



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

**City Council Meeting**

**August 22, 2022**

CASE No.: **ZON22-00268**

PROJECT NAME: **Merit Legacy Business Park**

Owner's Name:	Pacific Proving LLC
Applicant's Name:	Gammage and Burnham, PLC
Location of Request:	Within the 9200 to 9600 blocks of East Pecos Road (north side) and the 6400 to 6800 blocks of South Ellsworth Road (east side). Located north of Pecos Road and east of Ellsworth Road.
Parcel No(s):	313-25-859N
Request:	Rezone from Agriculture (AG) to Light Industrial Planned Area Development (LI-PAD), Site Plan Review; and Preliminary Plat. This request will allow for an industrial development.
Existing Zoning District:	Agriculture (AG)
Council District:	6
Site Size:	87± acres
Proposed Use(s):	Industrial
Existing Use(s):	Vacant
Hearing Date(s):	<b>June 8, 2022 / 4:00 p.m.</b>
Staff Planner:	Josh Grandlienard, Planner II
Staff Recommendation:	APPROVAL with Conditions
Planning and Zoning Board Recommendation:	APPROVAL with Conditions (Vote: 5-0)
Proposition 207 Waiver Signed:	Yes

**HISTORY**

On **March 14, 2022**, the applicant applied to annex the property into the City of Mesa (Case No. ANX22-00268). The planned annexation, if approved, will assign a zoning designation of Agriculture (AG) to the property, which is comparable to or a lesser intense zoning district designation than the existing Maricopa County zoning designation of Single Residence 43 (RU-

43) and General Industrial (IND-2). The application for the annexation is planned to be considered on the same City Council agenda as the subject request.

## **PROJECT DESCRIPTION**

### **Background:**

The subject property is currently vacant and located on the north side of Pecos Road, east of S. Ellsworth Road. The applicant is requesting to rezone the property from Agricultural (AG) to Light Industrial with a Planned Area Development Overlay (LI-PAD) and approval of an Initial Site Plan. The proposed site plan shows the development of two buildings on the subject site, both of which will be used for manufacturing and processing, wholesaling, research, warehousing, e-commerce, data center, and distribution activity space uses. A conceptual Phase 2 has been proposed on the eastern half of the proposed project that will go through site plan review at a later date. The applicant is also requesting approval of a Preliminary Plat titled, "Proving Grounds" as part of the subject request.

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

The Mesa 2040 General Plan Character Area designation on the property is Mixed Use Community. Per Chapter 7 of the General Plan, the Mixed Use Community character area is larger land areas where it is possible to develop a mixture of uses that will create a complete and identifiable community. Areas designated as Mixed Use Community are expected to develop with one or more villages and/or urban core(s) and contain a mix of employment, office, retail, medical, educational, community service, tourism, entertainment, open space, recreational, and residential uses to provide a complete community with a sense of place. As appropriate, uses should be integrated vertically and horizontally, and provide for a variety of transportation options.

The primary zoning district listed in the General Plan to accomplish this intent is the Planned Community District (PCD). However, per Section 11-11-2 of the MZO, the minimum required land area needed to qualify for a PCD is 160 contiguous acres. Furthermore, per Chapter 7 of the General Plan, Mixed Use Communities must contain a significant commercial component (minimum 40%). However, as part of a rezoning, City Council may approve minor deviations to the minimum required primary land use(s) or primary zoning district(s) or both and minor deviations to the maximum permitted secondary land uses or secondary zoning districts or both. Additionally, City Council may approve land uses or zoning districts or both that are not listed (both primary and secondary). A deviation from the minimum use of the primary zoning district must clearly demonstrate the proposed development or rezoning will achieve the intended character of the area is a better option than the land use(s) or zoning districts listed for that character type. Approval of the LI District will allow the property to be annexed and developed without having to assemble multiple parcels. Staff reviewed the request and determined that the industrial (employment) use and zoning designation is consistent with the Gateway Strategic Development Plan, is consistent with the adjacent industrial zoning, and meets the intent of the Mixed Use Community District by providing employment uses that further supports a mixture of uses. Finally, staff finds that the proposed development meets the development review criteria outlined in Chapter 15 (pg. 15-1) of the Mesa 2040 General Plan.

