



Planning and Zoning Board

Staff Report

CASE NUMBER: ZON18-00775
LOCATION/ADDRESS: Within the 4900 to 5200 blocks of South Power Road (east side).
GENERAL VICINITY: Located south of 202 San Tan Freeway on the east side of Power Road and north of Ray Road.
REQUEST: Rezone from City of Mesa Agriculture (AG) to Limited Commercial (LC)-Airfield (AF)-Planned Area Development (PAD); Council Use Permit to allow multi-residential, commercial entertainment, hotel, and college and commercial trade school uses in the Airport Overflight Area one (AOA 1) and Airport Overflight Area two (AOA 2) and LC District; and Site Plan Review.
PURPOSE: This request will allow for a mixed-use development.
COUNCIL DISTRICT: District 6
OWNER: Arizona State Land Group
APPLICANT: Vivo Partners, LLC
STAFF PLANNER: Lisa Davis, AICP

SITE DATA

PARCEL NOS.: 304-30-012E
PARCEL SIZE: 58± acres
EXISTING ZONING: Maricopa County Designation of Airfield District II (AD-II) and Residential (RU-43) (AG with approval of annexation into the City of Mesa (case # ANX18-00502)
GENERAL PLAN CHARACTER: Mixed Use Activity
CURRENT LAND USE: Vacant

SITE CONTEXT

NORTH: 202 San Tan Freeway
EAST: (Across Roosevelt Water Conservation District-RWCD canal) Vacant, zoned Light Industrial (LI)
SOUTH: (Across Ray Road) Existing commercial, zoned Limited Commercial (LC)
WEST: (Across Power Road) Existing commercial in the Town of Gilbert zoned Regional Commercial (RC)

STAFF RECOMMENDATION: Approval with conditions

P&Z BOARD RECOMMENDATION: Approval with conditions. Denial

PROPOSITION 207 WAIVER SIGNED: Yes No

HISTORY/RELATED CASES

The site has no City of Mesa case history and currently located outside of the city limits. However, the applicant has applied for an annexation (Case# ANX18-00502) to bring the property under the jurisdiction of the City of Mesa. The planned annexation, if approved, will assign an AG zoning district on the property. Currently, the annexation review is planned to run concurrently with the timeline of the subject request.

PROJECT DESCRIPTION / REQUEST

Approval of the subject request will allow the development of a 58±-acre mixed-use development (i.e. Gallery Park), that will include multi-residence, offices, commercial, hotels and entertainment uses.

The PAD overlay requests is to modify certain development standards of the City of Mesa Zoning Ordinance (MZO). The proposed modifications include reductions in certain required setbacks, increase in maximum height of structures and reduction in parking standards. All the modifications are identified in Table 1 of this report. The site plan submitted with the application shows division of the site into four quadrants. These four areas are designated as A, B, C, and D within Exhibit 1 Page 4 Figure 2 or as shown to the right. The table below shows proposed uses in each of the four sectors:



Sectors/location	Uses
Area A	Restaurants, retail commercial pads; Condominiums on top of commercial uses
Area B	Offices, parking structure, hotel, commercial, restaurant and entertainment
Area C	Restaurants, retail commercial pads; Condominiums on top of commercial uses
Area D	420-unit apartment complex, parking structure, hotel, offices, restaurant and entertainment

NEIGHBORHOOD PARTICIPATION

The applicant sent letters of notification to property owners and registered neighborhoods within 1,000 feet of the site informing them of the request. Typically, Homeowners Associations within one-half mile are sent letters as well, however there are no Homeowners Associations within a one-half mile of the site. A neighborhood meeting was held on December 18, 2018. The applicant did not receive any response to the notifications and there were no attendees at the neighborhood meeting. The citizen participation plan (Exhibit 4) and report (Exhibit 5) are attached for the Board’s review. As of writing this report, staff has not been contacted by any resident to express support or opposition to the request.

STAFF ANALYSIS

MESA 2040 GENERAL PLAN:

Staff reviewed the request and found it is consistent with the criteria for review outlined in Chapter 15 (pg. 15-1) of the Mesa 2040 General Plan and determined the proposed development conforms to the General Plan. The Mesa 2040 General Plan Character area designation on the property is Mixed-Use Activity. Per Chapter 7 of the General Plan, the primary focus of the Mixed-Use Activity Districts is large scale (typically over 25 acres) community and regional activity areas that usually have a significant retail commercial component including shopping areas such as malls, power centers, or lifestyle centers that are designed and developed to attract customers from a large radius. These districts often include other uses such as office, entertainment and residential. The goal of the district is to help create strong and viable centers of commercial activity that attract people to unique shopping and entertainment experiences.

