



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

**City Council Meeting**

**January 9, 2023**

CASE No.: **ZON22-00263**

PROJECT NAME: **Baseline Logistics Park fka "Hines"**

Owner's Name:	VHS ACQUISITION SUBSIDIARY NUMBER 11 INC
Applicant's Name:	Sean Lake, Pew & Lake, PLC
Location of Request:	Within the 5600 to 5800 blocks of East Inverness Avenue (north and west side) and within the 5600 to 5800 blocks of South Sunview (north and south sides). Located east of Higley Road and north of Baseline Road.
Parcel No(s):	141-53-049D, 141-53-726B, 141-53-045P, 141-53-045F
Request:	Rezone from Planned Employment Park with a Planned Area Development Overlay and Council Use Permit (PEP-PAD-CUP) to Planned Employment Park with a Planned Area Development Overlay (PEP-PAD), Light Industrial with a Planned Area Development Overlay (LI-PAD), and Site Plan Review. This request will allow for an industrial development. Also consider a preliminary plat for "Baseline Logistics Park"
Existing Zoning District:	Planned Employment Park (PEP-PAD-CUP)
Council District:	2
Site Size:	50± acres
Proposed Use(s):	Industrial
Existing Use(s):	Vacant
P&Z Hearing Date(s):	<b>October 26, 2022 / 4:00 p.m.</b>
Staff Planner:	Cassidy Welch, Senior Planner
Staff Recommendation:	APPROVAL with Conditions
Planning and Zoning Board Recommendation:	APPROVAL with Conditions (Vote: 6-1)
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 and 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).

## **PROJECT DESCRIPTION**

### **Background:**

The applicant is requesting a rezone of a 50± acre site from Planned Employment Park with a Planned Area Development Overlay and Council Use Permit to Planned Employment Park with a Planned Area Development Overlay (PEP-PAD) and Light Industrial with a Planned Area Development Overlay (LI-PAD), Site Plan Review of an Initial Site Plan, and Preliminary Plat approval. The subject requests will allow for the creation of eight lots that will support the development of an industrial park. The subject property is currently vacant and located north of Baseline Road and east of Higley Road. The proposed site plan shows the development of eight large-scale industrial buildings to be used for industrial and office uses.

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

The Mesa 2040 General Plan Character Area designation on the property is Specialty. Per Chapter 7 of the General Plan, the primary focus of the Specialty character area designation is to provide for large areas 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 site is located within the Medical Campus Sub-type of the Specialty character area designation. Per Chapter 7 of the General Plan, the Medical Campus Sub-type is intended for the development of hospitals and associated medical users. Per the applicant, the proposed industrial development is intended to support existing medical users by providing large-scale industrial space for medical manufacturers and suppliers. The proposed industrial park for industrial land uses conforms to the intent and purpose of the Specialty character area designation. Overall, the request is consistent with the review criteria outlined in Chapter 15 (pg. 15-1&2) of the Mesa 2040 General Plan.

### **Zoning District Designations:**

The subject property is zoned Planned Employment Park with a Planned Area Development Overlay and Council Use Permit (PEP-PAD-CUP). The applicant is requesting a portion of the site

(identified as Sites 1-3 on the submitted site plan) is rezoned to Light Industrial with a Planned Area Development overlay (LI-PAD) and the remainder of the site (identified as Site 4-8 on the submitted site plan) is rezoned to Planned Employment Park with a Planned Area Development Overlay (PEP-PAD). Per Section 11-7-2 of the Mesa Zoning Ordinance (MZO), industrial uses, such as manufacturing and offices are permitted in the LI and PEP zoning districts. A Development Agreement (DA) is currently under review by City staff to place limitations on permitted land uses in the LI and PEP zoning districts to ensure that the proposed project develops in a manner consistent with the Specialty-Medical Campus character area designation and surrounding developments.

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

Per Section 11-19 of the MZO, the property is located within the Airfield (AF) Overlay District. Specifically, within the Airport Overflight Area Three (AOA 3). The location of the property within the AOA 3 is due to its proximity to the Phoenix-Mesa Gateway Airport. Per Section 11-7-2 of the MZO, the proposed uses are permitted in the AOA 3.

