



PLANNING DIVISION
STAFF REPORT

Planning and Zoning Board

January 11, 2023

CASE No.: **ZON22-01020**

PROJECT NAME: **Costco MDO**

Owner's Name:	SUNBELT HOLDINGS
Applicant's Name:	Mary McNear, Beus Gilbert McGroder, PLLC.
Location of Request:	Within the 9400 to 9600 blocks of East Peterson Avenue (south side); within the 3400 block of South 94th Place (east side); and within the 3400 block of South 96th Street (west side). Located north of Elliot Road and east of Ellsworth Road.
Parcel No(s):	304-04-927 and 304-04-938
Request:	Site Plan Review. This request will allow for an industrial development.
Existing Zoning District:	Light Industrial with a Planned Area Development Overlay (LI-PAD-PAD)
Council District:	6
Site Size:	12± acres
Proposed Use(s):	Industrial
Existing Use(s):	Vacant
P&Z Hearing Date(s):	January 11, 2023 / 4:00 p.m.
Staff Planner:	Sean Pesek, Planner II
Staff Recommendation:	APPROVAL with Conditions

HISTORY

On **February 22, 1990**, the City Council approved the annexation of approximately 1,228± acres of land, including the subject site (Case No. A88-014, Ordinance No. 2483).

On **April 4, 1990**, the City Council approved comparable zoning for 1,234± acres of recently annexed property, including the subject property, and subsequently zoned the property to Suburban Ranch (SR) (equivalent to Single Residence 43 [RS-43]) (Case No. Z90-010, Ordinance No. 2512).

On **February 21, 2006**, the City Council denied a staff-initiated rezoning from Single Residence-43 (RS-43) to Limited Commercial (LC) and Planned Employment Park (PEP) (Case No. Z06-003).

On **June 5, 2006**, the City Council approved to rezone the subject property from RS-43 to Light Industrial (LI) as part of a larger 75±-acre rezoning to bring the property into conformance with the Mesa 2025 General Plan (Case No. Z06-027, Ordinance No. 4556).

On **January 22, 2008**, the City Council approved a Development Master Plan (DMP) (equivalent to a Planned Area Development overlay) for a 278± acres, including the subject property. The DMP established design guidelines to facilitate a cohesive design theme for the development of the First Mesa Commerce Centre (FMCC), an industrial/employment park (Case No. Z07-114, Ordinance No. 4803).

On **November 3, 2014**, the City Council approved an overlay zoning designation on 1,054 acres of property along the Elliot Road (i.e., the Elliot Road Technology Corridor Planned Area Development overlay). The overlay zoning designation allows properties within the boundary of the overlay to opt-in to the zoning overlay and receive a zoning designation of Employment Opportunity District (EO) zoning after approval of the opt-in process (Z14-045, Ordinance No. 5255).

PROJECT DESCRIPTION

Background:

The subject request is for Site Plan Review of an initial site plan to allow for the development of a merchandise transfer building associated with Costco Wholesale. The applicant is choosing not to opt-in to the Elliot Road Technology Corridor and will be developing the site according to the development standards set forth in the Mesa Zoning Ordinance (MZO) and First Mesa Commerce Centre (FMCC) guidelines.

The subject property is composed of two parcels, generally located north of Elliot Road and east of Ellsworth Road, and has direct frontage on South 96th Street, Peterson Avenue, and 94th Place. The applicant is proposing one industrial building approximately 75,623 square feet in size with associated site improvements. Per Section 11-7-2 of the MZO, indoor warehousing and storage is a permitted use in the LI District.

General Plan Character Area Designation and Goals:

The Mesa 2040 General Plan Character Area designation on the property is Employment and Mixed Use Activity District. Per Chapter 7 of the General Plan, Employment Districts typically have minimal connection to the surrounding area and are used for employment-type uses such as manufacturing facilities, warehousing, and business parks. LI is listed as a primary zoning district within the Employment character area and warehousing is listed as a primary land use.

Staff reviewed the request and determined it is consistent with the development review criteria outlined in Chapter 15 (pg. 15-1) and the goals of the Employment District by providing areas for employment and commercial opportunities in a high-quality setting.

Gateway Strategic Development Plan:

The subject property is also located in the Gateway Strategic Development Plan Elliot Road Technology Corridor. Per the Gateway Strategic Plan, the intent of the plan is to provide an employment center that maximizes the value of Phoenix Mesa Gateway Airport and job creation. Development is intended to be intense, of high-quality and provide for pedestrian oriented activity with unique and attractive public spaces, buildings, and site design. The proposed development conforms with the recommendations of the Gateway Strategic Development Plan for the Elliot Road Technology Corridor.

