



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

**Planning and Zoning Board**

**November 22, 2022**

CASE No.: **ZON22-01129**

PROJECT NAME: **Millennium Superstition Springs**

Owner's Name:	VHS Acquisition Subsidiary Number 11, Inc.
Applicant's Name:	Charles Huellmantel, Huellmantel & Affiliates
Location of Request:	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.
Parcel No(s):	141-53-896B
Request:	Minor General Plan Amendment from Specialty – Medical Campus to Specialty – Educational Campus. This request will allow for a multiple residence development.
Existing Zoning District:	Planned Employment Park with a Planned Area Development overlay and Council Use Permit (PEP-PAD-CUP)
Council District:	2
Site Size:	10± acres
Proposed Use(s):	Multiple Residence
Existing Use(s):	Vacant
P&Z Hearing Date(s):	November 22, 2022 / 7:30 a.m.
Staff Planner:	Cassidy Welch, Senior Planner
Staff Recommendation:	<b>DENIAL</b>
Planning and Zoning Board Recommendation:	
Proposition 207 Waiver Signed:	Yes

**HISTORY**

On **April 28, 1982**, the City Council annexed approximately 446± acres of property, including the subject site, into the City of Mesa and subsequently zoned the property to Agricultural (AG) (Ordinance No. 1590; Case No. Z82-091; Ordinance No. 1661).

On **October 20, 1997**, the City Council approved a rezone of 39± acres of land, including a portion of the subject site, from Agricultural (AG) to Light Industrial (LI) to allow for development of industrial uses (Case No. Z97-083).

On **August 1, 2000**, the City Council approved a rezone of 87.5± acres of land, including a portion of the subject site, from Agricultural (AG) and Light Industrial (LI) to Planned Employment Park with a Planned Area Development overlay (PEP-PAD) to allow for development of an industrial park (Case No. Z00-050, Ordinance No. 3808).

On **June 21, 2004**, the City Council approved a rezone of 78.5± acres of land, including the subject site, from AG to PEP-PAD to Planned Employment Park with a Planned Area Development overlay and Council Use Permit (PEP-PAD-CUP) to allow for a hospital and associated medical uses (Case No. Z07-065, Ordinance No. 4734).

On **September 14, 2022**, the Planning and Zoning Board reviewed applicant's request to rezone of the subject site from PEP-PAD-CUP to Multiple Residence 5 with a Planned Area Development overlay (RM-5-PAD) and a site plan to allow for a multiple residence development (ZON22-00431). Staff recommended denial of that rezoning and site plan request. The Planning and Zoning Board reached a split decision (3-3). The rezone and site plan request (ZON22-00431) will be considered by the City Council at the same meeting as this request for a Minor General Plan Amendment (ZON22-01129).

## **PROJECT DESCRIPTION**

### **Background:**

The applicant is requesting a Minor General Plan Amendment to change the character area designation on the subject site from Specialty with a Medical Campus Sub-type to Specialty with an Educational Campus Sub-type.

The applicant is also concurrently seeking a rezone of the subject site 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 approval (ZON22-00431). On September 14, 2022, the Planning and Zoning Board considered the applicant's rezone and site plan review request. Staff recommended denial of the rezone and site plan review request at the September 14, 2022 hearing, in part, because staff found that the request did not comply with the General Plan (see Staff Report for ZON22-00431). A motion for denial was made which resulted in a split vote of 3-3. The rezone and site plan review request and this request for a Minor General Plan Amendment, will be considered by the City Council on the same date.

Because staff has found that the proposed rezone and site plan associated with ZON22-00431 does not comply with the General Plan, applicant has decided to request a Minor General Plan Amendment.

Concurrent with applicant's proposed Minor General Plan Amendment is a City-proposed text amendment to the General Plan pertaining to the Specialty District – Medical Campus Sub-type and the Specialty District – Educational Campus Sub-type. The General Plan text amendment proposed by the City is explained in detail in the Staff Report. In short, the General Plan text amendment, if approved by the City Council, would revise the Specialty District – Educational Campus Sub-type to permit RM-4 and RM-5 as secondary zoning districts and would revise both the Specialty District – Educational Campus Sub-type and the Specialty District – Medical Campus Sub-type to provide limited exceptions to the timing of when secondary zoning districts and secondary land uses are permitted in the character area. As explained in more detail below, approval of applicant's proposed Minor General Plan Amendment (ZON22-01129) is contingent upon City Council's approval of the Minor General Plan Text Amendment, which will also be considered by the City Council at the same meeting as the applicant's rezone and site plan.