The site is within the Gateway Economic Activity Area and District. This economic activity area covers a large area surrounding the Phoenix-Mesa Gateway Airport. The Gateway Employment Area provides the largest opportunity for new growth in Mesa. Given the large size of the area, a wide range of employment activities are anticipated. The subject request provides an opportunity for employment uses that will also encourage a mix of uses consistent with the district.

The site is also located within the Mesa Gateway Strategic Plan, and specifically located within the Inner Loop District. Per the Strategic Plan, the focus of the Inner Loop District is to provide a high-quality, mixed use environment that is compatible with increasing over-flight activities associated with Phoenix-Mesa Gateway Airport operations. The proposed mixed-use development is consistent with the goals of the Mesa Gateway Strategic Plan.

ZONING:

The request includes rezoning the 58± acre property from Agriculture (AG) to Limited Commercial (LC)-Airfield (AF)-Planned Area Development (PAD). Per Section 11-6-1 of the MZO, the purpose of the LC district is to provide areas for indoor retail, entertainment and service-oriented businesses.

AIRFIELD OVERLAY - MZO Article 3 Section 11-19

Per Section 11-19 of the MZO, the site is located within the Airfield (AF) Overlay District. Specially within the Airport Overflight sub-areas: Airport Overflight Area one (AOA 1), Airport Overflight Area two (AOA 2), Airport Overflight Area three (AOA 3). The location of the property within the Airfield Overlay is due to its proximity to the Phoenix Mesa Gateway Airport. Per Section 19 of the MZO, the AOA 1 and AOA 2 has certain restricted uses, as well as a requirement for approval of a Council Use Permit to allow certain uses.

PAD OVERLAY MODIFICATIONS – MZO Article 3, Chapter 22:

The request includes a Planned Area Development (PAD) Overlay in accordance with Section 11-22 of the MZO. The purpose of this request for an overlay is to allow modifications to certain required standards for development of the property. The overlay is to also provide opportunities to create flexibility in the development for a high-quality development with modified developments standards specific to the subject development.

The PAD overlay request includes modifications to MZO development standards as it pertains to the site, such as reduced perimeter setbacks, reduced building separations, reduced private open space for multi-residence units and reduced number of parking spaces.

Table 1 below shows the MZO required standards, the applicant’s proposed PAD standards in Exhibit 1, and Staff recommendations.

Table 1 (condition #1)

Required Development Standards MZO Sections 11-6; 11-32 and 11-33	Proposed PAD in Exhibit 1: Gallery Park Narrative	Staff Recommendation
Building/landscape setback At the West side (adjacent to Power Road) 15’ building and landscape At the South side (adjacent to Ray Road) 15’ building and landscape At the east side (adjacent to RWCD canal) 15’ building for each story 15’ landscape At the north side (adjacent to the 202 San Tan Freeway) 30’ building 30’ landscape	15’ building and landscape 8’ building and landscape 5’ building -lot 27 parking structure and lot 20 multi-residence 5’ landscape 30’ building 15’ landscape	Meets MZO As proposed As proposed As proposed Meets MZO As proposed
Maximum height-30’	100’ max for lots 23, 24, 25, 26 and 27 85’ max, specifically for lots 15, 16, 17, 18, 19, 20, 21, and 22 40’ max adjacent to Power Road, specifically for buildings 1, 2, 5, 6 and 13 35’ max adjacent to Power Road, specifically for buildings 3, 4, 7, 8, 9, 10, 11, 12 and 14	As proposed As proposed As proposed As proposed
Minimum separation between building on the same lot 25’ for buildings up to 20’ high 30’ for buildings between 20’ and 40’ high 35’ for buildings over 40’ high	0’ separation 0’ separation 0’ separation	As proposed As Proposed As Proposed
50’ Minimum distance for truck docks, loading and service areas from residential use	0’	As proposed