**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>
<u>Maximum Building Height (LI-PAD portions, identified as Sites 1-3 on the final site plan) –</u> MZO Section 11-7-3	40 feet	50 feet	As proposed
<u>Required Parking Spaces by Use –</u> MZO Table 11-32-3.A - <i>Group Industrial, shell buildings</i>	75% of gross floor area at 1 space per 500 square feet and 25% of gross floor area at 1 space per 375 square feet	<b>90% of gross floor area at 1 space per 650 square feet and 10% of gross floor area at 1 space per 375 square feet</b>	As proposed
<u>Setback of Cross Drive Aisles –</u> MZO Section 11-32-4(A)	Parking spaces along main drive aisles	<b>Parking spaces along main drive aisles</b>	As proposed

	connecting directly to a street shall be set back at least 50 feet from the property line abutting the street	<b>connecting directly to a street shall be set back at least 20 feet from the property line abutting the street, as shown on the final site plan</b>	
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Maximum Building Height:

Per Section 11-7-3 of the MZO, the maximum height in the LI zoning district is 40 feet. The applicant is proposing an increase to the maximum building height to 50 feet for the LI-PAD portions of the site, identified as Sites 1-3 on the final site plan. According to the applicant, this requested height increase is to accommodate anticipated users within the industrial park. The PEP-PAD portions of the site identified as Sites 4-8 on the final site plan do not require a code deviation because the MZO specifies that building height in the PEP is plan specific. Per the final site plan, the maximum building height in the PEP-PAD portions of the site is 42 feet.

Required Parking Ratio:

Per Section 11-32-3 of the MZO, the required parking ratio for group industrial buildings with no specified users is 75% of the gross floor area at one space per 500 square feet and the remaining 25% at one space per 375 square feet. The applicant is requesting a parking ratio of 90% of the gross floor area at one space per 650 square feet and the remaining 10% at one space per 375 square feet. According to the applicant, the requested parking ratio is more consistent with the needs of anticipated users as well as consistent with similar industrial development within the city.

Setback of Cross Drive Aisles:

Per Section 11-32-4 of the MZO, parking spaces along main drive aisles connecting directly to a street shall be set back at least 50 feet from the property line abutting the street. The applicant is requesting reductions to the cross drive aisle setback from 50 feet to a minimum of 20 feet as shown on the site plan. According to the applicant, the requested reduction is due to the unique shape of Site 2. The Transportation Department has reviewed the requested reductions and has no concerns with the proposed reduced setbacks.

PAD Justification:

The proposed request meets the standard for high-quality development by providing on-site amenities such as increased landscaping and employee break areas, enhanced site design through the use of enhanced entryways and pedestrian connections, and superior quality elevations.

Site Plan and General Site Development Standards:

The proposed site plan shows development of eight industrial buildings totaling approximately 679,990 square feet. As shown on the site plan, the total site area is broken into Sites 1-3 and Site 4-8. Sites 1-3 is the northern portion of the subject site, north of Sunview. The three buildings

range from 126,800 to 147,750 square feet. Per the submitted site plan, each building includes truck dock and service areas that are screened from public view by an eight-foot-tall wall per the screening requirements outlined in Section 11-30-13 of the MZO. Vehicular access will be from Sunview on the southern end of the site. On-site walkways will connect the primary entrances of each building to each other and to the adjacent street.

The five buildings for Sites 4-8 range from 50,690 to 54,930 square feet. Per the submitted site plan, each building includes truck dock and service areas that are screened by an eight-foot-tall wall per the screening requirements outlined in Section 11-30-13 of the MZO. The site has vehicular access from Sunview to the north and from Inverness Avenue to the west and south of the site. An employee break area is located on the southern end of the site with enhanced entryway landscaping located at the southeast corner of the site. On-site walkways will connect the primary entrances of each building to each other and to the adjacent street.

The applicant is requesting a reduced parking ratio of 90% of the gross floor area of each building at one space per 650 square feet and 10% of the gross floor area of each building at one space per 375 square feet for a total of 1,131 parking spaces required. The provided site plan shows 1,341 parking spaces provided.

**Development Agreement:**

Per Section 11-22-2 of the MZO, before the City Council excludes a land use from a base zoning district, a development agreement that also excludes those specified land uses shall be adopted concurrently with the adoption of the overlay district. The proposed development agreement restricts high intensity industrial uses. The development agreement will be presented to City Council for consideration at the same meeting as the rezoning request.

**Design Review:**

The Design Review Board is scheduled to review the subject request on July 12, 2022. Staff will work with the applicant to address any comments and recommendations from the Design Review Board.

