



**PLANNING DIVISION**  
**STAFF REPORT**

**Planning and Zoning Board**

**November 15, 2023**

CASE No.: **ZON23-00549**

PROJECT NAME: **Edged Data Center**

|                           |  |
|---------------------------|--|
| Owner's Name:             | Scannell Properties  |
| Applicant's Name:         | Sean Lake on behalf of Pew & Lake PLC  |
| Location of Request:      | Within the 8700 to 9000 blocks of East Warner Road (south side).<br>Located south of Warner Road and west of Ellsworth Road. |
| Parcel No(s):             | 304-31-054   |
| Request:                  | Site Plan Review and Special Use Permit. This request will allow for the development of a data center.                       |
| Existing Zoning District: | Light Industrial with a Planned Area Development Overlay (LI-PAD)  |
| Council District:         | 6  |
| Site Size:                | 14± acres  |
| Proposed Use(s):          | Data Center  |
| Existing Use(s):          | Vacant   |
| Hearing Date(s):          | November 15, 2023 / 4:00 p.m.  |
| Staff Planner:            | Josh Grandlienard, AICP Planner II   |
| Staff Recommendation:     | APPROVAL with Conditions   |

**HISTORY**

On **October 16, 2000**, the City Council annexed 1,571± acres of land, including the project site, into the City of Mesa and established Agricultural District (AG) zoning on the property (Case No. Z00-087, Ordinance No. 3815, and Ordinance No. 3885).

On **May 7, 2001**, the City Council approved a rezoning on 233± acres, including the project site, from Agricultural (AG) to Light Industrial (M-1) (equivalent to the current Light Industrial [LI] zoning), and Agriculture (AG) (Case No. Z01-015, Ordinance No. 3887).

On **September 17, 2007**, the City Council approved the Entrada Development Master Plan consisting of 216± acres, including the subject site, which included a rezone from M-1 AF to M-1-BIZ-DMP, M-1-DMP, C-2-DMP, and C-2 (the equivalent to the current Limited Commercial [LC] zoning) on the overall subject site for the Mesa Gateway 202 Development. The BIZ overlay was

approved conceptually and was required per the conditions approved for Case No. Z07-057 (Case No. Z07-057, Ordinance No. 4759).

On **February 28, 2022**, the City Council approved a rezoning of 165± acres, including the project site, from Light Industrial with a Planned Area Development Overlay (LI-PAD) and Limited Commercial with a Planned Area Development Overlay (LC-PAD) to Light Industrial with a Planned Area Development Overlay (LI-PAD) and Limited Commercial with a Planned Area Development Overlay (LC-PAD) to establish new modifications to development standards and approved an Initial Site Plan for Phase I of the Mesa Gateway 202 Industrial Park (Case No. ZON21-00595, Ordinance No. 5677).

On **June 14, 2023**, the Planning and Zoning Board approved a Preliminary Plat for the creation of nine lots (Case No. ZON23-00092).

On **August 21, 2023**, City Council approved a Site Plan Modification for an accessory truck fuel and service building (Case No. ZON23-00092, Ordinance No. 5801)

## **PROJECT DESCRIPTION**

### **Background:**

The applicant is requesting approval of an Initial Site Plan to allow for the development of a 127,924 square foot Data Center (Proposed Project) and a Special Use Permit for a parking reduction. The project site is approximately 14± acres and located within Phase III of the Mesa Gateway 202 Industrial Park.

In 2022, City Council approved a rezoning of 165± acres which included a Planned Area Development overlay that allowed for phasing of the project. An Initial Site Plan for Phase I was approved with the rezone and allowed for the development of nine office/warehouse buildings. A future phase was identified in the northeastern portion of the site along Ellsworth Road for commercial development and a future phase in the northwest portion of the site was identified for future office/warehouse. Site plan approval for Phases II and III were required for their future development per Ordinance No. 5677. The Proposed project is located within a portion of Phase III.

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

The Mesa 2040 General Plan Character Area designation on the property is Employment. Per Chapter 7 of the General Plan, Employment Districts typically have minimal connection to the surrounding area and are used for employment-type uses such as manufacturing facilities, warehousing, and business parks. Per the Plan, one of the goals for Employment Districts is to provide for a wide range of employment opportunities in high-quality settings.

The development of the site for a data center is consistent with the Employment Character Area.

**Gateway Strategic Development Plan:**

The subject property is also located within the Mixed-Use Community District of the Mesa Gateway Strategic Development Plan (GSDP). Per the GSDP, 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. It will contain the widest variety of land uses within the planning area, with ultimate development including low to high density residential, commercial, employment, civic, and recreational use to provide a complete community experience.

