operate the Restricted Units in accordance with Section 2 and the complete building permit application timely submitted under Section 3.4. This Agreement does not create vested rights beyond its express terms and does not limit the City's future legislative authority.

4.2 Future Laws. Future City laws apply to the Project except to the extent they would retroactively eliminate the six-unit entitlement during the Affordability Term, and except as otherwise prohibited by law. Without limitation, future laws apply if Owner agrees in writing; if required by state or federal law;

if they concern construction, fire, life safety, health, utility rates, generally applicable taxes, or nondiscriminatory fees; or if the applicable land use authority makes a legally sufficient finding of a compelling, countervailing public interest.

4.3 No Guarantee of Permit Approval. The legislative entitlement does not constitute approval of building plans or a representation that the preliminary plans comply with code. The building official and other authorities retain their lawful administrative review functions.

5. Parking and Access

5.1 Required Parking. Before issuance of a building permit, Owner shall demonstrate to the City's satisfaction that the Project has the number and configuration of off-street parking spaces required by the City-approved parking determination. If any required spaces are located on property not owned by Owner, Owner shall deliver and, if requested by the City, record a parking easement or agreement in a form approved by the City Attorney. The approved parking instrument shall be attached as Exhibit D by administrative amendment before recordation or permit issuance.

5.2 Continuing Availability. Required parking and lawful access shall remain continuously available while any Restricted Unit is occupied. Loss of required parking is a material default. Owner shall replace any lost space with an equivalent City-approved space within 30 days, or within another period approved by the City Administrator, and may be required to suspend occupancy of affected units until the deficiency is cured.

6. City Development Incentives

6.1 Land Use Incentive. The City grants the project-specific use and density entitlement stated in Section 2.

6.2 City Fee Waiver. Subject to the recapture provisions in Section 10, the City will waive City-imposed development-application, plan-review, building-permit, and inspection fees directly attributable to construction of the Restricted Units. The waiver does not include impact fees; state surcharges; water, sewer, meter, connection, or consumption charges; fees imposed by another governmental entity or utility; third-party consultant costs; or fees attributable to nonresidential work. Before permit issuance, the City shall prepare a written accounting of the waived fees (the "Waived Fee Amount"). The Waived Fee Amount is conditionally waived and remains subject to repayment under Section 10 until it is fully earned on the fortieth anniversary of the Affordability Commencement Date.

6.3 Impact Fees. This Agreement does not waive impact fees. The City shall determine, under the Impact Fees Act and the City's impact fee enactment, whether the prior construction generated a credit or whether the residential conversion creates an additional impact fee obligation. Owner shall pay all lawfully due impact fees unless the City separately provides a lawful exemption or alternate source of payment. Nothing in this Agreement represents that impact fees were previously paid for the Restricted Units.

6.4 No Property Tax Waiver. This Agreement does not waive, abate, rebate, or otherwise alter ad valorem property taxes or any assessment imposed by Wasatch County or another taxing entity.

7. Affordability and Rental Restrictions

7.1 Restricted Status. Throughout the Affordability Term, all six Restricted Units shall remain long-term workforce and moderate-income rental housing subject to this Section. Owner voluntarily imposes these restrictions in exchange for the City incentives and agrees that the restrictions are reasonable, enforceable, intended to run with the Property, and binding throughout the entire Affordability Term, including any portion of the Affordability Term continuing after the Initial Thirty-Year Period.

7.2 Income-Based Maximum Gross Rent. The monthly Gross Rent for each Restricted Unit may not exceed the lowest of: (a) 30% of the tenant household's most recently verified Annual Household

Income divided by 12; (b) the rent affordable to a household at 65% of Applicable AMI, calculated as 30% of the applicable annual income limit divided by 12; or (c) any lower limit required by law or an applicable City housing program.

Gross Rent shall be reviewed after each annual income certification. If the applicable maximum Gross Rent decreases, the decrease shall take effect no later than the first full rental month following verification.

Gross Rent may not be increased unless the Applicable AMI has increased since the date on which the tenant's current Gross Rent was established or last increased. Any increase in Gross Rent may not exceed the percentage increase in the Applicable AMI during that period and remains subject to each of the maximum-rent limitations stated above. An increase in a tenant household's Annual Household Income, standing alone, does not authorize an increase in Gross Rent. If the Applicable AMI has not increased, Gross Rent may not be increased.

Gross Rent may be increased no more than once during any twelve-month period and only after Owner provides the tenant at least sixty (60) days' prior written notice. The imputed household size for purposes of the AMI ceiling is one person for a studio unit and two persons for a one-bedroom unit unless the City approves a different written methodology.

7.3 AMI Eligibility and Marketing. Each time a Restricted Unit becomes available, Owner shall market and offer the unit only to otherwise qualified households whose Annual Household Income does not exceed 65% of Applicable AMI. Owner shall continue marketing the unit to households at or below 65% of Applicable AMI until the unit is filled. Owner shall retain dated advertisements, application logs, and disposition records sufficient to establish compliance.

7.4 Employment Priority. When marketing and leasing a Restricted Unit, Owner shall first offer the unit to qualified Midway Workers and shall next offer the unit to qualified County Workers if no qualified Midway Worker timely accepts it. Owner may not select a lower-priority household while a higher-priority qualified household that timely applied is ready, willing, and able to lease the unit on the offered terms. Advertisements and application materials shall clearly disclose the priority and the documents required to verify it. Before implementation, the City Attorney shall approve the written tenant-selection procedure as compliant with applicable fair housing, civil rights, and reasonable-accommodation requirements. Any legally required accommodation or modification shall be applied without otherwise changing the Midway-first and County-second order.

