



**PLANNING DIVISION
STAFF REPORT**

City Council

May 6, 2024

CASE No.: ZON23-00174	PROJECT NAME: SWC Ellsworth Rd and Peterson Ave
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Owner's Name:	ELLSWORTH LAND LP
Applicant's Name:	Michelle Santoro, Gammage & Burnham PLC
Location of Request:	Within the 3400 to 3600 blocks of South Ellsworth Road (west side) and within the 9000 to 9200 blocks of East Peterson Avenue (south side). Located north of Elliot Road on the west side of Ellsworth Road.
Parcel No(s):	304-03-846L
Request:	Rezone from Planned Employment Park with two Planned Area Development overlays (PEP-PAD-PAD) and Limited Commercial with two Planned Area Development overlays (LC-PAD-PAD) to Limited Commercial (LC) and Site Plan Review.
Existing Zoning District:	PEP-PAD-PAD & LC-PAD-PAD
Council District:	6
Site Size:	7.5± acres
Proposed Use(s):	Large commercial development
Existing Use(s):	Vacant
P&Z Hearing Date(s):	April 10, 2024 / 4:00 p.m.
Report Date:	March 18, 2024
Staff Planner:	Jennifer Merrill, Senior Planner
Staff Recommendation:	APPROVAL with conditions
Planning and Zoning Board Recommendation:	APPROVAL with conditions (5-0)
Proposition 207 Waiver Signed:	Yes

HISTORY

On **January 22, 1990**, City Council annexed 1,722± acres including the project site (Case No. A88-013; Ordinance No. 2482).

On **April 2, 1990**, the City Council approved a rezoning of 1,740± acres from Maricopa County Rural-43, Rural-43-MHR, and C-2 to Agricultural (AG), Suburban Ranch (SR) (equivalent to current Single Residence-43 [RS-43]), and Limited Commercial (C-2) including the project site, which was zoned SR (Case No. Z90-009, Ordinance No. 2511).

On **May 19, 2008**, the City Council approved a Site Plan Review (86± acres) and rezone from Rural Residential District-43 (R1-43) to Limited Commercial with Development Master Plan overlay (C-2-DMP) (73± acres) and Planned Employment Park with a DMP overlay (PEP-DMP) (13± acres); and Rezone from R1-43 to C-2-DMP (25± acres) and PEP-DMP (16± acres), all part of the Elliot Fiesta DMP, to allow for the development of a portion of the Elliot Fiesta DMP with a power and employment center and future planned employment uses (Case No. Z08-014, Ordinance No. 4836).

On **November 3, 2014**, the City Council approved a PAD overlay for 1,054± acres, including the project site for the Elliot Road Technology Corridor (Case No. Z14-045, Ordinance No. 5255).

On **April 9, 2024**, the Design Review Board reviewed the proposed landscape plan and building elevations for the three retail buildings and the proposed Arby's restaurant on April 9, 2024 (Case No. DRB23-00571). Staff will coordinate with the applicant to address any comments and recommendations from the Design Review Board. The Dutch Bros coffeeshop is being reviewed through a separate DRB request (Case No. DRB23-00873), to be discussed at a future DRB meeting. The hotel will also require a separate DRB request.

On **April 10, 2024**, the Planning and Zoning Board recommended approval of the rezoning and site plan with conditions (Vote 5-0).

PROJECT DESCRIPTION

Background:

The request is to rezone approximately seven-and-a-half acres from Limited Commercial with two Planned Area Development overlays (LC-PAD-PAD) and Planned Employment Park with two PADs (PEP-PAD-PAD) to Limited Commercial (LC) and approval of an Initial Site Plan. The request would allow for development of a large commercial development containing a multi-story hotel, two drive-thru restaurants, retail uses and a restaurant (Proposed Project).

General Plan Character Area Designation and Goals:

The project site is located within the Mixed Use Activity District, with a Community-Scale sub-type of the Mesa 2040 General Plan. Per Chapter 7 of the General Plan, the goal for the Mixed Use Activity area is to provide viable centers of commercial activity that attracts people to unique shopping and entertainment experiences.

