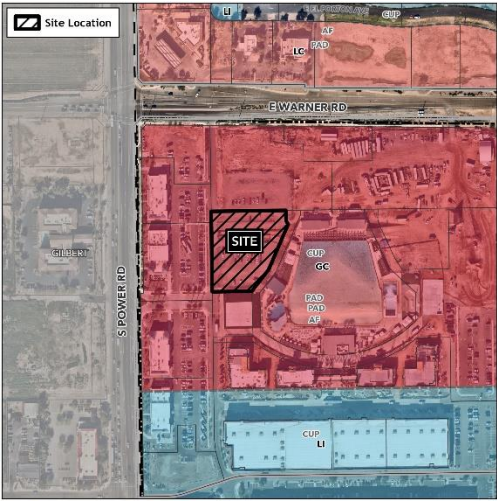


Planning and Zoning Report

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|---------------------------------|--|---|
| Date | May 27, 2026 | |
| Case No. | ZON26-00051 | |
| Project Name | Cannon Beach Hotel | |
| Request | <ul style="list-style-type: none"> Special Use Permit (SUP) | |
| Project Location | Southeast corner of South Power Road and East Warner Road | |
| Parcel No(s) | 304-30-956 |  |
| Project Area | 1.3± acres | |
| Council District | District 6 | |
| Existing Zoning | General Commercial with a Planned Area Development Overlay (GC-PAD) | |
| General Plan Designation | Regional Employment Center | |
| Applicant | Ben Meyer, Mendil + Meyer Design Studio | |
| Owner | Cannon Beach Hotel, LLC | |
| Staff Planner | Evan Balmer, Assistant Planning Director | |

Recommendation

Staff finds that the Proposed Project is consistent with the Mesa 2050 General Plan and the review criteria for a Special Use Permit outlined in Mesa Zoning Ordinance (MZO) Section 11-70-5.

Staff recommends approval with conditions.

Project Overview

Request:

The applicant is requesting approval of a Special Use Permit to allow for mechanical screening to exceed the allowed height in the GC zoning district for the development of a 110,000± square foot hotel (Proposed Project).

Concurrent Applications:

- Design Review: Design Review Board reviewed the Alternative Compliance request at the May 12, 2026, meeting. The Board recommended approval of the Alternative Compliance request and suggested minor changes to the proposed plant palette. Staff is working with the applicant to address the comments from the Board (Case No. DRB26-00047).

Site Context

General Plan:

- The Placetype for the property is Regional Employment Center and the Growth Strategy is Evolve.
- The Mesa 2050 General Plan identifies hotels as an Entertainment and Recreation land use. Entertainment and Recreation is not a principal or supporting land use in the Regional Employment Center. While the typical land uses in the General Plan describe the general categories of land envisioned for each Placetype, the Mesa Zoning Ordinance regulates the permitted and prohibited land uses. Per the MZO, a hotel is a permitted use in the GC district.
- While the Entertainment and Recreation use is not identified as a principal or supporting land use in the Regional Employment Center, the Proposed Project is consistent with the Urban Design Characteristics of the Regional Employment Center Placetype and furthers the implementation of, and is not contrary to, the Vision, Guiding Principles, Strategies, and applicable elements of the Mesa 2050 General Plan.
- Supporting General Plan Strategies:
 - LU1. Promote a balance of land uses to enhance the quality of life for current and future generations.
 - LU2. Create opportunities for placemaking in neighborhoods that reinforce their unique character and sense of place.
 - LU5. Encourage the development of vibrant activity centers in downtown and throughout the city.
 - ED5. Promote Mesa as a regional commercial, entertainment and tourist destination.

Sub-Area Plan:

- The site is also located within the Inner Loop District of the Mesa Gateway Strategic Development Plan. 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 the Phoenix-Mesa Gateway Airport operations. The requests are consistent with the goals of the Mesa Gateway Strategic Development Plan.

Zoning:

- The project site is zoned General Commercial with a Planned Area Development Overlay (GC-PAD).
- A hotel is a permitted use in the GC district. Because the property is located in Airfield Overflight Area 2 (AOA2), the MZO requires a Council Use Permit (CUP) for hotels in the AOA2. However, the subject property is part of a large mixed-use development that received approval from Council for the proposed uses, including the hotel, on September 21, 2020. At the time of approval, hotels did not require a CUP in the AOA2. As the majority of the larger development has been constructed, the hotel use and the site plan is vested on the site.
- Per Ordinance 5587, the maximum height for the two hotels identified for Cannon Beach is 65 feet. While the deck of the proposed hotel is at a height of 61 feet, the mechanical screening extends to a height of 71 feet. The applicant is requesting a maximum height of 75 feet to allow for flexibility in the final design of the mechanical system.

