



**PLANNING DIVISION
STAFF REPORT**

City Council Meeting

April 1, 2024

CASE No.: ZON23-00940	PROJECT NAME: Larry H. Miller Ford Mesa
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Owner's Name:	LHM MFD, LLC
Applicant's Name:	Andrew Valestin, Kimley-Horn and Associates, Inc.
Location of Request:	Within the 1600 to 1900 blocks of South Mesa Drive (east side) and within the 400 to 600 blocks of East Auto Center Drive (both sides). Located north of Baseline Road on the east side of Mesa Drive.
Parcel No(s):	139-12-023, 139-12-024A, 139-12-024B, 139-12-029A, and 139-12-030
Request:	Rezone from Light Industrial with a Planned Area Development (LI-PAD) to Light Industrial with a new Planned Area Development overlay (LI-PAD) and a Major Site Plan Modification. This request will allow for the modification of two automobile dealerships.
Existing Zoning District:	Light Industrial with a Planned Area Development overlay (LI-PAD)
Council District:	4
Site Size:	26± acres
Proposed Use(s):	Automobile Dealerships
Existing Use(s):	Automobile Dealerships
P&Z Hearing Date(s):	February 28, 2024 / 4:00 p.m.
Staff Planner:	Kwasi Abebrese, Planner I
Staff Recommendation:	APPROVAL with Conditions
Planning and Zoning Board Recommendation:	APPROVAL with Conditions (6-0)
Proposition 207 Waiver Signed:	Yes

HISTORY

On **December 16, 1974**, the City Council annexed 3,956.7± acres, including the project site, into the City of Mesa (Ordinance No. 907).

On **April 21, 1975**, the City Council established a comparable zoning of Agriculture (AG) on the project site (Case No. Z75-012; Ordinance No. 926).

On **January 28, 1984**, the City Council approved a rezone of 71.5± acres, including the project site from AG to Light Industrial (M-1) (equivalent to LI) to allow for the development of a planned commercial area, specifically oriented to automobile dealerships (Case No. Z84-187; Ordinance No. 1912).

On **January 18, 1988**, the City Council approved a rezone of 71.8± acres, including the project site, from M1 to M-1 PAD (equivalent to LI-PAD) to establish design guidelines for the development of an automobile dealership (Case No. Z87-083; Ordinance No. 2301).

On **February 13, 2024**, the Design Review Board reviewed the proposed request. Staff worked with the applicant to address comments and recommendations from the Design Review Board.

On **February 28, 2024**, the Planning and Zoning Board reviewed the rezoning and major site plan modification request. The Planning and Zoning Board recommend approval, with conditions (Vote 6-0).

PROJECT DESCRIPTION

Background:

The applicant is requesting approval of rezone of 26± acres and a Major Site Plan Modification to allow for the modification of two existing automobile dealerships located in a Light Industrial with a Planned Area Development overlay (LI-PAD) district (Proposed Project).

In 1988, City Council rezoned 71.8± acres of land located on the south side of the U.S Highway 60, between Mesa Drive and Horne from M-1 (equivalent to LI) to M-1-PAD (equivalent to LI-PAD) to establish a set of design guidelines for a proposed auto mall (Case No. Z87-083; Ordinance No. 2301). The proposed auto mall consisted of eight (8) lots, each of which was proposed to accommodate an automobile dealership. Currently, only Lots 1 and 8 have been developed as automobile dealerships. Since the establishment of the PAD in 1988, the remaining lots (Lots 3-7) have developed as large-scale industrial buildings. As part of the development process for the industrial developments, they were rezoned from LI-PAD to LI with a new PAD to remove themselves from the existing auto mall PAD and establish separate PADs that better accommodated the industrial uses. As a result, the original 71.8± acre PAD has been reduced in size to 26± acres. The applicant requested to rezone the remaining 26± acres from LI-PAD to LI-PAD to establish a new PAD that is specific to the existing automobile dealerships and related uses.

In addition to the proposed rezoning, the applicant is also requesting a Major Site Plan Modification for the two existing automobile dealerships on the project site. Per the site plans submitted, the existing Larry H. Miller Ford dealership on the northwest corner of Mesa Drive and Auto Center Drive is proposed to be replaced with a new 103,690 square foot building and a vehicle display and storage parking areas on the west and south sides of the site respectively.

The existing Larry H. Miller Pro-Elite commercial vehicle dealership on the southeast corner of Mesa Drive and Auto Center Drive is proposed to be replaced with a new 44,835 square foot building and a vehicle display and storage parking areas on the west and east sides of the site respectively.

