



PLANNING DIVISION
STAFF REPORT

City Council Hearing

August 22, 2022

CASE No.: **ZON21-00792**

PROJECT NAME: **Hawes Commerce Center**

Owner's Name:	HAWES OZ FUND LLC
Applicant's Name:	Dennis Newcombe, Gammage & Burnham P.L.C.
Location of Request:	Within the 7300 to 7600 blocks of the South Hawes Road (east side), the 8400 block of East Germann Road (north side) and the 7300 to 7500 blocks of South 85th Place (west side). Located north of Germann Road and east of Hawes Road.
Parcel No(s):	304-62-008L
Request:	Rezone from Light Industrial with a Bonus Intensity Zone overlay (LI-BIZ) and Office Commercial with a Bonus Intensity Zone overlay (OC-BIZ) to Light Industrial with a Planned Area Development overlay (LI-PAD) and Office Commercial with a Planned Area Development overlay (OC-PAD) and Site Plan Review. This request will allow for an industrial development. Also consider the Preliminary Plat for Hawes Germann 34 Industrial.
Existing Zoning District:	LI-BIZ and OC-BIZ
Council District:	6
Site Size:	34± acres
Proposed Use(s):	Industrial Development
Existing Use(s):	Vacant
P&Z Hearing Date(s):	June 22, 2022 / 4:00 p.m.
Staff Planner:	Jennifer Merrill, 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 **December 18, 1989**, City Council annexed 3,346 acres of land, including the subject parcel (Case No. A89-003; Ordinance No. 2473).

On **March 5, 1990**, City Council established Agricultural (AG) zoning for the subject site as part of a larger 3,360-acre rezoning request (Case No. Z90-007; Ordinance No. 2496).

On **May 6, 2002**, City Council adopted the Williams Gateway Airport Sub-Area Plan for the area south of Williams Gateway Airport to ensure that future development would be complementary to the airport (Case No. Z01-029; Resolution No. 7838).

On **November 16, 2009**, City Council approved a rezoning of 53 acres, including the subject site, to M-1 (equivalent to LI) BIZ, and O-S (equivalent to OC) BIZ, and approved a site plan for the development of a movie production studio (Case No. Z09-021; Ordinance No. 4955).

PROJECT DESCRIPTION

Background:

The applicant is requesting to rezone the subject site from Light Industrial with a Bonus Intensity Zone overlay and Office Commercial with a Bonus Intensity Zone overlay (LI-BIZ and OC-BIZ) to Light Industrial with a Planned Area Development Overlay (LI-PAD) and Office Commercial with a Planned Area Development Overlay (OC-PAD), approval of an Initial Site Plan, and approval of a Preliminary Plat titled "Hawes Germann 34 Industrial" to allow for an industrial development. In zoning case Z09-19, a 150-foot strip of the eastern portion of the property was zoned OC to serve as a "buffer zone" between future development and the Queens Park neighborhood. The proposed rezone is maintaining the OC zoning district and buildings will be setback 150 feet from the eastern property line. Per the site plan, parking will be located in the western 67± feet of the "buffer zone" and the remaining 83± feet will remain a retention basin and buffer between the development and the Queens Park neighborhood. Thus, the original intent of the 2009 zoning is maintained by preserving a buffer between the industrial development and the Queens Park neighborhood.

General Plan Character Area Designation and Goals:

The General Plan character area designation on the property is Employment with a Business Park Sub-type. Per Chapter 7 of the General Plan, the intent of the Employment character area designation is to provide for a wide range of employment opportunities in high-quality settings. The Business Park Sub-type is intended for areas that contain a number of separate businesses, offices, and light industrial facilities. This sub-type is also intended for low-intensity developments that are comprised mainly of office, office warehouse, research and development facilities, and similar uses. Per the General Plan, typical uses within the sub-type include office flex spaces and light industrial uses with loading areas and outdoor storage yards screened from public view by buildings, walls, and/or landscaping.