**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.

**Zoning District Designations:**

Concurrent with the subject application, the applicant is pursuing the annexation and establishment of zoning for the subject property. The annexation and establishment of zoning application (ANX22-00268) will be considered at the same City Council hearing as the subject application. If approved, Agricultural (AG) zoning will be established on the subject site in accordance with the current Maricopa County zoning designation of Single Residence 43 (RU-43) and General Industrial (IND-2). The applicant is requesting to rezone the property to Light Industrial Planned Area Development (LI-PAD). The proposed rezoning and intended development of the site for industrial uses conforms to the goals 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 one and Two (AOA 1 & 2). The location of the property within the AOA 1 & 2 is due to its proximity to the Phoenix-Mesa Gateway Airport. Per Section 11-7-2 of the MZO, the AOA 1 & 2 allows for industrial, manufacturing, and warehouse uses.

**PAD Overlay Modification – MZO Article 3, Chapter 22:**

The subject request includes a Planned Area Development overlay (PAD) to allow for modifications to certain required development standards of the MZO on the property. Per Section 11-22 of the MZO, the purpose of the PAD overlay is to allow innovative design and flexibility that creates high-quality development for the site. Table 1 below shows the MZO required standards and the applicant's proposed PAD standards.

Table 1: Development Standards

<b>Development Standards</b>	<b>MZO Required</b>	<b>PAD Proposed</b>	<b>Staff Recommendation</b>
<b><u>Maximum Building Height –</u></b> <i>MZO Section 11-7-3</i>	40 feet	<b>60 feet</b>	As proposed
<b><u>Required Parking Spaces by Use –</u></b> <i>MZO Table 11-32-3.A</i> <i>- Industrial</i>	75% at 1 space per 500 square feet plus 25% at 1 space per 375 Square feet	<b>Office: 1 space per 375 square feet of gross floor area</b> <b>Industrial/warehouse:</b>	As proposed

		<b>1 space per 1,500 square feet of gross floor area</b>	
<u>Parking Lot Screening –</u> <i>MZO Section 11-30-9(H)(6)</i>	When using a screen wall there shall be a landscaped setback of at least 5 feet between the screen wall and the parking area.	<b>When using a screen wall there shall be a landscaped setback of at least 3 feet between the screen wall and the parking area.</b>	As proposed
<u>Interior Parking Lot Landscaping –</u> <i>MZO Section 11-33-4(A)</i>	The interior parking lot landscaping standards of this section apply to all off-street parking lots containing 10 or more parking spaces.  They do not apply to vehicle/equipment storage lots or vehicle and equipment sales lots.	<b>The interior parking lot landscaping standards of this Section apply to all off-street parking lots containing 10 or more parking spaces. They do not apply to vehicle /equipment storage lots, vehicle and equipment sales lots, or truck/semi-truck parking areas within a storage or docking area.</b>	As proposed
<u>Foundation Base Along Exterior Walls –</u> <i>MZO Section 11-33-5(A)(1)(a)(i)</i>  <i>-Exterior walls with public entrances for buildings larger than 10,000 square feet</i>	Additional foundation base shall be provided at the entrance to create an entry plaza area. The plaza area shall have a minimum width and depth of 20 feet, and a minimum area of 900 square feet.	Additional foundation base shall be provided at the entrance to create an entry plaza area. <b>The plaza area may have a minimum depth of 12 feet, only when necessary to comply with the Mesa Fire Code.</b>	As proposed

