



**PLANNING DIVISION  
STAFF REPORT**

**City Council Meeting**

**October 17, 2022**

CASE No.: **ZON21-00995**

PROJECT NAME: **Olympus Gateway Small Bay Industrial**

Owner's Name:	OLYMPUS DEVELOPMENT & INVESTMENTS LLC
Applicant's Name:	Ian Mulich, Pinnacle Design, Inc.
Location of Request:	Within the 8900 block of East Pecos Road (south side), within the 7200 block of South 89th Place (west side) and within the 8900 block of East Waltham Avenue (north side). Located west of Ellsworth Road on the south side of Pecos Road.
Parcel No(s):	304-62-148, 304-62-149
Request:	Rezone from Light Industrial with a Planned Area Development Overlay (LI-PAD) to Light Industrial with a Planned Area Development Overlay and Bonus Intensity Zone Overlay (LI-PAD-BIZ) and Site Plan Review. This request will allow for an industrial development.
Existing Zoning District:	Light Industrial with a Planned Area Development overlay (LI-PAD)
Council District:	6
Site Size:	2± acres
Proposed Use(s):	Industrial Development
Existing Use(s):	Vacant
P&Z Hearing Date(s):	<b>September 14, 2022 / 4:00 p.m.</b>
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 approved the annexation of approximately 3,346± acres of land, including the subject site (Case No. A89-003; Ord. No. 2473).

On **March 5, 1990**, City Council assigned SR-AF zoning to the subject site (Case No. Z90-007; Ord. No. 2496).

On **May 6, 2002**, City Council approved the 1,282± acre area land use 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 **June 21, 2004**, City Council approved a rezoning for 315± acres, including the subject site, from R1-43 to M-1 (Case No. Z04-001; Ord. No. 4208).

On **October 24, 2005**, City Council approved a rezone from M-1 to M-1-PAD and Site Plan Review to allow for a light industrial complex (Case No. Z05-090; Ord. No. 4470).

On **December 18, 2006**, City Council approved an amendment to Ordinance #4470 and required review and approval by the Design Review Board of all future development plans (Case No. Z06-093; Ord. No. 4654).

## **PROJECT DESCRIPTION**

### **Background:**

The applicant is requesting to rezone the subject site from Light Industrial with a Planned Area Development overlay (LI-PAD) to LI-PAD with a Bonus Intensity Zone overlay (LI-PAD-BIZ) and requesting Site Plan Review approval of an Initial Site Plan to allow an industrial development. Currently, the site is vacant and located west of Ellsworth Road on the southwest corner of 89<sup>th</sup> Place and Pecos Road. The submitted site plan shows development of two industrial buildings totaling 27,240 square feet.

The existing site is zoned LI-PAD; the PAD overlay was approved in 2005 to allow reduced interior side yard setbacks within the Gateway Airport Commerce Park industrial subdivision. The subject site is comprised of two lots in this subdivision totaling 2-acres. The applicant is seeking approval of modifications to certain development standards on the property, and an overlay is required to accommodate those modifications. Specifically, the request is for a reduction to the required vertical modulation of building height, an increase to the maximum façade material percentage, the ability to have overhead doors on the same elevation as the suite entrance doors, a reduction to the required number of parking spaces, and a reduction to the foundation base width.

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

The subject site is located within the Employment character area of the Mesa 2040 General Plan. Per Chapter 7 of the General Plan, the goal for these districts is to provide for a wide range of employment opportunities. The proposed uses for the site, indoor warehouse and office, comply with the overall intent of the character area designation. Staff reviewed the request and determined the proposed BIZ overlay and use of the property is consistent with the criteria for review of development outlined in Chapter 15 (pg. 15-1) of the Mesa 2040 General Plan.

### **Mesa Gateway Strategic Development Plan:**

The subject site is also located within the Logistics and Commerce District of the Mesa Gateway Strategic Development Plan. Heavy industrial, light industrial and business park uses will be predominant within this district. 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 warehouse and office uses are consistent with the intent of the Mesa Gateway Strategic Development Plan.

The development will experience noise from the airport. Phoenix-Mesa Gateway Airport staff reviewed the proposal and indicated that the proposed light industrial development is considered a compatible land use in vicinity to the airport and provided conditions of approval and design review considerations.