The Community-Scale Districts primarily serve the neighborhood population up to a four-mile radius and typically contain one or two large format commercial buildings and associated shops and pad sites. The Proposed Project conforms with the General Plan by providing a variety of services in a well-designed development.

Mesa Gateway Strategic Development Plan

The project site is located within the Mixed Use Community District of the Mesa Gateway Strategic Development Plan. This District is envisioned to be the area that solidifies the goal to balance land uses and provide sustainability through the creation of a live/work/play community. Development will include a wide range of building forms with an emphasis on walkable streetscapes and environments.

The most intense development patterns are expected in urban cores at Ellsworth and Elliot Roads and Ellsworth and Ray Roads. Structures in these cores will generally be built to the right-of-way line and are expected, over time, to be as tall as allowable with respect to the flight activity generated from the airport. While development throughout the Mesa Gateway area will be cognizant of the pedestrian, this area in particular will be designed to be especially pedestrian-friendly, with building entries, windows, and doors facing the street. The proposed retail and restaurant buildings include glazing and entrances along Ellsworth Road and Peterson Avenue to create a comfortable environment for pedestrians.

The Proposed Project is consistent with the Mesa Gateway Strategic Development Plan and will strengthen the character of the area by adding to the mix of uses, and further enhance the intended character of the area by adding to the sense of place; in these ways this proposal meets the requirements for review of development per Chapter 15 of the General Plan.

Zoning District Designations:

The project site is currently zoned Limited Commercial with two Planned Area Development overlays, and Planned Employment Park with two PAD overlays (LC-PAD-PAD & PEP-PAD-PAD). The current zoning was established as part of a larger area with Case No. Z08-014, Ordinance No. 4836. The conditions of approval required compliance with the site plan, design guidelines and other documents approved with the PAD overlay.

The request is to rezone to LC and remove the PAD overlays. Per Section 11-6-1 of the Mesa Zoning Ordinance (MZO), the purpose of the LC district is to provide areas for a variety of indoor retail, entertainment, and service-oriented businesses that serve surrounding residential trade areas within a one- to ten-mile radius. The proposed hotel, restaurant/drive-thru and retail uses are permitted in the LC zoning district.

The project site is also located within the Airfield Overlay Area (AOA 3). The Proposed Project will be required to comply with the provisions of Chapter 19 of the MZO.

Site Plan and General Site Development Standards:

The L-shaped site plan shows six buildings; a hotel fronting Peterson Avenue, and five restaurant/retail buildings along Ellsworth Road. All buildings are located close to the streets, with parking located behind. The building at the corner of Ellsworth Road and Peterson Avenue is a Dutch Bros drive-thru coffee shop with a walk-up window and covered patio facing Ellsworth Road.

Three retail buildings are located south of the coffee shop, and those buildings are designed with glazing and glass doors on their east and west sides which provides customer access on the west side of the building and commensurate quality on the east side to engage Ellsworth Road. At the south end of the site is a new Arby's restaurant with a drive-thru. The Arby's entrance is on its south elevation. Pedestrian paths are provided from the public sidewalks to each building, and throughout the development. A covered outdoor seating area is located between Pad B and Shops A.

The site is accessed via two driveways off Ellsworth Road and one driveway off Peterson Avenue. The northern east-west drive aisle provides a direct route through the wide portion of the property to the hotel entrance which then continues to a private drive west of the hotel. Shared drive-aisles provide access to adjacent sites, and cross-access easements exist across the multiple existing parcels.

The required number of parking spaces are provided on Lots One, Two, and Five, based on the Mesa Zoning Ordinance (MZO) standards for hotels and eating establishments with drive-through windows. Lot Three contains two shell commercial buildings and 90 parking spaces, but is only required to have 63 spaces, and Lot Four contains one restaurant building and 44 parking spaces and is required to have 53 spaces. A reciprocal parking agreement will be provided to allow shared parking across all five lots.