Staff is recommending denial of applicant's requested Minor General Plan Amendment (ZON22-01129) because the proposed use of the property for an RM-5 development is not compatible with the area. Applicant is requesting to amend the character Sub-type of the subject site to Educational Campus because, if the City Council approves the General Plan Text Amendment, RM-5 will be a secondary zoning district in the Educational Campus Sub-type. In the Medical Campus Sub-type, RM-5 is not currently permitted and will not be permitted even if City Council approves the General Plan Text Amendment. RM-5 is not appropriate for the subject site. RM-5 is the highest density residential zoning in the City and the General Plan is intentional regarding the areas of the City where RM-5 is allowed, such as within Transit Districts and transect zones in Downtown Mesa, both areas intended for more intense development. The subject site is not intended for such uses. The subject site has a Medical Campus Sub-type which is intended to be developed for employment uses. As explained in more detail below, approval of the applicant's request for a Minor General Plan Amendment and applicant's proposal for a high-density multi-family development would result in a shortage of land available for the planned employment use and in the development of a multi-family project that is too dense for the area and not compatible with the surrounding land uses.

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

The current Mesa 2040 General Plan character area designation on the property is Specialty District with a Medical Campus Sub-type. Per Chapter 7 of the General Plan, the primary focus of the Specialty character area designation is to provide for large areas, typically 20-acres or more, with a single use such as an educational campus, airport, or medical facility. Development in this character type should maintain a campus-like feel and connection between buildings. The Medical Campus Sub-type is intended for the development of hospitals and associated medical uses.

As discussed above, the applicant is currently seeking approval of a rezone of the subject site from PEP-PAD-CUP to RM-5-PAD and Site Plan Review. The item was considered by the Planning and Zoning Board at their September 14, 2022 hearing. The Planning and Zoning Board voted 3-3 on a motion to recommend denial to City Council.

Staffs' recommendation of denial to the Planning and Zoning Board and City Council was based on the proposal's inconsistency with the Mesa General Plan and concern regarding the number of deviations being requested through the Planned Area Development Overlay. The proposed zoning (RM-5 zoning district) is not listed as a primary or secondary zoning district within the Specialty District – Medical Campus Sub-type and is not permitted. Furthermore, the General Plan requirement that 80% of the character area be established with primary zoning districts before a secondary land use can come into the character area was not met.

In order for City Council to consider the applicant's rezone and site plan case, the applicant is requesting to amend the General Plan Character Area on the project site from Specialty – Medical Campus to Specialty – Educational Campus. However, approval of applicant's Minor General Plan Amendment request is contingent on City Council's approval of the proposed Minor General Plan Text Amendment mentioned above, because, currently, the Educational Campus Sub-type does not permit RM-5 zoning and it requires that 55% of the character area be developed with primary zoning districts and land uses prior to allowing a secondary land use, such as multiple residence (the 55% has not been met). The General Plan Text Amendment, if approved by City Council, would permit RM-5 as secondary zoning district in the Educational Campus Sub-type and would also allow development of secondary land uses even if the primary requirements are not met, as long as an anchor educational establishment is already built and operating in the character area. The General Plan Text Amendment would not permit RM-5 in the Medical Campus Sub-type, however.

While staff is proposing a text amendment to the General Plan for the reasons explained in the associated Staff Report, staff does not support the applicant's request to change the character area on the 10-acre subject site to Specialty District – Educational Sub-type. Even if City Council approves the text amendment to the General Plan, staff does not support the proposed Minor General Plan Amendment, for the following reasons. The Educational Campus Sub-type is intended for high school and college campuses and associated athletic facilities but may also include junior high and/or elementary schools located adjacent to a high school or large college campus. The subject request would allow for the creation of an Educational Campus District, solely for the use of multiple residence at a density that is out of character for the area. An isolated residential development that does not provide appropriate transitions and connections to the surrounding employment uses does not conform to the intent of the district as an educational campus.