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 Two and Three (AOA 2 & 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 industrial use restrictions within the AOA 2 and AOA 3. Phoenix-Mesa Gateway Airport staff reviewed the subject request and had no comments on the proposed development.

Zoning District Designations:

The subject property is zoned LI-PAD-PAD. Per Section 11-7-2 of the MZO, warehousing is a permitted use in the LI District.

The PAD overlay is associated with the FMCC Development Master Plan (DMP), which set forth certain development and design standards for the subject property. The FMCC DMP includes design guidelines to facilitate a cohesive theme for the development and does not allow for modifications to certain LI District development standards. The proposed development complies FMCC DMP design guidelines.

Site Plan and General Site Development Standards:

The proposed site plan shows development of a warehousing building totaling approximately 75,623 square feet of floor area. Truck docks and service areas are located on the south facade and will be screened by an eight-foot decorative wall per the screening requirements outlined in Section 11-30-13 of the MZO. Primary access for employees and visitors is provided from South 96th Street, with secondary access provided from East Peterson Avenue. An on-site walkway will connect the primary building entrance with parking areas, employee amenity spaces, and the abutting sidewalk on Peterson Avenue. Perimeter landscape yards are provided along all property lines to soften the appearance of development and meet the requirements set forth in Chapter 33 of the MZO. 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:

The Design Review Board is scheduled to review the subject request on January 10, 2023. Staff will work with the applicant to address any comments and recommendations from the Design Review Board.

Surrounding Zoning Designations and Existing Use Activity:

Northwest (Across E. Peterson Avenue) LI-PAD-PAD Vacant	North (Across E. Peterson Avenue) LI-PAD-PAD Vacant	Northeast (Across E. 96 th Street) LI-PAD-PAD Vacant
West (Across S. 94 th Place) LI-PAD-PAD Vacant	Subject Property LI-PAD-PAD Vacant	East (Across S. 96 th Street) LI-PAD-PAD Industrial
Southwest (Across S. 94 th Place) LI-PAD-PAD Industrial	South LI-PAD-PAD Vacant	Southeast (Across S. 96 th Street) LI-PAD-PAD Vacant

Compatibility with Surrounding Land Uses:

The subject site is currently vacant. Properties to the immediate north, south, and west are also vacant and zoned LI-PAD-PAD with no approved site plans. An existing manufacturing and distribution facility is located to the east on property zoned LI-PAD-PAD. Lastly, to the southwest is an existing warehouse distribution facility on property zoned LI-PAD-PAD. If approved, the proposed use will not be out of character with the surrounding area and conforms to the goals of the General Plan and Mesa Gateway Strategic Development Plan.

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 the writing of this report, the applicant received one written comment from an adjacent property owner, who expressed concerns about truck dock visibility from his property as well as the need for higher quality in the building design. Staff will provide the Board with any new information during the January 11, 2023, Study Session.

Staff Recommendation:

Based upon the application received and preceding analysis, staff finds that the subject request is consistent with the Mesa 2040 General Plan, the Mesa Gateway Strategic Development Plan, and the review criteria for Site Plan Review approval outlined in Section 11-69-5; therefore, staff recommends approval of the request with the following conditions.

Conditions of Approval:

1. Compliance with final site plan and final landscape plan submitted.
2. Compliance with all requirements of Design Review Case No. DRB22-01111.
3. Compliance with Ordinance No. 4803.
4. Compliance with Ordinance No. 5255.
5. All perimeter landscape improvements, as shown on the Final Landscape Plan submitted, shall be installed with the first phase of development.
6. All off-site improvements and street frontage landscaping to be installed in the first phase of construction.
7. 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.
- c. Prior to the issuance of any building permit, provide documentation by a registered professional engineer or registered professional architect demonstrating compliance with the noise level reductions required in Section 11-19-5 of the Mesa Zoning Ordinance.
- d. Provide written notice to future property owners that the project is within 1 mile of Phoenix-Mesa Gateway Airport.
- e. All final subdivision plats must include a disclosure notice in accordance with Section 11-19-5(C) of the Zoning Ordinance which must state in part: "This property, due to its proximity to the Phoenix-Mesa Gateway Airport, will experience aircraft overflights, which are expected to generate noise levels that may be of concern to some individuals.

Exhibits:

Exhibit 1 – Vicinity Map

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 Citizen Participation Plan

Exhibit 4 – Citizen Participation Report

Exhibit 5 – Avigation Easement