



City Council Report

DATE: July 11, 2016
TO: Mayor Giles and City Council
THROUGH: Kari Kent, Assistant City Manager
Christine Zielonka, Development Services Director
John Wesley, AICP, Planning Director
FROM: Lisa Davis, Planner II
SUBJECT: Amendments to Title 11, the Mesa Zoning Ordinance, including addition of a new Chapter 14: Employment Opportunity District with supporting changes to other sections of the Zoning Ordinance to integrate the new District.

PURPOSE AND RECOMMENDATION

This proposal would modify the Mesa Zoning Ordinance to add a new Chapter 14 for an Employment Opportunity (EO) District. The Goal in adding the zoning district is to ultimately provide “shovel ready” sites specifically for large-scale employment generating uses with minimum entitlement process. Tailored standards will be established through an Economic Opportunity (EO) Development Plan that will encourage high quality design, efficient aesthetic, sustainable and desirable developments.

Recommended Action: The City Council APPROVE the proposed amendments to the Mesa Zoning Ordinance, Title 11, to add Chapter 14 for Employment Opportunity District and supporting changes to integrate the new district, as written. The Planning and Zoning Board recommends approval of the amendment (4-0, Hudson and Clement absent).

BACKGROUND

Over the past few years, Mesa Economic Development staff has seen increases in the number of “Mega Projects” interested in large assemblies of land (100 acres or greater), particularly projects that express a need for “shovel ready” development with in-place entitlements. The proposed Employment Opportunity District is a direct response to this need and will provide a mechanism for large employment generating developments to move directly into an abbreviated process and build needed projects. The goal is to bring high quality jobs to Mesa.

The goals and objectives of the Mesa 2040 General Plan include development of policies and projects intended to generate job opportunities. These goals include sustainable economic centers located at various “hubs” throughout the City. These hubs will emphasize high quality, high-paying jobs. Development of a stronger employment sector offering higher than average wage scales and excellent employment security is part of the General Plan’s goal for achieving a more sustainable economy.

The Mesa Zoning Ordinance does have several employment-oriented zoning districts listed in Chapter 7 of the Mesa Zoning Ordinance (MZO) to encourage employment development. Each provides a base district for employment users and clearly identifies development standards and allowed uses for the zoning districts. The existing employment districts include PEP-Planned Employment Park, LI-Light Industrial, GI-General Industrial,

and HI-Heavy Industrial. Any modifications to the standards to tailor a site requires a rezoning process to apply an overlay district such as a Planned Area Development (PAD) or Business Intensity Zoning (BIZ) overlay districts. Many of the large employers do not want to take the time or risk to rezone a property for their proposed use. Approval of this new zoning district followed application of the zoning district to areas of Mesa will provide the needed zoning to allow these business to move quickly and avoid development risk.

DISCUSSION *(For specific Chapter 14 text amendment language, see Appendix A)*

In 2014 staff processed and the Council approved the Elliot Road Technology Corridor zoning district. This zoning district established standards for employment development along the north side of Elliot road from Hawes to Signal Butte. This zoning allows individual property owners to “opt-in” to this zoning when they have a development proposal that meets the standards of the ordinance. By opting in, the development is allowed some modifications from typical zoning standards and is allowed to have their site plan approved administratively. This reduction in process is very attractive to industrial users and has led to a lot of development interest in this corridor.

As we have had the opportunity to implement the Elliot Road Technology Corridor zoning, which relied on using a PAD overlay, we have learned some lessons about what is needed for industries and how we can do this in a more efficient way. This has led to the creation of the proposed Employment Opportunity District.