**General Plan Amendment Approval Criteria:**

Chapter 16 (pg. 16-26) of the Mesa 2040 General Plan provides City Council six approval criteria that they may consider when considering a major or minor character area map amendment.

**1. Whether the proposed amendment to the General Plan character area will result in a shortage of land for other planned uses.**

Change of the character area sub-type to Educational Campus will result in a shortage of land for planned uses. During the creation of the Mesa 2040 General Plan, land surrounding AT Still University School of Osteopathic Medicine was designated as a Specialty Medical Campus District. This District was intended to support primarily a single use, in this case a

Medical School, and to ensure that the surrounding area develop in a campus like setting with uses that would support the main use. The primary zoning districts are commercial and industrial in order to support the development employment and commercial land uses. RM-5 is not permitted in the Medical Campus Sub-type and will not be permitted even with the General Plan Text Amendment. The primary uses identified include hospitals, medical office buildings, rehabilitation clinics, hospice, long-term nursing, supportive hotel services, and pharmacies. Secondary allowed land uses intended to support the vitality of these campuses include food service, small-scale retail, and multiple residence.

If a change to Educational Campus Sub-type is made, then RM-5 zoning of the subject site will be a permitted secondary zoning district. RM-5 zoning of the site will result in a shortage of land available to be developed for employment uses, as has been planned for this site since adoption of the General Plan. During the formation of the General Plan and the formation of the city's character areas, growing and maintaining jobs was at the forefront of policy discussions. Chapter 5: Growing and Maintaining Diverse and Stable Jobs, identified the subject site and the Specialty District in which it resides as within the Superstition/Power Road Economic Activity Area. This economic activity area was established around the opportunity to grow employment opportunities associated with the Loop 202 and US 60 Freeways and expand medical services (pg. 5-11). In order to guide future development decisions within these districts certain economic policies were adopted with the Plan. Economic Development Policy 1 guides the City to, "Preserve designated commercial and industrial area for future job growth. In Economic Activity Areas, requests for changes from non-residential to residential will include review and comment by the Economic Development Office and could be referred to the Economic Development Advisory Board for recommendation."

The City of Mesa's Economic Development Department is opposed to the proposed rezone and Minor General Plan Amendment. The Medical Campus District land has strong potential to foster job creation in the high-growth healthcare and life sciences sectors, especially with the recent purchase by Steward Healthcare to the west of the site. The proposed amendment neither furthers the City's goals of attracting higher educational institutions or strengthening the City's healthcare industries.

The proposed land should remain Medical Campus Sub-type in order to retain the purpose of the Specialty District and to develop the subject site as planned – for employment and commercial land uses. Maintaining the Medical Campus Sub-type will also provide opportunity for the establishment of primary and secondary land uses rather than fragment the area for special interests. Chapter 5 of the General Plan, Growing and Maintaining Diverse and Stable Jobs, states that the future of the City of Mesa is tied to its ability to continue to secure and maintain a stable and diverse employment base and that the City should preserve designated commercial and industrial areas for future job growth. Staff finds that approval of the proposed project and Minor General Plan Amendment would be detrimental to the City's goal for the area and would result in a shortage of land to be developed with employment and commercial uses as planned, and would also reduce the odds that the surrounding area be developed with the similarly intended employment and commercial uses.

**2. Whether events subsequent to the adoption of the Plan have changed the character or condition of the area making the proposed amendment appropriate.**