### **Zoning District Designations:**

The applicant is requesting to rezone the site from LI-PAD to LI-PAD-BIZ. Per Section 11-7-2 of the MZO, industrial uses are permitted in the LI zoning district. Per Section 11-7-1 of the MZO, the purpose of the LI zoning district is to provide areas for limited manufacturing and processing, wholesaling, research, warehousing, and distribution activities within enclosed buildings, with restricted accessory outdoor storage as needed to support the primary uses. The proposed rezoning and intended development of the site for office and warehouse uses conforms to the goals of the LI district.

### **Airfield Overlay – MZO Article 3, Section 11-19:**

Per Section 11-19 of the Mesa Zoning Ordinance (MZO), the site is located within the Airfield Overlay District, specifically within the Airport Overflight Area Two (AOA 2). The location of the property within the Airfield Overlay is due to its proximity to the Phoenix-Mesa Gateway Airport. Per Sections 11-19-4(B) and 11-7-2 of the MZO, office and warehouse uses are permitted in the LI zoning district in locations within the AOA 2.

### **BIZ Overlay Modification – MZO Article 3, Chapter 21:**

The subject request includes a Bonus Intensity Zone overlay (BIZ) to allow for modifications to certain required development standards of the MZO. Per Section 11-21-1 of the MZO, the purpose of a BIZ overlay is to provide for variation from the application of development standards to allow greater intensity of development and encourage unique, innovative developments of superior quality. Table 1 below shows the MZO required standards and the applicant's proposed BIZ standards.

Table 1: Development Standard Comparison

<b>Development Standards</b>	<b>MZO Required</b>	<b>BIZ Proposed</b>	<b>Staff Recommendation</b>
<u>Roof Articulation –</u> <i>MZO Section 11-7-3(B)(2)(c)</i> -Flat roofs or facades with a horizontal eave, fascia, or parapet, in excess of 100 feet in length	Minimum vertical modulation of 2 feet or 1/10 multiplied by wall height, not to	<b>Minimum vertical modulation of 1 foot, not to exceed</b>	As proposed

	exceed 1/3 of the height of the supporting wall	<b>1/3 of the height of the supporting wall</b>	
<u>Materials and Colors</u> – <i>MZO Section 11-7-3(B)(5)</i> -Materials	No more than fifty percent (50%) of the total facade may be covered with one (1) single material.	<b>CMU material may exceed 50% of the total façade</b>	As proposed
<u>Truck Docks, Loading and Service Areas</u> – <i>MZO Section 11-30-13(B)</i> -Location on Lot	Truck docks, loading and service areas must be located at rear or side of buildings, rather than facing a street	<b>Truck loading and overhead doors may be located at the front, rear, or side of buildings as long as they do not face a street</b>	As proposed
<u>Parking Spaces Required</u> – <i>MZO Section 11-32-3(A)</i> -Office & Warehouse uses	General Office uses require 1 space per 375 sq ft; Warehouse uses require 1 space per 900 sq ft. Total Required: 34 Spaces	<b>25 public parking spaces, plus 20 reserved spaces in front of roll-up doors, and space for parking within each tenant's warehouse</b>	As proposed
<u>Required Landscape Yards</u> – <i>MZO Section 11-33-3(B)(2)</i> -Non-Single Residential Uses Adjacent to Other Non-Single Residence	15 feet	<b>5 feet along west property line</b>	As proposed
<u>Foundation Base along Exterior Walls</u> – <i>MZO Section 11-33-5(A)(1)</i> -Exterior Walls with Public Entrance	15-foot-wide foundation base	<b>12-foot-wide foundation base</b>	As proposed

#### Roof Articulation:

Per Section 11-7-3(B)(2)(c) of the MZO, flat roofs or facades with a horizontal eave, fascia, or parapet, in excess of 100 feet in length, must provide vertical modulation. The minimum vertical modulation is two feet or one-tenth ( 1/10 ) multiplied by the wall height, not to exceed one-third ( 1/3 ) of the height of the supporting wall. The proposed 22-foot-tall buildings require a

minimum of two feet of vertical modulation; per the narrative and elevation drawings, the minimum proposed vertical modulation is one foot.

