



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

**City Council Hearing**

**April 5, 2021**

CASE No.: **ZON20-00842**

PROJECT NAME: **AZ2**

Owner's Name:	Commercial Metal Company
Applicant's Name:	Andy Sarat, CMC
Location of Request:	Within the 11100 to 11600 blocks of East Pecos Road (south side) and within the 11100 to 11600 blocks of East Germann Road (north side) and within the 6800 to 7600 blocks of the South Meridian Road alignment (west side). Located west of the Meridian Road alignment, south of Pecos Road and north of Germann Road.
Parcel No(s):	304-63-004E, 304-63-003M, 304-63-003N, & 304-63-003G
Request:	Modification to the existing Bonus Intensity Zone (BIZ) Overlay; and Site Plan Review. This request will allow development of new industrial buildings within the existing industrial development on the site.
Existing Zoning District:	General Industrial (GI) with a Bonus Intensity Zone Overlay (BIZ) and Council Use Permit (CUP)
Council District:	6
Site Size:	229± acres
Proposed Use(s):	Industrial
Existing Use(s):	Industrial
P&Z Hearing Date(s):	<b>February 24, 2021 / 4:00 p.m</b>
Staff Planner:	Ryan McCann
Staff Recommendation:	APPROVAL with Conditions
Planning and Zoning Board Recommendation: Approval with conditions	
Proposition 207 Waiver Signed: Yes	

## HISTORY

On **December 18, 1989**, the City Council approved the annexation of a 3,360± acre area that included the subject property (Ordinance No. 2473).

On **March 5, 1990**, the City Council approved a rezoning of the subject property as part of a larger area from Maricopa County Rural 43 to City of Mesa Single Residence 43 (RS-43). (Case No. Z90-007, Ordinance No. 2496).

On **March 19, 1990**, the City Council approved a rezoning of a 640± acre property, which included the subject property, from SR-43 to General Industrial (GI) within an Airfield Overlay District and a Council Use Permit (CUP) to allow development of an automotive air bag manufacturing facility (Case No. Z90-008, Ordinance No. 2502).

On **June 30, 2003**, the City Council approved a modification to Ordinance No. 2502 to remove the Council Use Permit on 227± acres of the subject property. (Case No. Z03-022, Ordinance No. 4087).

On **July 9, 2007**, the City Council approved a rezoning of a 227± acre property, from General Industrial (GI) to General Industrial with a Bonus Intensity Zone Overlay (BIZ), and a Council Use Permit (CUP) to allow development of a steel mill on the 227± acre property (Case No. Z07-067, Ordinance No. 4740).

On **August 18, 2008**, the City Council approved a rezoning of a 2± acre property, from RS-43 to General Industrial with a Bonus Intensity Zone Overlay (BIZ), a Council Use Permit (CUP) to be included with the existing 227± acre property to allow the continued development of the approved steel mill (Case No. Z08-039, Ordinance No. 4470).

On **September 27, 2010**, the City Council approved modification to Ordinance No. 4470 to allow the phasing of development on the subject property (Case No. Z10-002, Ordinance No. 5004).

## PROJECT DESCRIPTION

### **Background**

The subject request is a site plan modification to allow development of approximately 461,000± square foot of building area expansion to an existing industrial facility. The request also includes modification to the approved Bonus Intensity Zone Overlay on the property to allow a maximum building height from 120' to 165', as well as reduction in the number of required parking spaces on the property. Currently, the property is zoned General Industrial (GI) with a Bonus Intensity Zone Overlay and a Council Use Permit to allow metal refining, casting or extraction operations on the property. The proposed expansion on the property to accommodate construction of new buildings, include a merchant micro mill, scale building, locker/office room, and storage buildings constitute a major amendment to the approved site

plan. Per Section 11-67-10 of the Mesa Zoning Ordinance, the proposed site plan amendment and Bonus Intensity Zone Overlay is required to be reviewed by the Planning and Zoning Board and City Council.

