



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

**City Council Hearing**

**February 22, 2021**

CASE No.: <b>ZON20-00769</b>	PROJECT NAME: <b>E202</b>
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Owner's Name:	Loop 202 & Elliot Road Parcel #2 LLC
Applicant's Name:	Eric Zitny, Ware Malcomb
Location of Request:	Within the 8400 to 8800 blocks of East Elliot Road (north side) and within the 3400 to 3600 blocks of South Hawes Road (east side). Located east of Hawes Road and north of Elliot Road.
Parcel No(s):	304-03-042A, -043A & -012U
Request:	Rezone from Light Industrial with a Planned Area Development overlay (LI-PAD) to LI-PAD; and Site Plan Review. This request will allow for an industrial development.
Existing Zoning District:	Light Industrial with a Planned Area Development overlay (LI-PAD)
Council District:	6
Site Size:	77± acres
Proposed Use(s):	Industrial
Existing Use(s):	Vacant
P&Z Hearing Date(s):	<b>January 27, 2021 / 4:00 p.m.</b>
Staff Planner:	Cassidy Welch, Planner II
Staff Recommendation:	APPROVAL with Conditions
Planning and Zoning Board Recommendation:	Approval with conditions
Proposition 207 Waiver Signed:	Yes

**HISTORY**

On **February 22, 1990**, the City Council approved the annexation of approximately 1722± acres of land, including a portion of the subject site (Ordinance No. 2482).

On **February 18, 1999**, the City Council approved the annexation of approximately 12± acres of land, including the remaining portion of the subject site and subsequently zoned the property Agricultural (AG) (Case No. Z90-009, Ordinance No. 3698, Ordinance No. 2511).

On **November 3, 2014**, the City Council approved an overlay zoning designation on 1054 acres of property along the Elliot Road (i.e. the Elliot Road Technology Corridor Planned Area Development overlay). The overlay zoning designations allows properties within the boundary of the overlay to opt-in to the zoning overlay and receive a zoning designation of Light Industrial (LI) zoning after approval of the opt-in process. (Z14-045, Ordinance No. 5255).

In **November 2017**, City Council approved a Development Agreement (DA) to allow the subject site to opt-in to the Elliot Road Technology Corridor (ERTC). This subsequently rezoned the property to LI-PAD as part of the Elliot Road Technology Corridor PAD.

## **PROJECT DESCRIPTION**

### **Background:**

The applicant is requesting to rezone the subject site from Light Industrial with a Planned Area Development (LI-PAD) overlay to LI-PAD and a site plan review to allow the development of two large industrial buildings on the property. Currently, the site is vacant and located at the northeast corner of Hawes and Elliot Roads. The submitted site plan shows proposed development of two large industrial buildings totaling 1,080,240 square feet (sf).

The purpose for the rezoning is to remove the property from the approved overlay designation to allow certain development standards and uses that are not allowed within the overlay standards. Currently, once a property opts-in to the ERTC and obtains the LI designation, the property is bound to conform to all requirements and standards in the overlay. The alternative to not conform to those overlay standards is to rezone the property to opt out of the ERTC overlay. According to the applicant, the proposed uses on the property will include warehousing and storage. Per the approved PAD documents, warehousing and storage uses are not permitted within the ERTC, hence the request to rezone the property to remove it from the ERTC overlay. Per Section 11-7-2 of the MZO, warehousing and storage uses are allowed within the LI zoning district.

As part of the rezoning request, the applicant is requesting a PAD overlay to allow modifications to certain development standards on the property. This PAD overlay request is allowed as outlined in Section 11-22 of the Zoning Ordinance and differs from the ERTC overlay process and standard, as the ERTC process has its own standards and process which are different from those PAD process outlined in section 11-22-2 of the MZO. The proposed modifications with the PAD request are 1) an increase to the maximum building height, 2) a reduction in the required number of parking spaces, 3) allowing a storage yard to be located on the street facing side of the building, and 4) allowing truck docks to be located on the street facing side of the building.