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 Seven of the General Plan, the primary focus of the employment character type is to provide employment type uses. Examples of employment districts include areas for large manufacturing facilities, warehousing, business parks, etc. Per the Plan, Employment districts may include supporting retail and office areas but rarely include any type of residential uses.

The Business Park Sub-type is intended for areas that contain a number of separate businesses, offices, and light industrial uses joined through street and/or open space system and usually have common landscaping and signage. This character type is usually comprised of low intensity developments such as office, office/warehouse, research and development, and similar uses (primary uses). Supporting retail uses are listed as a secondary land use and should comprise no more than 30% of the character area. The project site is located within an Employment Business Park Character Area which encompasses approximately five square miles between the US 60 and Baseline Road and Stapley Drive and Country Club Drive of which more than 70% has been established with primary uses.

The Proposed Project conforms to the goals of the Employment-Business Park character designation by providing supportive retail to the surrounding areas. Staff reviewed the request and determined it is consistent with the review criteria outlined in Chapter 15 (pg. 15-1) of the Mesa 2040 General Plan.

Zoning District Designations:

The project site is zoned Light Industrial with a Planned Area Development overlay (LI-PAD). Per Section 11-7-1 of the MZO, the purpose of the Light Industrial (LI) district is to provide areas for limited manufacturing and processing, wholesaling, research, warehousing, and distribution activities that take place within enclosed buildings, with restricted outdoor storage as needed to support the primary uses.

Per Section 11-7-2 of the MZO, automobile/vehicle sales and leasing are permitted in the LI zoning district.

PAD Overlay Modification – MZO Article 3, Chapter 22:

The Proposed Project includes a Planned Area Development overlay (PAD) to allow for modifications to certain required development standards of the MZO. 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 – Proposed PAD Standards

Development Standards	MZO Requirement	Proposed	Staff Recommendation
<p><u>Required Building and Landscape Setback –</u> <i>MZO Section 11-7-3</i> - Required building and landscape setback adjacent to arterial and local streets, and Freeways (Arterial Street)</p> <p>(Local Street)</p> <p>(Freeway)</p>	<p>15 feet</p> <p>20 feet</p> <p>15 feet (for parking structures)</p>	<p>10 feet at the west property line for the auto dealership on the north side of Auto Center Drive (existing)</p> <p>10 feet at the south property line for the auto dealership at the north side of Auto Center Drive (existing)</p> <p>10 feet at the east side of the north property line for the auto dealership on the south side of Auto Center Drive (existing)</p> <p>0 feet at the north property line for the auto dealership on the north side of Auto Center Drive (existing)</p>	<p>As proposed</p>

Development Standards	MZO Requirement	Proposed	Staff Recommendation
<u>Required Landscape Yards –</u> <i>MZO Section 11-33-3(B)(2)</i> - Landscaping for Non-Single Residences adjacent to other Non-Single Residences (width)	15 feet	0 feet at the east side of the south property line for the auto dealership on the south side of Auto Center Drive (existing) 0 feet at the east property line for the auto dealership on the south side of Auto Center Drive (existing) 10 feet at the west side of the south property line for the auto dealership on the south side of Auto Center Drive (existing)	As proposed
<u>Perimeter Landscaping –</u> <i>MZO Section 11-33-3(B)(2)</i> -Landscaping for Non-Single Residences adjacent to other Non-Single Residences (Number of plants)	A minimum of 3 non-deciduous trees and 20 shrubs per 100 linear feet of adjacent property line	Zero trees along the south property line for the auto dealership on the south side of Auto Center Drive	As proposed
<u>Screening of parking areas –</u> <i>MZO Section 11-30-9(H) –</i> Screen walls	Parking areas and drive aisles shall be screened from streets with masonry wall, berm or combination of walls/berms and densely planted landscaping.	Parking areas and drive aisles are not required to be screened from streets with masonry wall, berm or combination of walls/berms and densely planted landscaping.	As proposed

Development Standards	MZO Requirement	Proposed	Staff Recommendation
<u>Required Parking Spaces by Use –</u> MZO Section 11-32-3(A) -General offices, retail, and services	1 space per 375 square feet (290 total spaces for the auto dealership on the north side of Auto Center Drive) (137 total spaces for the auto dealership on the south side of Auto Center Drive)	<p style="text-align: center;">79 total spaces for the auto dealership on the north side of Auto Center Drive</p> <p style="text-align: center;">35 total spaces for the auto dealership on the south side of Auto Center Drive</p>	As proposed
<u>Setback of Cross Drive Aisles and Parking Spaces –</u> MZO Section 11-32-4(A)	50 feet	<p style="text-align: center;">22 feet at the auto dealership on the south side of Auto Center Drive (existing)</p>	As proposed

Required Building and Landscape Setback:

Per Section 11-7-3 of the MZO, a minimum of 15 feet building and landscape setback is required on the side of the properties adjacent to an arterial street and 20 feet on the street side adjacent to a local street. Also, a minimum of 15 feet is required on the side of the property adjacent to a Freeway.