Required Development Standards MZO Sections 11-6; 11-32 and 11-33	Proposed PAD in Exhibit 1: Gallery Park Narrative	Staff Recommendation
Open Space standards for the Multi-residence		
Minimum Open Space per unit-100 SF	80 SF	As Proposed
Private open space 1-bedroom units-60 SF 2-bedroom units-100 SF 3-bedroom units-120 SF	For 50% of the units: 60 SF 60 SF 60 SF 50% of units 0 SF	As Proposed As Proposed
Landscape Material numbers		
Arterial streets 1 Tree and 6 Shrubs per 25 Linear Feet of Street Frontage	1 tree per 40 linear feet shrubs and groundcover to meet MZO	As Proposed
Foundation base For buildings larger than 10,000 SF with parking spaces that abut the foundation base-Plaza requirements at the entry a 20' minimum width and depth and a minimum area of 900 SF 15'-wide foundation base at exterior walls with public entrance.	Plaza requirements-15' minimum width and depth and minimum area of 500 SF for buildings fronting the Main Axis and Mid Axis Only. All other areas to meet MZO 10' only in areas with parallel parking or drop-off zones. All other areas to meet MZO.	As Proposed As Proposed
Landscape Island required every 8 contiguous parking spaces a minimum of 15' in length and 8' in width	Every 4 parking spaces One 25-SF landscape diamond with a minimum dimension of 5'	As Proposed
15 parking stalls-Maximum length of a covered parking canopy	Not to exceed 20 parking stalls in quadrants A & D	As Proposed
24-foot-wide landscape island required between adjoining parking canopies	8' wide in quadrants A & D	As proposed
Extruded concrete curbing and a 5-foot-wide landscape area along the undeveloped edge(s) provided adjacent to undeveloped parcels	No temporary landscape	As proposed
Multi-residence parking 2.1 spaces per dwelling unit	1.5 spaces per unit	As proposed
Modification to parking lot layout of more than 200 spaces	As shown on site plan	As proposed
Covered parking for office 1 space per unit or space	1 covered parking space/ 1,000 SF of office	As proposed
MZO Section 11-32-3.A required parking spaces determined by use and area of building	Phase 1 parking spaces required per MZO Subsequent phases shall implement per shared parking plan (pages 22-25)	As proposed
Parking for the overall site based on MZO 11-32.A Required spaces: 3972	Provided spaces: 2,490 in shared parking plan	As proposed

Site Planning Guidelines

The subject request includes site plan guidelines, specified in Exhibit 1 (pages 26 to 29). The guidelines and the proposed site plan will guide development of the property. Because of certain unknown potential future modifications, the guidelines have included allowances for minor modifications to the

site plan to align with requirements of Section 11-69-6 of the MZO. Per Section 11-69-6 of the MZO, after approval of a project, the Planning Director may grant minor modifications to the approved site plan such as minor dimensional changes and building configurations. In addition, the Planning Director, in reviewing any request for minor modification, could defer such request to the Planning and Zoning Board for review and approval. All phases of the development will be required to comply with the site planning guidelines, the design guidelines and landscape plan submitted and approved as part of the subject PAD and rezoning request.

Design Guidelines

Per Section 11-22-1 of the MZO, the intent of a PAD is to create a district that provides creative, high-quality development and incorporates elements such as building design, site design, and amenities that create a unique and more sustainable alternative to conventional development. The applicant, as part of the PAD application, included design guidelines (Exhibit 3), to demonstrate how the PAD will create an innovative and unique development for the district. These design guidelines have been included in the PAD. On February 12, 2019, the City's Design Review Board (DRB) reviewed the design guidelines and landscape plans and recommended approval for City Council's consideration to be included as part of the PAD. The guidelines, if approved by Council, will serve as the overall design guideline for the PAD. A separate design review by the City's DRB will not be required, unless determined by the Planning Director that a proposed development in the PAD does not conform to the approved design guidelines and requires review by the DRB (see condition number 7). Unless determined otherwise by the Planning Director, all proposed designs will be reviewed administratively.

COUNCIL USE PERMIT - MZO Section 11-70-6

Table 11-6-2 of the MZO list uses that require Council Use Permit approval in the LC district and the AOA 1 & AOA2 overlay districts. Section 11-70-6 of the MZO also outlines review criteria for Council Use Permits. The summary below shows proposed development within each district in the PAD and the MZO criteria:

Uses in the LC District

The multi-residence use is proposed at lot 15, 16 and 20. The PAD shows a proposed 420-unit multi-residence development at the southeast portion of the site, lot 20, adjacent to Ray Road. There is also a proposed development of 39 units of condominiums or lofts to be located within the area referenced as "main street zone" lots 15 and 16. The condominiums are proposed to be located above commercial uses. The proposed underlying zoning on the property will be LC. Per Section 11-6-2 of the MZO, a multi-residence use is permitted in the LC district if it also conforms to the criteria outlined in Section 11-31-31. Per this section of the MZO, residential uses permitted in the LC district shall include a minimum of 40% of the gross floor area of the entire project reserved for non-residential uses, a minimum of 65% of the ground floor area reserved for commercial use and a maximum of 25 dwelling units per acre (du/ac). From the request, the multi-residence in the PAD does not meet the criteria outlined in Section 11-31-31 of the MZO, as a result a Council Use Permit (CUP) is required to authorize such use.