The proposed rezoning and development of the property for industrial uses will provide the opportunity for employment generated uses, which conform to the goals of the employment character designation. The proposed site plan conforms to the Business Park Sub-type form and guidelines through the use of common architecture and landscape themes, street and sidewalk system that connects buildings within the site, and storage yards screened from public view. In summary, the proposed rezoning and PAD overlay conforms to the goals of the Employment

character area designation and the Business Park Sub-type. Staff reviewed the request and determined the proposed rezoning and use of the property is consistent with the criteria for review outlined in Chapter 15 (pg. 15-1) of the Mesa 2040 General Plan.

Mesa Gateway Strategic Development Plan:

The site is also located within the Mesa Gateway Strategic Development Plan and specifically located within the Logistics & Commerce District of the Plan. Per the Strategic Plan, the focus of the Logistics & Commerce District is to provide a high-quality employment environment that is compatible with increasing over-flight activities associated with Phoenix-Mesa Gateway Airport. Per the Plan, desired uses within the district include manufacturing facilities, large warehouses, distribution facilities, planned employment parks, and similar uses. The proposed industrial development is consistent with the goals of the Mesa Gateway Strategic Development Plan.

Airfield Overlay – Mesa Zoning Ordinance (MZO) Article 3, Section 11-19:

Per Section 11-19 of the MZO, the property is located within Airport Overflight Area Three (AOA 3) of the Airfield (AF) Overlay District due to its proximity to the Phoenix-Mesa Gateway Airport. Per Section 11-19 of the MZO, there are no commercial or industrial use restrictions within the AOA 3. Phoenix-Mesa Gateway Airport staff reviewed the subject request and had no comments on the proposed development.

Zoning District Designations:

The applicant is requesting to rezone the site from LI-BIZ and OC-BIZ to LI-PAD and OC-PAD to allow modifications to certain required development standards on the property. The purpose of the LI zoning district is to provide areas for limited industrial and high-impact commercial uses. Per Section 11-7-2 of the MZO, industrial uses are permitted in the LI zoning district. Per Section 11-6-1 of the MZO, the purpose of the OC zoning district is to provide areas for small-scale medical and professional offices intended to serve the community. The OC zoning district was established in 2009 to provide a buffer to the adjacent Queens Park neighborhood and to ensure that industrial uses were not located directly next to the community.

PAD Overlay Modifications – MZO Article 3, Chapter 22:

The subject request includes a Planned Area Development (PAD) Overlay to allow for modifications to certain required development standards of the MZO. Per Section 11-22 of the MZO, the purpose of the 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

Development Standard	Required LI	Proposed LI	Staff Recommendation
<u>Maximum Building Height</u> – <i>MZO Section 11-7-3(A)</i>	40 feet	46 feet	As proposed
<u>Massing and Scale</u> – <i>MZO Section 11-7-3(B)(2)(c)(iii)</i>			

-Parapet detailing	All parapets must have detailing such as cornices, moldings, trim, or variations in brick coursing	Detailing such as cornices, moldings, trim, or variations in brick coursing is not required on any building parapets.	As proposed
<u>Materials and Colors</u> – <i>MZO Section 11-7-3(B)(5)(b)</i>	No more than 50% of total façade may be covered with 1 single material	All buildings may be covered with a single material	As proposed
<u>Roof-mounted Equipment Screening</u> – <i>MZO Section 11-30-9(A)(1)</i>	The height of the screening element shall equal or exceed the height of the structure’s tallest piece of installed equipment	The height of the screening element shall be of sufficient height to screen the structure’s tallest piece of installed equipment from the public rights-of-way via line-of-sight studies reviewed and approved by the City	As proposed
<u>Parking Area 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 edge of the parking area.	When using a screen wall there shall be a landscaped setback of at least 2 feet between the screen wall and the edge of the parking area.	As proposed
<u>Parking Spaces Required</u> – <i>MZO Section 11-32-3(A)</i> -Shell industrial buildings	75% at 1 space per 500 square feet plus 25% at 1 space per 375 square feet	1 parking space per 600 square feet of building area	As proposed
<u>Foundation Base</u> – <i>MZO Section 11-33-5(A)(1)</i> - Exterior walls with public entrances	A 15-foot-wide foundation base,	A 12-foot-wide foundation base,	As proposed