<u>Trash and Refuse Collection Areas –</u> <i>MZO Section 11-30-12</i>	General Applicability Requirements. Solid waste and recycling container enclosures are required for new dwelling groups consisting of 4 or more dwelling units and for all commercial or industrial developments in which the aggregate gross floor area exceeds 10,000 square feet. Designs must meet Mesa Standard Details.	<b>General Applicability Requirements. Solid waste and recycling container enclosures are not required when the solid waste container or recycling container is located within a truck/semi-truck loading and trailer parking court.</b>	As proposed
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Maximum Building Height:

Per Section 11-7-3 of the MZO, the maximum building height in the LI zoning district is 40 feet. The applicant is requesting a maximum height of 60 feet for all buildings within the development. According to the applicant, the requested increase in height is needed to accommodate the type of operation planned on the property.

Required Parking Ratio:

Per Section 11-32-3 of the MZO, a minimum of one vehicular parking space is required for each 375 square feet of office space, one parking space for each 900 square feet of warehouse uses, and one parking space for each 600 square feet of industrial uses. The applicant is requesting to modify the industrial use parking ratio and provide one parking space per 375 square feet of gross floor area for office uses and one space per 1,500 square feet of gross floor area for industrial and warehouse uses. According to the applicant, the anticipated users do not require the same degree of required parking spaces. The reduction in the number of parking spaces is also intended to minimize unused parking spaces within the development. The requested parking ratio is consistent with approved parking ratios for other industrial developments within the City of Mesa.

Interior Parking Lot Landscaping:

Per Section 11-33-4 of the MZO, interior parking lot landscaping standards apply to all off-street parking lots containing 10 or more parking spaces with the exception that they do not apply to vehicle/equipment storage lots or vehicle and equipment sales lots. The applicant is requesting to add truck loading areas and parking in truck loading areas to the list of areas exempt from the parking lot landscaping standards. According to the applicant, this modification is justified by the unique site layout that buffers and screens loading areas from the perimeter streets and enables the project to function with respect to the logistics of distribution land uses.

**Required Foundation Base at Primary Entries:**

Per Section 11-33-5(A) of the MZO, a 15-foot-wide foundation base must be provided, measured from face of building to face of curb along the entire length of the exterior wall. For buildings with corner entries, both adjacent walls require a 15-foot-wide foundation base. An additional foundation base is required at entrances to create entry plaza areas. The plaza area must have a minimum width and depth of 20 feet, and a minimum area of 900 square feet. The applicant is requesting a modification to reduce the entry plaza depth to 12 feet when necessary to support the Fire Code aerial apparatus standards.

**Trash and Refuse Collection Areas:**

Per Section 11-30-12 of the MZO, solid waste and recycling-container enclosures are required for new dwelling groups consisting of four or more dwelling units and for all commercial or industrial developments in which the aggregate gross floor area exceeds 10,000 square feet. Designs must meet Mesa Standard Details. The applicant is requesting that the solid waste containers not be screened and within an enclosure when located in a truck loading and trailer parking court. According to the applicant, the enclosure are not needed to screen the solid waste and recycling containers from public view because truck loading and trailer parking court is already screened by an eight-foot wall.

**Justification:**

The applicant's justification for the requested deviations are enhanced building elevations and landscaping along Pecos Road. Landscape islands along Pecos Road will be increased to have an 18-foot width to provide for more lush and mature landscaping, as well as additional landscaping on the north side of the drainage channel. Internal landscaping and amenity areas will also be enhanced to provide for a more pleasing employee break and gathering area.

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

The proposed site plan shows development of two industrial buildings totaling approximately 646,000 square feet. As shown on the site plan, Building A will be 265,911 square feet and Building B will be 379,559 square feet. Each building will include truck docks and outdoor storage areas. The truck dock and storage areas will be located interior to the site screened by each building and an eight-foot opaque wall in conformance with Section 11-30-17 of the MZO. Two access points will be provided to the site from Pecos Road.

**Design Review:**

The Design Review Board reviewed the subject request at their May 10, 2022 meeting. Staff is working with the applicant to address minor aesthetic comments and recommendations from the Design Review Board that do not impact the site plan.

