



PLANNING DIVISION
STAFF REPORT

City Council Meeting

March 6, 2023

CASE No.: **ZON22-01270**

PROJECT NAME: **Copa Health**

Owner's Name:	Accel Properties LLC
Applicant's Name:	John Moore, Copa Health
Location of Request:	Within the 600 block of West Jerome Avenue (north side). Located west of Country Club Road and north of Baseline Road.
Parcel No(s):	134-24-021
Request:	Rezone from Light Industrial with a Bonus Intensity Zone overlay (LI-BIZ) to General Commercial with a Bonus Intensity Zone overlay, Council Use Permit (GC-BIZ-CUP), and Site Plan Review. This request will allow for a social service facility.
Existing Zoning District:	Light Industrial with a Bonus Intensity Zone overlay (LI-BIZ)
Council District:	4
Site Size:	2± acres
Proposed Use(s):	Social Service Facility
Existing Use(s):	Vacant Hospital
P&Z Hearing Date(s):	February 22, 2023 / 4:00 p.m.
Staff Planner:	Charlotte Bridges, Planner II
Staff Recommendation:	APPROVAL with conditions
Planning and Zoning Board Recommendation:	APPROVAL with Conditions (Vote: 7-0)
Proposition 207 Waiver Signed:	Yes

HISTORY

On **June 18, 1973**, the City Council approved the annexation of 4,120± acres of land, including the project site, and established Agricultural (AG) zoning on the site (Ordinance No. 812).

On **December 30, 1980**, the City Council approved a rezoning for 83± acres, including the project site, from AG to M-1 (equivalent to Light Industrial [LI] District) to allow for commercial and industrial uses (Case No. Z80-078; Ordinance No. 1437).

On **July 9, 2009**, the City Council rezoned the project site from LI to Light Industrial with a Bonus Intensity Zone overlay (LI-BIZ) and approved a site plan to allow for the development of a hospital (Case No. Z09-011; Ordinance No. 4936).

On **July 1, 2014**, the City Council approved modifications to the existing LI-BIZ district and a site plan review modification for the project site to allow for the development of a children's hospital (Case No. Z14-026; Ordinance No. 5234).

On **February 22, 2022**, the Planning and Zoning Board, by a vote of 7-0, recommended that City Council approve with conditions the rezone from Light Industrial with a Bonus Intensity Zone overlay (LI-BIZ) to General Commercial with a Bonus Intensity Zone overlay and Council Use Permit (GC-BIZ-CUP) and Site Plan Modification.

PROJECT DESCRIPTION

Background:

The applicant is requesting to rezone the project site from Light Industrial with a Bonus Intensity Zone overlay (LI-BIZ) to General Commercial with a Bonus Intensity Zone overlay (GC-BIZ), approval of a Council Use Permit (CUP), and approval of a Minor Site Plan Modification to allow for a Social Service Facility (Copa Health).

The project site is generally located west of Country Club Drive and north Baseline Road. There is a vacant 21,600 square foot building on the project site that was formerly used as a children's hospital.

The Proposed Project includes the redevelopment of the hospital into a 24-bed, children's behavioral health residential facility, which is classified as a Social Service Facility by the Mesa Zoning Ordinance (MZO). Per Table 11-7-2 of the MZO, a Social Service Facility is not permitted in the LI zoning district. The applicant is seeking to rezone the site to GC which allows for a Social Service Facility with the approval of a CUP.

The requested BIZ overlay will allow for the continuation of development standard modifications that were approved in 2014 by Ordinance No. 5234 (Z14-026) when the children's hospital was developed and includes an additional modification to accommodate the proposed redevelopment of the site for a Social Service Facility.

General Plan Character Area Designation and Goals:

The Mesa 2040 General Plan Character Area designation on the property is Employment with a Business Park Sub-type. Per Chapter 7 of the General Plan, the primary focus of the Employment Character Area is to provide for a wide range of employment opportunities in high-quality settings.

The Proposed Project narrative indicates that the Proposed Project will employ approximately 50 full-time employees and operate 24 hours a day/365-days a year. The applicant states that the Proposed Project is an impactful employment generator because of the operations which

provides 168 more hours per week or over four-times the number of working hours than a typical office.

