



PLANNING DIVISION
STAFF REPORT

City Council

June 17, 2024

CASE No.: ZON23-00982	PROJECT NAME: Dave Downing and Associates Warehouse
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Owner's Name:	JD Filter Properties LLC
Applicant's Name:	Kenzi Architects
Location of Request:	Within the 200 block of South Hibbert (west side). Located north of Broadway Road and west of Mesa Drive.
Parcel No(s):	138-48-025A
Request:	Rezone from Downtown Business 2 (DB-2) and Downtown Residence 2 (DR-2) to Downtown Business 2 with a Bonus Intensity Zone overlay (DB-2-BIZ), Council Use Permit, and Major Site Plan Modification. This request will allow for a warehouse development.
Existing Zoning District:	Downtown Business 2 (DB-2) and Downtown Residence 2 (DR-2)
Council District:	4
Site Size:	2± acres
Proposed Use(s):	Indoor Warehousing and Storage
Existing Use(s):	Indoor Warehousing and Storage
P&Z Hearing Date(s):	May 22, 2024/ 4:00 p.m.
Staff Planner:	Emily Johnson, Planner I
Staff Recommendation:	APPROVAL with conditions
Planning and Zoning Board Recommendation:	APPROVAL with conditions (5 - 1)
Proposition 207 Waiver Signed:	Yes

HISTORY

On **July 14, 1883**, the original square mile of the City of Mesa was established and included the project site (Ordinance No. 1).

On **September 8, 1987**, the City Council approved an amendment to the Mesa Zoning Ordinance to create new zoning districts with development regulations, a zoning map, and

design guidelines for all properties within Mesa's Town Center. The project site was given Town Center (TCB-2) zoning, today Downtown Business 2 (DB-2) (Case No. Z87-40, Ordinance No. 2254).

On **April 8, 2014**, the Board of Adjustment approved a Substantial Conformance Improvement Permit (SCIP) on 3.5± acres, including the project site, for the development of a new warehouse (Case No. BA14-018).

On **July 2, 2014**, the Design Review Board reviewed the development of a 20,255 square foot warehouse on 3.5± acres, including the project site (Case No. DR14-019).

On **September 20, 2021**, an Affidavit of Change was recorded with the Maricopa County Recorder's Office creating parcel number 138-48-025A, the project site, and 138-48-027B, now 260 S. Hibbert (ADM21-00781).

On **May 14, 2024**, the Design Review Board reviewed the building elevations and landscape plan. Staff is working with the applicant to include recommended changes.

On **May 22, 2024**, the Planning and Zoning Board recommended approval, with conditions) of the rezoning, Council Use Permit and Major Site Plan modification (Vote: 5-1).

PROJECT DESCRIPTION

Background:

The applicant is requesting to rezone the project site from Downtown Business 2 (DB-2) and Downtown Residence 2 (DR-2) to Downtown Business 2 with a Bonus Intensity Zone overlay (DB-2-BIZ), approval of a Council Use Permit (CUP), and Major Site Plan Modification to allow for the development of an indoor warehouse and storage facility (Proposed Project).

The project site is generally located north of Broadway Road and west of Mesa Drive (the Project Site). The project site currently contains an existing 18,856 square foot warehouse with office located central on the site and a 2,013 square foot warehouse located on the western portion of the site.

The Proposed Project includes demolition of the 2,013 square foot warehouse on the western portion of the site, demolition of a portion of the 18,856 warehouse with office located central on the site, and an addition to the western portion of the centrally located warehouse. The addition (11,229 square feet) is larger than 5,000 square feet and considered a Major Site Plan Modification per Section 11-69-7(C).

Per Table 11-8-3 of the Mesa Zoning Ordinance (MZO), indoor warehousing and storage in the DB-2 district requires the approval of a CUP. The existing warehouse was developed prior to the requirement for a CUP in the DB-2, however the addition and redevelopment of the site is to obtain all necessary approvals and permits.

The applicant is requesting a Bonus Intensity Zone (BIZ) overlay to allow modifications to current MZO development standards.

The Proposed Project is required to be heard at a public hearing and decided upon by City Council.

General Plan Character Area Designation and Goals:

The project site is within the Downtown and Transit Corridor Character Area designation of the Mesa 2040 General Plan. The Downtown Core will continue to be recognized as governmental, cultural, financial, and entertainment center of the community. The goal for the Downtown character area is to make it a people-friendly area that is alive with options for housing, employment, shopping, entertainment, and events. Downtown Business-2 is listed as a primary zoning district within the Downtown Character Area.