Surrounding Zoning & Use Activity:

The proposed hotel is compatible with surrounding land uses, which include large scale commercial recreation, restaurants and vacant commercial property.

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|-----------------------------------|----------------------------------|--|
| Northwest GC-PAD Restaurant | North GC-PAD Vacant | Northeast GC-PAD Vacant |
| West GC-PAD Restaurant | Project Site GC-PAD Vacant | East GC-PAD Commercial Recreation |
| Southwest GC-PAD Restaurant | South GC-PAD Restaurant | Southeast GC-PAD Commercial Recreation |

Site History:

- September 21, 2020: The City Council approved a rezoning of the subject property from Agricultural (AG) to General Commercial with a Planned Area Development overlay and Council Use Permit (GC-PAD-CUP) and approved a site plan to allow for the development for a large-scale commercial recreation center (Case No. ZON20-00253; Ordinance No. 5587).

- December 16, 2020: The Planning Director approved a Design Review application for four restaurant and retail buildings, a fitness center, the central wave park recreation and amenity area, and associated accessory structures within Phase 1 of the Cannon Beach Development (Case No. DRB20-00607).
- December 23, 2020: The Planning Director approved an Administrative Design- Review Modification application to modify the building designs for the operations building and lifeguard tower (Case No. ADM20-00853).
- December 8, 2021: The City Council approved a Site Plan Modification and PAD modification for Areas A and B of the Cannon Beach Development (Case No. ZON21-00892; Ordinance No. 5658).
- December 30, 2021: The Planning Director approved a Design Review Modification application for two drive-thru restaurants and four multi-tenant retail buildings within Phase 2 of the Cannon Beach Development (Case No. DRB21-00884).
- June 2, 2022: The Planning Director approved a Minor Design Review Modification to the “Beach Grill” portion of the development that included the following modifications: Replace the original standing seam roof system with a low sloped metal roof and steel beams; addition of a mural on the south façade; and addition of storefront system on the north and south elevations. (Case No. ADM22-00530)
- July 5, 2022: The Planning Director approved an Administrative Site Plan Modification application to expand the beach area and increase the total building footprint of the proposed restaurants by 1.1% (Case No. ADM22-00251).
- November 15, 2022: The Planning Director approved an Administrative Site Plan Review Modification application to increase the total building footprint for the proposed industrial flex building by 5.8% (Case No. ADM22-01126).
- January 31, 2023: The Planning Director approved a Design Review Modification request for the proposed industrial-flex building, also known as Phase 3 of Cannon Beach (Case No. DRB22-01080).
- March 14, 2023: The Planning Director approved a Minor Site Plan and Design Review Modification that included the following modifications: updates to tree plantings and screen walls within parking areas; realigning a trash and recycling enclosure east of Office B; minor design changes to the entry plaza east of the proposed surf park; and minor design changes to amenities around the wave lagoon. (Case No. ADM23-00040).
- May 1, 2023: The City Council approved a rezoning of 1.6± acres from Agricultural (AG) to General Commercial with a Planned Area Development overlay (GC-PAD), modified the existing Planned Area Development on the entire 44± acres and approved a Site Plan Modification to allow for a commercial development. (Case No. ZON22-01015; Ordinance No. 5779).
- September 5, 2024: The Planning Director approved a Minor Site Plan Modification that included the following modifications: remove portions of the pedestrian promenade on both

sides of the wave lagoon; add two fire access roads on the west and east sides of the wave lagoon to connect with the existing fire access road north of restaurant row; and add 15 electric vehicle (EV) parking stalls on the east side of the site. (Case No. ADM23-00381).

- February 4, 2026: The Planning Director approved an Administrative Site Plan Modification to add two sand volleyball courts, four pickleball courts and to replace the fire pits with mineral pools (Case No. ADM25-00527)

Project/Request Details

Site Plan:

- **Building Design:** The applicant is proposing a five-story, 110,000± square foot hotel with 144 rooms. The hotel will be situated adjacent to the wave pool at the Cannon Beach mixed-use development, consistent with the approved Cannon Beach site plan.
- **Access:** As part of the larger Cannon Beach development, two points of access are provided on Power Road and three are provided on Warner Road.
- **Parking:** Per Table 11-32-3.A of the Mesa Zoning Ordinance (MZO), a total of 143 parking spaces are required for the proposed hotel, and 1,810 parking spaces are required for the larger Cannon Beach development. Per the approved site plan, a total of 1,853 parking spaces will be provided at build out.
- **Landscaping:** The building features a landscaped amenity area adjacent to the pool, adjacent to the wave pool. Additional landscaped areas are located along the foundation base of the building with enhanced landscaping along the west elevation, which is the primary entrance to the building.