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

<b>Northwest</b> (Across US-60 Superstition Freeway) RS-9-PAD Single Residence	<b>North</b> (Across US-60 Superstition Freeway) RS-9-PAD Single Residence	<b>Northeast</b> (Across US-60 Superstition Freeway) RS-9-PAD Single Residence
<b>West</b> (Across Inverness Avenue) RM-4-PAD & PEP-PAD Multiple Residence & Industrial	<b>Subject Property</b>  PEP-PAD-CUP Vacant	<b>East</b>  LI-PAD-CUP & PEP PAD University & Vacant
<b>Southwest</b>	<b>South</b>	<b>Southeast</b>

(Across Inverness Avenue) LI Industrial	PEP-PAD-CUP Hospital & Vacant	(Across Sunview) PEP-PAD Offices
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**Compatibility with Surrounding Land Uses:**

The subject property is currently vacant. The adjacent properties west of the subject property contain a large-scale industrial building and a multi residence development. The subject site is adjacent to AT Still University to the east and vacant land zoned PEP-PAD. Surrounding properties to the south and east are currently zoned PEP and are developed for medical and office users. The proposed office and industrial uses are compatible with the surrounding mixture of office, industrial, and educational uses. A development agreement is currently under review that will restrict certain land uses and ensure the site is developed with compatible uses.

**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. Per the provided preliminary plat, eight lots are shown, one for each building proposed.

**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. The applicant held a virtual neighborhood meeting on May 12, 2022. Per the submitted report, there were nine attendees present. The only question was in regard to the right-of-way for Sunview. Staff received additional communications from a representative from AT Still University with concerns about the proposed rezone, increased traffic, and compatibility. The applicant has been in contact with AT Still University to address these concerns. Additionally, staff has been present at two meetings between the applicant and representatives for AT Still University. In response to these concerns, the applicant has provided a site plan that includes improved vehicular circulation and increased open space. Further, the applicant has provided a Traffic Generation Study for the proposed development as requested.

**Staff Recommendation:**

Based upon the application received and preceding analysis, staff finds that the subject requests are consistent with the Mesa 2040 General Plan, the review criteria for Site Plan Review approval outlined in Section 11-69-5 of the MZO, the purpose for a Planned Area Development Overlay outlined in Section 11-22-1 of the MZO, and meets the review criteria for approval of a Preliminary Plat outlined in Section 9-6-2 of the Mesa Subdivision Regulations; therefore, staff recommends approval of the request with the following conditions.

**Conditions of Approval:**

1. Compliance with final site plan submitted.
2. Prior to submitting any building permit application, submit a revised site plan to the City, for review in accordance with Chapter 69 of the Zoning Ordinance, modifying the design of the roadways so that truck traffic is directed to exit the western side of the site onto East Inverness Avenue, and coordinate the specific redesign aspects of the roadways with the City Transportation Department prior to submitting the revised site plan to the City for review.
3. Prior to the submittal of a building permit recordation of a cross access and cross parking agreement for the subject site.
4. Compliance with all requirements of Design Review, Case No. DRB22-00432.
5. 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.
6. All off-site improvements and street frontage landscaping must be installed in the first phase of construction.
7. Compliance with all requirements of the Subdivision Regulations.
8. Execute and comply with the development agreement.
9. 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. 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.
  - c. 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 building to achieve a noise level reduction to 45 decibels as specified in Section 11-19-5 of the Mesa Zoning Ordinance.
  - d. Provide written notice to future property owners that the project is within 4 miles of Phoenix-Mesa Gateway Airport
10. Compliance with all City development codes and regulations, except the modifications to the development standards as approved with the PAD overlay and shown in the following table:

<b>Development Standards</b>	<b>Approved</b>
<u>Maximum Building Height</u> – MZO Section 11-7-3	50 feet
<u>Required Parking Spaces by Use</u> – MZO Table 11-32-3.A - <i>Group Industrial</i>	90% of gross floor area at 1 space per 650 square feet and 10% of gross floor area at 1 space per 375 square feet
<u>Setback of Cross Drive Aisles</u> –	

MZO Section 11-32-4.A	Parking spaces along main drive aisles connecting directly to a street shall be set back at least 20 feet from the property line abutting the street, as shown on the final site plan
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**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 Preliminary Plat

Exhibit 4 – Citizen Participation Plan

Exhibit 5 – Citizen Participation Report

Exhibit 6 – Avigation Easement