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

The General Plan character area designation on the property is Employment with an Industrial subtype. 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. The Industrial subtype signifies locations appropriate for manufacturing, warehousing, and industrial operations. These areas typically have larger lots and require provision of access and circulation by large vehicles. These industries typically provide quality jobs and require protection from encroachment of non-compatible uses.

The proposed site plan modification and BIZ conforms to the goals of the Employment character area designation and the industrial subtype on the property. The industrial operations on the property continues to be a major employer in the City and the expansion will afford more opportunities to absorb more employment. Staff reviewed the request and determined the proposed use and expansion on the property and BIZ overlay 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 Logistics & Commerce District of the Plan. Per the Strategic Plan, the focus of the Logistics & Commerce District is to provide a high-quality employment environment that is compatible with increasing over-flight activities associated with Phoenix-Mesa Gateway Airport. Per the Plan, desired uses within the district include manufacturing facilities, large warehouses, distribution facilities, planned employment parks, and similar uses. The proposed expansion of an industrial development and operation is consistent with the goals of the Mesa Gateway Strategic Development Plan.

#### **Zoning District Designations:**

The subject property is zoned General Industrial (GI). Per Section 11-7-2 of the Mesa Zoning Ordinance (MZO), the proposed use of the property for metal, refining, casting or extrusion uses are allowed on the property through approval of a Council Use Permit. On July 9, 2007, the City Council approved a CUP to allow the metal refining, casting, or extrusion on the property.

#### **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 AOA 3 is due to its proximity to the Phoenix Mesa Gateway Airport. Per Section 11-19 of the MZO, the AOA 3 area has no restrictions for industrial uses. The Phoenix Mesa Gateway Airport staff reviewed the subject request and had no concerns with the proposed development.

**Bonus Intensity Zone (BIZ) Overlay District – MZO Article 3, Chapter 21:**

The subject request includes modification to the approved BIZ overlay to allow maximum building height on the property from 120' to 165', and reduce the number of required parking spaces. Per Section 11-21 of the MZO, the purpose of the overlay is to allow innovative design and flexibility that creates high-quality development for the site.

Table 1 below shows the required standards, the applicant's proposed BIZ standards, and staff recommendations:

***Table 1***

<b>Development Standard</b>	<b>Required GI</b>	<b>Proposed GI-BIZ</b>	<b>Staff Recommendation</b>
<u>Maximum Building Height:</u> <i>Per existing BIZ (Case No. Z07-067, Ordinance No. 4047)</i>	120'	<b>165'</b>	<b>As proposed</b>
<u>Required Number of Parking Spaces:</u> <i>MZO Section 11-32-3</i>	1406 spaces	<b>386 spaces</b>	<b>As proposed</b>

**Maximum building height:**

Per section 11-7-3 of the MZO, the maximum building height in the GI district is 50 feet. The existing BIZ Overlay for the property approved a maximum building height of 120 feet. The applicant is requesting modification to the existing BIZ to allow a maximum building height of 165 feet. According to the elevations submitted, the increase in height is needed to accommodate the industrial operations on the property.

**Required Parking Spaces:**

Per section 11-32-3 of the MZO, 1,406 parking spaces are required. The applicant is requesting to provide a total of 386 parking spaces on the property. This is a reduction of 1,020 spaces. According to the applicant, the requested parking spaces and reduction is the number of spaces needed for its operation. The reduction is also consistent with the previously approved parking reduction on the property.

Overall, the proposed development conforms to the criteria for a BIZ. Per Section 11-21 of the MZO, the purpose of a BIZ is to encourage unique, innovative developments of superior quality. The expansion to the existing industrial operations will allow for additional employment opportunities that are compatible with surrounding land uses, increasing overflight areas from the airport, and furthers the goals of the General Plan.

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

The proposed site plan shows development of a 461,000± square foot building area expansion. Currently, the site is developed with a 422,000± square foot industrial building area to support

operations on the property. From the submitted site plan, there is one existing access point along Germann Road. The site plan shows the addition of a new vehicular access entrance on Germann Road to the west of the site. According to the applicant, the new entrance is intended to be utilized by large trucks. The site plan also shows a 40-acre solar panel area located on the northeastern section of the property. According to the applicant, the solar panels shown on the site plan is for demonstration only and not part of the subject request. Per Section 11-69-2 of the MZO, a site plan review and approval shall be required to allow placement and development of solar panels on the property. Regarding parking on the site, additional parking spaces are provided on the east side of the proposed the office and locker room building for the employees.