The Transit Districts character type includes the light rail corridor, bus rapid transit corridors, and areas designated for a consistent high level of transit options. The focus in this character type is to develop a mixed-use, pedestrian- oriented, urban environment, particularly within walking distance of transit stops. This character type overlays the other character types and is used to transition the area into a more transit and pedestrian oriented development form. In both the Downtown Character Area and the Transit Corridor buildings should be brought to the street to help frame the public realm.

The Proposed Project includes office space within the warehouse building with abuts Hibert and frames the public realm.

Central Main Street Area Plan

The project site is within the Central Main Street Area Plan. The Central Main Street Area Plan was created to manage change that will and has taken place since the light rail was established in Mesa. Specifically, the project site is identified as a Transformation Neighborhood within the Broadway Industrial Neighborhood. The intent of Transformation character type is to create a more unified mix of employment, commercial, and residential uses that serve adjacent neighborhoods and the broader public.

The Proposed Project contributes to the mix of employment in the area and demonstrates many of the common building form and development characteristics identified for the Transformation Neighborhood. Parking is setback more than 30-feet from the property line, the office space is located adjacent to the public right of way helping to engage pedestrians, and the building heights range from one- to three-stories.

Staff reviewed the Proposed Project and determined that the proposed BIZ overlay, and use of the property is consistent with the criteria for review of development outlined in Chapter 15 (pg. 15-1) of the Mesa 2040 General Plan as it provides appropriate infill development and is removing development that is deteriorated and/or does not contribute to the quality of the surrounding area.

Zoning District Designations:

The project site is currently split zoned with the majority of the site being DB-2 and approximately 0.28± acres zoned DR-2. The Proposed Project includes a rezoning from DB-2 and DR-2 to DB-2-BIZ.

Per Section 11-8-1 of the MZO, the purpose of the DB-2 district is to provide for a combination of intensive commercial, light manufacturing, and related uses. The intent of the district is to provide a suitable location for those commercial and manufacturing uses which may require arterial street or railway access. Table 11-8-3 of the MZO lists indoor warehousing and storage as a permitted use in the DB-2 district with the approval of a CUP.

Surrounding Zoning Designations and Existing Use Activity:

Northwest DR-2 Single Residence	North DB-2 & DR-2 Single Family & Multi-Family Residences	Northeast (Across Hibbert) DB-2 Industrial
West DB-2 Office & Industrial	Project Site DB-2 & DR-2 Warehouse	East (Across Hibbert) DB-2 Industrial
Southwest DB-2 Industrial	South DB-2 Industrial	Southeast DB-2 Industrial

Compatibility with Surrounding Land Uses:

The project site is located along S. Hibbert between 2nd Avenue and 3rd Ave, north of Broadway Road and west of Mesa Drive. It is surrounded to the south and to the east (across Hibbert) with similar warehousing and industrial uses. Office and industrial uses can also be found to the west of the project site. The Proposed Project will continue the same use at this location. Overall, the Proposed Project, as shown on the site plan, is compatible with the existing land uses.

Site Plan and General Site Development Standards:

The Proposed Project includes the demolition a 2,013 square foot warehouse located on the western portion of the site and a portion of the warehouse located centrally on the site to accommodate an 11,229 square foot addition to the warehouse. The Proposed Project will result in a 39± foot tall 24,930 square foot building on the site.

There are two primary accesses to the site both of which are on Hibbert. The southern most access has a proposed six-foot-tall swing gate. Per Table 11-32-3.A of the MZO, one parking space per 900 square feet is required for warehouse uses and one space per 375 square feet is required for office space.

In 2014, a Substantial Conformance Improvement Permit (SCIP) was approved on 3.5± acres, including the project site. At the time, the project site and the property located at 260 South Hibbert, directly to the south, were on the same parcel. As part of the SCIP process, a total of

53 parking spaces were approved for the Project site and the property at 260 South Hibbert. These parking spaces are all located on the project site.

In 2022, a lot split was approved that created a new parcel for 260 South Hibbert; however, the required parking for both uses is located on the project site. The Proposed Project is required to provide 33 parking spaces; however, it is providing 60 spaces for both the uses at the Project Site as well as the uses at 260 South Hibbert.