7.5 Initial and Annual Tenant Certification. Before initial occupancy, before each lease renewal, and no later than thirty (30) days before each anniversary of the tenant's initial occupancy, the tenant household shall complete a City-approved compliance report and provide documents reasonably required to verify Annual Household Income, household size, employer identity, and the physical location of the employment used to establish Midway Worker or County Worker status. Acceptable evidence may include recent pay statements, tax returns, benefit statements, employer certifications, business records for self-employment, and other reliable documentation approved by the City. Each lease shall expressly require the tenant's timely cooperation with this annual certification.

7.6 Continuing Eligibility and Failure to Report. A tenant household shall continue to satisfy the 65% AMI ceiling and maintain Midway Worker or County Worker status at each annual certification. A household that no longer qualifies may complete its then-current lease term but is not eligible for renewal unless the City Administrator approves a written extension of up to six months for involuntary job loss, temporary hardship, or other good cause consistent with applicable law. Failure to submit a complete annual compliance report within fifteen (15) days after written notice of deficiency is a lease violation and grounds for nonrenewal, subject to applicable tenant-protection and fair-housing laws. No mid-term eviction may be based solely on an increase in income or a change in work location unless independently authorized by the lease and applicable law.

7.7 Utilities and Fees. Gross Rent includes all utilities. Owner may not separately charge for utilities or impose mandatory amenity, administrative, parking, common-area, or similar fees unless the City Administrator first approves the charge and an equivalent adjustment to Gross Rent. Nothing prohibits lawful refundable deposits, optional service charges, or charges for tenant-caused damage.

7.8 Fair and Nondiscriminatory Marketing. Except for the AMI limits and employment priority expressly stated in this Agreement, Owner shall market and administer the Restricted Units in a fair and nondiscriminatory manner, including reasonable outreach to employers and workers in Midway and Wasatch County. Owner may not impose a local residency, familial, religious, or other preference and shall comply with all applicable fair housing, civil rights, and reasonable-accommodation requirements.

7.9 No Conversion or Separate Sale. During the Affordability Term, Owner may not convert a Restricted Unit to market-rate rent, condominium ownership, timeshare, transient lodging, or separate sale, and may not remove a Restricted Unit from the rental market for more than 120 consecutive days except for casualty, renovation, code compliance, or another reason approved in writing by the City Administrator.

8. Compliance Monitoring

8.1 Annual Owner Report. No later than 30 days after each anniversary of the Affordability Commencement Date, Owner shall provide the City a compliance report showing, for each Restricted Unit: unit type; occupancy dates; lease term; Gross Rent and its calculation; separately charged amounts; tenant household size; current verified Annual Household Income and percentage of AMI; verified Midway Worker or County Worker status and work location; date of the tenant's most recent certification; any approved hardship extension; and any vacancy or non-occupancy lasting more than 60 days. Owner shall use forms reasonably approved by the City.

8.2 Records and Inspection. Owner shall retain leases, rent ledgers, income certifications, utility and fee information, and supporting records for at least six years. Upon at least five business days' notice, the City may inspect and copy records reasonably necessary to verify compliance, subject to applicable privacy laws. The City may conduct an immediate inspection when reasonably necessary to address an imminent health or safety concern.

8.3 Confidentiality. The City shall treat tenant financial information as protected or private to the extent permitted by the Government Records Access and Management Act. Owner shall redact Social Security numbers, bank account numbers, and unnecessary medical or personal information before submission.

8.4 Certifications. Each tenant compliance report shall be signed by an adult household member under penalty of perjury. Each annual Owner report shall be signed under penalty of perjury by Owner or an authorized property manager and shall certify that Owner reviewed the supporting income and employment-location documents. A materially false certification or knowing acceptance of materially false documentation is a material default.

9. Municipal and Industrial Water

9.1 City Water Commitment. Subject to system capacity and all ordinary utility approvals, the City will lease to Owner, for the Affordability Term, the quantity of municipal and industrial water reasonably determined by the City Engineer to satisfy the incremental water-right requirement attributable solely to the Restricted Units (the "Leased Water"). The final quantity shall be stated in a written administrative certificate before issuance of the first certificate of occupancy and incorporated into this Agreement's City file.

9.2 Lease Rate and Charges. Owner shall pay the City's generally applicable annual M&I water lease rate, as amended from time to time, together with all generally applicable connection, meter,

service, and consumption charges. The Leased Water remains the City's property and this Agreement conveys no ownership interest in a water right, water share, source, or utility capacity.

9.3 Conditions. The water commitment is conditioned on the continued affordable operation of all Restricted Units and compliance with water-conservation requirements. It may not be assigned separately from the Property, used for another purpose, or credited to other development.

9.4 Continuation After Initial Thirty-Year Period. This Agreement and the Affordability Term shall continue automatically after expiration of the Initial Thirty-Year Period unless and until terminated in accordance with Section 14. No separate amendment, renewal, or extension is required for this Agreement, the affordability restrictions, or the Leased Water to continue after the Initial Thirty-Year Period. So long as this Agreement remains in effect, the Leased Water shall continue on the terms stated in this Section.

9.5 Termination of Leased Water. The Leased Water shall not terminate merely because the Initial Thirty-Year Period has expired. The Leased Water shall terminate only when termination of this Agreement becomes effective under Section 14 or when the City terminates the Leased Water as a remedy for an uncured material default under Section 13.

Before termination of this Agreement becomes effective, Owner shall: (a) convey or dedicate to the City water rights or shares acceptable to the City, in its reasonable utility discretion, sufficient to satisfy the then-applicable requirement for continued residential use of the Restricted Units; (b) execute a new City-approved water lease; or (c) discontinue residential occupancy when the existing leases lawfully terminate. Completion of option (a) or (b) is a condition to continued residential occupancy after termination of this Agreement. The Leased Water remains the City's property at all times, and no reconveyance or rededication of the Leased Water is required upon termination.

