

- 4-e ZON22-00431 District 2.** Within the 5700 to 5900 blocks of East Baseline Road (north side), within the 1800 to 1900 blocks of South Sunview (west side), and within the 5700 to 5900 blocks of East Inverness Avenue (south side). Located west of Recker Road on the north side of Baseline Road. (10± acres). Rezone from Planned Employment Park with Planned Area Development overlay and Council Use Permit (PEP-PAD-CUP) to Multiple Residence 5 with a Planned Area Development overlay (RM-5-PAD) and Site Plan Review. This request will allow for a multiple residence development. Charles Huellmantel, Huellmantel & Affiliates, applicant; VHS Acquisition Subsidiary Number 11, INC., owner.

Planner: Cassidy Welch
Staff recommendation: Denial

Summary:

Staff member Cassidy Welch presented case ZON22-00431:

This is a request to rezone the property from Planned Employment Park with a Planned Area Development overlay and a Council Use Permit to Multiple Residence 5 with a Planned Area Development overlay and Site Plan Review. That request will allow for multiple residence development. The site is located on the north side of Baseline Road and the west side of SunView Road and west of Power Road. So the General Plan designation for this property is currently Specialty, with a Medical Campus subtype. The intent behind the Specialty Medical Campus is for large areas with a single use. So because of this Medical Campus subtype, the intent is to provide a large area that is supportive of medical campus and educational medical campus uses. So per the 2040 Mesa General Plan, there are primary zoning and land uses, and secondary zoning and land uses that must be met. So within the Specialty District, a minimum 80% of the primary zoning and land uses must be met before secondary land uses can be met. So hospitals, medical offices, clinics, supportive hotel, as well as NC, LC, GC, PP, and LI zoning districts are all identified within that primary classification. Multiple residences, supportive commercial, and retail are identified as a secondary classification. But the only zoning district within that is the RM, and this request is for an RM 5 which has not identified as a secondary land use within the Specialty General Plan character area designation. When you look at this area in total, there's approximately 254 acres within the Specialty classification. Approximately 71 acres are currently developed for those primary land uses, and so that minimum 80% has not been met, and therefore staff is unable to support the request.

So the specific zoning that the applicant is requesting is Multiple Residence 5. The intent behind that Multiple Residence zoning district is to provide areas for a variety of housing. Again, the requested Multiple Residence zoning is not consistent with the General Plan, nor is it compatible with the surrounding area and staff is not in support. The site is currently vacant.

As we get into the Planned Area Development overlay request, the applicant is requesting some deviations from the RM 5 development standards. Those include an increase in the maximum building height and increase in the maximum building setbacks, some modifications to the landscape yards, a reduction in the required parking ratio, and a reduction in the drive aisle setback. Staff has particular concerns with the reduction of the interior landscape yard setback.

The requirement is 15 feet for non-single residence uses, adjacent to other non-single residence uses. The proposed site plan shows a reduction down to 10 feet, as well as the reduced parking ratio. However, the applicant has provided a parking study that supports the requested ratio. So the site plan is for 394 units and for buildings that are four stories each. Primary access to the site will be from Baseline Road, with the secondary access off of Inverness Avenue. There is a centralized amenity space in the central area of the site surrounded by those buildings. The applicant did attend a Design Review Board work session on September 13, yesterday evening, and was supportive of the proposed elevations. However, they were made aware of staffs' recommendation of denial for the proposed site plan and land use.

The applicant did conduct a citizen participation process which included notification to property owners within 1000 feet, as well as HOAs, and registered neighborhoods. They did conduct two neighborhood meetings. At the time this presentation was made, and the staff report was written, we did not have the additional letter of support from AT Still University, that is included in the Planning and Zoning Board packet. So in summary, we find that the proposed development does not comply with the 2040 Mesa General Plan, nor does it meet the criteria for a Planned Area Development overlay and Site Plan Review outlined in Chapters 22 and 69 of the Mesa Zoning Ordinance. And therefore staff is recommending denial and I'd be happy to answer any questions.

Boardmember Peterson inquired:

Cassidy can you drill down onto the numbers a little bit? Just because the percentages are critical here for the land, the primary and secondary land uses. What is the 254 or 8 acres and maybe part of the history of what we're dealing with? Is it 254? Or is it part of a previous PAD? And when was that PAD approved?

Staffmember Cassidy Welch responded:

So the 254 acres accounts for the total area within the Specialty character area designation. It's not a PAD, it's the entire area within the blue that you're seeing on the map.

Boardmember Peterson inquired:

And, and so of that 71 acres has been developed for the primary use today. Is that correct?

Staffmember Cassidy Welch responded:

That is correct. 71 acres has been developed for the primary land uses as defined in the Mesa 2040 General Plan, an additional 54 acres is anticipated to the north of the subject site.

Boardmember Peterson inquired:

And that 54 is one of the cases that got continued that you're referring to, and that fits within the primary uses. Okay. So then on the trigger for the minimum 80% for primary before you can... the other multifamily uses within that blue zone that have been developed are ready, those were part of that 20% allowance, maybe it gives some history on that.

Staffmember Cassidy Welch responded:

So the percentages were a part of a recent amendments that was made to the 2040 Mesa General Plan amendment. These multiple residences were actually developed prior to that 2040 Mesa General Plan, in 2014.