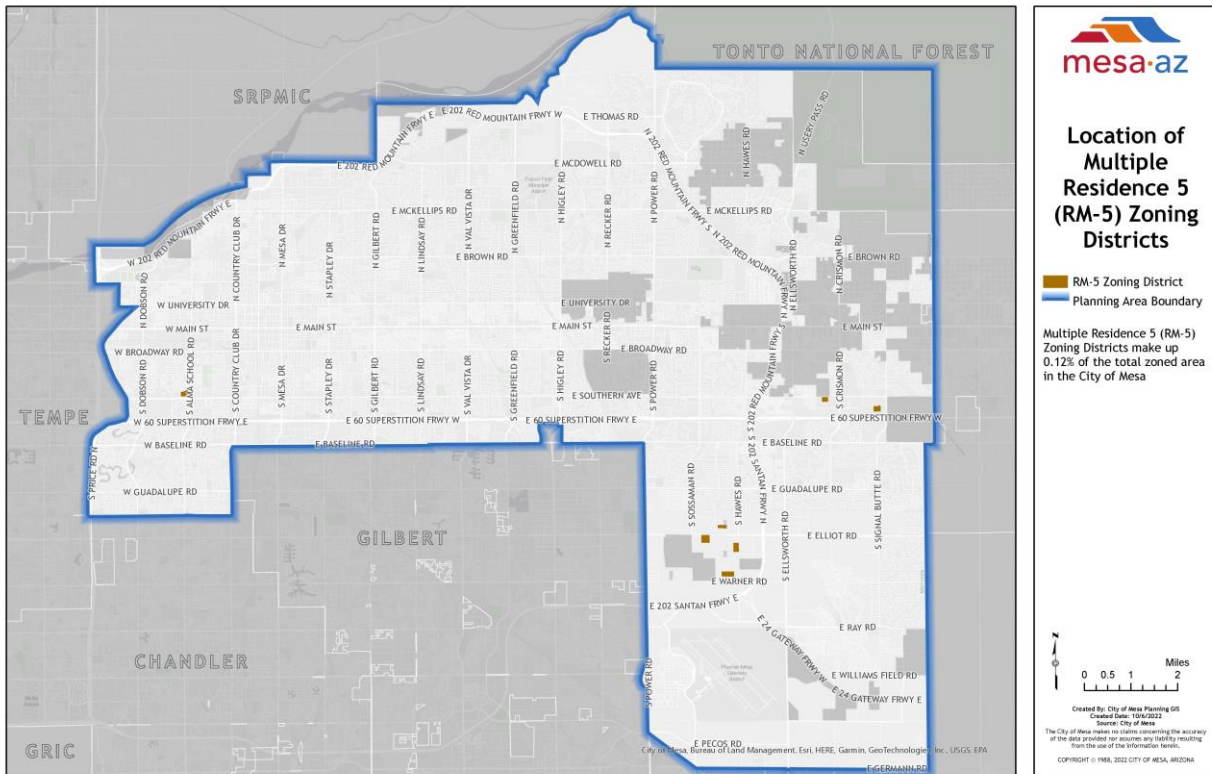
No changes to the overall character of the area have taken place since the implementation of the Mesa 2040 General Plan. Rather, the subject site and the surrounding area have been planned for the development of employment and commercial uses since the adoption of the General Plan, and the area has been actively developing for these intended employment and commercial uses for many years now. For example, the AT Still medical school campus is developed on the adjacent property and City Council will soon consider the development of an industrial, employment use north of the site. This continual development of the area for the uses that were originally planned for in the General Plan demonstrate that the character and the condition has not changed and that development of the subject site as originally planned is viable. RM-5 zoning and high-density residential were not planned for the area in the General Plan, and a change to allow such zoning and development now is not justified. The subject site should develop as planned for in the General Plan.

**3. The degree to which the proposed amendment will impact the whole community or a portion of the community by:**

**a. Altering acceptable existing land use patterns in a significant way that is contrary to the goals, policies, and strategies identified in the Plan.**

Amending the Specialty District Sub-type classification from Medical Campus to Educational Campus will significantly alter existing land use patterns in the area because amending to Educational Campus will permit RM-5 zoning (if City Council approves the text amendment to the General Plan) which is not permitted in the Medical Campus sub-type and is contrary to the goals, policies, and strategies of the General Plan for the subject site and area.

Approval of the amendment will allow for a residential development much denser than normally found in this area. The current character sub-type for the property, Medical Campus, does not allow RM-5 zoning. Even if the General Plan Text Amendment is approved, the Medical Campus sub-type will still not allow RM-5 zoning. The General Plan is intentional in where it permits RM-5 zoning in the City. RM-5 is permitted in areas intended to develop more intensely, such as Transit Districts and Downtown. Currently, RM-5 is located primarily in the Hawes Crossing Planned Area Development and near the US 60 near Signal Butte and Crismon. Other multiple residential projects with densities commensurate with RM-5 zoning district are only found in the Form Based Code Transect Districts within Downtown Mesa. The subject site is not compatible for RM-5 zoning or with a development with density commensurate with RM-5 zoning.



