CITY COUNCIL MEETING STAFF REPORT

DATE OF MEETING: October 6, 2026

NAME OF APPLICANT: City of Midway

AGENDA ITEM: Code Text Amendment

ITEM: 8

Midway City is proposing a code text amendment to Section 7.03: Alcoholic Beverages. The proposed amendment would streamline the transfer of local authority consent for active, compliant alcohol establishments during a change of ownership, establishing an expedited administrative approval track when there is no change to the approved location, scope, or nature of operations.

BACKGROUND:

The proposed text amendment seeks to streamline the local approval process for alcohol licenses in the city. If approved, transferring or establishing an alcohol license at a previously approved location will become an administrative staff approval, eliminating the requirement for a new Conditional Use Permit (CUP).

Currently, when a business changes ownership, the new owner must apply for a brand new CUP, even if the location has a long-standing history of compliant alcohol sales. This current process creates significant operational and financial friction:

- City Processing Delay: A CUP requires a 2 to 3-month processing window to obtain formal city approval.
- State Timeline Mismatch: The State of Utah allows a temporary 60-day operational window for new owners to continue alcohol sales while their state application is pending.

- The "Regulatory Gap": Because the city's local consent process takes upwards of 90 days, a predictable gap occurs. Establishments are forced to halt alcohol sales for several weeks, resulting in lost revenue and disrupted business operations.

The proposed administrative track allows staff to review and issue local consent swiftly for existing, compliant locations. This eliminates the city-level bottleneck, allows the applicant to meet the State's 60-day window, and ensures uninterrupted business operations.

The current code states the following in section 7.03.060:

> *As provided by Title 16 of the Midway City Municipal Code, all alcohol-dispensing establishments are conditional uses in Midway City. Any applicant desiring to operate an alcohol-dispensing establishment shall first obtain the required consent of the local authority in the manner described elsewhere in this chapter. If, and only if, consent of the local authority is granted, the applicant's application for a conditional use permit will then be considered. During the conditional use permit consideration process, the City may impose upon a prospective alcohol-dispensing establishment any conditions allowed by law for conditional uses, notwithstanding the fact that the City has already made the decision to grant consent of the local authority to the applicant for the sale of alcoholic beverages.*

The following language is the proposed code (red text is added language).

> *As provided by Title 16 of the Midway City Municipal Code, all alcohol-dispensing establishments are conditional uses in Midway City; provided, however, that this conditional use permit process is only required for a new location. Any applicant desiring to operate an alcohol-dispensing establishment at a new location shall first obtain the required consent of the local authority in the manner described elsewhere in this chapter. If, and only if, consent of the local authority is granted, the applicant's application for a conditional use permit will then be considered. During the conditional use permit consideration process, the City may impose upon a prospective alcohol-dispensing establishment any conditions allowed by law for conditional uses, notwithstanding the fact that the City has already made the decision to grant consent of the local authority to the applicant for the sale of alcoholic beverages. In the event of a change in ownership for an active, compliant, non-abandoned, and legally existing alcohol-dispensing establishment with no change in location or alteration to the approved scope of operations (including floor plan, square footage, and hours of operation), a new conditional use permit shall not be required. The Community Development Director is hereby granted the administrative discretion to review and approve the local authority consent for such ownership changes to expedite the applicant's ability to seek required state approvals.*

ANALYSIS:

The proposed code text amendment addresses a procedural bottleneck that inadvertently penalizes local businesses during ownership transitions. Staff's analysis focuses on three primary areas: administrative efficiency, economic impact, and regulatory consistency.

1. Policy and Administrative Efficiency

The Conditional Use Permit process is designed to evaluate land uses and mitigate potential negative impacts on surrounding neighborhoods. When a location has already been vetted and approved for alcohol sales, repeating the full CUP process for a change in business ownership offers no additional regulatory utility.

- Redundant Review: The land use (selling alcohol) remains identical; only the corporate entity or operator changes.

- Resource Allocation: Moving this to an administrative approval frees up valuable Planning Commission time, City Council time, and city resources, allowing staff to handle compliant transfers through a standardized checklist.