#### **Design Review:**

Per Section 11-71-2(A)(3) of the MZO, Design Review is required for the proposed development because of its location along an arterial street. The Design Review Board is scheduled to review the proposed elevations and landscape plan during the Board's February 9, 2021 meeting. Staff will work with the applicant to incorporate any suggested changes by the Design Review Board.

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

<b>Northwest</b> (Across Pecos Rd) HI Industrial	<b>North</b> (Across Pecos Rd) GI Industrial	<b>Northeast</b> (Across Meridian Rd) Pinal County Single Residential/ Vacant
<b>West</b> GI-CUP Industrial	<b>Subject Property</b> GI-BIZ-CUP Vacant	<b>East</b> (Across Meridian Rd) Pinal County Single Residential/ Vacant
<b>Southwest</b> (Across Germann Rd) Queen Creek Agriculture	<b>South</b> (Across Germann Rd) Queen Creek Agriculture	<b>Southeast</b> (Across Germann Rd) Queen Creek Agriculture

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

The subject site is adjacent to industrial/ manufacturing facilities to the north and west. The property to the east of the site, across Meridian Road, is developed as residential and partially vacant land. The eastern section of the adjacent property is located within Pinal County. The property to the south of the site is located within the town of Queen Creek and currently vacant. The City of Mesa has designation the subject property and surrounding area as Employment charact area designation with high intensity zoning districts. The proposed expansion of the property conforms to the Goals of the city's General Plan and will not be out of character of the intended goal of land uses in the surrounding area.

#### **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. The applicant was contacted by two adjacent

property owners requesting for installation of landscaping improvements and a screen wall along the Meridian Road section of property. The City of Mesa and CMC have a development agreement in place for the phasing of improvements along Pecos Road and Meridian Road. The City will continue to administer the Development Agreement in place. As of writing this report, staff has not received any comments or concerns from surrounding property owners. The applicant will be providing an updated Citizen Participation Report to staff prior to the February 24, 2021 Study Session.

**Staff Recommendations:**

The subject request is consistent with the General Plan, meets the review criteria for Bonus Intensity Zone Overlays outlined in Section 11-21-5 of the MZO, and the review criteria for Site Plan Review outlined in Section 11-69-5 of the MZO; Therefore, staff recommends Approval of the request with the following conditions:

**Conditions of Approval:**

1. Compliance with the final site plan submitted as Exhibit 3.2.
2. Compliance with all requirements of Design Review (i.e building elevations and landscape plan, etc).
3. Future site plan review is required prior to the development of the solar field identified on the site plan.
4. Compliance with conditions of approval for case number Z10-002, except comply with the site plan approved with this request.
5. 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. 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. If required, an FAA determination notice of no hazard to air navigation shall be provided prior to building permit issuance.
  - c. Provide written notice to future property owners that the project is within 3 miles of Phoenix-Mesa Gateway Airport.
6. Compliance with all City development codes and regulations, except the modifications to the development standards as approved with this BIZ and shown on the following table:

<b>Development Standard</b>	<b>Approved</b>
<u>Maximum Building Height:</u> <i>Per existing BIZ (Case No. Z07-067, Ordinance No. 4047)</i>	<b>165'</b>
<u>Required Number of Parking Spaces:</u> <i>MZO Section 11-32-3</i>	<b>386 spaces</b>

**Exhibits:**

**Exhibit 1- Vicinity Map**

**Exhibit 2- Staff Report**

**Exhibit 3- Application Information**

3.1 Project Narrative

3.2 Site Plan

3.3 Preliminary Landscape Plan

3.4 Preliminary Elevations

**Exhibit 4- Citizen Participation Plan**

**Exhibit 5- Citizen Participation Report**