9.6 No Owner Termination During Initial Thirty-Year Period. Owner may not terminate this Agreement, withdraw the Property or any Restricted Unit from this Agreement, discontinue the affordability restrictions, or otherwise opt out of this Agreement before expiration of the Initial Thirty-Year Period. An Owner default, transfer, foreclosure, casualty, change in economic circumstances, financing difficulty, or increased cost does not give Owner a right to terminate or opt out of this Agreement.

An Owner default does not automatically terminate this Agreement or the affordability restrictions. Following an uncured material default, the City may pursue the remedies provided in Section 13, including specific performance, injunctive relief, recapture under Section 10, or, if the City determines termination is necessary and appropriate, termination of this Agreement or the Leased Water. Owner may not intentionally create or permit a default for the purpose of avoiding the Initial Thirty-Year Period or the obligations imposed by this Agreement.

10. Recapture of Conditional Incentives

10.1 Conditional Nature of Waiver. The Waived Fee Amount is conditionally waived in consideration of Owner's continued compliance with this Agreement through the fortieth anniversary of the Affordability Commencement Date. No portion of the Waived Fee Amount is earned, forgiven, or vested before that anniversary. The entire Waived Fee Amount remains subject to repayment under Section 10.2 unless and until it is permanently forgiven under Section 10.3.

10.2 Recapture Event. A "Recapture Event" occurs if, before the fortieth anniversary of the Affordability Commencement Date: (a) Owner commits a material default that remains uncured after expiration of the applicable cure period under Section 13; (b) this Agreement or the affordability restrictions terminate because of an uncured material Owner default; (c) the City terminates this

Agreement or the affordability restrictions as a remedy for an uncured material Owner default; or (d) after expiration of the Initial Thirty-Year Period, Owner elects to terminate this Agreement under Section 14.

Upon a Recapture Event, Owner shall repay the entire Waived Fee Amount. No prorating, amortization, partial forgiveness, credit for time performed, or other reduction shall apply. The entire Waived Fee Amount shall remain repayable until it is permanently forgiven under Section 10.3.

The repayment obligation is due within thirty (30) days after the City provides Owner written notice of the Recapture Event and the amount due. Any unpaid amount bears interest at the statutory judgment rate beginning on the thirty-first day after delivery of the notice and constitutes a contractual debt, not an impact fee or penalty. Payment of the Waived Fee Amount does not, by itself, authorize termination before expiration of the Initial Thirty-Year Period or excuse compliance with any other obligation or condition of termination.

10.3 Forgiveness After Forty Years. If this Agreement remains continuously in effect and Owner is not subject to an uncured material default through the fortieth anniversary of the Affordability Commencement Date, the entire Waived Fee Amount shall be fully earned and permanently forgiven, and no repayment shall thereafter be due. Continued operation under this Agreement after the fortieth anniversary shall not reinstate or create any repayment obligation for the Waived Fee Amount.

10.4 No Double Recovery. Amounts actually recovered by the City under this Section shall be credited against duplicative damages for the same loss but do not limit injunctive relief, specific performance, tenant remedies, termination of the Leased Water, or recovery for separate damages.

11. Operation, Maintenance, and Insurance

11.1 Maintenance. Owner shall maintain the Property and Restricted Units in a safe, sanitary, and code-compliant condition and shall maintain all required access, egress, common areas, patios, utilities, meters, and parking.

11.2 Insurance. Owner shall maintain commercially reasonable property and general liability insurance for the Project and shall provide evidence of coverage upon reasonable City request. To the extent commercially available on reasonable terms, the City shall be named as an additional insured for claims arising from Owner's construction or operation of the Project.

11.3 Indemnification. To the fullest extent permitted by law, Owner shall defend, indemnify, and hold harmless the City and its elected officials, officers, employees, agents, and consultants from third-party claims, damages, and costs arising from Owner's negligent or wrongful acts or omissions in constructing or operating the Project, except to the extent caused by the negligence or willful misconduct of an indemnified party.

12. Transfer, Assignment, and Mortgagees

12.1 Running with the Land. The use, affordability, water, parking, monitoring, recapture, and enforcement provisions are covenants, equitable servitudes, and contractual obligations intended to run with and burden the Property and to bind Owner and every successor in interest for the applicable term.

12.2 Transfer. Owner may transfer the Property only if the transferee takes title subject to this Agreement and executes a written assumption in a form approved by the City Attorney. A transfer does not release the transferring Owner from obligations that accrued before transfer. The City may withhold a written release until all then-existing defaults are cured.

12.3 Mortgagee Protection. A mortgagee is not obligated to construct or complete the Project solely because it holds a security interest. Any person acquiring title through foreclosure, trustee's sale, deed in lieu, or similar process takes title subject to this Agreement. A mortgagee that gives the City written

notice and a service address is entitled to a copy of a default notice and may cure within the Owner's cure period or, if possession is reasonably necessary, within an additional period reasonably approved by the City while the mortgagee diligently seeks possession and cure.

13. Default and Remedies

13.1 Notice of Default. A Party claiming default shall give written notice describing the default, the Agreement provision involved, the requested cure, and why the default is material. Except for an emergency, fraud, unlawful occupancy, or an imminent health or safety threat, the defaulting Party has 30 days after receipt to cure. If the default cannot reasonably be cured within 30 days, the cure period is extended for the time reasonably necessary if cure begins within 30 days and is diligently pursued.

13.2 Meet and Confer. Before filing litigation, the Parties shall meet in good faith to attempt resolution. If unresolved, either Party may request nonbinding mediation in Wasatch County. Emergency injunctive relief, code enforcement, eviction-related tenant protection, and actions needed to preserve a limitations period are not delayed by this subsection.