The proposed Employment Opportunity District is a culmination of discussions and efforts between the Planning Division, the Economic Development Department, and the City Attorney’s Office. The goal was to create a zoning district that would address the need to have sites available for large employment users with flexibility and a streamlined entitlement process. The new chapter will allow for the City Council to approve the Employment Opportunity (EO) as a base zoning district, or may establish the EO District as a “Floating Zone.” Each EO District would be adopted with an associated EO Development Plan, which shall be tailored for the area. The EO Development Plan in turn, establishes land use classifications and development standards desired for that particular EO District. The EO District could be implemented in areas of at least 160 contiguous acres and identified in the General Plan as Employment or Employment Mixed Used District. It is based on principles of the existing Planned Community District, and the ‘opt-in’ process being used to implement the Downtown Mesa Form Based Code.

Floating Zone, or Opt-In Process

Zoning using the EO District will be similar to the establishment of a Planned Community zoning district in that an adopted plan is used to describe permitted uses, setback requirements, and other standards typically found in a conventional zoning district. The adopted plan is called an EO Development Plan. It is anticipated that, like the Elliot Road Technology Corridor, the requests for rezoning an area to this district will be initiated by Staff. While there may be property owners in the area who are immediately ready to have this district applied to their property, there will likely be others who are not ready. For those property owners within a designated area that are not ready at the time of Council action to have the EO District and associated EO Development Plan applied to their property, the new zone will “float” over their property until such time they choose to opt-in. Should a property owner decide to ‘opt-in’ to a floating zone, only then does a change take place to the official zoning map, from the existing, non-EO District to the EO District, and all the requirements of the EO Development Plan

become applicable for that site. This opt-in process is completed when the property owner completes the opt-in form.

Advantages of establishing the floating zone include:

1. It allows for identification of specific types of employment use classifications that align with City Council policies to attract businesses in suitable areas of the city.
2. It invites specific Employment users/developers who wish to propose projects that meet the Employment Opportunity District goals. It clearly identifies expectations for developers based on standards outlined in the EO Development Plan.
3. It provides for flexibility within Employment Opportunity District floating zone to quickly assemble property to accommodate a large employment generating use with an opt-in administrative process.
4. The ordinance creates a relatively streamlined process for developers to rezone land and secure site plan approval more efficiently.

Site Plan Review (SPR)

Site Plan Review for EO Districts would also function a bit differently than the SPR process used in conventional zoning districts. Site plans would be reviewed on an administrative basis by Planning Division staff. As a part of the review, notification of the receipt of the SPR application is sent to owners of properties within 750-ft of the application site. The letter is intended to notify those neighboring owners of the SPR application, and advise them to notify Planning Division staff if there is an interest in the outcome. If an interest is indicated to staff, then a letter is sent to those that have indicated an interest once a decision is made on the SPR application. If these interested owners disagree with the staff decision within the specified 15-day appeal period, then that appeal is directed to the Planning and Zoning Board for a hearing and consideration by the P&Z Board.

ALTERNATIVES

Alternative A (Recommended) - Adopt the suggested amendment language for the addition of Chapter 14 and all needed supporting changes to integrate the new District into the Zoning Ordinance: The proposed amendment is designed to create a zoning district that will provide shovel ready sites with tailored Development Standards. The initial approval of the zoning, along with the EO Development Plan, on a specific property will require the public hearing process, typically an approximately 6-month process. Once the zoning is in place, the property owner will have the opportunity to continue development under the existing zoning designation (i.e. LI-light Industrial or GI General Industrial) for the property, or opt-in to change the zoning designation to the EO District and comply with the approved EO development Plan. The administrative opt-in process will actually rezone to the EO district. The opt-in process will be a very short process.

Alternative B (Not Recommended) - Make no changes to the existing zoning ordinance: Doing so would leave the existing requirements in place. Large employment generating users may need to rezone with overlay zones that will allow for deviations from the Mesa Zoning Ordinance. This will require the public hearing process to be completed, typically an approximately 6-month process.

FISCAL IMPACT

None at this time. There is no direct fiscal impact for adoption of Chapter 14, Employment Opportunity District. Indirectly, it provides flexibility and incentive for the Mega, over 100-acre, employment generating uses to quickly assemble property and rezone within a streamlined process.

CONCURRENCE

The proposed amendment language has been reviewed by the Economic Development staff.