	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	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.	
- Typical Building Entrances for buildings larger than 10,000 square feet	The plaza area shall have a minimum width and depth of 20 feet, and a minimum area of 900 square feet.	The plaza area shall have a minimum depth of 16 feet.	As proposed

Maximum Building Height:

Per Section 11-7-3(A) of the MZO, the maximum building height permitted in the LI zoning district is 40 feet. Building 1 is proposed to be a maximum of 40 feet in height, however, Buildings 2 and 3 are proposed to be a maximum of 46 feet in height. Per the applicant's narrative, the requested 46-foot height provides the greatest flexibility for potential and anticipated uses and allows for greater interior floor to ceiling height often sought by end users.

Massing and Scale:

Per Section 11-7-3(B)(2)(c)(iii) of the MZO, all parapets must have detailing such as cornices, moldings, trim, or variations in brick coursing. The proposed buildings are designed with varied parapet heights, massing and textures, and per the narrative additional details would not compliment to the overall design.

Materials and Colors:

Per Section 11-7-3(B)(5) of the MZO, no more than 50% of the total façade may be covered with one single material. The proposed buildings are of a single material, concrete tilt panels. The concrete tilt up panels will include formliners, which are textures that appear as different materials. In addition, the elevations include glazing on all four sides of the buildings and metal canopies at the entries.

Roof-mounted Equipment Screening:

Per Section 11-30-9(A)(1) of the MZO, the height of rooftop screening elements shall equal or exceed the height of the tallest piece of installed equipment. Per the requirements of the MZO, rooftop equipment would be screened from view for anyone at eye-level with the roof. If the proposed buildings followed the requirements of the MZO, parapets would be required to be at least 46-feet-tall around the buildings to meet or exceed the heights of the rooftop equipment.

The applicant is requesting that their rooftop screening elements (parapets) be tall enough to block the view of rooftop equipment from eye-level of pedestrians standing at the public rights-of-way. The applicant has provided several 'line-of-sight' drawings to demonstrate that the rooftop equipment would not be visible from pedestrians along 85th Place. The justification provided for this request is that some of the building parapets could be lower and would be less massive when viewed from the neighborhood to the east.

Parking Area Screening:

Per Section 11-30-9(H)(6) of the MZO, parking areas and drive aisles shall be screened from streets with masonry wall, berm or combination of walls/berms to reduce potential visual glare of headlights and reduce the visual clutter of parking fields with screening that is integral to the site and landscaping theme. When using a screen wall there shall be a landscaped setback of at least five feet between the screen wall and the edge of the parking area. The parking area located east of Buildings 2 and 3 is required to be screened from 85th Place. East of this parking area is the landscape buffer separating the industrial development from 85th Place and the residential neighborhood to the east. The applicant's intent is to maximize the width of the landscape buffer and has requested a reduction to the landscaped setback between the parking area and the screen wall from five feet to two feet.

Parking Spaces Required:

Per Section 11-32-3(A) of the MZO, shell industrial buildings are required to be parked at a ratio of 75% at one space per 500 square feet and 25% at one space per 375 square feet. For the proposed building area of 546,733 square feet for all three buildings, a total of 1,186 parking spaces would be required. The applicant is requesting a parking ratio of one space per 600 square feet of building area for a total of 931 parking spaces. According to the parking statement provided by the applicant's traffic engineer, the proposed parking spaces are adequate to serve the needs of the intended users. A similar parking reduction was approved for the industrial warehouse development adjacent to the north of the subject site.

Foundation Base:

Per Section 11-33-5(A)(1) of the MZO, for building elevations with a public entrance, a 15-foot-wide foundation base is required along the entire length of the exterior wall. For buildings with corner entries, both adjacent walls require a 15-foot-wide foundation base. The request includes a reduction of this width to 12-feet. This reduction is requested to accommodate Fire Code requirements; the fire lane needs to be within 30-feet of the face of the buildings. The 12-foot-wide foundation base plus the 18-foot-long parking stalls is 30-feet.