13.3 City Remedies. After expiration of the applicable cure period, the City may use any cumulative remedy available at law or equity, including specific performance, injunction, declaratory relief, recapture under Section 10, withholding of further Project approvals to the extent lawful, civil or code enforcement, and recordation of a notice of default. If the City determines that other remedies are inadequate or inappropriate, the City may also terminate this Agreement or the Leased Water because of an uncured material Owner default.

An Owner default does not automatically terminate this Agreement, the affordability restrictions, or the Leased Water, and Owner may not compel termination as a means of avoiding the Initial Thirty-Year Period. The City may not terminate an existing lawful tenancy without following applicable law.

13.4 Owner Remedies. Owner may seek specific performance, declaratory relief, or other remedies available at law or equity, subject to governmental immunity, notice-of-claim requirements, and other applicable law. Nothing in this Agreement waives the protections or limitations of the Utah Governmental Immunity Act.

13.5 Attorney Fees. In an action to enforce this Agreement after the procedures above, the substantially prevailing Party is entitled to reasonable attorney fees and costs, including fees and costs on appeal or in bankruptcy, to the extent permitted by law.

14. Term and Release

14.1 Agreement Term. This Agreement begins on the Effective Date. The Affordability Term begins on the Affordability Commencement Date and continues for the mandatory Initial Thirty-Year Period and automatically thereafter unless and until this Agreement is terminated in accordance with this Section. Neither this Agreement nor the affordability restrictions expire automatically at the end of the Initial Thirty-Year Period.

14.2 No Owner Termination During Initial Thirty-Year Period. Owner may not terminate this Agreement, opt out of the affordability restrictions, or require the City to release the Property or any Restricted Unit from this Agreement before expiration of the Initial Thirty-Year Period. This restriction does not limit the City's remedies for an uncured material Owner default.

14.3 Owner Termination After Initial Thirty-Year Period. After expiration of the Initial Thirty-Year Period, Owner may elect to terminate this Agreement by providing the City at least one hundred

eighty (180) days' prior written notice. The notice shall state the proposed termination date and identify how Owner will satisfy Sections 9.5 and 10.

An Owner-elected termination shall not become effective unless and until: (a) the required notice period has expired; (b) Owner has paid all amounts then due under Section 10; (c) Owner has satisfied the applicable water requirements in Section 9.5; (d) Owner has submitted all required compliance reports and cured all other outstanding monetary obligations; and (e) the City has recorded a notice of release. Unless and until all conditions are satisfied, this Agreement and all affordability, rent, occupancy, monitoring, water, parking, and enforcement provisions remain in full force.

14.4 City Termination for Default. The City may terminate this Agreement after an uncured material Owner default only in accordance with Section 13. Termination by the City does not eliminate Owner's accrued obligations, including recapture, damages, reporting, indemnity, or other obligations intended to survive termination.

14.5 Notice of Release. Following an effective termination under this Section and satisfaction of all conditions to termination, the City shall, upon Owner's request and payment of recording costs, record a notice confirming termination of the affordability restrictions and identifying any obligations that survive. Recordation of the notice of release marks the effective termination of the recorded affordability restrictions.

14.6 Survival. Accrued payment obligations, recapture obligations, indemnity obligations, enforcement rights arising from pre-termination conduct, record-retention duties, attorney-fee provisions, and provisions expressly intended to operate after termination survive termination of this Agreement.

15. Notices

15.1 Method. Notices shall be in writing and delivered personally, by nationally recognized overnight courier, by certified United States mail return receipt requested, or by email with confirmation of receipt. Notice is effective on actual delivery or refusal of delivery.

To Owner	To the City
1881 PROSPECTOR LLC Attn: Cooper Jenkins 41 W MAIN ST UNIT 1 [EMAIL]	Midway City Attn: City Recorder 75 North 100 West, P.O. Box 277 Midway, Utah 84049 with a copy to the City Attorney

15.2 Change of Address. Either Party may change its notice address by notice complying with this Section.

16. Administration

16.1 City Administrator. The City Manager, Planning Director, or another person designated in writing by the Mayor is the administrator of this Agreement (the "City Administrator"). The City Administrator may make administrative determinations expressly delegated by this Agreement but may not approve a material change to the legislative bargain.

16.2 Administrative Amendments. The City Administrator may approve a written administrative amendment for: (a) a de minimis floor-plan adjustment allowed by Section 2.2; (b) completion or correction of a legal description, parcel number, notice address, water quantity certificate, or parking instrument that does not expand the entitlement; (c) a deadline extension expressly authorized by this Agreement; or (d) correction of a clerical error. An administrative amendment shall be signed by Owner

and the City Administrator, approved as to form by the City Attorney, and recorded if it affects the recorded terms or exhibits.

16.3 No Oral Modification. No oral statement, staff direction, permit review comment, or course of dealing amends this Agreement or waives a requirement.

17. Amendment

Except for an administrative amendment authorized by Section 16.2, this Agreement may be amended only by a written instrument executed by Owner and the City after the City completes all legislative procedures required by Utah law for the proposed change. An amendment that changes the authorized use, number of units, Initial Thirty-Year Period, Affordability Term, termination rights, income-based rent formula, 65% AMI requirement, employment priority, City incentives, fee-recapture provisions, water commitment, or another material term requires City Council approval.

18. Estoppel Certificate

Within 20 business days after a written request by Owner or a mortgagee, the City will provide a written statement, based on the City's records and actual knowledge, stating whether this Agreement is in effect, identifying recorded amendments, and identifying any uncured default of which the City has given notice. The City may charge its reasonable cost of preparation.

