



**PLANNING DIVISION  
STAFF REPORT**

**Board of Adjustment**

**November 1, 2023**

CASE No.: <b>BOA23-00156</b>	PROJECT NAME: <b>Mesa Azure Hotel Expansion</b>
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Owner’s Name:	Gosai and Grandsons LLC
Applicant’s Name:	Joseph Osborn, JSQUARED Construction and Design
Location of Request:	651 East Main Street. Located east of Mesa Drive on the south side of Main Street.
Parcel No(s):	138-28-128 and 138-28-26
Nature of Request:	Requesting a Development Incentive Permit (DIP) to allow for the expansion of an existing hotel.
Existing Zoning District:	Limited Commercial (LC)
Council District:	4
Site Size:	2.1± acres
Proposed Use(s):	Hotel
Existing Use(s):	Hotel
Hearing Date:	November 1, 2023 / 5:30 p.m.
Staff Planner:	Chloe Durfee Daniel
Staff Recommendation:	APPROVAL with Conditions

**HISTORY**

On **January 5, 1949**, the subject property was annexed into the City of Mesa as part of a larger 2,419.46± acre annexation (Ord. No. 228).

On **February 2, 2004**, the City Council rezoned from R-2 (RM-2) to C-2 (LC) to allow the demolition of an existing hotel and trailer park and the construction of a new hotel on 2.02± acres (Case No. Z03-029; Ord. No. 4152). This approval included condition #2: “Review and approval by the Planning and Zoning Board, Design Review Board and City Council of future development plans for the southern parcel”.

On **September 6, 2005**, the Zoning Administrator reviewed and approved an application for Development Incentive Permit (DIP) for the development of a hotel (Case No. ZA05-079).

On **September 7, 2005**, the Design Review Board reviewed an application for the development of a 12,832 square foot hotel (Case No. DR05-055).

## **PROJECT DESCRIPTION**

### **Background:**

The applicant is requesting approval of a Development Incentive Permit (DIP) to allow for the expansion of the existing 29,939 square foot hotel. The Proposed Project will remove the existing pool and attach an 12,058 square foot expansion of the hotel to the south in the currently vacant area of the site with a new pool going just south of the new building. The site is approximately 2.02± acres in size and located on the south side of Main Street east of Mesa Drive. The existing building and parking have non-conforming setbacks that were approved during the original 2003 and 2005 cases for the site. The new building is expanding along the same non-conforming setback while the new parking area to the south is also requesting deviation from current code requirements through a new Development Incentive Permit (DIP).

The addition of 12,058 square feet to the building is considered a Major Site Plan Modification and is required to be reviewed and approved through the public hearing process in accordance with Section 11-69-7 of the Mesa Zoning Ordinance (MZO). The Planning and Zoning Board recommended approval of the Major Site Plan Modification at their October 11, 2023, hearing. Additionally, the 2003 case that approved the original site plan stipulated that any development of the southern part of the site required review and approval by the Planning and Zoning Board, Design Review Board, and City Council. The Design Review Board reviewed and approved the building and landscape design at their October 17, 2023 meeting.

Per Section 11-72-1 of the Mesa Zoning Ordinance (MZO), the purpose of a DIP is to provide incentives for the development of smaller tracts of land that would have difficulty meeting current development standards. Per Section 11-72-2 of the MZO, incentives that may be granted by the DIP are limited to: modifications to building and landscape setbacks, on-site parking, building height, and other site development provisions contained in the MZO. Through the DIP, the applicant is requesting: 1) a reduction to the landscape yard width along the eastern and western property lines; 2) a reduction to the building setback along the eastern property line; 3) a reduction to the cross drive aisle setback; 4) a reduction to the foundation base width; 5) a reduction to the existing sidewalk width; 6) to allow a larger cluster of existing compact parking to remain as is; and 7) to allow a retaining wall for the retention area to be larger and longer than code allows. The requested deviations from the MZO ensure the proposed development will comply with the other requirements for the site while also allowing development on an infill parcel.