Per Section 11-22 of the Mesa Zoning Ordinance (MZO), the purpose of a PAD overlay is to permit flexibility in the application of zoning standards and requirements and demonstrate

that the proposed development provides equivalent or superior standard in a creative way to meet the intent of the City's Zoning Ordinance and General Plan. The proposed site plan meets the criteria for review of a PAD outlined in the MZO and the criteria for site plan review.

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

The General Plan character area designation on the property is Employment and Mixed Use Activity District. Per the plan, Mixed Use Activity District character areas are large in scale and provide community and regional activity areas. The goal of the district is to also help create strong and viable centers of commercial activity that attract people to unique shopping and entertainment experiences. Per Chapter 7 of the General Plan, the Employment character area designation is to provide a wide range of employment opportunities in high-quality settings. Examples of employment-type land uses include areas for large manufacturing facilities, warehousing, and business park type uses.

The proposed rezoning and development of the property for industrial uses will provide the opportunity for employment generating uses which conform to the goals of the employment character designation. In sum, the proposed rezoning and PAD overlay conforms to the goals of the Employment character area designation. Staff reviewed the request and determined the proposed rezoning and use of the property is consistent with the criteria for review outlined in Chapter 15 (pg. 15-1) of the Mesa 2040 General Plan.

**Mesa Gateway Strategic Development Plan:**

The site is also located within the Mesa Gateway Strategic Development Plan and specifically located within the Inner Loop District of the Plan. Per the Strategic Plan, the focus of the Inner Loop District is to provide a high-quality, mixed-use environment that is compatible with increasing over-flight activities associated with the Phoenix-Mesa Gateway Airport operations. The proposed development of a large industrial buildings is consistent with the goals of the Mesa Gateway Strategic Development Plan.

As a recommendation of the Mesa Gateway Strategic Development plan, the City of Mesa conducted a specific land use study in 2018 (i.e. the 2018 Inner Loop Land Use Study) for the Inner Loop Area of the Plan. The intent of the study was to ensure appropriate allocation of land uses and distribution that aligns with the goals of the Mesa Gateway Strategic Development Plan. The study designated the subject property as appropriate for Employment/Business Park and Transit Corridor type uses. The proposed development conforms with the recommendations of the land use study.

**Airfield Overlay – MZO Article 3 Section 11-19:**

Per Section 11-19 of the MZO, the site is located within the Airfield Overlay District, specifically within the Airport Overflight Area Three (AOA 3). The location of the property within the Airfield Overlay is due to its proximity to the Phoenix-Mesa Gateway Airport. Per Section 11-7-2 of the MZO, the AOA 3 allows industrial and warehouse uses.

**Zoning District Designations:**

The applicant is requesting to rezone the site from LI-PAD (within the Elliot Road Technology Corridor) to LI-PAD. Per Section 11-7-2 of the MZO, industrial uses are permitted in the LI

zoning district. Per Section 11-7-1 of the MZO, the purpose of the LI zoning district is to provide areas for limited industrial and high-impact commercial uses. The proposed rezoning and intended development for industrial uses on the property conforms to the goals of the LI district.

**PAD Overlay Modification – MZO Article 3, Chapter 22:**

The subject request includes a Planned Area Development (PAD) overlay 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 below shows the MZO required standards and the applicant's proposed PAD standards:

*Table 1*

<b>Development Standard</b>	<b>Required</b>	<b>Proposed</b>	<b>Staff Recommendation</b>
Maximum Building Height – <i>MZO Section 11-7-3</i>	40'	<b>60' for proposed buildings, 150' for ancillary facilities</b>	As proposed
Required Parking Ratio – <i>MZO Section 11-32-3</i> Warehousing & Storage	1 space per 900 SF	<b>1 space per 1,350 SF</b>	As proposed
Outdoor Storage – <i>MZO Section 11-30-7</i>	Not permitted in front or street-facing side yards	<b>Permitted in the street-facing side yard along Elliot Road as shown on the site plan</b>	As proposed
Truck Docks, Loading and Service Areas – <i>MZO Section 11-30-13</i>	Must be located at the rear or side of buildings, rather than facing a street.	<b>Permitted to face the street (i.e on Elliot Road) as shown on the site plan</b>	As proposed