19. Recordation

After all required Parties have signed and Exhibits A and D have been completed to the City Attorney's satisfaction, the City Recorder shall record this Agreement in the office of the Wasatch County Recorder. Owner shall pay the recording cost. The City may record a memorandum instead if the memorandum contains or incorporates all restrictions necessary to provide record notice and is signed by the Parties.

20. General Provisions

20.1 Entire Agreement. This Agreement and its exhibits constitute the entire agreement concerning the Project-specific legislative approval and incentives. They supersede prior proposals, presentations, emails, and discussions on those subjects. The City Code continues to govern except where this Agreement expressly provides otherwise.

20.2 No Third-Party Beneficiaries. This Agreement does not create a partnership, joint venture, agency, or third-party beneficiary. Tenants retain any rights independently provided by lease or law, but are not third-party beneficiaries of the City's contractual remedies.

20.3 No Waiver. Failure to enforce a provision in one instance is not a waiver in another. A waiver must be written and signed by the waiving Party.

20.4 Severability. If a court holds a provision invalid or unenforceable, the remainder remains effective. The Parties shall cooperate to replace the affected provision with a lawful provision that most closely preserves the original public and private benefits.

20.5 Force Majeure. A Party is excused from timely performance, other than payment of money and the rent restrictions, to the extent performance is prevented by an event beyond the Party's reasonable control. The affected Party shall give prompt notice and diligently resume performance. Economic conditions, financing difficulty, or increased costs alone are not force majeure.

20.6 Governing Law and Venue. Utah law governs. Exclusive venue for an action concerning this Agreement lies in the Fourth Judicial District Court in and for Wasatch County, Utah, unless federal jurisdiction is mandatory.

20.7 Authority. Each person signing represents that the person has authority to bind the identified Party. Owner represents that it is the record owner of the Property or will cause every record owner to execute this Agreement before recordation.

20.8 Counterparts and Electronic Signatures. The Parties may sign counterparts, each of which is an original and all of which form one instrument. Electronic signatures are effective, but recordable acknowledgment pages shall satisfy Utah recording requirements.

20.9 Mutual Drafting. The Parties have had the opportunity to review this Agreement with counsel. No presumption shall arise against a Party based on authorship.

20.10 Further Assurances. Each Party shall execute additional documents and take reasonable actions necessary to carry out this Agreement, provided those actions do not materially alter the legislative bargain without the required approval.

20.11 Time of the Essence. Time is of the essence for all deadlines expressly stated in this Agreement.

SIGNATURES

IN WITNESS WHEREOF, the Parties have executed this Agreement through their duly authorized representatives.

OWNER / DEVELOPER

[FULL LEGAL NAME OF RECORD OWNER]

By: _____

Name: Cooper Jenkins

Title: **[TITLE]**

Date: _____

MIDWAY CITY

By: _____

Mayor

Date: _____

ATTEST:

City Recorder

APPROVED AS TO FORM:

Corbin Gordon, City Attorney

OWNER ACKNOWLEDGMENT

STATE OF UTAH
COUNTY OF WASATCH

The foregoing instrument was acknowledged before me on _____, 2026, by
[AUTHORIZED SIGNER], as [TITLE] of [RECORD OWNER], on behalf of the entity.

Notary Public

My commission expires: _____

CITY ACKNOWLEDGMENT

STATE OF UTAH
COUNTY OF WASATCH

The foregoing instrument was acknowledged before me on _____, 2026, by the
Mayor of Midway City, a Utah municipal corporation, on behalf of the City.

Notary Public

My commission expires: _____

**EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY**

[TO BE INSERTED FROM CURRENT VESTING DEED; INCLUDE TAX PARCEL NUMBER]