Elevations for the proposed 102-room hotel may exceed the maximum 30-foot height allowed in the LC district, but the Proposed Project does not include any increases to the allowable building height. Additional review process(es) would be required to accommodate an increase to the permitted 30-foot height. The hotel elevations are required to be reviewed as part of a future Design Review process.

Surrounding Zoning Designations and Existing Use Activity:

<p>Northwest (Across Peterson Ave.) LI-PAD Vacant</p>	<p>North (Across Peterson Ave.) LI-PAD Hospital</p>	<p>Northeast (Across Ellsworth Rd. & Peterson Ave.) PEP-PAD-PAD Vacant</p>
<p>West LI-PAD-PAD, PEP-PAD-PAD and LC-PAD-PAD Industrial, and Vacant</p>	<p>Subject Property PEP-PAD-PAD & LC-PAD-PAD Vacant</p>	<p>East (Across Ellsworth Rd.) LC-PAD-PAD Vacant - Approved commercial development</p>
<p>Southwest LI-PAD-PAD Industrial</p>	<p>South LI-PAD-PAD Hospital</p>	<p>Southeast (Across Ellsworth Rd.) LC-PAD-PAD Vacant - Approved commercial development</p>

Compatibility with Surrounding Land Uses:

Adjacent to the south of the project site is the existing Dignity Health Arizona General Hospital. Across Peterson Avenue to the north is another hospital, currently under construction. Adjacent to the west is an industrial development and a four-and-a-half-acre vacant parcel. Across Ellsworth Road to the east is a vacant property zoned LC-PAD-PAD that was approved for a commercial development in March of 2023. The Proposed Project is consistent and compatible with the surrounding development.

Development Agreement:

This request is associated with a Development Agreement (DA) (Record No. DA23-00013). The proposed site plan, landscape plan and elevations are consistent with the DA, and final execution of the DA is required prior to approval of any building permits.

Neighborhood Participation Plan and Public Comments:

The applicant completed a Citizen Participation process, notifying surrounding property owners within 1,000 feet, plus HOAs and registered neighbors within one mile of the project site. A virtual neighborhood meeting was held on April 18, 2023, and there were no attendees besides the applicant and City staff.

Staff has not received any inquiries from surrounding property owners or interested parties as of the preparation of this report.

Staff Recommendation:

Staff finds that the requested Rezoning and Site Plan Review complies with the General Plan and MZO Section 11-69-5 for Site Plan Review.

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

1. Compliance with the final site plan submitted.
2. Compliance with the Preliminary Plat submitted.
3. Compliance with the Subdivision Regulations.
4. Prior to the issuance of any building permit, obtain approval of and record a final subdivision plat for the subject parcel.
5. Prior submitting an application for any building permit, record a cross-access and reciprocal parking agreement among all five parcels as shown on the Preliminary Plat.
6. Compliance with all requirements of Design Review including Case Nos. DRB23-00571 and DRB23-00873.
7. Design Review is required for future development of the hotel located on Parcel 1 of the site plan.
8. 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.
9. All off-site improvements and street frontage landscaping must be installed in the first phase of construction.
10. 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. Prior to the 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.
 - d. Provide written notice to future property owners that the project is within three miles of Phoenix-Mesa Gateway Airport
 - 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 Phoenix-Mesa Gateway Airport, will experience aircraft overflights, which are expected to generate noise levels that may be of concern to some individuals."
11. Execute and comply with the Development Agreement (DA23-00013), and all future amendments to it.
12. Compliance with all City development codes and regulations.

Exhibits:

- Exhibit 1 – Presentation
- Exhibit 2 – Staff Report
- Exhibit 3 – Ordinance
- Exhibit 4 – Ordinance Map
- Exhibit 5 – Vicinity Map
- Exhibit 6 – Site Plan
- Exhibit 7- Minutes
- Exhibit 8 – Submittal Documents