Gateway 202 Industrial Park was envisioned to provide a mix of industrial and commercial uses. The proposed development is located within Phase III which was designated for future office/warehouse uses. The proposed project contributes to the vision of the mixed-use development and the intent of the Mixed-Use Community District of the Gateway Strategic Development Plan.

**Zoning District Designations:**

The subject site is currently zoned LI-PAD. The intent of the Light Industrial zone is to provide areas for limited manufacturing and processing, wholesaling, research, warehousing, and distribution activities within an enclosed building. The proposed Data Center use conforms to the intent of 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><br>Santan 202 Freeway | <b>North</b><br>LI-PAD<br>Vacant        | <b>Northeast</b><br>LI-PAD<br>Office/Warehouse |
| <b>West</b><br>Santan 202 Freeway      | <b>Project Site</b><br>LI-PAD<br>Vacant | <b>East</b><br>LI-PAD<br>Office/Warehouse      |
| <b>Southwest</b><br>Santan 202 Freeway | <b>South</b><br>LI<br>SRP Substation    | <b>Southeast</b><br>LI-PAD<br>Office/Warehouse |

**Compatibility with Surrounding Land Uses:**

The project site is currently vacant. To the north of the site is vacant industrial zoned land. To the east of the site are Buildings 1, 2, and 3 of Phase I of the Gateway 202 Industrial Park. South of the site is vacant property zoned LI-PAD and RM-4-PAD. Directly west of the site is the Santan 202 Freeway. Further west of the Santan 202 Freeway is GC zoned property within the Hawes Crossing Planned Development. The proposed industrial development is compatible with the surrounding development and land uses.

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

The site plan shows the development of a 127, 924 square foot, 52-foot-tall data center within the southern portion of Phase III of the Mesa Gateway 202 Industrial Park. The Planned Area Development with Case No. ZON21-00595 approved a 66-foot maximum building height in Phase III of the industrial park.

Access to the site will be provided from Warner Road to the north, Ellsworth Road to the east, and Starfire Avenue to the south. The site plan shows the data center's generator areas will be located on the east and west side of the building within the areas noted as screened utility areas and screened by a 15-foot wall in conformance with Section 11-30-17 of the MZO.

Perimeter landscaping along Warner Road and Ellsworth Road is currently under construction as a part of the required Phase I offsite improvements.

**Special Use Permit – MZO Article 7, Section 11-70:**

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.

**Parking:**

Per Section 11-32-3 of the MZO, 168 parking spaces are required for the proposed development. The applicant is requesting to reduce the number of parking spaces from 168 to 93, a 75-space reduction. According to the submitted parking demand study which is based on the national Institute of Transportation Engineers and Urban Land Institute 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:

| <b>Parking Reduction Required Findings<br/>(MZO Section 11-32-6)</b>  | <b>Findings</b>   |
|---|---|
| 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 three shifts where there are 8-12 employees per shift, creating a need for a total of 36 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 168 parking spaces, far exceeding the required parking for the end user's proposed use. |

|  |   |
|--|---|
| <p>2. The use will adequately be served by the proposed parking.</p>   | <p>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 50 parking spaces during an average workday. The applicant has also provided specific data for their end use were based on other sites that have been developed by the user, which anticipate a maximum of 24 parking spots needed based on their shift times.</p> |
| <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>   |

**Design Review:**

The Design Review Board is scheduled to review the subject request on November 14, 2023. Staff will work with the applicant to address any comments and recommendations from the Design Review Board and will provide the Board an update at the November 15th Study Session.

**Neighborhood Participation Plan and Public Comments:**

The applicant completed a Citizen Participation Process which included mailing letters to property owners within 500 feet of the site as well as HOAs within ½ mile or 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 November 15, 2023.

**Staff Recommendations:**

Staff finds the Proposed Project is consistent with the Mesa 2040 General Plan, the Gateway Strategic Development Plan, the approval criteria for a Special Use Permit outlined in Section 11-32-6 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 all conditions of Case No. ZON21-00595 (Ordinance No. 5677), except comply with the final site plan submitted with this case (Case No. ZON23-00549) instead of the site plan approved with Case No. ZON21-00595.
2. Compliance with all requirements of Design Review Case No. DRB23-00547.
3. Site Plan approval is required for any future development within Phase III.

**Exhibits:**

- Exhibit 1 – Staff Report
- Exhibit 2 – Vicinity Map
- Exhibit 3 – Project Narrative
- Exhibit 4 – Site Plan
- Exhibit 5 – Landscape Plan
- Exhibit 6 – Grading and Drainage Plan
- Exhibit 7 – Elevations
- Exhibit 8 – Citizen Participation Plan
- Exhibit 9 – Citizen Participation Report
- Exhibit 10 – Parking Statement
- Exhibit 11 – Power Point Presentation