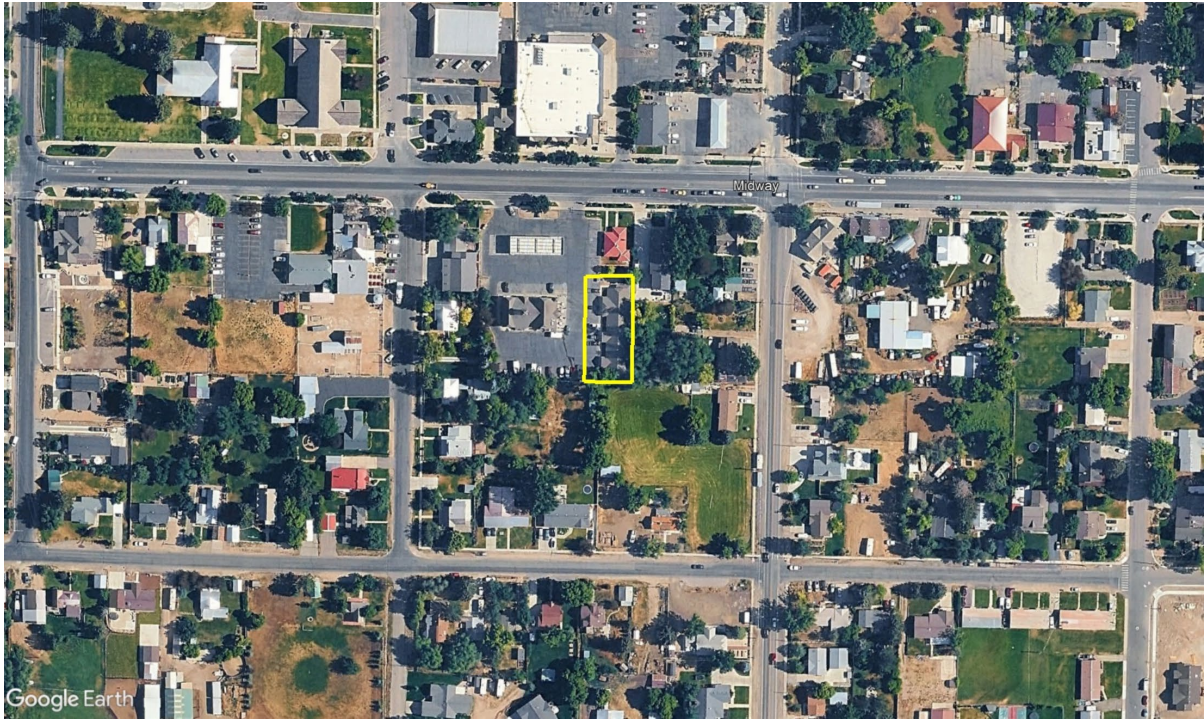
EXHIBIT B
CONCEPTUAL PROPERTY MAPS AND PROJECT PLANS

These materials identify the Property and depict the preliminary unit layout. They are conceptual and do not replace approved construction documents. Erroneous third-party title-block addresses, if any, are not part of the approval. Final construction is subject to all applicable building, fire, accessibility, egress, utility, and life-safety requirements and the controlling provisions of this Agreement.