Per Chapter 7 (page 7-27) of the General Plan, a minimum 70% of the total Employment Character Area with a Business Park Sub-type shall be reserved for primary zoning designations and land uses. The primary zoning designations shall include employment zoning districts, such as Planned Employment Park (PEP), Light Industrial (LI) and General Industrial (GI). The minimum percentage of zoning can be met with a combination of the above listed zoning district, or the entire area may be zoned under on primary zoning district. Currently 80% the Character Area where the Proposed Project is located is established with primary zoning districts.

The Proposed Project includes rezoning 2± acres to GC, which is a secondary zoning district, resulting in 78% of the character still being established with primary zoning districts. Per Chapter 7 of the General Plan, a minimum 70% of the total Employment Character Area with a Business Park Sub-type shall be reserved for primary land uses. The proposed Social Service Facility is considered a Public/Semi-Public use which is a primary land use in the Business Park Sub-type.

Based on the analysis above, the Proposed Project is consistent with the Employment character area with a Business Park Sub-type and meets the development review criteria outlined in Chapter 15 (page 15-1) of the Mesa 2040 General Plan.

Zoning District Designations:

The applicant is requesting to rezone the project site from LI-BIZ to GC-BIZ-CUP to allow a Social Service Facility. Per Table 11-6-2 of the MZO, a Social Service Facility is permitted in the GC district with the approval of a CUP and must adhere to the additional development standards of Section 11-31-26: Social Service Facilities, and the meet the CUP review criteria in Section 11-70-6 of the MZO.

BIZ Overlay Modification – MZO Article 3, Chapter 21:

The Proposed Project includes a Bonus Intensity Zone overlay (BIZ) to allow for modifications to certain required development standards of the MZO. Table 1 below shows the MZO required standards and the applicant's proposed BIZ standards.

Table 1 - Proposed Development Standards

Development Standards	MZO Required	BIZ Proposed	Staff Recommendation
<u>Minimum Building Setback</u> – <i>MZO Section 11-6-3</i> -Front and Street Facing Side: Industrial/Commercial collector (South-Jerome Ave.)	20 feet	15 feet	As Proposed
<u>Required Landscape Yards</u> – <i>MZO Section 11-33-3(B)(2)(a)</i>			

Development Standards	MZO Required	BIZ Proposed	Staff Recommendation
-Non-single Residential Uses Adjacent to Other Non-Single-Residential Uses (West) (North)	Width - 15 feet Width - 15-feet	Width - 6 feet Width - 9 feet, 8-inches	As Proposed
<u>Parking Area Screening –</u> <i>MZO Section 11-30-9(H)</i>	Parking areas and drive aisles shall be screened from street(s) with masonry wall, berm or combination of walls/berms and densely planted landscaping or "vertical wire trellis panels". No more than 40 percent of the screening shall be accomplished with dense landscaping.	Parking areas and drive aisles shall be screened from street(s) with masonry wall, berm or combination of walls/berms and densely planted landscaping or "vertical wire trellis panels". 100% of the screening may be accomplished with dense landscape	As Proposed
<u>Required Parking Spaces by Use –</u> <i>MZO Table 11-32-3.A</i> -Hospitals, hospices, skilled nursing, and nursing and convalescent homes, 1 parking space per 400-square feet of gross floor area	52 parking spaces	51 parking spaces	As Proposed
<u>Parking Lot Landscaping –</u> <i>MZO Section 11-33-4(B)(1)</i>	Parking lot landscape islands shall be installed at each end of a row of stalls and in between for maximum 8 contiguous parking spaces	Parking lot landscape islands shall be installed at each end of a row of stalls and in between for maximum 10 contiguous parking spaces	As Proposed

Minimum Building Setback:

Per Section 11-6-3 of the MZO, the minimum setback along Jerome Avenue is 20 feet.

The applicant is requesting to maintain the 15-foot-wide landscape yard, which was originally approved by Ordinance No. 5234 (Z14-026) as part of the BIZ overlay to allow modifications to certain development standards.

Required Landscape Yards:

Per Section 11-33-3(B)(2)(a) of the MZO, non-single residence uses adjacent to non-single residential districts and/or uses shall provide a 15-foot-wide landscape yard.

The applicant is requesting to maintain a six-foot-wide landscape yard along the west property line and a nine-foot, eight-inch-wide landscape yard along the north property line, which were originally approved by Ordinance No. 5234 (Z14-026) as part of the BIZ overlay.