Boardmember Peterson inquired:

Okay, so. So the criteria for the 80% threshold was part of the 2040 General Plan?

Cassidy Welch responded:

It was a part of a recent amendment that was made in 2020.

Boardmember Peterson inquired:

I guess what I'm trying to get is, is the 254, that includes these things that were before the rule got put into place? How did those fit if they're part of the 254, but now they're not part of it? I guess I'm just trying to cut to what acreage there is, and what's left, because is the 254 left to be developed, or those multifamily parcels are part of the 254.

Staffmember Cassidy Welch responded:

The multiple residence developments that exist would be inclusive in the 254 acres. So if you're looking at total percentages, they would count towards that 20% of secondary land uses.

Boardmember Peterson inquired:

But even though they're approved before the rule that restricts the 20%?

Staffmember Cassidy Welch responded:

That's correct. And I think it's important to note that, while the percentages are critical, as discussed in the study session, Chapter 5 of the General Plan identifies the maintenance and preservation of commercial areas. And so these areas are currently zoned Planned Employment Parks, that they could develop for commercial and employment uses. And it's the goal of the General Plan to support those employment uses within the City. And so when you take into account the existing multiple residence that's already been there, we want to make sure that we're maintaining and preserving any additional viable areas for those commercial and employment uses.

Boardmember Peterson inquired:

Okay, well said. And then just to clarify that the case that was continued, the additional 54 acres, what types of uses are proposed on that?

Staffmember Cassidy Welch responded:

There is a request to rezone that property from PEP-PAD to LI PAD and PEP -PAD. So it's a mixture of large scale and small scale industrial buildings, and the applicant is actually working with staff on a development agreement that would put some limitations on land uses to encourage medical manufacturing uses, that are more consistent with the medical campus subtype.

Boardmember Peterson inquired:

Okay. So it's industrial type uses that, but they're trying to target those to the medical?

Assistant Planning Director Rachel Prelog:

Correct Chair and Boardmembers, as well as research and development space.

Chair Crockett invited the applicant to speak.

Applicant Charles Huellmantel, 605 S Ash Ave, Tempe, AZ 85281 spoke:

For record, I appreciate the opportunity to be here. It's good to see most of you again and welcome, as a new member, you may regret by the end of this evening, having accepted those responsibilities. Welcome. I think you pointed out the first point, which is these cases are gone. And this is the reason for the commission to decide the cases that aren't so easy. This is one of those cases that we've had an opportunity to work with your staff for quite some time and frankly, we respectfully disagree. And so you'll hear a very different presentation from us than you did from staff. I have a presentation prepared as these things go, they change a bit because we have the advantage of hearing what you discussed in the study session, which likewise is the purpose for the study session. So I may jump around a little bit based on hearing some of the things in the study session. The thing that I heard that I think was probably most relevant is staffs' acknowledgement that the real issue is that they don't like multifamily. And I guess that doesn't really come as a surprise. But I'm going to spend a lot of time talking about that. Because it's important to the core of the case, really, I suspect everyone knows well, the site, you've heard at least twice from staff, like to talk a little bit about the site. A big part of our case relies on the fact that to the right of us on the screen is a AT Still campus. And they have been in Mesa for a long time. I think some of the discussion, one of the questions earlier was what are the buildings to the east of us. And that entire area is the AT Still campus. And we have spent quite a bit of time talking with them. I hope that you've had a chance to see the letter in the packet. They come in strong support of housing and they do so very clearly. Because when they came to me, so they came because it was going to be a campus. It came a long time ago. Somebody mentioned earlier in the in the hearing, or the study session, you know, what was this case it was 2008. And every morning, I like to think that I'm every bit the same person I was in 2008. And then I get up and I go for a run and I realize I'm not. A lot has happened since 2008 and times change. Things have changed dramatically since then and that's one of the things I'm going to talk about. One of the dreams that Mesa had in 2008 and one of the reasons we come here with this zoning is because, at that point in time, Mesa wanted a hospital campus. And the simple reality is, they have one, and they don't have one, but it's not the one that they had hoped for. Banner has built a significant campus and tenant health care is not in the business of competing against a business that's already serving its patient base. There isn't room for another campus, tenant has been very clear about that. And I'll talk about that as we go through the presentation. But he still came because it was going to be a medical campus. And they have fulfilled their portion of that dream. They have brought many students, as well as faculty, to Mesa and their letter clearly indicates, and all of their conversations with us that they plan to have that campus. In fact, you may or may not know, I didn't know before the start of this case- that's why the Y is there. Rather than building their own separate piece, they work together to build the Y? Because they wanted it to be a campus feel. And it works for everyone the Y gets the opportunity to have a good place to be. And it still doesn't have to repeat those

amenities. If you go to, for example, Arizona State, you're going to find the student rec center and that serves just the students and the faculty. And just down the block there are several gyms, because this was a campus that's not the way AT Still proceeded. One of their dreams always was to build residential. And in our first meeting with a AT Still, we showed them some renderings and they said, Oh, my God, that's almost exactly what we wanted to build. But we weren't able to do it. This is really exciting. We're super excited that you'll be there. And so we've worked with them on the site plan and on elevations. It's worth noting and I'm going to show you some elevations that the Design Review Board was not silent, as you heard first, but actually very favorable about the project and we take great pride in the fact it is a good project. And we're discussing whether or not this is the appropriate place for it. And I know this is not the place for Design Review, but it's nice to come with such a warm welcome from Design Review,