B-1 - Vicinity Map



B-2 - Neighborhood Map



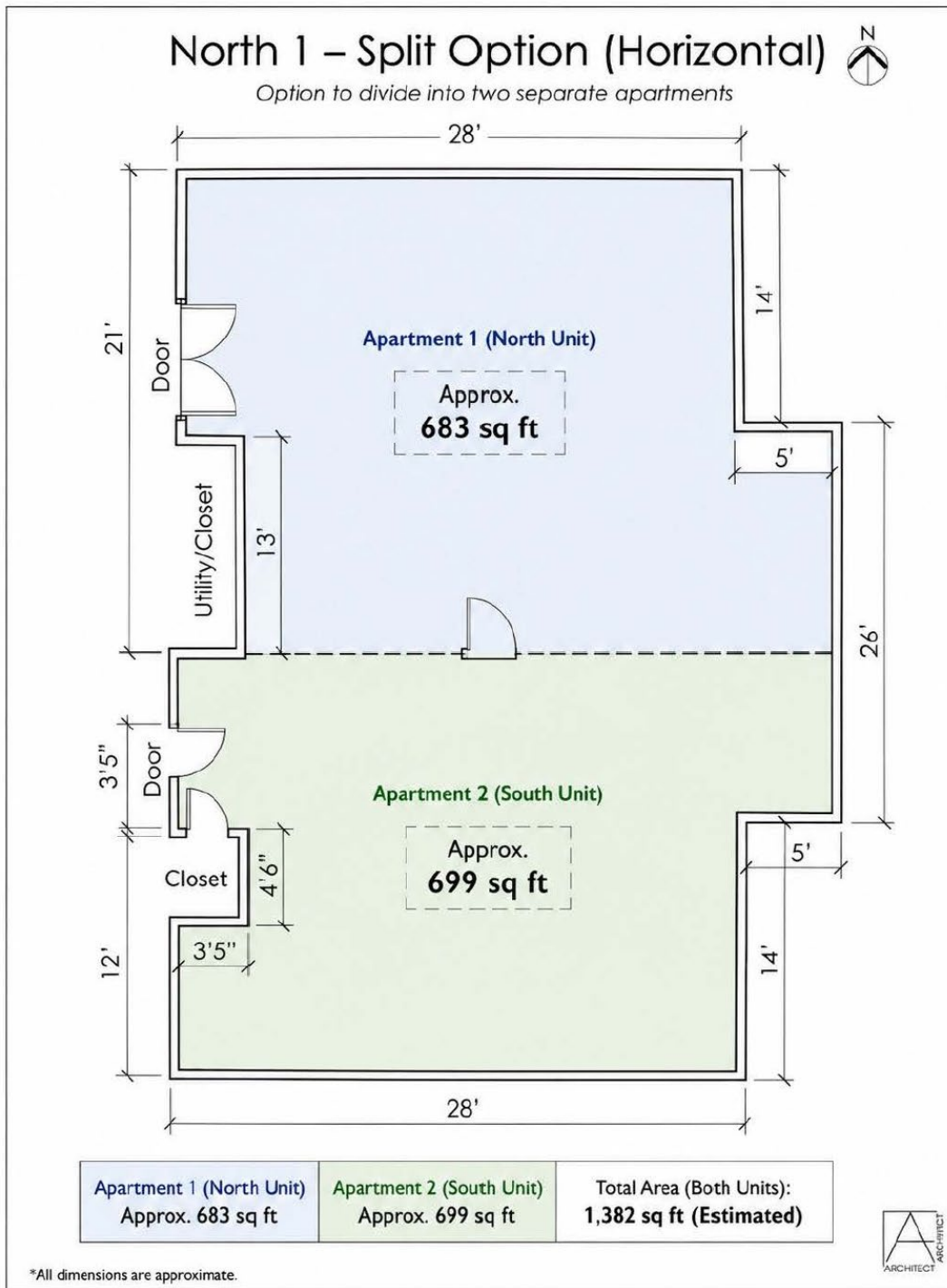
B-3 - Property and Adjacent Area



B-4 - Existing Building and Parking Area

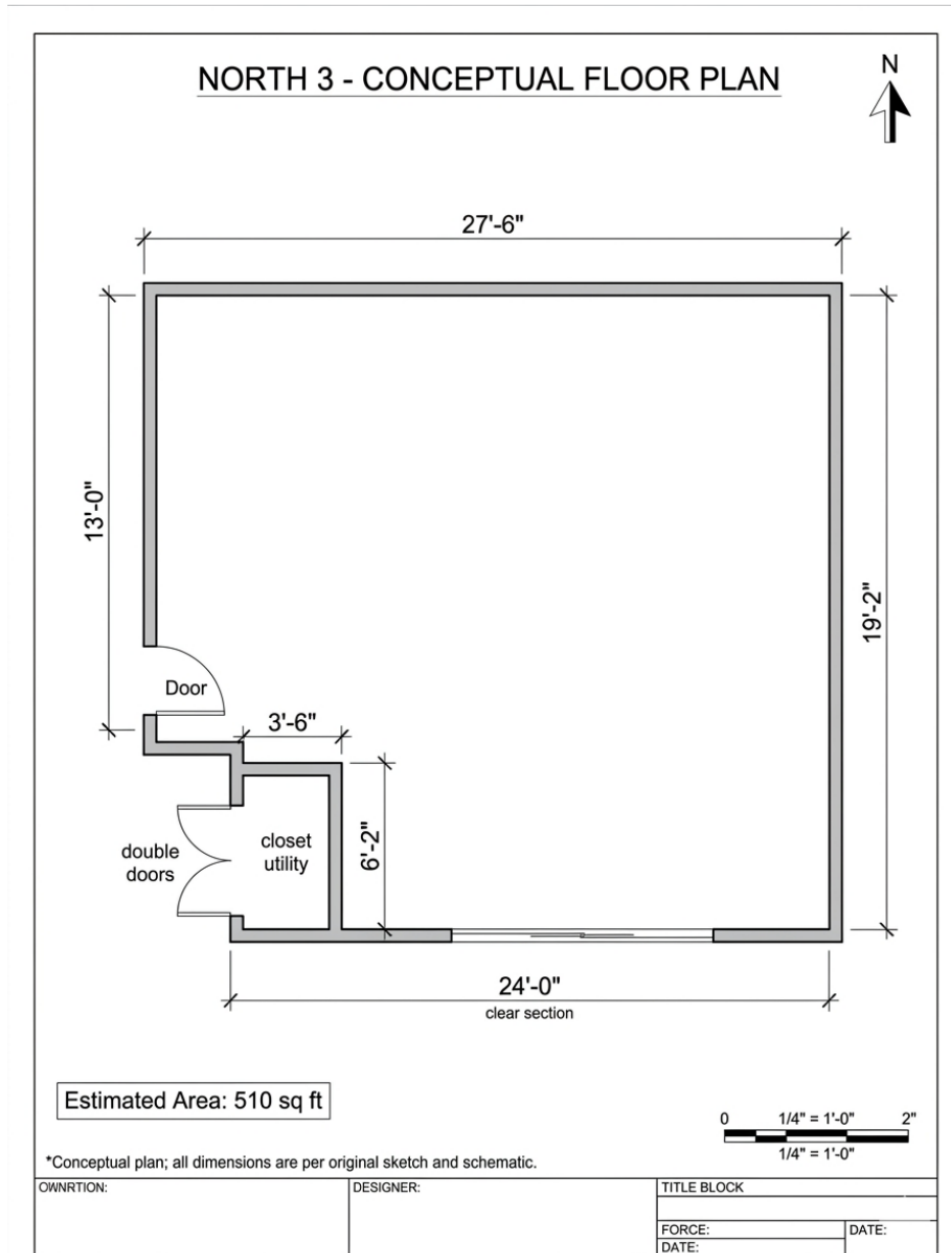


B-5 - North 1 Split Option



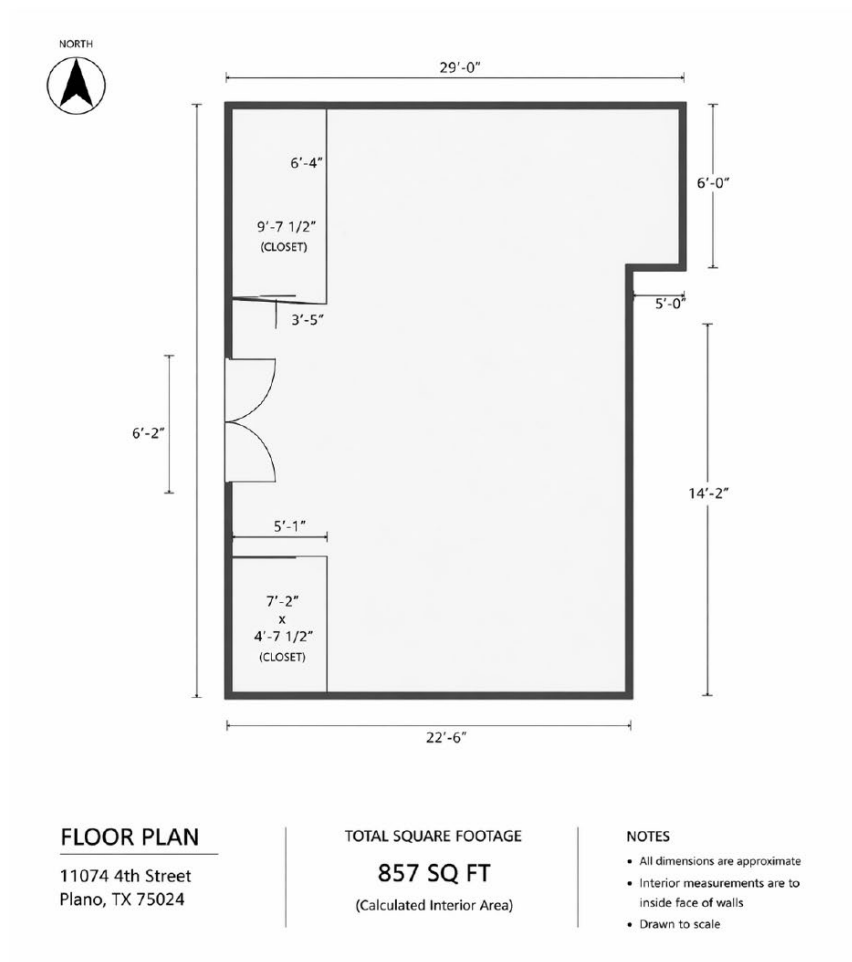
B-7 - North 3 Conceptual Floor Plan

North 3 Floor Plan



B-8 - North 4 Conceptual Floor Plan

North 4 Floor Plan



B-9 - North 5 Conceptual Floor Plan

North 5 Floor Plan

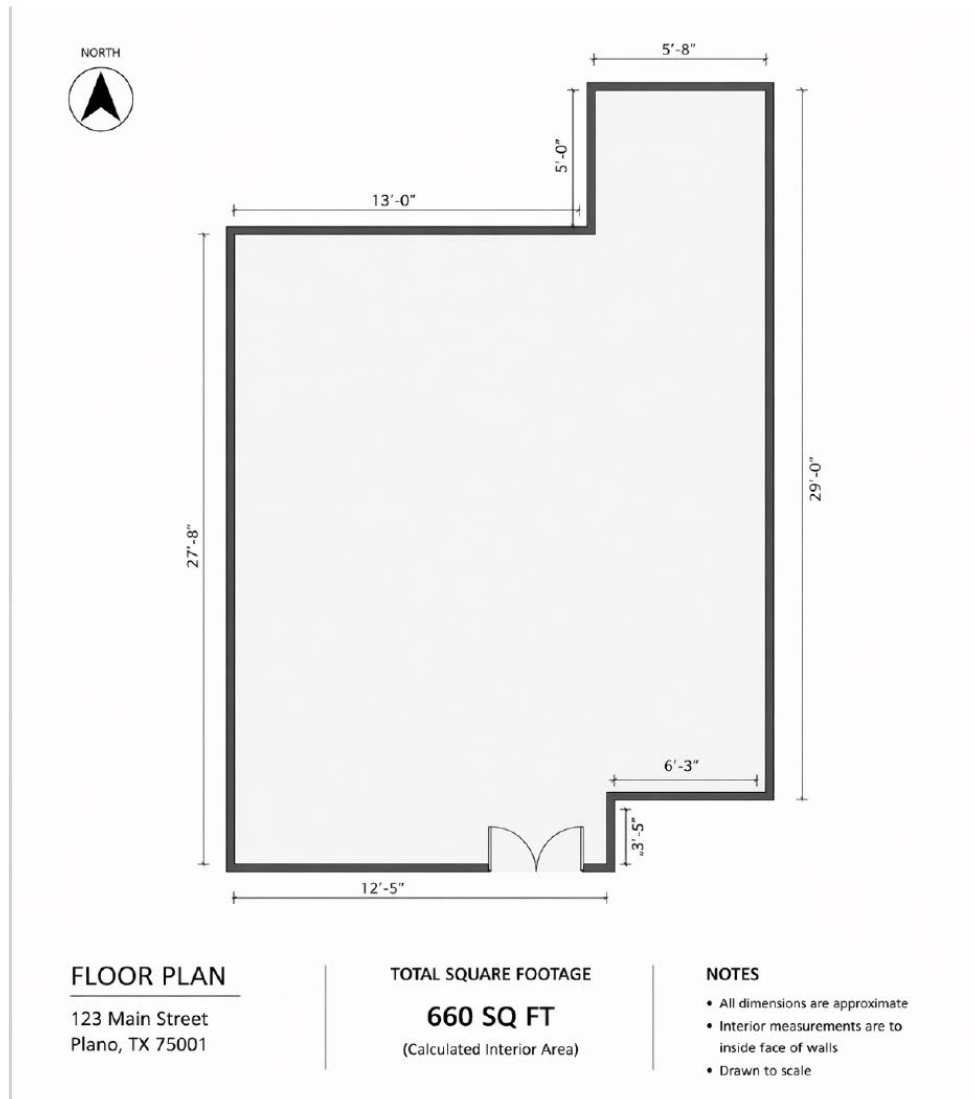


EXHIBIT C

INCOME-BASED RENT AND 65% AMI REQUIREMENTS

The listed unit designations and types are preliminary and may be conformed to the approved building plans under Section 2.2. Each Restricted Unit shall be marketed and leased only to an otherwise qualified household whose Annual Household Income does not exceed 65% of Applicable AMI. For every Restricted Unit, monthly Gross Rent includes all utilities and may not exceed the lowest of: (a) 30% of the tenant household's verified Annual Household Income divided by 12; (b) the rent affordable to a household at 65% of Applicable AMI; or (c) any lower limit required by Section 7.2.

Unit	Approx. Area	Type	Monthly Gross Rent
North 1A	683 sq. ft.	Studio	30% of verified annual household income / 12
North 1B	699 sq. ft.	Studio	30% of verified annual household income / 12
North 2	831 sq. ft.	Studio or 1-bedroom*	30% of verified annual household income / 12
North 3	510 sq. ft.	Studio	30% of verified annual household income / 12
North 4	857 sq. ft.	Studio or 1-bedroom*	30% of verified annual household income / 12
North 5	660 sq. ft.	Studio	30% of verified annual household income / 12

** Final unit-type designation must produce five studios and one one-bedroom unit unless administratively approved under Section 2.2.*

EXHIBIT D
CITY-APPROVED PARKING INSTRUMENT

[TO BE ATTACHED BEFORE RECORDATION OR BUILDING PERMIT ISSUANCE]

The parking instrument must identify the required number and location of parking spaces, establish continuous rights for the Project for at least the Affordability Term (and for any later residential use), bind successors as appropriate, and be approved as to form by the City Attorney.