### **General Plan Character Area Designation and Goals:**

The General Plan character area designation on the property is Transit Corridor and Neighborhood. Per Chapter 7 of the General Plan, the primary focus of the Neighborhood character area is to provide safe places for people to live where they can feel secure and enjoy their surrounding community. Neighborhoods can contain a wide range of housing options and often have non-residential uses such as schools, parks, places of worship and local serving

businesses. The Traditional Sub-type is primarily single residence in character but may contain a variety of lot sizes and dwelling types. Traditional neighborhoods may also contain supportive land uses such as small, neighborhood-scale offices, retail, restaurants, and personal services that are located along arterials or at the intersection of arterials and collector streets.

The subject property is also within the Transit Adjacent – Residential area of the Central Main Street Area Plan. This area includes several areas along Main Street located between more intense light rail station areas. The intent of this character type is creation of low- to mid-rise residential, and to a lesser extent, mixed-use developments that support the more intense adjacent development, creation of a walkable urban environment, and light rail. Common building form and development characteristics include an urban neighborhood development form that engages the street either through buildings at or near the property line in the case of non-residential ground floors, typical building heights of two- to three-stories, lot coverage of 40 to 80 percent, structured parking or surface parking setback from the front street and building fronts that engage pedestrians along the public right of way. The proposed project complies with the character area and subarea plan designations.

**Zoning District Designations:**

The subject property is zoned Limited Commercial (LC). Per Section 11-6-2 of the City of Mesa Zoning Ordinance (MZO), a hotel is an allowed use in the LC zoning district.

**Site Characteristics:**

The proposed site plan shows addition of a two story hotel expansion to the south of the existing building and the relocation of the pool to just south of the new expansion. Existing parking and landscaping are being maintained with an expansion of the parking area to the west and south of the hotel and pool.

The DIP request will include requests for deviation such as the building setback along the eastern property line and landscape setbacks along both the east and west property lines. The request is also considering the existing non-conformities in the cross drive aisle setback, the existing foundation base, the existing sidewalk along the hotel, and the existing clustering of compact parking spaces. The final deviation request is for an expansion of allowances for the retention area at the bottom of the site.

All parking and landscape areas that were affected by the updates were brought into compliance with code other than the landscape setbacks. Prior to the proposed expansion, the site required 49 spaces and provided 31 spaces. With the expansion, the site now requires 78 spaces and has increased the total provided to 82 spaces.

**Surrounding Zoning Designations and Existing Use Activity:**

<b>Northwest</b> (Across Main Street) LC Commercial	<b>North</b> (Across Main Street) LC Commercial	<b>Northeast</b> (Across Main Street) LC Commercial
<b>West</b> RM-2/LC Residential/Commercial	<b>Subject Property</b> LC Hotel	<b>East</b> RM-2/T4N Residential
<b>Southwest</b> RM-2 Residential	<b>South</b> RM-2 Residential	<b>Southeast</b> RM-2 Residential

**Compatibility with Surrounding Land Uses:**

In 2003, when the original site plan went for approval, the subject property had a hotel on the front half of the property and a trailer park on the back half with those uses being present on the property since 1940, prior to the 1949 annexation. Throughout the process of the 2003 application, staff worked on assisting with relocation services for the mobile homes and trailers that had been on the site and worked with the original applicant to design the site to best help mitigate neighbor concerns about the two story hotel creating a privacy issues. In this process, the building was located to minimize impacts on surrounding neighbors and better integrate with the surrounding neighborhood. The developers stated in the meeting that they would eventually be expanding the hotel to the southern half of the site, but not at this time. In 2003, City Council did provide a condition of approval that any development on the southern half would require review and approval from the Planning and Zoning Board, Design Review Board, and City Council.

The subject property on the northwestern side of the subject parcel opted into the Form-based code in 2014 and in 2016 construction started on the apartments that are currently existing on the site. Based on the proposed site plan, the new two-story expansion will be adjacent to the existing parking lot of the apartment to the east. The new pool will be adjacent to the first home on Ashland. The proposed expansion will be compatible with the surrounding area, the Neighborhood Character Area, the Transit Corridor, and the Central Main Street Area Plan.