Per Section 11-33-5(A)(1)(a) of the MZO, an entry plaza area is required for buildings larger than 10,000 square feet with parking spaces that abut the foundation base. The plaza area must have a minimum width and depth of 20 feet, and a minimum area of 900 square feet. The applicant is proposing that each entry plaza has a minimum depth of 16 feet.

Justification:

As justification for the proposed deviations, the proposed development provides an 83-foot-wide landscape setback along the east property line adjacent to 85th Place which is the closest part of the development to adjacent residential uses. A 20-foot building and landscape setback is

required; the proposal exceeds the required setback by 63 feet and provides 90,000 square feet of landscaping along 85th Place.

Site Plan and General Site Development Standards:

The proposed site plan shows three industrial shell buildings ranging in size from 108,413± square feet to 234,970± square feet. According to the submitted building elevations, the buildings will be single-story with a maximum height of 46 feet. Per Section 11-7-3 of the MZO, the maximum height allowed in the LI zoning district is 40 feet. The site plan also shows each building will have a rear storage yard that will be screened from public view by an eight-foot-tall masonry wall, conforming with the screening requirements outlined in Section 11-30-7 of the MZO.

The site plan shows vehicular access to the site via one driveway from Germann Road and three driveways from Hawes Road. Hawes Road is not yet constructed, but adjacent properties to the north are currently in development stages, and the developers are coordinating with the City's Transportation Department staff in the construction of this road between Germann and Pecos Roads. The submitted landscape plan shows an 83-foot-wide landscape area along the east property line adjacent to 85th Place to serve as a buffer between the development and the residential neighborhood to the east. The proposed buffer is similar to landscape areas approved for other industrial developments in the area. Therefore, the original intent of the OC zoning district, established in 2009, is maintained by providing a buffer between the industrial development and the Queens Park neighborhood. Overall, the proposed site plan conforms to the review criteria for Site Plan Review outlined in Section 11-69-5 of the MZO.

Design Review:

On June 14, 2022, the Design Review Board discussed the proposed elevations and landscape plan for the development. Staff is working with the applicant to address those comments.

Preliminary Plat:

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 proposed Preliminary Plat would allow for the creation of three lots. The proposed request meets the review criteria for approval of a Preliminary Plat outlined in Section 9-6-2 of the Mesa Subdivision Regulations.

Surrounding Zoning Designations and Existing Use Activity:

Northwest (Across Hawes Road) EO Undeveloped	North LI-PAD and OC-PAD Undeveloped	Northeast LI-PAD and O-C PAD Industrial development
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West (Across Hawes Road) EO & AG Undeveloped	Subject Property LI-BIZ and OC-BIZ Undeveloped	East (Across 85 th Place) RS-43 Single Residences
Southwest (Across Hawes and Germann Roads) Town of Queen Creek R1-43 Single Residences	South (Across Germann Road) Town of Queen Creek R1-43 Single Residences	Southeast (Across 85 th Place) LI-BIZ, OC-BIZ & RS-43 Undeveloped & Single Residences

Compatibility with Surrounding Land Uses:

The subject site is surrounded by undeveloped industrial land to the west and north. Across Germann Road to the south is the Town of Queen Creek, developed with single residential properties. Across 85th Place to the east is a single residence subdivision (Queens Park Subdivision). The Queens Park subdivision was developed in the 1980s and situated in an area currently designated for development of employment and industrial uses. Currently, the General Plan character designation on the property and surrounding areas is Employment. In the past years, various developments abutting the residential development have installed a landscape buffer between those development and the residential neighborhood. This buffer has typically consisted of a 120- to 150-foot-wide landscaped area. The site plan shows the proposed landscape buffer is 83-feet-wide, and the buildings and outdoor industrial uses are setback 150 feet to buffer the residential development to the east. Thus, the original intent of the OC zoning district, established in 2009, is maintained by providing a buffer between the industrial development and the Queens Park neighborhood.

Neighborhood Participation Plan and Public Comments:

The applicant completed a Citizen Participation Process which included mailing letters to property owners within 1,000 feet of the site, as well as HOAs within ½ mile, and registered neighborhoods within one mile of the site. The applicant held a neighborhood meeting on October 19, 2021. Over twenty people attended the meeting, including several neighbors, and asked questions about the proposed development. As of the writing of this report, staff has not received any comments/concerns from surrounding property owners. Any updates to the Citizen Participation activity will be provided at the June 22nd Study Session.