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

<b>Northwest</b> LI Legacy Sports Park	<b>North</b> LI Legacy Sports Park	<b>Northeast</b> LI Legacy Sports Park
<b>West</b> RU-43/IND-2 Maricopa County	<b>Subject Property</b> AG Vacant	<b>East</b> LI ZON22-00085 CapRock Legacy

Vacant		
<b>Southwest</b> (Across E Pecos Road) LI Vacant	<b>South</b> (Across E Pecos Road) LI Vacant	<b>Southeast</b> (Across E Pecos Road) LI Vacant

**Compatibility with Surrounding Land Uses:**

The subject site is currently vacant. To the north of the site is Bell Bank Park (formerly Legacy Sports Park). To the east of the site is CapRock Legacy Industrial (ZON22-00085). South of the site is vacant property zoned General Industrial (LI) and to the west of the site is a vacant land under the jurisdiction of Maricopa County. The proposed industrial development is compatible with the surrounding development and land uses.

**Preliminary Plat:**

The applicant is requesting Preliminary Plat approval to split the current parcel into two lots. Section 9-6-2 of the Mesa Subdivision standards requires approval of all subdivision plats located in the City to be processed through four progressive stages. Review and approval of a Preliminary Plat is the second stage in the series of the progressive stages. This review includes the evaluation of the overall design of the subdivision and details, such as utilities layout, ADA compliance, and retention requirements. The Preliminary Plat is reviewed and approved by the Planning & Zoning Board. Per Section 9-6-2 of the City's subdivision regulations, all plats are subject to Final Plat approval through the City Council. The request meets the review criteria for approval of a Preliminary Plat outlined in Section 9-6-2 of the Mesa Subdivision Regulations.

**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 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 June 8, 2022.

**Staff Recommendations:**

Based on the application received and the preceding analysis, staff finds the subject request is consistent with the General Plan, the Gateway Strategic Development Plan, the review criteria for Site Plan Review outlined in Section 11-69-5 of the MZO, the review criteria for approval of a Preliminary Plat outlined in Section 9-6-2 of the Mesa Subdivision Regulations, and meets the review criteria for a Planned Area Development outlined in Section 11-22-3 of the MZO; therefore, staff recommends approval with the following conditions.

**Conditions of Approval:**

1. Compliance with all requirements of the Subdivision Regulations.
2. Compliance with the Preliminary Plat submitted.
3. Compliance with the final site plan submitted.
4. Compliance with all requirements of DRB22-00336.

5. Future development on Phase 2 of the property requires site plan review and approval as set forth in the Mesa Zoning Ordinance.
6. Compliance with the Landscape Plan submitted.
7. Dedicate the right-of-way and easements required under the Mesa City Code at the time of application for a building permit, or at the time of the City's request for dedication whichever comes first.
8. 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. Provide written notice to future property owners that the project is within two miles of Phoenix-Mesa Gateway Airport.
9. Compliance with all City development codes and regulations, except the modification to the development standards as approved with this PAD as shown in the following table:

<b>Development Standards</b>	<b>Approved</b>
<u>Maximum Building Height</u> – <i>MZO Section 11-7-3</i>	60 feet
<u>Parking Lot Screening</u> – <i>MZO Section 11-30-9(H)(6)</i>	15 feet
<u>Required Parking Spaces by Use</u> – <i>MZO Table 11-32-3.A</i> - <i>Industrial</i>	Office: 1 space per 375 square feet of gross floor area Industrial/warehouse: 1 space per 1,500 square feet of gross floor area
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**Exhibits:**

Exhibit 1- Vicinity Map Staff Report

Exhibit 2- Staff Report

Exhibit 3-Application Information

3.1 Site Plan

3.2 Grading and Drainage Plan

3.3 Landscape Plan

3.4 Elevations

3.5 Project Narrative

3.6 Elevations

3.7 Citizen Participation Plan

Exhibit 4-Citizen Participation Report