Overall, the site plan meets the criteria set forth in 11-69-5.

BIZ Overlay Modification – MZO Article 3, Chapter 21:

The Proposed Project includes a Bonus Intensity Zone overlay (BIZ) to allow for modifications to certain development standards of the MZO.

Per Section 11-21-1 of the MZO, the purpose of a BIZ overlay is to provide for variation from the application of development standards to allow greater intensity of development and encourage unique, innovative developments of superior quality. Table 1 below shows the MZO required standards and the applicant's proposed BIZ standards.

Table 1: Proposed Development Standards

Development Standards	MZO Required	BIZ Proposed	Staff Recommendation
Minimum Setback – <u>MZO Section 11-8-5</u> - Front	15 feet	0 feet (existing)	As Proposed
<u>Required Landscape Yards –</u> <u>MZO Section 11-33-3(B)(1) & MZO</u> <u>Section 11-33-3(B)(2)</u> - Non-single residential uses adjacent to single residential uses or districts (northwest and north property line) -Non-single residential uses adjacent to other non-residential (southwest and south property line)	20 feet 15 feet	4 feet 9 inches 0 feet	As Proposed

Development Standards	MZO Required	BIZ Proposed	Staff Recommendation
<u>Required Landscape Material –</u> <u>MZO Section 11-33-(B)(2)(c)</u> -A minimum of three (3) non-deciduous trees and 20 shrubs per 100 linear feet of adjacent property line shall be provided (southwest property line) (south property line)	3 trees and 20 shrubs 10 trees and 67 shrubs	0 trees and 0 shrubs 0 trees and 0 shrubs	As Proposed
<u>Required Foundation Base –</u> <u>MZO Section 11-33-5(2)(a)</u> -Exterior wall adjacent to parking stalls	10-feet-wide	5 feet 6 inches	As Proposed

Development Standard – Front Setback:

Per Table 11-8-5 of the MZO, the front building setback for non-residential development is 15 feet in the DB-2 district.

The applicant is requesting a 0-foot building setback on the east property line along Hibbert as it is an existing condition on the site.

Required Landscape Yards:

Per Section 11-33-3(B)(1) of the MZO, non-single residence uses adjacent to single residence uses or districts shall provide a 20-foot landscape yard for sites that are five acres or less. Single Residence uses are located north of the Project Site and along the northwest portion of the site.

The applicant is requesting a minimum 4-foot 9-inch landscape yard on both the north and northwest property lines that abut single residential. The proposal meets the number of plants required in the landscape yards per Section 11-33-3(B)(1)(c).

Per Section 11-33-3(B)(2) of the MZO, non-single residence uses adjacent to non-residential districts and/or uses shall provide a 15-foot landscape yard. A 15-foot landscape yard would be required on both the southwest property line, located adjacent to non-residential uses, and on the south property where a shared access agreement will be recorded (see conditions of approval below).

For the portion of the southwest property line that is not adjacent to residential, the applicant is requesting a 0-foot landscape setback. A 0-foot landscape setback is also being requested along the south property line.

Required Landscape Material:

Per Section 11-33-(B)(2)(c) of the MZO, a minimum of three (3) non-deciduous trees and 20 shrubs per 100 linear feet of adjacent property line shall be provided. In the event of fractional results, the resulting number will be rounded to the next highest whole number.

The southwest property line adjacent to non-residential is 80 feet which would require 3 trees and 20 shrubs per code. The south property line is 331 feet long and would require 10 trees and 67 shrubs per code.

The applicant is proposing no landscape material on the southwest or south property lines.

Required Foundation Base:

Per Section 11-33-5(2)(a) of the MZO, a minimum 10-foot-wide foundation base shall be provided, measured from face of building to face of curb along the entire length of the exterior wall adjacent to parking stalls without a public entrance.

The applicant is requesting a minimum foundation base on the north elevation to be five feet six-inches-wide.

Justification:

Review and approval of a BIZ overlay is based on the criteria in Section 11-21 of the MZO. The City Council may approve a request for a BIZ overlay for projects that provide distinctive, superior quality designs and address environmental performance standards in the site or building design.

Per the Project Narrative, the aesthetics of the site will be improved by adding color, shadow play, and vegetation throughout the site and building.

The redevelopment of the previously distressed site within a half mile of a light rail stop will bring an operating business and character to the neighborhood.