We would argue that it's exactly the right place, not just because of AT Still, but there's a significant need in this area for housing. And I'm kind of bounced around from my original presentation, just because I know some of the things that you've talked about. But frankly, the fact that we don't have neighborhood opposition is a really important point; we're going to spend a bunch of time today talking about why we think housing is important. It's important because while Mesa has spent time talking today about the need for preserving employment base, a lot has changed again, since 2008. In 2008, people were happy to take long commutes. And people were happy to go into work every day. In fact, the idea that they wouldn't go into work every day was sort of an anomaly. And we're not in 2008, we are where we are. And since that time, the campus, the medical campus has occurred again, much of it is in Gilbert, not in Mesa. But the theory of the General Plan was we would have these uses and that's why housing is allowed as a secondary use. Because quite simply, if you're going to continue to bring new jobs, you have to find places for people to live. And it's hard to find places. I was in the study session in the actual DRB, last night, and there was an another apartment deal. And there was a lot of friction in that case. And the reason that friction was there, in part because they wanted to put apartments in an area that had previously been focused more on single family homes. And that brings out lots of folks. But you don't see folks like that here today. There's no one here in opposition except staff. And we've had, not one but two meetings. And we have AT Still, the nearest university, the nearest neighbor here is in strong support, because they need what we're offering, which is a place for their students to live. Their students are there for a while, especially the good ones are there for only a short period of time. And then they move on, many of them will move on to the same neighborhood, because they'll move towards the campus that Banner has built. Yes, it's in Gilbert, but they're still going to be in the neighborhood, they're still going to use the streets, and there aren't places for them to live. The cost and vacancy of apartments has been dramatic over the last several years in this area. If you wanted to live, there's probably one exception. One of the other projects that is in this planning area is income restricted project. Which means you have to qualify to live there. It's not available to everyone. But if you take the market right product within miles of this site, it's 97% occupied. And that means it's 100% occupied, except for people moving in and out. There are no places for people to rent, there are no places for people to live. This is not a site for single family homes. It's not a site for hospital uses. And I'll get to that in just a second. But this is a place. And I have since, I showed the slide, let me cut to that piece, in 2008, this is another thing that makes it, was

talking about, they were talking about the HEAT initiative. The first two parts of HEAT initiative are healthcare and education. That's why AT Still ended up here because that's what Mesa was talking about. That was the dream they believed in. And we're helping fulfill that dream by letting it be a campus, by letting people live near the school they go to, by letting people work near the place they live in. One of the tremendous expenses over the last several years with healthcare has been the need for hospitals to hire people temporarily because people don't want to move there, because there aren't places for them to live. And again, this is the area again, I understand the sensitivity of talking about some of it being in Gilbert. But that's the reality that hospital has built. They spent millions and millions of dollars building it, it's there and it serves the public. Its people are not going to just have to go to another hospital across the street. Because Mesa would rather it be in Mesa. Jump around here for a second and find... Tenant has been very clear this is a letter from Tenant Health Care, you asked this question earlier. And you're absolutely right, Tenant Health Care is selling pieces of the land and as I sold it, including AT Still, AT Still has restrictions. Those are different than all the others because they're education based and they're allowed to do the educational uses that are aligned with healthcare. No surprise, because that helps the healthcare industry. They want those future trained employees. But the other uses are not going to be healthcare.

They're simply not the idea that they're going to be is going on, it's not a public policy issue, it's not something that you can discuss as a City because it's a private property, right. But every one of those properties has deed restrictions on it. And I can probably find them, these are some of the deed restrictions, and I'll leave them up. But the deed restrictions that are prohibited on this property are basically everything that would be a competing hospital, Tenant is not going to sell the land, and allow someone to come in and use the uses that would compete against what they do. They will build somewhere else in the value, they're not in the business of creating competition for themselves. So we can pretend to have a discussion about that. But it's not very realistic. And I'm going to move to the next page, it also limits you from selling to anyone who has interest in those kinds of businesses. So it's not going to be healthcare. So now you're left with the discussion about what else can go there. And some of it is light industrial, and you have a discussion even earlier today about that? Well, you probably know AT Still is opposed, or has been opposed to having industrial, and I don't speak for that issue. It does sort of bring up the issue that they have brought up with us, which is we want things that are campus oriented, and they've been clear that they don't think light industrial, is campus oriented. This helps them get to the thing that they're looking for, which is housing. One of the issues, and I'm going to cover a few things just to make sure that I have an opportunity to address the comments you've made. One of the things that staff put up was parking too, and I would like to point out, you know, parking is something we could work on. It isn't really the issue. We know that the real issue is multifamily. But the way that Mesa calculates its code is similar to many cities, but frankly a bit antiquated, which is by unit. So we have three bedroom units and we have one bedroom units. And so depending on what that mix is, your parking ratio can sound great or terrible. We're at .99 per bedroom. So think, forget the code for a second and just think practically please, and that means that every bedroom has a parking space which is more than fair, given what real parking ratios are throughout the Valley in terms of what people do in terms of having vehicles and having units, if that were the real issue. If parking were the real issue. Certainly we would get to the table and try to work through that. As Jeff pointed out,

we have a report that says this is consistent with what happens in the industry and that it works well. One minute before my client, I don't want to take too much time, I know you've seen lots and I wanted to make sure my client had an opportunity to make sure I covered what was necessary. Be happy to answer questions as you have then.