2. Economic Impact & Business Friendliness

The current 2-3-month waiting period forces a gap in a business's ability to operate at full capacity. For restaurants, bars, and hospitality venues, a multi-week freeze on alcohol sales can threaten their financial viability during a transition phase. The amendment aligns city procedures with standard economic development goals by removing barriers to business continuity.

3. State and Local Regulatory Alignment

The state’s framework explicitly anticipates seamless business transitions by providing a 60-day temporary allowance. The city's current code actively undermines this state-level accommodation.

- Timeline Alignment: Transitioning to an administrative approval allows the city to issue local consent within days rather than months.

- Compliance Safeguards: Administrative approval does not mean a lowering of standards. Staff will verify that the incoming business complies with all original conditions of approval, building codes, and business licensing requirements before signing off. If a new owner proposes a change in the scope of operation (e.g., expanding square footage or altering hours), the standard CUP process would still apply.

This proposal is a legislative in nature and the City Council has full discretion in this matter. The City Council may deny the request, approve as presented, or approve any modifications the City Council finds necessary to promote the health, safety, and welfare of the community.

POSSIBLE FINDINGS:

- Requiring a new Conditional Use Permit for a change of ownership at an already approved location is redundant. Transitioning to an administrative staff review maintains strict municipal oversight while streamlining city resources.

- The current 2–3 month approval process forces a gap in alcohol sales during business transitions. Shifting to an administrative track eliminates this operational barrier and protects local business viability.

- The amendment harmonizes city code with the State of Utah's 60-day temporary allowance. Faster local approvals ensure new owners can complete the state licensing process without a lapse in operations.

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

2. 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

3. 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

ORDINANCE
2026-____

AN ORDINANCE AMENDING SECTION 7.03.060 OF THE MIDWAY CITY MUNICIPAL CODE REGARDING APPROVAL OF EXISTING ALCOHOL-DISPENSING ESTABLISHMENTS FOLLOWING A CHANGE IN OWNERSHIP

WHEREAS, pursuant to Utah Code Section 10-9a-509, the Midway City Council may formally initiate proceedings to amend city ordinances; and

WHEREAS, Section 7.03.060 of the Midway City Municipal Code governs local authority consent and conditional use permit requirements for alcohol-dispensing establishments; and

WHEREAS, the Midway City Council desires to streamline the approval process for changes in ownership of active, compliant, non-abandoned, and legally existing alcohol-dispensing establishments where the approved location and scope of operations remain unchanged; and

NOW THEREFORE, be it ordained by the City Council of Midway City, Utah, as follows:

Section 7.03.060 of the Midway City Municipal Code is hereby amended to read in its entirety as follows:

7.03.060 Conditional Use Permit

As provided by Title 16 of the Midway City Municipal Code, all alcohol-dispensing establishments are conditional uses in Midway City; provided, however, that this conditional use permit process is only required for a new location. Any applicant desiring to operate an alcohol-dispensing establishment at a new location shall first obtain the required consent of the local authority in the manner described elsewhere in this chapter. If, and only if, consent of the local authority is granted, the applicant's application for a conditional use permit will then be considered. During

the conditional use permit consideration process, the City may impose upon a prospective alcohol-dispensing establishment any conditions allowed by law for conditional uses, notwithstanding the fact that the City has already made the decision to grant consent of the local authority to the applicant for the sale of alcoholic beverages. In the event of a change in ownership for an active, compliant, non-abandoned, and legally existing alcohol-dispensing establishment with no change in location or alteration to the approved scope of operations (including floor plan, square footage, and hours of operation), a new conditional use permit shall not be required. The Community Development Director is hereby granted the administrative discretion to review and approve the local authority consent for such ownership changes to expedite the applicant's ability to seek required state approvals.

This ordinance shall take effect upon publication as required by law.

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

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

APPROVED:

_____
Craig Simons, Mayor

ATTEST:

_____
Brad Wilson, City Recorder

APPROVED AS TO FORM:

_____
Corbin Gordon, City Attorney

(SEAL)