Staff Recommendation:

Based on the application received and the preceding analysis, staff finds that the subject rezone and request, Site Plan Review approval, and Preliminary Plat approval is consistent with the Mesa 2040 General Plan, the Gateway Strategic Development Plan, the purpose for a Planned Area Development overlay outlined in Section 11-22-1 of the MZO, the review criteria for approval of a Preliminary Plat outlined in Section 9-6-2 of the Mesa Subdivision Regulations, and the review criteria for Site Plan Review outlined in Section 11-69-5 of the MZO. Therefore, Staff recommends approval with the following conditions:

Conditions of Approval:

1. Compliance with the final site plan submitted.
2. Compliance with the Preliminary Plat submitted.

3. Compliance with all requirements of the Subdivision Regulations.
4. Compliance with all requirements of Design Review Case No. DRB21-00926.
5. Any future changes to the approved site plans that include any portion of the 150-foot buffer zone shall be processed through the Planning and Zoning Board and City Council public hearing process.
6. All street improvements and street frontage landscaping shall be part of the first phase of construction.
7. 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.
8. Compliance with all requirements of Chapter 19 of the Zoning Ordinance including:
 - a. Owner shall execute and record the City's standard Avigation Easement and Release for Phoenix Mesa Gateway Airport prior to the issuance of a building permit.
 - b. Prior to the issuance of a building permit, provide documentation that a registered professional engineer or registered professional architect has certified that noise attenuation measures have been incorporated into the design and construction of the buildings to achieve a noise level reduction to 45 decibels as specified in Section 11-19-5 of the Mesa Zoning Ordinance.
 - c. Provide written notice to future property owners that the project is within 1 mile of Phoenix-Mesa Gateway Airport.
 - d. Any proposed permanent or temporary structure 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. An FAA determination notice of no hazard to air navigation shall accompany any building permit application for the property.
 - e. All final subdivision plats and sales and leasing offices shall include a disclosure notice in accordance with Section 11-19-5(C) of the Zoning Ordinance which shall 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."
9. Compliance with all City development codes and regulations, except the modifications to the development standards as approved with this PAD and shown in the following table:

Development Standard	Approved
<u>Maximum Building Height</u> – <i>MZO Section 11-7-3(A)</i>	46 feet
<u>Massing and Scale</u> – <i>MZO Section 11-7-3(B)(2)(c)(iii)</i> -Parapet detailing	Detailing such as cornices, moldings, trim, or variations in brick coursing is not required on any building parapets.
<u>Materials and Colors</u> – <i>MZO Section 11-7-3(B)(5)(b)</i>	All buildings may be constructed of a single material

<u>Roof-mounted Equipment Screening –</u> MZO Section 11-30-9(A)(1)	The height of the screening element shall be of sufficient height to screen the structure's tallest piece of installed equipment from the public rights-of-way via line-of-sight studies reviewed and approved by the City
<u>Parking Area Screening –</u> MZO Section 11-30-9(H)(6)	When using a screen wall there shall be a landscaped setback of at least 2 feet between the screen wall and the edge of the parking area.
<u>Parking Spaces Required – MZO Section 11-32-3(A)</u> -Shell industrial buildings	1 parking space per 600 square feet of building area
<u>Foundation Base – MZO Section 11-33-5(A)(1)</u> - Exterior walls with public entrances - Typical Building Entrances for buildings larger than 10,000 square feet	A 12-foot-wide foundation base, 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. Entry plazas provided with minimum depth of 16 feet.

Exhibits:

Exhibit 1-Staff Report

Exhibit 2-Vicinity Map

Exhibit 3-Application Information

3.1 Project Narrative

3.2 Site Plan

3.3 Landscape Plan

3.4 Elevations

3.5 Preliminary Plat

3.6 Parking Demand Study & Traffic Impact Analysis

3.7 Citizen Participation Plan

Exhibit 4-Citizen Participation Report

Exhibit 5-Avigation Easement