Boardmember Pitcher inquired:

I'll quiz you on the legal side of it. Can you put that slide back up about the restrictions? So who's the hospital arm that has the approval right here?

Applicant Charles Huellmantel responded:

Tenant Health care. Do you want me to give you a copy?

(papers were passed to Boardmember Pitcher)

Chair Crockett inquired:

So, this is what you would expect to be given to sign.

Applicant Charles Huellmantel responded:

I mean, we know that it will be required of you okay, and it has been required of others? So it's just not unique to our piece, that that is what's been required throughout and I think you'll find that probably on each of the pieces? Or something very similar to it, it still is slightly different because they're allowed to have medical uses that are associated with education, for obvious reasons.

Boardmember Peterson inquired:

So what is the relationship of Tenant with this acquisition subsidiary that owns this and the property to the north?

Applicant Charles Huellmantel responded:

I'm not an expert on that. I believe it's a holding company for Tenant that operates and owns their land holdings.

Boardmember Peterson added:

So let's call it the related entity. Yes, thank you.

Boardmember Sarkissian inquired:

I don't know if this is so much a question for the applicant, or they could answer it, but I'm sure I would like prefer staffs' answer. So this the question Cassidy touched upon it with the Employment area, that 254 acres, that is the General Plan category, correct? There's a PAD over this property that restricts it to the same degree, that you're talking about? I know it's a Specialty Character Area, but she mentioned that was part of the General Plan as opposed to a zoning.

Staffmember Cassidy Welch clarified:

The 254 acres is within the Specialty Character Area designation, so it includes multiple properties and different property owners. There is not one Planned Area Development overlay for the 254 acres.

Boardmember Sarkissian reiterated:

Okay, so for this 254 acres, they've all been developing independently.

Staffmember Cassidy Welch confirmed:

That's correct as they come in.

Boardmember Peterson added:

With that inside my head, stuck on these numbers a little bit still, though. So with the Specialty Character Area was approved in what year?

Staffmember Cassidy Welch responded:

The 2040 Mesa General Plan was approved in 2014.

Boardmember Peterson added:

Okay, so 2014, and a lot of these the apartments and everything else developed, but I guess when the 80% rule coming in, when you included all these areas that were already developed with multifamily and with retail along Higley Road. Then that's looked at, and just looking at it, it looks like more than 20%. So it almost says that 20% gone until the, for this whole area. Am I interpreting that correctly?

Staffmember Cassidy Welch responded:

I believe it accounts for approximately 17% of the existing multiple residents.

Boardmember Peterson added:

Okay, so what about the retail along Higley Road? Is that also part of the 20?

Staffmember Cassidy Welch responded:

The retail on Higley Road is actually not within the Specialty Character Area designation.

Boardmember Peterson added:

Okay, gotcha. And is the 80%. Is that, I guess, how specific or how arbitrary was the 80? Do you know what the history was for the 80%?

Staffmember Cassidy Welch responded:

And then the genesis behind the 80%?

Development Services Director Dr. Nana Appiah spoke:

Chair, Boardmembers Peterson, the Development Services Director- so it's very important for you to look at the intent of the percentages. I think we get in stuck with a specific numbers, the intent of those primary and secondary ratios was to make sure that the primary dominant use that forms the core character of that designation, is really developed. Because over time, over

the years, what we experience in the City is, we have a General Plan Character designation that is intended for specific character defining area. But because we don't define what is supposed to be the major dominant character for the area, we allow the secondary which is supposed to be the accessory to be developing over time, the secondary and accessory takes over the specific intent character of the area. So a couple of years ago after experiencing that, we came up and discussed that moving forward. We want the dominant character users to be the defining developed character of the area and once that is done, then the accessory or the secondary uses can be developed to support it. Either that happens independently or when there is a proposed development that comes in with a ratio to show that the 80% is going to be fulfilled without development. With a 20% as part of that, or the 80% needs to be developed, and then later on the 20% can come in. So at the end of the day, we ensure that the dominant character area is actually being developed. So that's really the intent behind the ratio. And in this specific case, one of the major issue here is this is one of the prime ways in the City that is actually left for such a large area to be developed as employment uses, our support for employment uses is not that we don't recognize the need for multifamily. We do recognize the need, however, there are several other locations in the City that can be developed for residential. In addition, we also look at it on a case by case basis. There have been a couple of cases that have come before you that were zoned, like Limited Commercial or employment uses, that we believe actually rezoning it to residential was the right thing to do to really support and energize, or revitalize the area. This is one of the areas that we believe that actually taking that employment land for residential is not a right appropriate use, at the location. At the end of the day, it doesn't promote the goal of Economic Development for the City.