Special Use Permit:

This request includes a Special Use Permit (SUP) to exceed the maximum height in the GC-PAD zoning district. Per Table 11-30-3 of the MZO, mechanical penthouses are permitted to exceed the maximum height of the underlying districts by 10 feet, which is consistent with the applicant's request; however, per Section 11-30-3(B) of the MZO, a Special Use Permit is required to exceed the specified height limits of the underlying zoning district when the property is located in an Airfield Overflight Area. As the Proposed Project is located in AOA2, a Special Use Permit is required to allow the mechanical penthouse to exceed the maximum height of the GC-PAD zoning district.

Approval Criteria - Section 11-70-5(E):

1. **Approval of the proposed project will advance the goals and objectives of and is consistent with the policies of the General Plan and any other applicable City plan and/or policies:** As discussed in the Site Context section of the report, Entertainment and Recreation is not identified as a principal or supporting land use in the Regional Employment Center. While the typical land uses in the General Plan describe the general categories of land envisioned for each Placetype, the Mesa Zoning Ordinance regulates the permitted and

prohibited land uses. Per the MZO, a hotel is a permitted use in the GC district. Additionally, the Proposed Project and larger Cannon Beach development is consistent with the Urban Design Characteristics of the Regional Employment Center, which include:

- Primary entries are enhanced with ornamental landscaping, low-level decorative walls, monument signs, and decorative paving.
 - Buildings have a strong relationship to the street and include a functional public entrance that is also a visual focus for the building.
 - Horizontal and vertical articulation are provided in building facades and roofs to reduce the massing of buildings.
 - A variety of building material and colors are used in building facades. Side and rear facades visible to the public shall include materials of equal quality to the front facade. Loading and service areas are located away from public view and screened with materials, colors, and finishes compatible with the building design.
2. **The location, size, design, and operating characteristics of the proposed project are consistent with the purposes of the district where it is located and conform with the General Plan and with any other applicable City plan or policies:** Per Section 11-6-1 of the MZO, the purpose of the GC zoning district is to provide indoor retail, limited outdoor display and related service-oriented businesses that serve a large surrounding residential trade area within a 4- to 5-mile radius. Other supportive uses may include, but are not limited to commercial lodging, automotive, restaurant, and movie uses, as well as office uses and public- and semi-public uses. The Proposed Project aligns with the zoning district's intent and is part of a larger mixed-use project, that includes a variety of recreation and restaurant uses that draws visitors from a wide area.
 3. **The proposed project will not be injurious or detrimental to the adjacent or surrounding properties in the area of the proposed project or improvements in the neighborhood or to the general welfare of the City:** The Proposed Project will not be injurious or detrimental to surrounding properties or the welfare of the city.
 4. **Adequate public services, public facilities and public infrastructure are available to serve the proposed project:** All required infrastructure is present in the Cannon Beach development. The applicant will be required to install necessary improvements and/or upgrades to support the Proposed Project.

Citizen Participation

The applicant conducted a Citizen Participation process, notifying surrounding property owners, HOAs, and registered neighbors.

Required Notification:

- Property owners within 1,000 feet, HOAs within ½ mile, and registered neighborhoods within one mile of the subject site were notified of the public hearing.

- Staff did not receive any communication on the Proposed Project.

Conditions of Approval

Staff recommends **approval** of the Special Use Permit, subject to the following conditions:

1. Compliance with all requirements of Ordinance 5779.
2. Compliance with the final site plan as submitted.
3. Compliance with all requirements of Design Review Case No. DRB26-00047.
4. Compliance with all applicable City development codes and regulations.
5. Execute and comply with Development Agreement (DA25-00006), and all future amendments thereto.
6. Prior to the issuance of any building permit, submit to the Planning Division a recorded cross access and cross parking agreement between all parcels in the Cannon Beach development.

Exhibits

Exhibit 1 – Vicinity Map

Exhibit 2 – Project Narrative

Exhibit 3 – Site Plan

Exhibit 4 – Landscape Plan

Exhibit 5 – Elevations

Exhibit 6 – Citizen Participation Plan

Exhibit 7 – Citizen Participation Report

Exhibit 8 – Power Point Presentation