The proposed density for the 420-unit multi-residence on lot 20 requires the approval of a Council Use Permit (CUP) because at 66 du/ac it exceeds the allowed density, it has no ground floor for commercial space and the gross area of the entire site is less than 40% of non-residential uses. The proposed condominiums on lot 15 requires the approval of a CUP due to the gross area of the entire site being less than 40% of non-residential uses. Per Sections 11-31-31 and 11-70-6 of the MZO, all applications for a CUP shall be required to demonstrate how the request conform to and advance the goals and objectives

of and is consistent with the policies of the General Plan and other city policies. The criteria also include the location, size, design, and operating characteristic of the project to be consistent with the purpose of the zoning district designation on the property, as well as ensuring the project will not be injurious or detrimental to adjacent properties or surrounding areas and there is adequate public services and infrastructure to support the development. The applicant provided in the narrative, a plan of operation indicating full compliance with zoning, fire and safety regulations and a good neighbor policy to ensure ongoing compatibility with adjacent uses.

The General Plan character area designation on the property is Mixed Use Activity Center. Per Chapter 7 of the General Plan, the Mixed-Use Activity Center may take on significant residential character if developed with a mix of uses. The proposed development of mixed-use development conforms to the goals of the General Plan character designation. In addition, the submitted document shows provision of adequate infrastructure. The required infrastructure such as water and sewer are available to support and serve the development. Most of the surrounding areas to the site are also designated in the Mesa General Plan as Mixed-Use Activity District or Employment character areas and the zoning for the surrounding properties is Limited Commercial (LC) or Light Industrial (LI). Allowing a mixed-use development with residential uses will not be out of character with the surrounding areas.

Uses in the AOA 1 AOA 2

The proposed mixed-use development includes the following uses:

- Multiple Residence uses in the AOA 2
- Commercial Entertainment use in the AOA 2
- Hotels in the AOA 1 and AOA 2
- Colleges and Commercial Trade Schools in the AOA 1 and AOA 2

Per Table 11-6-2 of the MZO, a Council Use Permit is required for the development of multiple residence uses and commercial entertainment uses in the AOA 2 district. A CUP is also required for development of hotels, colleges and commercial trade schools in the AOA1 and AOA2 districts. As a requirement of the CUP, the proposed development is required to conform to the criteria for approving a CUP including that the proposed project will advance the goals and objectives of the General Plan and other city policies. The criterion also includes that the location, size, design, and operating characteristic of the project are consistent with the purpose of the zoning district designation on the property, as well as ensuring the project will not be injurious or detrimental to adjacent properties or surrounding areas, and there is adequate public services and infrastructure to support the development.

The proposed development size, shape, and characteristics are consistent the purpose of the zoning district and will provide a high-quality, mixed use environment that is compatible with increasing over-flight activities associated with the Phoenix-Mesa Gateway Airport operations. There is availability of adequate public services and infrastructure to serve the development. Allowing the proposed uses of commercial entertainment, multi residence, hotels, colleges and commercial trade schools in the AOA 1 and AOA 2 will not negatively impact the AOA designation on the property.

As part of the review of the project, the Phoenix -Mesa Gateway Airport authority was notified of the proposed development. On November 1, 2018, staff received a letter from the Planning Manager for the Airport expressing support for the proposed office and commercial uses on the property (Exhibit 6). However, expressed concerns with the proposed residential uses on the property and opposes such uses in the AOA 2. According to the letter, the lack of support for the residential uses is due to presence of noise and heavy overflight activities associated with the AOA 2 overlay. Currently, per section 11-6-2 of

the MZO, the City of Mesa allows for multi-family residential within the AOA 2, subject to a CUP review and approval process.

SITE PLAN - MZO Section 11-69-5:

The proposed site plan meets the review criteria for site plan review outlined in Section 11-69-5 of MZO. The proposed site plan layout (Exhibit 2), includes a total of 27 buildings with a park in the center of the development (i.e. the mainstreet zone). The buildings range in size from 2,800 square feet (SF) to 369,920 SF. The lots at the west side of the site, adjacent to Power Road, are designated for restaurants and commercial uses. The northeast portion of the site directly adjacent to the 202 San Tan Freeway includes commercial, offices, and hotel buildings that are proposed to be up to 100' in height. The southeast section of the property adjacent to Ray Road includes a 420-unit multi-residence use that are proposed to be developed up to 85' in height.