Parking Area Screening:

Per Section 11-30-9(H) of the MZO, parking areas and drive aisles shall be screened from street(s) with masonry wall, berm or combination of walls/berms and densely planted landscaping or "vertical wire trellis panels". No more than 40 percent of the screening shall be accomplished with dense landscaping. Ordinance No. 5234 (Z14-026), required the installation of parking area screening adjacent to Jerome Avenue in compliance with this MZO requirement.

The parking area screening is comprised of 100% landscape material. The applicant is requesting the existing mature landscape be able to remain and account for 100% of the required parking area and drive aisle screening.

Required Parking Spaces by Use:

Table 11-32-3.A of the MZO does not stipulate a required parking space ratio for a Social Service Facility. Per Section 11-32-3(G), when a parking requirement for a specific use is not listed in Table 11-32-3(A), the Zoning Administrator may base the requirements on similar uses.

The Zoning Administrator determined that the parking ratio for hospital, hospices, skilled nursing, and nursing and convalescent homes uses was the most comparable. Using the ratio of one parking space per 400-square feet of gross floor area 52 parking spaces are required and 51 parking spaces are existing.

The applicant is requesting to maintain the existing 51 parking spaces, which were originally approved by Ordinance No. 5234 (Z14-026) as part of the BIZ overlay.

Parking Lot Landscaping:

Per Section 11-33-4(B)(1) of the MZO, parking lot landscape islands shall be installed at each end of a row of parking stalls and in between for maximum eight contiguous parking spaces. The existing parking area contains a double row with nine spaces on one side and ten spaces on the other.

The applicant is requesting to maintain the existing parking lot landscape configuration, which was originally approved by Ordinance No. 5234 (Z14-026) as part of the BIZ overlay.

Justification:

Per Section 11-21-1 of the MZO, the purpose of a BIZ overlay is to provide for variation from the application of residential densities and other development standards to allow greater intensity of development and encourage unique, innovative developments of superior quality.

Several of the requested modifications were approved in 2014 through a BIZ overlay for the development of the children's hospital. According to the 2014 staff report the BIZ was justified by the building's high-quality design and sustainable elements.

Site Plan and General Site Development Standards:

The Proposed Project includes a 21,600 square-foot, single-story building located on the eastern portion of the site. Access is provided by two driveways off of Jerome Avenue. The eastern driveway serves the main entrance to the building with a separate drop-off lane. Parking for the overall development is located on the west side of the site. Mature trees and shrubs are located in the perimeter landscape yards, parking lot landscape islands and foundation base planting areas.

The requested site plan modification includes the removal of playground equipment located east of the building. The applicant is proposing to remodel the area into a patio that will provide a safe and secure outdoor space for the residents.

Council Use Permit (CUP) – MZO Article 4, Chapter 31, Section 26 and Article 7, Chapter 70, Section 6(D):

Section 11-70-6(D) of the MZO, contains the following review criteria for a CUP:

- A. Approval of the proposed project will advance the goals and objectives of and is consistent with the policies of the General Plan and any other applicable City plan and/or policies;

The proposed Social Service Facility will employ 50 full-time employees, providing for a range of health care related jobs. The project site is already developed in a form consistent with a Business Park Sub-type forms and guidelines. The Proposed Project complies with the Employment character area and other policies of the Mesa 2040 General Plan.

- B. The location, size, design, and operating characteristics of the proposed project are consistent with the purposes of the district where it is located and conform with the General Plan and with any other applicable City plan or policies;

The property was developed for a children's hospital that used to occupy the site. The reuse of the facility for a Social Service Facility is consistent with the intent of the GC district.

- C. The proposed project will not be injurious or detrimental to the adjacent or surrounding properties in the area of the proposed project or improvements in the neighborhood or to the general welfare of the City; and

According to the operational plan, the majority of care is provided inside the building. Staff does not anticipate that the behavioral health care of children will be injurious or detrimental to the surrounding neighborhood which contains a mix of public and commercial uses.

- D. Adequate public services, public facilities and public infrastructure are available to serve the proposed project.

Adequate public facilities are available to the site.

Section 11-31-26 of the MZO, contains development standards for Social Service Facilities and the following additional CUP criteria:

- A. The use complies with the General Plan, Sub Area Plans and other recognized development plans or policies, including the Social Service Facility Guidelines and will be compatible with surrounding uses; and

The use complies with the Employment character.