Chair Crockett inquired:

I have a question for you, with the types of deed restrictions that we're looking at here that the owner of the property is putting on, it seems like that has the potential to thwart the Medical Campus Character of this area. So I guess the way I'm looking at it, if they want to sell their property, they need to maybe get rid of the deed restrictions?

Development Services Director Dr. Nana Appiah responded:

So that's really a good thing. Unfortunately, none of the staff was aware of this, we just saw, at least I just saw that, I'm not sure if my staff have even had this conversation. That's one. Number two, the property right now is zoned Planned Employment Park. So when the property owner went through, right now they can go ahead and develop it for non-residential uses that are allowed in the PEP. And I believe when the PEP zoning regulation was put on the property. The applicant can answer this question, but I believe this deed restriction was still on the property. And so, in addition to the deed restriction, that site doesn't have to be developed specifically for this medical uses. The alternative to non-medical uses, this location is non-residential. There is a large volume or demand for other non-residential uses in the City that can actually be looked at, or review for those uses as well.

Chair Crockett added:

Thank you that appreciate that clarification.

Boardmember Peterson inquired:

Director, thank you for that input. So I remember, in the late 90s, when this area first started, the infrastructure first started going in. And so to your point, of this is a very high demand area, I fully agree with that there's a disconnect, is that supply and demand has manifest over time, right. And so here we are 25 years later, and it still has a significant amount of undeveloped area were looking at. The other side of Higley Road, where Banner and then Anderson, those have all filled out robustly, and even I've had some personal consulting involvement on the south side of Baseline Road, where they thought that same time in the early 2000s, everybody thought everything around here would be medical. But once those pieces kind of fell into place, then as the applicant's representative as has said, you want to pieces fall into place. You can end, so you see on the south side, you know that they started with some medical desires and hospital desires, then it turned into assisted living. And it turned into some small percent assisted living. And then the rest retail, which is a very robust retail center. There's certainly demand for that and so the disconnect is, here we are 25 years later, this is the high demand site, but with the restrictions placed on it. It would seem like especially over the last 10 years of hyper growth and development that, if there was the demand for the things that we're talking about limiting for here, why hasn't that occurred over the last 10 years or more?

Development Service Director Dr. Nana Appiah responded:

That's actually a good question, but to answer your question, there is a reason why the General Plan allows for rezoning, and to go through this process. Going through this process is one of the things we do when projects come through the City. We review that together with our Economic Development Department, and they are very much aware of the demand in that area. And there is the potential demand that can actually can be those that can be developed in the area, other than residential. So going back to my response, the alternative for the demand is more residential. There are, as we talked about, and I know you guys were talking about the existing project right now that is coming through that has not actually come before you, which was still an ongoing discussion, so I don't want to really get sidetrack with that discussion. But those are the demands that, actually right now, there is a need for it. And so we have to look at it from the overall demands. Right now, one of the things there is a lot of demand for non-residential uses in the City of Mesa, as well. As you know, we are one of the fastest growing cities, you can see on the agenda, a lot of demand. So, what we are trying to do is to make sure there is a balanced City. We are balancing where people live and also providing employment for them. So, when we get this project, we look at and review that with Economic Development. And sometimes we say, yes this site there has been vacant, there's not been much in demand. And we believe that this is an area that we can rezone to example, residential. But this was one of the sites that we believe there is more demand and there are other potential uses that we could preserve it, we can obtain those uses.

Chair Crockett commented:

Director Appiah, I think I don't want to put words in your mouth but I think what you're saying is if even if it's not a medical demand on the property, there are other types of demand that would go there that are consistent with the existing zoning, or the PAD. That's correct? Okay.

Boardmember Pitcher inquired:

Yeah. And that thank you that follows my question, is in reviewing the restrictions that looks like as their hospital related, and emergency related kind of uses, so are there some uses that you feel are going to be separate from those that are restricted, that are interested in this?

Development Services Director Dr. Nana Appiah responded:

I haven't seen the deed restriction. So, I really don't know. But there is so many in the Planned Employment Park, there are so many other uses that are not medical related.

Boardmember Sarkissian inquired:

So, I have a question being that this has been and you know, an area that you're targeting and stuff like that, for this type of growth, and because it's a high employment area, is this site within an opportunity zone?

Development Services Director Dr. Nana Appiah

I'm not sure if it's an opportunity zone.

Boardmember Sarkissian added:

So that's a little bit of my concern, whether this is pushed back and stalls to see what happens. But I think that's my concern is that I have personally driven past this on the freeway since 2003. And I'm looking at historic aeries, the second building for a while went in 2004-ish. The road to get through was done in 2007, the YMCA was then in 2010., and the parcels that we're talking about have continued to sit. And while we've done nice projects before waiting for other things to come through, and then nothing happens. And so, I'm just wondering at what time do we do we open it up to other things, if it's not going to be because there's been, like Banner is exploded on that side and they've had issues with not enough housing, for because they want the higher quality, for doctors and stuff like that. I don't know if this one is specifically geared towards the doctors or more of the students but regardless, I know there's a housing shortage issue. But I'm kind of on time to talk because it's like you want to wait for the better, you know, you're waiting for the better but you don't have the better in front of you. But then on the other side, you also have an issue of, this is what's in front of us at this time. And what are we trying to do? Because you mentioned like that project at the South, in Gilbert on the south side. I did that, I worked on that project and that was 60 acres of regional and that was set for Office Employment type uses. And it became assistance to the medical which was the assisted living, and the memory care, assist nursing home, and then also came with it the hotels to assist the Banner, and then it came to the commercial. It's like they feed off of each other. The other thing is because we're so good right now at the industry, off of Elliott and beginning to Gateway, I don't know if that's pulling those high tech R&D stuff that way versus keeping it. I don't know, if it's kind of pulling it away from this area, and I don't know, chicken or egg like, what do you wait for? Especially since it doesn't have an opportunity zone on it, makes me a little more hesitant to say let's wait, let's keep it like it is.