**Mesa Zoning Ordinance Requirements and Regulations:**

**Development Incentive Permit (DIP) Section 11-72 of the MZO**

The purpose of a DIP is to provide incentives for smaller tracts of land that would have difficulty meeting current development standards. To qualify for consideration, a parcel must meet the criteria set forth in Section 11-72-1 of the MZO. After review of the application, the subject property qualifies as a by-passed parcel if it is less than 2.5 acres in size and has been in its current configuration for more than 10 years. The lot has direct access to City utilities; is within an area where not more than 25% of developable land is vacant, and more than 50% of the surrounding

parcels have been developed for more than 15 years. The requested modifications will result in a development that is commensurate with existing development in the area.

Table 1 below compares MZO requirements, the applicant’s proposal, and staff’s recommendation for the subject property. Items in bold face type indicate deviation from code requirements:

**Table 1: Development Standards**

<b>Development Standard</b>	<b>MZO Requirement</b>	<b>Applicant Proposed</b>	<b>Staff Recommendation</b>
Perimeter Landscape Yard Reduction – MZO Section 11-33-3.B.2	15 feet 15 feet	<b>East side: 8 feet minimum</b>  <b>West side: 4 feet 10 inches minimum</b>	As proposed
East Side Setback Reduction – MZO Section 11-6-3.A	20 feet with 15 feet each additional story (35 feet)	<b>10 feet</b>	As proposed
Setback of Cross Drive Aisles reduction– MZO Section 11-32-4.A	50 feet	<b>18 feet 8 inches</b>	As proposed
Sidewalk Width – MZO Section 11-30-8.D	5 feet	<b>4 feet at one existing location</b>	As proposed
Compact Parking Cluster – MZO Section 11-32-2.D.3	No more than 9 compact spaces in a single cluster	<b>13 spaces per cluster</b>	As proposed
Retention Basin Retaining Walls – MZO Section 11-33-6	Retaining walls shall not exceed 25% of the basin perimeter (measured at the high waterline). Maximum height of retaining walls is 18 inches.	<b>75% and 2 feet 6 inches</b>	As proposed
Foundation Base width for exterior walls without a public entrance adjacent to	10 feet	<b>4 feet at smallest location of existing foundation base</b>	As proposed

Development Standard	MZO Requirement	Applicant Proposed	Staff Recommendation
parking – MZO Section 11-33-5.A.2.a			

Pursuant to Section 11-72-1 of the MZO, a Development Incentive Permit (DIP) may be approved to allow incentives for the development of parcels that meet the following criteria:

A. AREA

1. Total area of the parcel does not exceed 2.5 net acres, and the parcel has been in its current configuration for more than 10 years; or
2. Total area of the site does not exceed 5 net acres and was created by the assembly of 2 or more individual, contiguous parcels.

**The subject property is 2.1± acres and has been in its current configuration for more than 10 years according to Maricopa County aerials.**

***The request complies with this criterion.***

- B. UTILITIES. The parcel is served by, or has direct access to, existing utility distribution facilities.

**The parcel has access to City of Mesa utilities.**

***The request complies with this criterion.***

- C. SURROUNDING DEVELOPMENT. The parcel is surrounded by properties within a 1,200-foot radius in which:

1. The total developable land area is not more than 25 percent vacant; and
2. Greater than 50 percent of the total number of lots or parcels have been developed 15 or more years ago.

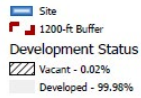
**Based on current aerial photography, the total developable land area (within the 1,200-foot radius of the subject property) is less than 25% vacant. Additionally, after comparing the 15-year historical aerial photo with the current aerial photo, staff determined that more than half of the total number of lots (within the 1,200-foot radius of the subject property) were developed more than 15 years ago.**