The applicant is requesting 10 feet at the west and south sides as well as zero feet at the north side of the project site for the auto dealership on the north side of Auto Center Drive. The applicant is also requesting 10 feet at the east side of the north property line of the auto dealership on the south side of Auto Center Drive.

Required Landscape Yards:

Per Section 11-33-3(B)(2) of the MZO, the minimum landscape setback required for a non-residential district adjacent to other non-residential districts is 15 feet.

The applicant is requesting 10 feet at the west side of the south property line for the auto dealership on the south side of Auto Center Drive.

The applicant is also requesting a zero-foot setback along the east property line and the east side of the south property line for the auto dealership on the south side of Auto Center Drive. The east as well as southeast sections of the project site will serve as an outdoor storage and service area and will be screened with an eight-foot-tall masonry wall from public view.

Perimeter Landscaping:

Per Section 11-33-3(B)(2) of the MZO, a minimum of three non-deciduous trees per 100 linear feet is required at the sides of the project site adjacent to other non-single residences.

No trees are proposed along the south property line for the auto dealership on the south side of Auto Center Drive.

Screening of Parking Areas:

Per Section 11-30-9(H) of the MZO, parking areas and drive aisles shall be screened from streets with masonry wall, berm or combination of walls and berms as well as densely planted landscaping or vertical wire trellis panels.

The applicant is requesting for the elimination of parking screen walls for the two auto dealerships. This deviation will allow for better visibility of vehicle display areas from the public right of way and adjacent arterial and local streets.

Required Parking Spaces by Use:

Per Section 11-32-3(A) of the MZO, the required parking ratio for the proposed retail use is one space per 375 square feet per gross floor area of building. In all, a total of 290 parking spaces are required for employee and customer parking for the auto dealership on the north side of Auto Center Drive and 137 spaces for the auto dealership on the south side of Auto Center Drive.

Through this PAD, the applicant is requesting a 75% reduction in the required customer and employee parking spaces for the two auto dealership sites. In all, a total of 79 spaces are proposed for the auto dealership on the north side of Auto Center Drive and 35 spaces for the auto dealership on the south side of Auto Center Drive.

Setback of Cross Drive Aisles and Parking Spaces:

Per Section 11-32-4(A) of the MZO, parking spaces along main drive aisles connecting directly to a street and drive aisles that cross such main drive aisles shall be setback at least 50 feet from the property line.

The applicant is requesting 22 feet at the entry drive aisle for the auto dealership on the south side of East Auto Center Drive.

PAD Justification:

The Proposed Project meet the standard for high quality development by providing enhanced entry and exit ways to and from Auto Center Drive with enhanced landscaping, as well as pedestrian connections and quality building elevations. The Proposed Project complies with

the requirements of a PAD outlined in Section 11-22 of the MZO by providing equivalent or superior features that meet the intent of the base zone development standards.

Site Plan and General Site Development Standards:

The Proposed Project site plan, on the north side of Auto Center Drive, shows the redevelopment of an existing auto dealership site. The Proposed Project includes the replacement of the existing showroom and outdoor service bays with a new 103,690 square foot building with vehicle display and storage parking areas on the west and south sides of the site respectively.

Vehicular access to the site is provided from Auto Center Drive on the south side of the project site. Onsite walkways will connect the primary entrance of the proposed building to the public sidewalk on East Auto Center Drive.

A total number of 721 parking spaces will be provided along the north, east, and west sides of the proposed building. Out of the 721 spaces, 394 spaces are proposed for vehicle display, 233 spaces are designated for storage as well as servicing of vehicles, and 79 spaces for customer and employee parking.

The Proposed Project site plan, on the south side of Auto Center Drive, shows the redevelopment of the property with a new 44,835 square foot building as well as the addition of new vehicle display parking spaces along Mesa Drive and Auto Center Drive and on the west side of the project site. The Proposed Project includes the addition of new customer parking spaces on the west side of the proposed building and a vehicle storage and service area on the east side of the proposed building.

Vehicular access to the site is provided from Auto Center Drive on the north side of the project site. Onsite walkways will connect the primary entrance of the proposed building to the public sidewalk on East Auto Center Drive.