Chapter 15 of the General Plan provides guidance in the review of compatibility with the Plan. Criteria #1 asks if the development is consistent with furthering the intent and direction contained in the General Plan. The isolated character area map amendment is not compatible with the intent of the character area to provide a campus for an educational facility. Applicant's request for a Minor General Plan Amendment would result in availability of the highest-density residential zoning district in an area planned for, and already developing as, employment and commercial. The subject site would become an isolated RM-5 district that is not compatible with the surrounding area and employment uses.

Criteria #5 asks whether the proposed development provides an appropriate transition between uses. The proposed character area map amendment is intended to allow for the development of a high-density multiple residence development by utilizing the RM-5 zoning district. As discussed above, RM-5 zoning and developments with densities similar to RM-5 are intentionally placed in areas of the City that are intended for more intense development. These are located in either the downtown core or are located in master planned communities creating urban core districts. That is not what the subject site is intended for. The proposed development is out of character for the area and is not integrated into the campus as envisioned for the Specialty Districts and the Medical Campus sub-type.

- b. **Requiring larger or more extensive improvements to roads, sewer, or water systems than are necessary to support the prevailing land uses which may negatively impact development of other lands.**

Staff finds that this criterion is inapplicable as no additional improvements to existing infrastructure are required to support the requested development.

- c. Adversely impacting existing uses due to increased traffic congestion that is not accommodated by planned roadway improvements or other planned transportation improvements such as non-motorized transportation alternatives and transit.**

Staff finds that this criterion is inapplicable as no additional improvements to existing roadways are planned.

**4. Consistency of the proposed amendment with the vision, goals, policies, and strategies of the Plan.**

As previously stated, the proposed Minor General Plan Amendment is not consistent with the vision, goals, policies, and strategies of the Plan because it would allow a high-density multiple residence development that is incompatible with the surrounding area. As previously stated, RM-5 zoning is not permitted in the Medical Campus sub-type. This is, in part, because, the area is planned to develop with employment and commercial uses – and much of the area has already been developed with the appropriate employment and commercial uses. An isolated, high-density residential development is not appropriate in this employment area. The area was never intended for that type of development and was deliberately and thoughtfully planned for the development of employment uses, as set forth in the General Plan.

Chapter 4 of the General Plan, Creating and Maintaining Great Neighborhoods, includes several policies that serve to protect neighborhoods from incompatible development while also reviewing new developments for the mixture of uses that will establish lasting high-quality neighborhoods. The proposed development of the subject site for the highest-density multiple residential will create an isolated residential neighborhood that is surrounded by commercial and industrial uses that are not conducive to the long-term viability of both the proposed residential and the existing commercial and industrial.