As shown on the table above, the applicant is requesting the following modifications from the LI development standards as outlined in Sections 11-7-3, 11-30-7, 11-30-13 and 11-32-3 of the MZO:

**Maximum Building Height:**

Per Section 11-7-3 of the MZO, the maximum building height in the LI zoning district is 40 feet. The applicant is requesting a maximum building height of 60 feet for the proposed industrial buildings and 150 feet for ancillary facilities on the property. The ancillary facilities are those equipment necessary to the primary operations of the businesses such as mechanical systems and structural enhancements. According to the applicant, the requested increase in height is needed to accommodate the type of operation planned for the use of the building.

**Required Parking Ratio – Warehousing and Storage & Office:**

Per Section 11-32-3 of the MZO, the required minimum vehicular parking ratio for warehousing and storage land uses is 1 space per 900 square feet. The applicant is requesting a modification

to the parking ratio for warehousing. Specifically, the applicant is requesting 1 parking space per 1,350 square feet of area. According to the applicant, the anticipated users do not require such number of parking spaces as required in the Code, as well as also want to minimize the sea of unused parking areas on the property. The requested parking ratio is consistent with approved parking ratios for other warehouse developments within the City of Mesa.

**Outdoor Storage – Street-Facing Side Yards:**

Per Section 11-30-7 of the MZO, outdoor storage is not permitted in the front or street-facing side yards in the LI zoning district. The applicant is requesting to allow outdoor storage in the street-facing side yard adjacent to Elliot Road. According to the applicant, outdoor storage on both sides of the buildings is necessary for the efficient and sustainable operations associated with such manufacturing and logistics businesses anticipated on the property. The proposed development will comply with all other requirements for Outdoor Storage as outlined in MZO Section 11-30-7, including screening by an 8' wall and enhanced landscaping along Elliot Road.

**Truck Docks, Loading and Service Areas – Side and Rear Facing:**

Per Section 11-30-13 of the MZO, truck docks, loading, and service areas are required to be located along the rear and sides of the buildings, rather than facing a street. The applicant is requesting to allow truck docks to face Elliot Road. According to the applicant, truck docks on both sides of the buildings are necessary for the efficient and sustainable operations anticipated on the property. The proposed development will comply with all other screening requirements, including screening by an 8' wall and enhanced landscaping along Elliot Road.

**Site Plan and General Site Development Standards:**

The proposed site plan shows development of two industrial buildings on the property. Specifically, building one is proposed to be approximately 460,320 square feet (SF) and building two is proposed to be approximately 619,920 SF. From the submitted building elevations, the buildings will be a maximum height of 60 feet. The site plan also shows each building will have truck docks and loading bays as well as outdoor storage on the north and south sides of the buildings. Per the submitted plans, the truck docks and outdoor storage areas will be screened by an 8' wall which conforms to the screening requirements outlined in Section 11-30-7 of the MZO.

The site plan also shows access to the site will be from both Elliot Road and Hawes Road. Elliot Road is located south of the site and Hawes Road is located east of the site. Vehicular parking areas for the buildings is proposed to be located on the east and west sides of each building with a 40-foot central drive aisle located between the two buildings. The site plan shows a landscape buffer will be constructed along Elliot Road to screen the proposed development, specifically the truck loading areas from public view. Overall, the proposed site plan conforms to the review criteria for Site Plan Review outlined in Section 11-69-5 of the MZO.

**Preliminary Plat:**

As part of the subject request, the applicant is requesting a preliminary plat to combine all parcels on the site into one. 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 detention 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. The request meets the review criteria for approval of a preliminary plat outlined in Section 9-6-2 of the Mesa Subdivision Regulations.