Landscape will surround the perimeter of the site and at each phase of the development. A total of four access driveways are proposed at Power Road and one at Ray Road. Currently, the applicant will be required to provide a cross access easement agreement or obtain ownership to demonstrate the ability to utilize the proposed driveway access on Ray Road, as a section of the proposed access is owned by Roosevelt Water Conservation District (RWCD), see condition number 10. As the site develops, each phase of development will be required to comply with solid waste design, see condition number 8. The development is compatible with existing neighboring developments.

Preliminary Plat for Gallery Park

This request includes a preliminary plat titled "Gallery Park" for a 28-lot development (Exhibit 7). Section 9-6-2 of the Mesa Subdivision standards requires platting procedures to go through preliminary plat, subdivision technical review and final plat. The Subdivision Technical Review process considers the overall design of the subdivision and details, such as utilities layout, ADA compliance, detention requirements, etc. This process sometimes results in modifications to lot sizes and configuration which could result in reduction of lots. All approved preliminary plats are subject to potential modification through the Subdivision Technical Review process.

CONCLUSION:

The proposed project conforms to requirements of the General Plan and the Gateway Strategic Development Plan, as well as the review criteria for Planned Area Development Overlay outlined in Chapter 22 of the Zoning Ordinance (Section 11-22-1). The request also conforms to review criteria for Conditional Use Permits outlined in Section 11-70-6 and 11-31-31 of the MZO, as well as uses allowed in the LC district and the AOA1 and AOA 2. The proposed site plan also conforms with the review criteria outlined in Chapter 69 of the Zoning Ordinance (Section 11-69-5). Staff recommends approval with the following conditions:

CONDITIONS OF APPROVAL:

1. Compliance with the final site plan and preliminary plan submitted.
2. Compliance with all requirements of the Subdivision Regulations.
3. Compliance with all City development codes and regulations, except for the PAD modifications identified in Table 1 of the City's staff report. The Gallery Park Narrative is for informational purposes only and shall have no force or effect.
4. Except for the PAD modifications identified in Table 1 of the City's staff report, the PAD does not modify, amend or change any Mesa City Code, requirements, regulations, or processes.

5. Dedicate the right-of-way and easements required under the Mesa City Code at the time of application for a building permit or at the time of the City's request for dedication, whichever comes first.
6. Compliance with all requirements of Chapter 19 of the Zoning Ordinance including:
 - a. Owner granting an Avigation Easement and Release to the City, pertaining to Phoenix-Mesa Gateway Airport which will be prepared and recorded by the City (concurrently with the recordation of the final subdivision map or prior to the issuance of a building permit, whichever occurs first).
 - b. Written notice shall be provided to future property owners that the project is within 1 mile of Phoenix-Mesa Gateway Airport.
 - c. Due to the proximity of the site to Phoenix-Mesa Gateway Airport, all proposed structures require an FAA filing for review in conformance with CFR Title 14 Part 77.9, (form 7460), to determine any effect to navigable airspace, air navigation facilities. A completed form with response by the FAA shall be required for the submittal of a building permit to construct a structure(s) on the property.
 - d. Prior to the issuance of a building permit, provide documentation by a registered Professional Engineer or registered Professional Architect has certified that Noise attenuation measures have been incorporated into the design and construction of the buildings to achieve a noise level reduction to 45 db as specified in Section 11-19-5 of the Zoning Ordinance.
7. Compliance with the Gallery Park Design Guidelines. The Planning Director may refer an application for design review to the Design Review Board.
8. All phases of the development shall comply with the City's requirements for solid waste collection.
9. All off-site improvements and street frontage landscaping to be installed in the first phase of construction.
10. Prior to the submittal of a building permit, either record with Maricopa County an access easement to travel across the property along Ray Road owned by the Roosevelt Water Conservation District (RWCD) or obtain ownership of the RWCD property.

Exhibits

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| Exhibit 1: | Gallery Park Narrative |
| Exhibit 2: | Gallery Park Site Plan |
| Exhibit 3: | Gallery Park Design Guidelines and landscape plan |
| Exhibit 4: | Citizen Participation Plan |
| Exhibit 5: | Citizen Participation Report |
| Exhibit 6: | Phoenix Mesa Gateway Airport letter |
| Exhibit 7: | Preliminary Plat |