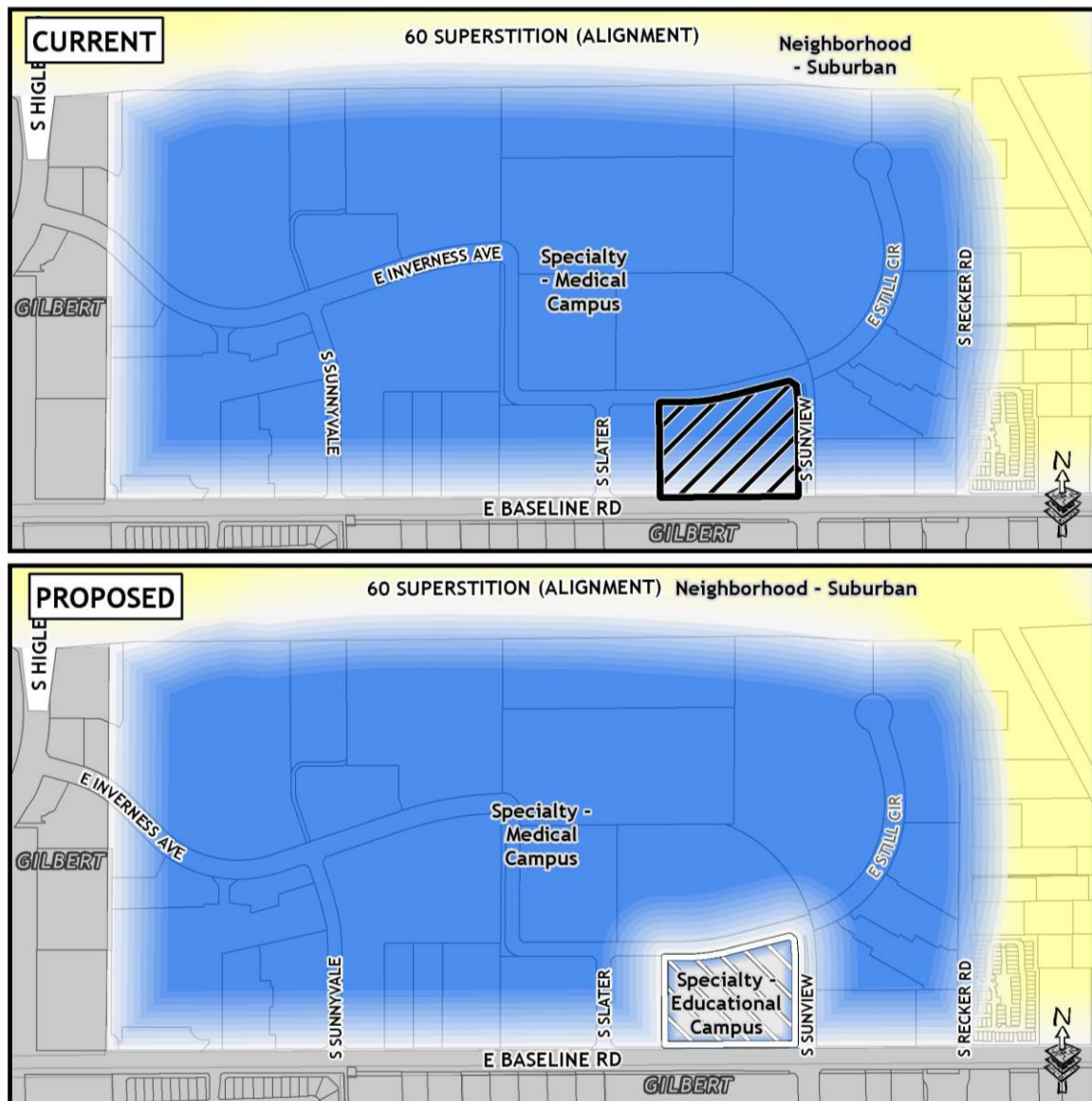
Chapter 5 of the General Plan also includes policies to preserve designated commercial and industrial areas for the future growth of the City. Staff finds that the subject site, located in close proximity to existing medical facilities, AT Still University, and future industrial uses, has continued potential to serve as a viable site for commercial or industrial uses in the future. Allowing it to develop with RM-5 zoning as a high-density residential use will result in the loss of land planned for employment uses.

**5. Does the proposed amendment constitute an overall improvement to the General Plan and the City of Mesa.**

The proposed amendment does not constitute an overall improvement to the General Plan for all those reasons stated herein. The specific request is narrowly tailored to allow for a residential density that is not allowed by the current character area and is not found near the subject site. The request will result in an isolated residential development not



compatible with the surrounding employment uses and will develop a large piece of land that is suitable and viable for the planned employment uses as solely residential. The General Plan provides applicant's the opportunity to meet the requirements for the permitted land uses and zoning districts by including surrounding properties in their development proposal. For example, applicant could have come forward with a proposal for employment uses meeting the primary land use requirements in the plan, combined with a residential development within the permitted secondary land uses. However, the application does not include surrounding properties needed to accomplish the intent of the Specialty District by creating a campus-like setting for single use. The applicant is requesting the Educational-Subtype in order to utilize the RM-5 zoning designation that is not available in the Medical Campus Sub-type. Approval of the amendment will result in an Educational Campus District for the sole use of the highest-intensity multiple residence. The applicant could develop a lower density residential development on the subject site while remaining in the Medical Campus Sub-type (RM-4 is a permitted secondary land use) and eliminate the need for a Minor General Plan Amendment.