#### **Design Review:**

The Design Review Board is scheduled to review the subject request on January 12, 2021. Staff will be working 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 Hawes Road) RSL-2.5-PAD Farm	<b>North</b>  LI-PAD Vacant	<b>Northeast</b> (Across 202 San-Tan Freeway) LI-PAD Vacant
<b>West</b> (Across Hawes Road) AG & MX-PAD Single Residence & Vacant	<b>Subject Property</b>  LI-PAD Vacant	<b>East</b> (Across 202 San-Tan Freeway) LC-PAD Vacant
<b>Southwest</b> (Across Hawes Road & Elliot Road) MX-PAD Vacant	<b>South</b> (Across Elliot Road)  LC-PAD & MX-PAD Vacant	<b>Southeast</b> (Across 202 San-Tan Freeway & Elliot Road) GC-PAD Vacant

#### **Compatibility with Surrounding Land Uses:**

Currently, the subject site is surrounded primarily by vacant land. The property to the north of the subject site is zoned LI and is anticipated to develop in a manner compatible with the proposed development. The surrounding properties to the east, south, and west are currently zoned to allow commercial and industrial land uses that will be in conformance with the proposed development.

#### **Neighborhood Participation Plan and Public Comments:**

The applicant has completed a Citizen Participation Process which included mailed letters to property owners within 1,000-feet of the site, as well as HOAs within 1/2 mile and registered neighborhoods within 1 mile of the site. As of writing this report, staff has not received any comments/concerns from surrounding property owners. The applicant will be providing an updated Citizen Participation Report to staff prior to the January 27, 2021 Study Session.

#### **Staff Recommendation:**

The subject request is consistent with the General Plan, the Gateway Strategic Development Plan, and the purpose for a Planned Area Development overlay outlined in Section 11-22-1 of the MZO. Additionally, the request meets the review criteria for Site Plan Review outlined in

Section 11-69-5 of the MZO. Therefore, staff recommends approval with the following conditions:

**Conditions of Approval:**

1. Compliance with the final site plan submitted.
2. Compliance with all requirements of Design Review.
3. Compliance with all requirements of the Subdivision Regulations.
4. 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.
5. Compliance with all requirements of Chapter 19 of the Zoning Ordinance including:
  - a. Owner shall execute and record the City's standard aviation easement and release for Phoenix-Mesa Gateway Airport prior to the issuance of a building permit.
  - b. 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 buildings to achieve a noise level reduction to 45 decibels as specified in Section 11-19-5 of the Mesa Zoning Ordinance.
  - c. Provide written notice to future property owners that the project is within 2 miles of the Phoenix-Mesa Gateway Airport.
  - d. 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.
  - e. All final subdivision plats and sales and leasing offices shall include a disclosure notice in accordance with Section 11-19-5(C) of the Zoning Ordinance which shall state in part: "This property, due to its proximity to Phoenix-Mesa Gateway Airport, will experience aircraft overflights, which are expected to generate noise levels that may be of concern to some individuals."
6. Compliance with all City development codes and regulations, except the modifications to the development standards as approved with this PAD and shown in the following table:

<b>Development Standard</b>	<b>Approved</b>
Maximum Building Height – <i>MZO Section 11-7-3</i>	<b>60' for proposed buildings, 150' for ancillary facilities</b>
Parking Ratio – <i>MZO Section 11-32-3</i> Warehousing & Storage	<b>1 space per 1,350 SF</b>
Outdoor Storage – <i>MZO Section 11-30-7</i>	<b>Permitted in the street-facing side yard along Elliot Road</b>
Truck Docks, Loading and Service Areas – <i>MZO Section 11-30-13</i>	<b>Permitted to face the street along Elliot Road</b>

**Exhibits:**

**Exhibit 1-Staff Report**

**Exhibit 2-Vicinity Map**

**Exhibit 3-Application Information**

3.1 Project Narrative

3.2 Site Plan

3.3 Preliminary Plat

3.4 Landscape Plan

3.5 Elevations

**Exhibit 4-Citizen Participation Report**

**Exhibit 5-Avigation Easement**