A total number of 256 parking spaces will be provided along the north, east, and west sides of the proposed building. Out of the 256 spaces, 137 spaces are proposed for vehicle display, 71 spaces are designated for storage, and 35 spaces for customer and employee parking. Overall, the proposed site plan conforms to the requirements of the MZO including the review criteria for Site Plan Review outlined in Section 11-69-5 of the MZO.

Surrounding Zoning Designations and Existing Use Activity:

<p>Northwest LI-PAD (Across Superstition Freeway) AG Vacant</p>	<p>North LI-PAD (Across Superstition Freeway) NC & RS-6 Single Residence</p>	<p>Northeast LI-PAD (Across Superstition Freeway) Vacant Single Residence</p>
<p>West LI-PAD (Across South Mesa Drive) Automotive Complex</p>	<p>Project Site LI-PAD Auto Dealership</p>	<p>East LI-PAD Industrial</p>
<p>Southwest (Across South Mesa Drive) PS Office</p>	<p>South LI Industrial</p>	<p>Southeast LI Industrial</p>

Compatibility with Surrounding Land Uses:

The project site currently consists of two existing automobile dealerships. The properties to the east are large-scale industrial developments. The adjacent properties to the north across U.S. Highway 60 are comprised of existing single residences. The properties to the south of the site are existing industrial developments. To the west of the site across Mesa Drive is an existing office and automotive complex.

The Proposed Project will not be out of character with existing developments and uses in the surrounding area.

Neighborhood Participation Plan and Public Comments:

The applicant completed a Citizen Participation Process, which included mailing letters to property owners within 1,000-feet of the site, as well as HOAs within ½ mile and registered neighborhoods within one mile of the site.

As of writing this report, neither the applicant nor staff has received any comments or concerns from surrounding property owners.

Staff Recommendation:

Staff finds that the Proposed Project is consistent with the Mesa 2040 General Plan, the review criteria for Site Plan Review approval outlined in Section 11-69-5 of the MZO and meets the review criteria and purpose for a Planned Area Development overlay outlined in Section 11-22-1 of the MZO. Staff recommends approval of the request with the following **Conditions of Approval:**

1. Compliance with the final site plan and landscape plan submitted with this request.
2. Compliance with all requirements of Design Review (Case Nos. DRB23-00865 and DRB23-00900).

3. 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:

Development Standards	Approved
<p><u>Required Building and Landscape Setback</u> – <i>MZO Section 11-7-3</i> - Required building and landscape setback adjacent to arterial and local streets, and Freeways (Arterial Street)</p> <p>(Local Street)</p> <p>(Freeway)</p>	<p>10 feet at the west property line for the auto dealership on the north side of Auto Center Drive</p> <p>10 feet at the south property line for the auto dealership at the north side of Auto Center Drive</p> <p>10 feet at the east side of the north property line for the auto dealership on the south side of Auto Center Drive</p> <p>0 feet at the north property line for the auto dealership on the north side of Auto Center Drive</p>
<p><u>Required Landscape Yards</u> – <i>MZO Section 11-33-3(B)(2)</i> - Landscaping for Non-Single Residences adjacent to other Non-Single Residences (width)</p>	<p>0 feet at the east side of the south property line for the auto dealership on the south side of Auto Center Drive</p> <p>0 feet at the east property line for the auto dealership on the south side of Auto Center Drive</p> <p>10 feet at the west side of the south property line for the auto dealership on the south side of Auto Center Drive</p>
<p><u>Perimeter Landscaping</u> – <i>MZO Section 11-33-3(B)(2)</i> -Landscaping for Non-Single Residences adjacent to other Non-Single Residences (Number of plants)</p>	<p>Zero trees on the south property line for the auto dealership on the south side of Auto Center Drive</p>

Development Standards	Approved
<u>Screening of parking areas –</u> <i>MZO Section 11-30-9(H) – Screen walls</i>	Parking areas and drive aisles are not required to be screened from streets with masonry wall, berm or combination of walls/berms and densely planted landscaping.
<u>Required Parking Spaces by Use –</u> <i>MZO Section 11-32-3(A)</i> -General offices, retail, and services	79 total spaces for the auto dealership on the north side of Auto Center Drive 35 total spaces for the auto dealership on the south side of Auto Center Drive
<u>Setback of Cross Drive Aisles and Parking Spaces –</u> <i>MZO Section 11-32-4(A)</i>	22 feet at the auto dealership on the south side of Auto Center Drive

Exhibits:

- Exhibit 1 – Presentation
- Exhibit 2 – Ordinance
- Exhibit 3 – Ordinance Map
- Exhibit 4 – Vicinity Map
- Exhibit 5 – Site Plan
- Exhibit 6 – P&Z Minutes
- Exhibit 7 – Submittal Documents