- B. A finding that a plan of operation has been submitted, which includes, but is not limited to, acceptable evidence of compliance with all zoning, building, and fire safety regulations; and

An operational plan is included in the project narrative and contains the admission and discharge procedures, security measures, and a description of the services provided at the facility. The Proposed Project narrative indicates the facility will comply with all zoning, building and fire safety regulations.

- C. A finding that a "good neighbor policy" in narrative form has been submitted, which includes, but is not limited to, descriptions of acceptable measures to ensure ongoing compatibility with adjacent uses. Such policies shall include, but are not limited to, the name and telephone number of the manager or person responsible for the operation of the facility; complaint response procedures, including investigation, remedial action, and follow-up; and litter control measures; and

The applicant submitted a good neighbor policy which indicates that an operational lead will be identified and their contact information made available on the Copa Health website. Any complaint will be forwarded immediately to Copa's Compliance Manager as well as the Director of Quality Management for follow-up.

- D. Evidence that acceptable documentation is present demonstrating that the building or site proposed for the use is in, or will be brought into, substantial conformance with all current City Development Standards, including, but not limited to, landscaping, parking, screen walls, signage, and design guidelines.

The requested rezoning includes a request for BIZ overlay to modify certain development standards. Other non-complying conditions, such as landscaping, will be replaced and brought up to City standards.

Design Review:

No changes are proposed to the exterior of the existing building as a part of this request. Design Review is not required for the Proposed Project.

Surrounding Zoning Designations and Existing Use Activity:

Northwest LI Office	North LI Office	Northeast LI Retention Basin
West LI Office	Project Site LI-BIZ Vacant hospital	East LI Retention Basin
Southwest (Across Jerome Avenue) LI Public Facility	South (Across Jerome Avenue) LI Public Facility	Southeast (Across Jerome Avenue) GC Retail

Compatibility with Surrounding Land Uses:

The surrounding area is a mix of LI and GI zoning with a mix of office, retail, and public uses. West of the site is a Social Security Office. North of the site is a business office. East of the site is City of Mesa retention basin. South of the site are City of Mesa Parks & Recreation facilities. Southeast of the site is a Fry's supermarket.

The Proposed Project is similar in character to the former children's hospital but varies in services, operational characteristics, and licensure. Once patients are admitted to the facility, treatment takes place within the building. Congregation outside of the building will occur during the loading and unloading of individuals for transport to community-oriented events. Activities taking place outside of traditional business hours include employees or visitors entering the property.

The Proposed Project is compatible with public-semi-public uses in the area while the proposed zoning is compatible with adjacent commercial zoning.

Neighborhood Participation Plan and Public Comments:

The applicant completed a Citizen Participation Process which included mailing notices to surrounding property owners within 500 feet of the site, HOAs within ½ mile, and registered neighborhood within one mile. The applicant hosted a neighborhood meeting on January 23, 2023. Per the Citizen Participation Report, no community members attended the neighborhood meeting.

As of the writing of this report, staff has not received any comments from surrounding property owners.

Staff Recommendation:

The Proposed Project is consistent with the Mesa 2040 General Plan, the development standards for a Social Service Facility in Section 11-31-26 of the MZO, the review criteria for a CUP in Section 11-7-6 and Section 11-31-26 of the MZO, 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.

Staff recommends approval with the following **Conditions of Approval:**

1. Compliance with final site plan and landscape plan submitted.
2. Compliance with the good neighbor policy as provided in the project narrative.
3. Compliance with all requirements of Design Review Case No. DR14-010.
4. Compliance with all City development codes and regulations, except the modifications to the development standards as approved with this BIZ and shown in the following table:

Development Standards	Approved
<u>Minimum Building Setback</u> – <i>MZO Section 11-6-3</i> -Front and Street Facing Side: Industrial/Commercial collector (South-Jerome Ave.)	15 feet
<u>Required Landscape Yards</u> – <i>MZO Section 11-33-3(B)(2)(a)</i> -Non-single Residential Uses Adjacent to Other Non-Single-Residential Uses (West) (North)	Width. 6 feet Width. 9 feet, 8-inches
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<u>Parking Lot Landscaping</u> – <i>MZO Section 11-33-4(B)(1)</i>	Parking lot landscape islands shall be installed at each end of a row of stalls and in between for maximum 10 contiguous parking spaces

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

3.6 Project Narrative

3.7 Citizen Participation Plan

Exhibit 4 – Citizen Participation Report

Exhibit 5 – Good Neighbor Policy