**6. The extent to which the benefits of the proposed amendment outweigh any of the impacts identified in this subsection.**

Any benefit of the proposed Minor General Plan Amendment does not outweigh the impacts identified in this report. Again, the proposed amendment would allow RM-5 zoning in an area not planned for nor suitable for such a high-density residential development. This would result in a site that is intended for, and viable for, employment and commercial uses to be used for solely high-density residential that is not appropriate for the area. Additionally, the proposed project would result in an isolated residential community that does not provide appropriate transitions to the surrounding land uses which would negatively impact the long term viability of the development and the surrounding area. While multiple residential developments may be appropriate to support primary land uses in certain areas of the City, on this particular site, the proposed highest-density RM-5 development is not an appropriate supporting use. The subject site is best suited for its originally-planned purpose as an employment or commercial development.

Overall, the proposed Minor General Plan Amendment does not meet the required six criteria and thus does not comply with the General Plan and staff is recommending denial.

**Zoning District Designations:**

The subject property is currently zoned Planned Employment Park with a Planned Area Development Overlay and Council Use Permit (PEP-PAD-CUP). The applicant is requesting an associated rezone of the property to Multiple Residence-5 with a Planned Area Development overlay (RM-5-PAD), Case No. ZON22-00431. Per Section 11-5-1 of the Mesa Zoning Ordinance (MZO), the purpose of the RM district is to provide areas for a variety of housing types at densities of up to 43 dwelling units per gross acres (DU/ac). As explained above, RM-5 is not allowed in the Specialty District - Medical Campus Sub-type and will continue to not be allowed in the Medical Campus sub-type even if the proposed General Plan Text Amendment is approved by City Council.

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

<b>Northwest</b> (Across Inverness Avenue) PEP-PAD Vacant	<b>North</b> (Across Inverness Avenue) PEP-PAD Vacant	<b>Northeast</b> (Across Inverness Avenue & Sunview) LI-PAD-CUP University
<b>West</b>  PEP-PAD-CUP Hospital	<b>Subject Property</b>  PEP-PAD-CUP Vacant	<b>East</b> (Across Sunview) PEP-PAD Offices & Vacant
<b>Southwest</b> (Across Baseline Road) Town of Gilbert Vacant	<b>South</b> (Across Baseline Road) Town of Gilbert Vacant	<b>Southeast</b> (Across Baseline Road & Recker Road) Town of Gilbert

		Vacant
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**Compatibility with Surrounding Land Uses:**

The subject property is currently zoned PEP-PAD-CUP and is vacant. An existing hospital exists to the west of the subject property and existing office buildings exist to the east of the site, across Sunview. The AT Still University campus is located to the northeast of the subject site. North of the site is vacant land zoned PEP-PAD. The Planning and Zoning Board recently recommended approval to City Council for a requested rezone of the property to the north of the site across Inverness Avenue (ZON22-00263). If ZON22-00263 is approved by City Council, that property's zoning would change to PEP-PAD and LI-PAD to allow for the development of an industrial park.

**Neighborhood Participation Plan and Public Comments:**

As part of the completed Citizen Participation Process, the applicant mailed notice letters to property owners within 1,000 feet of the site, as well as nearby HOAs and neighborhood associations. As of writing this report, neither the applicant nor staff have received any comments or concerns from surrounding property owners. Staff will provide the Board with any new information during the November 22, 2022 Study Session.

**Staff Recommendation:**

Based upon the application received and preceding analysis, Staff finds that the requested Minor General Plan Amendment is not consistent with the intent of the Mesa 2040 General Plan. Further, the proposed development is not compatible with the surrounding area; therefore, staff recommends denial.

**Exhibits:**

Exhibit 1 – Vicinity Map

Exhibit 2 – Staff Report

Exhibit 3 – Application Information

3.1 Project Narrative

3.2 Citizen Participation Plan

Exhibit 4 – Citizen Participation Report

Exhibit 5 – Character Area Amendment Map