In exchange for the reductions in perimeter landscaping, the parking landscape areas are oversized and additional foundation base is provided where possible. Per the submitted site plan, priority parking location is designated for low emission and carpool spaces on site.

The proposal demonstrates superior quality to meet the intent of the City's Zoning Ordinance and General Plan.

Council Use Permit (CUP):

Per Table 11-8-3 of the MZO lists indoor warehousing and storage as a permitted use in the DB-2 district with the approval of a CUP. Section 11-70-6(D) of the MZO, contains the following review criteria for a CUP:

- A. 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;

The Proposed Project is consistent with both the General Plan character areas of Downtown and Transit Corridor and the Central Main Street Area Plan, specifically the Transformation Neighborhood. The Proposed Project will provide appropriate infill development and is removing development that is deteriorated and/or does not contribute to the quality of the surrounding area.

The Proposed Project meets this criterion.

- B. 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 11-8-1 of the MZO, the purpose of the DB-2 district is to provide for a combination of intensive commercial, light manufacturing, and related uses. Table 11-8-3 of the MZO, indoor warehousing and storage is permitted in the DB-2 district with the approval of a CUP. Per the project narrative, the design of the site allows full vehicular egress around the building, allowing for loading and unloading without depending on the public ways. The light industrial function of warehousing is set back in the site where the vehicular traffic occurs while the office function is directly against the street frontage making visitor access simple.

The Proposed Project meets this criterion.

- C. 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; and

Per the project narrative, the site was a junkyard with dangerous storage methods that has since been cleaned up and brought to proper safety levels. The continued development of this site will make it safer and more pleasant for the surrounding community.

The Proposed Project meets this criterion.

- D. Adequate public services, public facilities and public infrastructure are available to serve the proposed project.

Adequate public facilities and infrastructure are available to the Proposed Project. Proper trash enclosures will be added as well as parking.

The Proposed Project meets this criterion.

Neighborhood Participation Plan and Public Comments:

The applicant sent the required notification letters to the surrounding property owners within 1,000 feet of the Project Site, as well as HOAs within ½ mile, and registered neighborhood within one mile.

One member of the public, operating a business to the south of the subject site, came to the Planning and Zoning Board to speak on the item. The citizen expressed concern with access to their site due to a fence along the southern property line. It was explained to the citizen that no fence is proposed along the southern side of the property and that the signed cross access agreement between the properties will allow continued shared access to the two properties.

Staff Recommendation:

Staff finds that the Proposed Project is consistent with the Mesa 2040 General Plan, the review criteria for a CUP in Section 11-70-6 of the MZO, the purpose for a Bonus Intensity Zone overlay outlined in Section 11-21 of the MZO, and the review criteria for Site Plan Review outlined in Section 11-69-5 of the MZO.

Staff recommends approval with the following **Conditions of Approval:**

1. Compliance with final site plan submitted.
2. Compliance with all requirements of Design Review Case. No. DRB23-00981.
3. Prior to the issuance of any building permit, record a shared-access agreement with Assessor Parcel Number 138-48-027B, located directly south of the Project Site.
4. Compliance with all City development codes and regulations, except the modifications to the development standards as approved with this BIZ and shown in the following table:

Development Standards	Approved
Minimum Setback – <u>MZO Section 11-8-5</u> - Front	0 feet (existing)
<u>Required Landscape Yards –</u> <u>MZO Section 11-33-3(B)(1) & MZO Section 11-33-3(B)(2)</u> - Non-single residential uses adjacent to single residential uses or districts (northwest and north property line) -Non-single residential uses adjacent to other non-residential (southwest and south property line)	4 feet 9 inches 0 feet

Development Standards	Approved
<u>Required Landscape Material –</u> <i>MZO Section 11-33-(B)(2)(c)</i> -A minimum of three (3) non-deciduous trees and 20 shrubs per 100 linear feet of adjacent property line shall be provided (southwest property line) (south property line)	0 trees and 0 shrubs 0 trees and 0 shrubs
<u>Required Foundation Base –</u> <i>MZO Section 11-33-5(2)(a)</i> -Exterior wall adjacent to parking stalls	5 feet 6 inches

Exhibits:

- Exhibit 1 – Presentation
- Exhibit 2 – Ordinance
- Exhibit 3 – Ordinance Map
- Exhibit 4 – Vicinity Map
- Exhibit 5 – Site Plan
- Exhibit 6 – P&Z Minutes
- Exhibit 7 – Submittal Documents