



PLANNING DIVISION  
STAFF REPORT

Planning and Zoning Board

May 22, 2024

CASE No.: ZON24-00020	PROJECT NAME: PHX065
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Owner's Name:	Amazon Data Services Inc
Applicant's Name:	Josh Tracy, Ryan Companies, Applicant
Location of Request:	Within the 10300 to 10700 blocks of East Pecos Road (north side) and within the 6300 to 6800 blocks of South 222nd Street (west side). Located north of Pecos Road and west of Signal Butte Road
Parcel No(s):	304-34-015E
Request:	Site Plan Review and two Special Use Permits.
Existing Zoning District:	Light Industrial (LI)
Council District:	6
Site Size:	71.5± acres
Proposed Use(s):	Indoor Warehousing
Existing Use(s):	Vacant
P&Z Hearing Date(s):	May 22, 2024 / 4:00 p.m.
Staff Planner:	Josh Grandlienard, AICP, Senior Planner
Staff Recommendation:	APPROVAL with Conditions

HISTORY

On **December 1, 2021**, the City Council annexed 71.3± acres, including the project site, into the City of Mesa and established Agriculture (AG) zoning on the property (Case No. ANX21-00728) (Ordinance No. 5652).

On **December 1, 2021**, the City Council approved a rezoning of a 71.3± acre site, including the project site, from Agriculture (AG) to LI to allow for a distribution center. The approved site plan was effective for two years from the date of approval and expired on December 1, 2023. (Case No. ZON21-00730) (Ordinance No. 5653).

## PROJECT DESCRIPTION

### **Background:**

The applicant is requesting approval of an Initial Site Plan and two Special Use Permits (SUP). The first SUP is for a reduction to the required number of parking spaces and the second SUP is to allow for an increase to the maximum allowed height to allow for the development of an indoor warehousing facility (Proposed Project).

The project site is currently vacant and is located on the north side of Pecos Road west of Signal Butte Road. The applicant is requesting Site Plan Review to allow for the development of two data center buildings totaling 458,000 square feet.

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

The Mesa 2040 General Plan Character Area designation on the property is Employment with an Industrial Sub-type. Per Chapter 7 of the General Plan, Employment Districts are a character type that is primarily used for employment-type land uses of at least 20 acres. Employment Districts typically have minimal connection to the surrounding area. Examples of Employment Districts include areas for large manufacturing facilities, warehousing, and business parks. The goal of Employment Districts is to provide for a wide range of employment opportunities in high-quality settings.

Data Centers as a Storage/Warehousing use are identified as a primary use in the Industrial Sub-type. Overall, the request conforms to the goals of the Mesa 2040 General Plan and meets the development review criteria outlined in Chapter 15 (pg. 15-1).

### **Gateway Strategic Development Plan:**

The subject property is also located within the Logistics and Commerce District of the Mesa Gateway Strategic Development Plan (GSDP). Per the GSDP, heavy industrial, light industrial, business park, and commercial uses will be predominant within this district. Desired uses include manufacturing facilities, large warehouses, distribution facilities, planned employment parks, and similar uses. This district should provide a high-quality employment environment that is compatible with increasing over-flight activities associated with Phoenix-Mesa Gateway Airport. The proposed development meets the goals and intent of the Mesa Gateway Strategic Development Plan.

Staff reviewed the request and determined it is consistent with the development review criteria outlined in Chapter 15 (pg. 15-1) of the Mesa 2040 General Plan. The proposed development of an industrial building is consistent with the goals of the Employment Character Area designation, as well as the intentions of the Logistics and Commerce District of the Gateway Strategic Development Plan.

### **Zoning District Designations:**

The subject property is zoned LI. Per Section 11-7-1(B) of the MZO, the purpose of the LI District is to provide areas for limited manufacturing and processing, wholesaling, research, warehousing, and distribution activities take place within enclosed buildings, with restricted

accessory outdoor storage as needed to support the primary uses. Per Table 11-7-2 of the MZO, Indoor Warehousing is a permitted use in the LI district.

**Airfield Overlay – MZO Article 3 Section 11-19:**

Per Section 11-19 of the MZO, the site is located within the City of Mesa Airfield (AF) Overlay District; specifically, within the Airport Overflight Area Three (AOA 3). The location of the property within the AOA 3 is due to its proximity to the Phoenix-Mesa Gateway Airport. Per Section 11-19-4 of the MZO, there are no additional land use limitations beyond the base zoning.

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

<b>Northwest</b> (Across SR E 24 Gateway) PC Single Residence	<b>North</b> (Across SR E 24 Gateway) PC Single Residence	<b>Northeast</b> (Across SR E 24 Gateway) Maricopa County C-3 Vacant
<b>West</b> LI Vacant	<b>Project Site</b> LI Vacant	<b>East</b> LI Vacant
<b>Southwest</b> (Across Pecos Road) GI Vacant	<b>South</b> (Across Pecos Road) GI Vacant	<b>Southeast</b> (Across Pecos Road) GI Vacant

**Compatibility with Surrounding Land Uses:**

The project site is currently vacant and is currently zoned LI. The property to the south is zoned GI and is currently vacant, and the property to the west is zoned LI-PAD and also currently vacant. To the east is vacant property currently zoned LI and to the north across SR 24 is Avalon Crossing, a planned single-residence development. Overall, the proposed development is compatible with the surrounding development and land uses.