Development Services Director Dr. Nana Appiah responded:

Chair, Boardmembers, so what staff is recommending is not to wait and keep it idle until something comes up. This is something that we deal with daily for the employment or commercial designated land uses that, constant comments or consistent argument that comes

up when they come to rezone it is, it's been idle for so many years and so, we want to basically rezone to residential daily, conversations. If we go that route, we will be rezoning a majority of our employment land uses that can be converted to residential. What we are saying is, this is the land that is preserved for employment and as a City, there are examples of places that we started, and the City basically stood and said, we still want to preserve this for employment uses and after 15-10 years, is come back and developed for employment uses. On the contrary, there's been other places that had been preserved for employment uses, and in the most recent years, we've rezone them from light industrial to residential, because we believe that of all the things that have been developed around with a retail, with restaurants, and all that. There is one example around that I only mentioned that you guys actually recommended approval last year, it was on for light industrial, but the surrounding developments were commercial restaurants and we believed that rezoning the light industrial actually to residential was going to help provide the foot traffic to support the restaurants and other uses, looking at this side, this is one of the site I still believe that it needs to be rezone to residential.

Applicant Charles Huellmantel added:

Okay, I'd like to respond to those comments, I think would make more sense to open to public comment first and then okay to allow me to respond after.

Chair Crockett commented:

Okay. Absolutely. So I have one speaker slip that is by former council member Richens. So I invite him to the podium and state your name and address for

Chair Crockett opened the public hearing.

Dave Richins, 833 West 11th Place spoke:

I didn't realize that I would feel a certain amount of PTSD coming back at this building, I was rather surprised, like I spent way too much of my life in this room. I was there when we did this 2014. This General Plan in 2014. If you open the book, you'll see my name there on the first page. And I've heard a lot of banter by folks who were not here during that period about what we intended by that General Plan. One of the things that I heard was that, you know, the intent of the General Plan is to preserve these job producing uses. And I'm going to say if you look at the General Plan, on the on the title of almost every page, it says the goal of the General Plan was to create recognizable neighborhoods, innovative jobs and memorable public spaces. That's it. And so, what are we trying to accomplish here? That's what this whole case is really hinging on. There is a solution to this, and it lies within a subtype in the General Plan. So, when we had our subtypes that you see in the blue, they're calling it a Medical subtype, there is an additional subtype within the General Plan called the Educational Campus, it's on page 7-30. And on page 7- 30, it'll talk about that Campus subtype, and that residential uses are absolutely an accessory use to that. And so, part of the solution of this site as it transitions, is to look at it a little different and allow it to evolve. I think Boardmember Sarkissian put it very well. She's been by the site for a number of years, she's seen it stay vacant and the zoning case that happened in 2007 2008, things have changed considerably. The economy has changed. We've been through a pandemic, we've been through a boom period, now we're into major inflation. So as things evolve, we need to evolve as a City and a General Plan is exactly that, it's general. But

within that General Plan, we're given latitude to change our mind a little bit. Now, this 80/20 ratio that was created in 2020, only a bureaucrat could come up with that and I listened to and with intent to the Planning Director and all due respect of the Planning Director, I tried to unravel that in my mind about why you'd have this 80/20 ratio and why that's so important. But to me, a General Plan should even be that specific, it really is trying to create three things, the innovative neighborhoods, the or excuse me, my note, the recognizable neighborhoods, innovative jobs, and memorable public spaces. And this project, I came just because I felt upset about the General Plan characterization in this case. And I love AT Still University, we worked really hard on City Council, during that period to bring educational uses here. And if you walk outside the backside of this building you're going to end, if you keep walking towards City Hall, you're going to run into ASU. And if you walk down the street a little bit more, you're going to run into Benedictine. And if you think about all these different things that have developed here, we need to preserve the educational uses, and I worry about AT Still. They may not go anywhere, but they may cease their expansion. The staff report does not mention AT Still wants, now, to me that's very concerning. It shows me what they value more getting wrapped around the axle about 80/20 ratios, than a major educational institution that's turning out the doctors that are employed next door at Banner, in the General Plan. And when you're looking at those ratios, we count 271 acres, if you were to count the rest of the acreage into Gilbert, which is what this whole totality of the area would take in, then that whole 80/20 thing is like okay, yeah, we have a preponderance of medical uses here.

So, I think you have the latitude within changing your mind a little bit saying hey, this is a great place for residential, AT Still supports this. I am sure of how do we approach Banner. Banner would love to have some high end housing for their nurses and employees. He flashed past the picture kind of, quick of the doctor sleeping in the hallways that some of those hospitals, I've seen that myself happen. I'm sure you guys have to, let's be a little flexible here. Let's understand that the General Plan provides latitude to allow a great project to come to me. So I'd hope you vote for it. Thanks.