***The request complies with this criterion.***

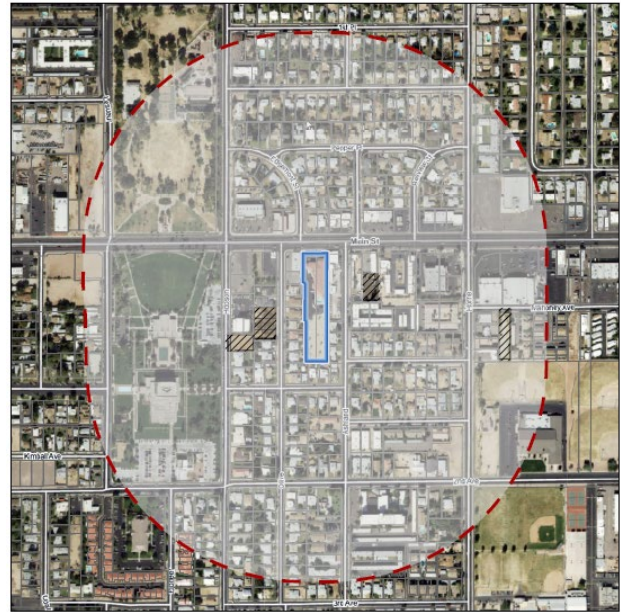
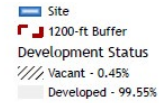
2023 Aerial Photo

15-year Historical Aerial Photo

**Current**



**2008**



Per Section 11-72-3 of the MZO, the Board of Adjustment shall find upon sufficient evidence when making a decision on a DIP that:

1. The proposed development is consistent with the General Plan, any other applicable Council adopted plans and/policies, and the permitted uses as specified in this Ordinance;

**The proposed development is consistent with the General Plan’s Neighborhood character area designation, the Transit Corridor, and the Central Main Street Area Plan; a hotel is an allowed use in the LC District.**

***The request complies with this criterion.***

2. The incentives do not allow development that is more intense than the surrounding neighborhood; commensurate with existing development within a 1,200-foot radius of the by-passed property; and

**The incentives will allow development that is commensurate with existing development within 1,200 feet radius of the property. The proposed building is consistent with other uses in the area. The proposed development will be compatible with surrounding development.**

***The request complies with this criterion.***

3. The architectural elements, construction and landscape materials, and other site improvements of the proposed development meet the intent of the Design Standards of this Ordinance.

**The proposed project meets the intent of the Design Standards of the MZO and the Design Review Board reviewed and approved the building and landscape design at their October 17, 2023 hearing. The Planning and Zoning Board reviewed the site plan and recommended approval at the October 11, 2023 Planning and Zoning meeting.**

***The request complies with this criterion.***

Findings:

- A. The subject property is 2.02± acres and has been in its current configuration for more than 10 years.
- B. The subject property is served by, or has direct access to, existing utilities.
- C. The total developable land area within 1,200 feet of the subject property is not more than 25 percent vacant.
- D. Greater than 50 percent of lots within 1,200 feet of the subject property have been developed for more than 15 years.
- E. This requested deviations through the DIP will allow for the development of a bypassed parcel.
- F. The proposed development is consistent with the General Plan's Neighborhood character area designation and the Transit Corridor.
- G. The requested modifications will result in a development that is commensurate with existing development in the vicinity.
- H. The proposed development meets the intent of the Design Standards of this Ordinance and will be reviewed by the Design Review Board, Planning and Zoning Board, and City Council.

**Neighborhood Participation Plan and Public Comments:**

The applicant completed a Citizen Participation Process, which included neighborhood meetings and mailing letters to property owners within 500-feet of the site. The applicant heard from one neighbor in support of the project. As of the writing of this report, neither the applicant nor staff received any comments/concerns from surrounding property owners since. Staff will provide the Board with any new information during the scheduled Study Session on October 4, 2023.

**Staff Recommendation:**

Based on the application received and preceding analysis, Staff finds the request for a Development Incentive Permit meets the required findings in Section 11-72-1 and Section 11-72-3 of the MZO, and therefore recommends approval with the following

**Conditions of Approval:**

1. Compliance with the final site and landscape plan as submitted.
2. Compliance with all City development codes and regulations, except as identified in Table 1 of this report.
3. Compliance with all requirements of ZON22-01102 for site plan approval.
4. Compliance with all requirements of Design Review Case No. DRB22-01096.



5. Compliance with all requirements of the Development Services Department regarding the issuance of building permits.

**Exhibits:**

Exhibit 1 – Vicinity Map

Exhibit 2 – Staff Report

Exhibit 3 – Narrative/Justification Statement

Exhibit 4 – Site Plan

Exhibit 5 – Landscape Plan

Exhibit 6 – Elevations

Exhibit 7 – 15 Year Land Comparison Map