**Site Plan and General Site Development Standards:**

The Proposed Project consists of two single story data center buildings on the project site in addition to a security building located near the entrance off 222<sup>nd</sup> Street. The two data center buildings are approximately 229,304± square feet each, for a total of 458,608 square feet, with the additional security building being 1,658± square feet in size.

The Proposed Project requires a total of 264 parking spaces on site, and the applicant is proposing a total of 138 parking spaces. Per the site plan submitted, there are two access points proposed for the site, one located on Pecos Road and one located on 222<sup>nd</sup> Street.

Overall, the proposed site plan complies with the review criteria for Site Plan Review outlined in Section 11-69-5 of the MZO.

**Drainage Agreement:**

A Drainage Agreement will also be recorded on the property to allow for a regional drainage solution that will be completed by the City of Mesa and Maricopa County Flood Control

District. The proposed drainage agreement will be reviewed by the City of Mesa Engineering Department at a future date and will be required to be recorded prior to issuance of building permits.

**Zoning Ordinance, Section 11-70-5 – Special Use Permit – Parking Reduction**

Section 11-66-2(C)(2) of the MZO allows the Planning and Zoning Board to hear and take action on a SUP when requested in conjunction with another request requiring action or recommendation by the Planning and Zoning Board.

Per Section 11-32-3 of the MZO, 509 parking spaces are required for the proposed development. The applicant is requesting to reduce the number of parking spaces from 509 to 138, a 371-space reduction. According to the submitted parking demand study which is based on the National Institute of Transportation Engineers parking demand calculations, as well as the parking demand of the same use within other jurisdictions throughout the United States, the proposed number of stalls will exceed parking demand anticipated for this development. Staff has no concerns with the request for reduced parking.

Section 11-32-6 of the MZO establishes criteria for approval of a SUP to allow the reduction in the number of parking spaces. Below is a summary of the criteria for the SUP and findings:

Parking Reduction Required Findings (MZO Section 11-32-6)	Findings
1. Special conditions – including but not limited to the nature of the proposed operation; proximity to frequent transit service; transportation characteristics of persons residing, working, or visiting the site – exist that will reduce parking demand at this site.	The proposed Data center use has a total of 3 shifts where there are 12-38 employees per shift, creating a need for a total of 122 spots if all employees were on site at one time. Per the MZO, the required parking for an indoor warehousing use, which a Data Center falls under, requires a total of 509 parking spaces, far exceeding the required parking for the end user’s proposed use.
2. The use will adequately be served by the proposed parking.	The applicant provided a parking study to demonstrate that the proposed reduction would still adequately serve the development’s needs. According to the National Institute of Transportation Engineers (ITE) parking generation calculations, the proposed development would require 122 parking spaces during an average workday. The applicant has also provided specific data for their end use where, based on other sites that have been developed by the user, anticipates a maximum of 38 parking spots needed based on their shift times.

<p>3. Parking demand generated by the project will not exceed the capacity of or have a detrimental impact on the supply of on street parking in the surrounding area.</p>	<p>According to the applicant, the parking demand is not anticipated to exceed the capacity provided or impact the supply of on-street parking in the area.</p>
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The applicant is requesting to reduce the required parking from 509 spaces to 138 parking spaces required. Per Table 11-32-3A of the MZO, for warehousing and storage uses a minimum ratio of 1 parking space per 900 square feet of building area, which would require 509 parking spaces for this use. Per Section 11-32-6 of the MZO, a Special Use Permit is required for any parking reduction.

Per Section 11-70-5 of the MZO, the Planning and Zoning Board, when making a decision on a SUP, shall find that the project conforms to the following criteria:

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;

**The proposal complies with the Employment Character Area designation of the Mesa 2040 General Plan by developing the site with a data center use.**

*The proposal complies with this criteria.*

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 any other applicable City plan or policies;

**The location, size, design, and operating characteristics of the proposed data center aligns with the purpose of the Light Industrial zone outlined within the Mesa Zoning Ordinance and comply with the Mesa 2040 General Plan, and the Employment Character Area.**

*The proposal complies with this criteria.*

3. The proposed project will not be injurious or detrimental to the adjacent or surrounding properties in the area, nor will the proposed project or improvements be injurious or detrimental to the neighborhood or to the general welfare of the City; and

**The Proposed Project will not be injurious or detrimental to the adjacent or surrounding properties in the area, which include properties zoned GI and LI, nor will the Proposed Project be injurious or detrimental to the surrounding neighborhoods or the general welfare of the City.**

*The proposal complies with this criteria.*

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

**The addition of the site does not add any additional burden to the existing public services, public facilities, nor public infrastructure. The public infrastructure is located near the site and will adequately serve the site and proposed use with the proposed off-site improvements.**

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

**Zoning Ordinance, Section 11-70-5 – Special Use Permit – Height Increase**

The applicant is requesting to exceed the maximum building height in the LI District. Per Table 11-7-3 of the MZO, the maximum building height permitted in the LI District is 40 feet. However, per Section 11-30-3(B) of the MZO, height exceptions within Airport Airfield Overlay Districts may be allowed with the approval of a Special Use Permit. The applicant is requesting a maximum height of 60 feet for the Proposed Project. The Phoenix Mesa Gateway Authority has reviewed the request and has no objections to the proposed height increase.