Chair Crockett invited the applicant to speak:

Applicant Charles Huellmantel added:

I do hope the final word is the vote. I wish I could take that myself as well. But at least the final comments, you know, we disagree respectfully with staff on what this means we disagree, particularly whether the General Plan should be the zoning case, or the zoning case should be the zoning case. But really what we disagree with, and you ask the question kind of well, kind of the chicken or the egg. I'm not even sure it's that anymore. Because I think we're at the point where we're not going to continue to get the jobs we want. If we don't have places to house people, they're not going to continue to get the students they wanted AT Still, if they can't find places for their students to live, because they're coming from other places. We in Arizona have worked really hard over the last decade, and more to bring to broaden our economy to make it not just about development, to bring jobs and industry in from other places. And you know what, one of the things that we benefited from the most was California, not because they weren't necessarily doing it, right, but because they made it too expensive and too difficult. And people had to live too far from their jobs. And people changed in that time. They wanted to live close to

their jobs, particularly people who are working at a hospital and are working shifts from 2pm to 2am, or whatever it is all kinds of odd hours and tired when they get home. And they don't want, people don't want to drive 45 minutes anymore. And we shouldn't want that either. It's not good for the roads, it's not good for the environment. We should be designing campuses, with people in mind. And if you're going to put people in mind to have to have a place that they can live. And if we can continue to say, yeah, we think there's a housing problem, but somebody else should solve it, it should be somewhere else, not near here. It's not really solving the problem.

And this case, getting back to specifically what it is, does solve a specific problem. It takes land and yeah, you could put some other uses in there. You know, there's a ton of fast-food restaurants out there we can you know, Popeye's is already there. But maybe we can get all their competitors out there, and you can fill up this land on Baseline with 30 more fast food restaurants and take the land up. To me that's not great. That doesn't increase the feel of a campus or AT Still, it doesn't increase the job quality of life. For people who work at Banner, or for any of the remaining land uses. To me, having residential uses, really helps you get the rest of the land available for jobs, that are good jobs that people can afford to live by. So, I appreciate your time. I appreciate this. This is a tough case. But we really feel strongly that this is the right project and that's noted, not only by the kind words from the Design Review Board, but also the fact you have no opposition. It's so rare anymore to find a piece of land that doesn't have opposition, but this one has support. And Councilman Richens pointed out, and I can probably even find you that piece of the code, even in the General Plan. And again, I would argue that it's a General Plan, not a zoning case, I think the law would support that. But even then, there are secondary uses and the secondary uses were always designed to be residential. So there any other questions? We'll be happy to take them.

Chair Crockett commented:

Thank you for that. You know, and I'll just make a comment. Charles, earlier you said that, that staff doesn't like apartments. And you know, since I've been on P&Z for I think about four years now, we have approved a lot of apartment projects or multi housing projects. So, I don't-

Applicant Charles Huellmantel interjected:

I think I'm happy to refine my if statement, if I said it wrong. What I heard in this session was the real issue is multifamily.

Chair Crockett responded:

Okay, and it's not an antagonism toward multifamily projects, it's really is this the right project in the right place? And so just-

Applicant Charles Huellmantel interjected:

Relating it to this case, and not willing to speak through a larger picture?

Chair Crockett commented:

Sure. Okay. I understand that and appreciate your presentation, that's certainly helped me understand much better, what we're talking about today.

Boardmember Montes inquired:

Can you tell me how many students attend the university?

Applicant Charles Huellmantel responded:

I can't tell you the exact number. There may be a representative here can tell you, I can tell you that the University breaks down, though into a way that would make that somewhat misleading. The University has students on campus, in fact, they have some clinics and other things. And they also run similar clinics in lots of other places. So even if I gave you the real number, which I think the thing you really want to know is how many students live, participate in that campus? And I think it's few 1000, at least.

Chair Crockett commented:

Okay-

Applicant Charles Huellmantel interjected:

They also have plans for continued growth.

Chair Crockett stated:

Okay, so we have an item on our agenda with a recommendation. Do I have a motion on this?

Boardmember Allen added:

Hey, excuse me, Chair Crockett, you need to close the public hearing first.

Chair Crockett closed the public hearing.

Boardmember Allen commented:

If I could take a moment to share my thoughts on this project. Given my background, obviously, with Economic Development, and being part of the City staff for 30 years, I have a tendency, I'm leaning towards supporting staff and their recommendation only because I was there when AT Still came in. And I watched that development goal, you know, everything developed around it. And I've watched, I know that was an employment center. And we've tried to maintain that and I fall back to the Economic Development staff, that they know what they're doing and their recruitment efforts. And so, I'm leaning to support towards a recommended denial, or at least supporting the denial recommendation.