#### Materials and Colors:

Per Section 11-7-3(B)(5) of the MZO, to reduce the apparent massing and scale of buildings, facades shall incorporate at least three different and distinct materials, and no more than 50% of the total façade may be covered with one single material. CMU-3 noted on the elevations is split face block to be used as a 'base' to give a material change near the ground plane and as accent bands across the facades while CMU-1 and CMU-2 are smooth face. All together, the CMU material exceeds 50% of the façade areas.

#### Truck Docks, Loading and Service Areas:

Per Section 11-30-13 of the MZO, in all districts (except the GI and HI districts) truck docks, loading areas and service areas must be located at the rear or side of buildings, rather than facing a street. Docks, loading and service areas in any district (except the GI and HI districts) shall be screened from public view. Per the site plan, the loading / overhead doors are located along the fronts of the buildings, adjacent to the entrances to the suites. Per the narrative, due to the narrow depth of the site and the site being bound by roadways on three sides, the buildings are forced to face inwards towards the internal drive lane. This requires the truck loading and overhead doors to face the internal drive lane as well, technically locating on the front of the buildings. These doors will not be visible from public view, as they are internal to the site. Per the elevation drawings, the overhead doors are proposed to be clear glass, to provide more of a shopfront feel to the elevations.

#### Parking Spaces Required:

Per Section 11-32-3 of the MZO, general office uses require one parking space per 375 square feet, and warehouse uses require one parking space per 900 square feet. Per the site plan, a total of 2,400 square feet of office use is proposed, and 24,843 square feet of warehouse use is proposed, requiring 34 parking spaces. The site plan shows 45 parking spaces on the subject site, but 20 of those spaces are in front of the overhead doors and therefore cannot be included in the parking calculations. Those 20 spaces would be marked as 'Reserved', for use by the suite tenants. Per the narrative, the tenants of these spaces are small business owners, many of whom will be moving into this project from working from home, hoping to expand into a larger and legal workspace. Due to the nature of these small (typically subcontractor) type businesses, customer parking is often unneeded. Additionally, it is expected that tenants and/or their employees would be comfortable parking in front of their own roll up door, as it would be little trouble for them to move their own parked vehicle if/when they need vehicular access through their roll-up door. In addition, tenants may opt to park within their own warehouse space.

#### Required Landscape Yards:

Per Section 11-33-3(B)(2) of the MZO, non-single residence uses adjacent to non-residential districts and/or uses shall provide a 15-foot landscape yard. Gateway Airport Commerce Park was approved with reduced interior side yard setbacks to 7.5-feet, and zero feet for buildings along one side of each lot when adjacent to another building. The applicant is requesting a five-foot

landscape yard adjacent to Lot 14 located west of the subject site, which is also part of Gateway Airport Commerce Park. The five-foot landscape yard would be between four parking stalls and the adjacent Lot 14. According to the applicant, the modification is requested to provide as many parking spaces as possible.

**Foundation Base along Exterior Walls:**

Per Section 11-33-5(A)(1) of the MZO, a 15-foot-wide foundation base shall be provided, measured from face of building to face of curb along the entire length of the exterior wall. Per the narrative, the proposed 12-foot-wide foundation base is requested to allow for a 30-foot-wide drive lane in the narrow site. The foundation base is interior to the site and will not be visible from the adjacent roadways.

**Justification:**

Review and approval of a BIZ overlay is based on the criteria in Section 11-21 of the MZO. The City Council may approve a request for a BIZ overlay for projects that provide distinctive, superior quality designs, and also address environmental performance standards in the site or building design. The subject proposal offers superior quality design by creating a contemporary aesthetic with metal canopies, unique configurations of CMU and stucco, along with a neutral color palette.

Overall, the proposal is unique and innovative, and demonstrates superior quality to meet the intent of the City's Zoning Ordinance and General Plan.

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

The proposed site plan shows two industrial buildings totaling 27,240 square feet (See Exhibit 3.2). Each building has 10 suites, and each suite has an office area and a warehouse with a roll-up door. Access to the site is proposed via South 89<sup>th</sup> Place and Waltham Avenue. The buildings face the driveway, which runs through the interior of the lot, and the public parking as well as the loading spaces all exist along the fronts of the buildings.