Per Section 11-70-5 of the MZO, the Planning and Zoning Board, when making a decision on a SUP, shall find that the project conforms to the following criteria:

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;

**The proposal complies with the Employment with an Industrial Sub-type Character Area designation of the Mesa 2040 General Plan by developing the site with a warehousing use.**

***The proposal complies with this criteria.***

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 any other applicable City plan or policies;

**The location, size, design, and operating characteristics of the proposed indoor warehousing align with the purpose of the Light Industrial zone outlined within the Mesa Zoning Ordinance and comply with the Mesa 2040 General Plan, and the Employment Character Area.**

***The proposal complies with this criteria.***

3. The proposed project will not be injurious or detrimental to the adjacent or surrounding properties in the area, nor will the proposed project or improvements be injurious or detrimental to the neighborhood or to the general welfare of the City; and

**The Proposed Project will not be injurious or detrimental to the adjacent or surrounding properties in the area, which include properties zoned LI and GI, nor will the Proposed Project be injurious or detrimental to the surrounding neighborhoods or the general welfare of the City.**

***The proposal complies with this criteria.***

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

**The addition of the site does not add any additional burden to the existing public services, public facilities, nor public infrastructure. The public infrastructure is located near the site and will adequately serve the site and proposed use with the proposed off-site improvements.**

***The request complies with this criteria.***

**Design Review:**

The Design Review Board will reviewed the subject request at their May 14, 2024 meeting and had minor comments related to the building and landscape design. Staff will work with the applicant to address the comments provided by the Design Review Board.

**Neighborhood Participation Plan and Public Comments:**

The applicant completed a Citizen Participation Process which included mailing letters to property owners within 1,000 feet of the site as well as HOAs within ½ mile and registered neighborhoods within one mile of the site.

As of the date of this report, staff has not been contacted by any resident or property owner to express support or opposition to this request. Staff will provide the Board with any new information during the scheduled Study Session on May 22, 2024.

**Staff Recommendation:**

The subject request is consistent with the Mesa 2040 General Plan, the Gateway Strategic Development Plan, the review criteria for Site Plan Review outlined in Section 11-69-5 of the MZO, and the review criteria for a Special Use Permit outlined in Section 11-70-5 of the MZO.

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

1. Compliance with the final site plan submitted.
2. Compliance with all requirements of Design Review Case No. DRB24-00018.
3. Dedicate the right-of-way and easements required under the Mesa City Code at the time of application for a building permit, at the time of recordation of the subdivision plat, or at the time of the City's request for dedication, whichever comes first.
4. Compliance with all requirements of Chapter 19 of the Zoning Ordinance including:

- a. Owner must execute the City's standard Avigation Easement and Release for Phoenix-Mesa Gateway Airport prior to or concurrently with the recordation of the final subdivision map or the issuance of a building permit, whichever occurs first.
  - b. Due to the proximity to Phoenix-Mesa Gateway Airport, any proposed permanent, or temporary structure, as required by the FAA, is subject to an FAA filing, for review in conformance with CFR Title 14 Part 77 (Form 7460) to determine any effect to navigable airspace and air navigation facilities. A completed form with a response by the FAA must accompany any building permit application for structure(s) on the property.
  - c. Provide written notice to future property owners that the project is within two miles of Phoenix-Mesa Gateway Airport.
  - d. Prior to issuance of any building permit, provide documentation by a registered professional engineer or registered professional architect demonstrating compliance with the noise level reductions required in Section 11-19-5 of the Mesa Zoning Ordinance.
  - e. All final subdivision plats must include a disclosure notice in accordance with Section 11-19-5(C) of the Zoning Ordinance which must state in part: "This property, due to its proximity to the Phoenix-Mesa Gateway Airport, will experience aircraft overflights, which are expected to generate noise levels that may be of concern to some individuals."
5. Compliance with all City development codes and regulations.
  6. Prior to the issuance of any building permit, execute a drainage agreement with the City of Mesa and record the drainage agreement with the Maricopa County Recorder's Office.
  7. Compliance with the drainage agreement and all future amendments to it.
  8. Compliance with the City's Design and Engineering Standards, except as may be modified by the drainage agreement.

**Exhibits:**

- Exhibit 1 – Staff Report
- Exhibit 2 – Vicinity Map
- Exhibit 3 – Project Narrative
- Exhibit 4 – Site Plan
- Exhibit 5 – Landscape Plan
- Exhibit 6 – Preliminary Grading and Drainage Plan
- Exhibit 7 – Elevations
- Exhibit 8 – Parking Study
- Exhibit 9 – Noise Study
- Exhibit 10 – Citizen Participation Plan
- Exhibit 11 – Citizen Participation Report
- Exhibit 12 – PowerPoint Presentation