Boardmember Peterson commented:

Yeah, just some thoughts on this- and from a baseline of staff recommendations, I have a lot of respect for it, put a lot of credence in the staff recommendations. In this particular case, and in the late 90s, I live just on the north side of the freeway here. So, I'm very familiar with it. I've watched it grow up over the years. I do see that when I pull back, you know, half a mile, two miles, five miles, in my little SimCity mind and say what's good planning here. The case before us feels like good planning, it feels like a good mix. When I go to this 80/20 mix, which I get it to number whether it's arbitrary or not. And this site is 10 acres, that's 4% of the area, if 17% is already secondary, another 4% is 21, call it 20. It's within that range of that balance that the General Plan is seeking, although it might not be in the exact- this comes before that. And then

the bigger thing is, just the time factor. Factor of supply and demand on development and what's coming in. If Economic Development had such high demand for this, why have we gone 25 years, and particularly the last 10 years of hyper employment related growth, and not had more go on here, and I get there's a case for a large parcel and that's great. Coming before us here in the near future, sounds like that's more industrial, which is in call it the gray area of I think what we're talking about here. I would guess that that's not Economic Development, first wish that would go in here, and then seeing how the hospital campus is developed in, in all directions in this area. And the support that is needed, not just general population wise with a shortage of housing, but specific to the hospital for longer term stays for patients, patient's relatives, medical workers, students at the University, there it to me. It feels like it's a good planning thing to do. And so, for that reason, the I would be in supportive of recommendation for approval for this case.

Boardmember Pitcher commented:

You know, in looking at the restrictions in the fact, I think I heard that the tenant was an affiliate of the owner, I think you know, some of this is that they have control over who goes in there. So, I mean, the fact that it's vacant and somewhat, you know, their own choosing. The other thing I'm concerned about is, and there between Higley and Greenfield from Baseline north, there's 2100 apartments just there. And I don't know if there's, really necessarily a need that this one would solve, if we've got some availability down south.

Boardmember Sarkissian commented:

I guess, I just again, looking at the history of the site and seeing what's around it and what's gone on. I mean, even to the south, Gilbert's done crazy stuff going on the west side. But even when you start looking in this portion, south of Baseline, it's stalling. Higley, Recker dead ends into it you have AT Still. So, I feel a special mean, it is a really great piece. I just feel like if it was in demand, it would, especially with everything going on, it would have kind of hit, or you'd have another application for it. I don't know that, how many applications have come before on this site. So, with this one without there being at this point, that some of this stuff is getting cannibalized by the insanity that is going on at Elliot Corridor, I think it's somewhat in close proximity, mileage drive wise, but I do think the housing shortage issue, it's kind of gotten ridiculous. So for that, I would actually be in support of that, because I don't see anything else coming before us at this time. I didn't know what is before us is this and like I mentioned, I've been driving by it since 2003. And since the last development I've seen in this area was 2007. And then in 2010 was the YMCA, which is affiliated with the school, but you have been there since 2004. Another I mean, there's nothing that's been pushing this for growth in that sense. So that's my concern is that we're waiting for something that's not incentivized enough to go here, despite how much we want it to be there.

Chair Crockett commented:

But I'll just share my thoughts. I am persuaded I guess by Boardmember Pitcher. I think that the owner of the property has within its control the ability to market this property in a way that could have it be developed. I think we have an item on our agenda today, that's the recommendation that we approved, was that it be continued to the later September meeting. But that's a large project and as the Director here said that, you know, it's not just we shouldn't just focus as

narrowly on medical here. I mean, it's an employment parcel. It's large. It's a large area for employment. I spent 10 years on Economic Development before coming here, so I'm very, very invested in, Economic Development in Mesa and in preserving areas that we have for employment. And I indicated earlier, since I've been on the board here, we've approved many, many multi-family housing projects. So, it's not an aversion. I understand that the issues with the demands for housing, but again, for me, it's about right place right time. So, I'm going to go ahead, and I'm going to move this item. And we'll see if I get a second on it.

Boardmember Montes commented:

I just was speaking, I know Banner on Power between Main and Broadway. Yes, I know that I had spoken to them, because my school is in that area. And I know that many of the nurses there, and hospital employees are traveling from other cities to go and work there. And they're lacking housing in our area. And so, a part of me is I think, if they are working there, or near Banner or any of those hospitals, but they're living in other cities, that doesn't bring us an economic value. Right, because they're not shopping in our town, they're living in other areas. So, part of me I'm kind of thinking, I mean, I'm new here. So, it's my first time, but I could see the benefit of having housing. My other question would be, I don't know, the apartments near there are they... I would want some, are they at capacity? Do students use those apartments? Like I would want some numbers in looking at that? Because there's apartments right there, but I'm not sure. Are they at capacity? Do they have a waiting list and fully occupied?

Chair Crockett motioned to deny case ZON22-00431. The motion was seconded by Boardmember Allen.

Chair Crockett clarified:

Well, I recommend denial. The staff recommendation here.

Assistant City Attorney Sarah Staudinger commented:

So to pass any motion, you need a quorum of those present. So to pass any motion, you need four votes. You could make another motion, but I assume, based on the outcome of this, it ends up three-three as well. So when it goes to City Council, it's going to be recorded on their agendas, a split, three- three.

Chair Crockett motioned to deny case ZON22-00431. The motion was seconded by Boardmember Allen.

That: The Board reached a tie vote to deny case ZON22-00431:

Vote: 3-3 (Ayers, absent)

Upon tabulation of vote, it showed:

AYES – Crockett, Allen, Pitcher

NAYS – Sarkissian, Peterson, Montes