Overall, the proposed site plan conforms to the criteria and requirements of a Site Plan Review outlined in Section 11-69-5 of the MZO.

**Design Review:**

Design Review of the subject request is required per Ordinance Number 4654. The Design Review Board reviewed and approved the subject request at their August 9, 2022 meeting. The proposed design is consistent with the goals, objectives, and policies of the General Plan and the Mesa Gateway Strategic Development Plan. The proposed industrial buildings will provide a high-quality setting for small businesses in southeast Mesa.

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

<b>Northwest</b> (Across Pecos Road) LI Vacant	<b>North</b> (Across Pecos Road) LI Vacant	<b>Northeast</b> (Across Pecos Road) LI Vacant
<b>West</b> LI-PAD	<b>Subject Property</b> LI-PAD	<b>East</b> (Across 89 <sup>th</sup> Place)

Vacant	Vacant	LI-PAD Vacant – approved industrial use
<b>Southwest</b> (Across Waltham Avenue) LI-PAD Marriott Gateway hotel	<b>South</b> (Across Waltham Avenue) LI-PAD Industrial	<b>Southeast</b> (Across 89 <sup>th</sup> Place) LI-PAD Vacant – approved industrial use

**Compatibility with Surrounding Land Uses:**

The site is located at the north entrance to Gateway Airport Commerce Park which is developed with or is being developed with industrial uses. Across Pecos Road to the north is vacant industrial land. To the east and west are vacant industrial properties within the subdivision, and to the south is an industrial development. The proposed industrial development is compatible with the zoning and anticipated land uses in the area.

**Neighborhood Participation Plan and Public Comments:**

The applicant completed a Citizen Participation Process which included mailing letters to property owners within 500 feet of the site. As of the writing of this report, staff has received two phone calls from neighboring property owners. One neighbor was concerned that the western driveway will impact access to Lot 14, and staff confirmed with the Transportation Department that Lot 14 has adequate street frontage to accommodate a driveway. The other neighbor was concerned that the development will result in parking along the streets within the Gateway Airport Commerce Park subdivision. Staff will provide the Board with any new information during the scheduled Study Session on August 24, 2022.

**Staff Recommendation:**

Based on the application received and the preceding analysis, staff finds that the requested rezone and Site Plan Review is consistent with the Mesa 2040 General Plan, the Gateway Strategic Development Plan, and the purpose for a Bonus Intensity Zone overlay outlined in Section 11-21 of the MZO, 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 all requirements of DRB21-00964.
3. Review and approval by the Design Review Board of all future development plans.
4. Prior to the issuance of a building permit, record a lot combination for the subject parcels.
5. Due to the proximity to the 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.
6. Any lighting placement or systems that direct lighting upward or toward the approach paths of aircraft, or that could be confused with airport identification or navigational

lighting are not permitted.

7. Compliance with all City development codes and regulations, except the modifications to the development standards as approved with this BIZ and shown on the following table:

<b>Development Standards</b>	<b>Approved</b>
<u>Roof Articulation –</u> <i>MZO Section 11-7-3(B)(2)(c)</i> -Flat roofs or facades with a horizontal eave, fascia, or parapet, in excess of 100 feet in length	Minimum vertical modulation of 1 foot, not to exceed 1/3 of the height of the supporting wall
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<u>Parking Spaces Required –</u> <i>MZO Section 11-32-3(A)</i> -Office & Warehouse uses	25 public parking spaces, plus 20 reserved spaces in front of roll-up doors, and space for parking within each tenant's warehouse
<u>Required Landscape Yards –</u> <i>MZO Section 11-33-3(B)(2)</i> -Non-Single Residential Uses Adjacent to Other Non-Single Residence	5 feet along west property line
<u>Foundation Base along Exterior Walls –</u> <i>MZO Section 11-33-5(A)(1)</i> -Exterior Walls with Public Entrance	12-foot-wide foundation base

**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 Project Narrative
  - 3.5 Elevations
  - 3.6 Citizen Participation Plan
- Exhibit 4-Citizen Participation Report