



PLANNING DIVISION
STAFF REPORT

City Council Hearing

July 1, 2021

CASE No.: **ZON21-00069**

PROJECT NAME: **Gallery Park**

Owner's Name:	Power 202 Mixed Use, LLC
Applicant's Name:	Jose Pombo, Vivo Development Partners
Location of Request:	Within the 4900 to 5200 blocks of South Power Road (east side) and within 6800 to 7000 blocks of East Ray Road (north side). Located north of Ray Road on the east side of Power Road.
Parcel No(s):	304-30-063 and 304-30-064
Request:	Modification to an approved Planned Area Development Overlay (PAD); rezoning 1± acre of the 41± acres from Agriculture (AG) to Limited Commercial (LC) PAD; and Site Plan Modification on the 41± acre property. This request will allow the development of a mixed-use development. Also consider a preliminary plat for "Gallery Park Replat 2".
Existing Zoning District:	LI-PAD and AG
Council District:	6
Site Size	41± acres
Proposed Use(s):	Mixed-use
Existing Use(s):	Commercial
P&Z Hearing Date(s):	June 9, 2021 / 4:00 p.m.
Staff Planner:	Evan Balmer, Planner II
Staff Recommendation:	APPROVAL with Conditions
Planning and Zoning Board Recommendation:	Approval with conditions
Proposition 207 Waiver Signed:	Yes

HISTORY

On **May 20, 2019**, the City Council approved annexation of 41-acres of property from Maricopa County into the City of Mesa and assigned an Agriculture (AG) zoning district on the property (Ordinance No. 5508).

On **May 20, 2019**, the City Council approved rezoning of the property from AG to Limited Commercial with a Planned Area Development overlay (LC-PAD) to allow development of a Mixed Use Community (i.e. Gallery Park mixed use development) (Case No. ZON18-00775, Ordinance No. 5509).

PROJECT DESCRIPTION

Background:

The purpose of the subject request is to modify the Planned Area Development (PAD) and also include a one-acre parcel that was previously not part of the development. The request is to also modify certain development standards of the PAD, as well the approved site plan. Currently, the one-acre parcel is zoned AG and located on the southeast corner of the PAD, specifically adjacent to Ray Road to the south and the RWCD canal to the east of the site. The applicant is requesting the one-acre property to be rezoned to Limited Commercial (LC) and incorporate into the PAD for an overall acreage of 41-acres.

The applicant is also requesting two modifications to the approved standards within the PAD, as well changes to the approved site plan. Specifically, the modifications are 1) a reduction to the required setback on the northern property boundary of the site, adjacent to the Loop 202 freeway and 2) to allow alternative compact parking standards for a multiple-residence building shown as Building 20 on the site plan. The site plan modification is to allow minor modifications to the building footprints and square footages for Buildings 1 through 10 along the Power Road frontage. The Site Plan Modification is “major” pursuant to Section 11-69-7(D)(1)(a) of the MZO because the Site Plan Modification is for a project that requires a rezone and PAD. Thus, the Site Plan Modification is subject to review and approval by the City Council, along with the rezoning and PAD.

General Plan Character Area Designation and Goals:

The General Plan Character area designation on the property is Mixed Use Activity District. Per Chapter 7 of the General Plan, the primary focus of the Mixed Use Activity character areas are large scale (typically over 25 acres) community and regional activities areas that usually have a significant retail and commercial component, including shopping areas such as malls, power centers, or lifestyle centers that are designed and developed to attract customers from a large radius. These districts often include other uses such as offices, entertainment and residential uses. The goal of the district is to help create strong and viable centers of commercial activity that attract people to unique shopping and entertainment experiences.

Staff reviewed the request and determined it is consistent with the development review criteria outlined in Chapter 15 (pg. 15-1) of the Mesa 2040 General Plan. Overall, development of a mixed use on the property will provide employment opportunities, supporting commercial and retail uses, as well as residential to accommodate the City’s growing population.

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.

Also, 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 uses. This designation was specific to character area designations defined in the study. The proposed development conforms to the land use study, as well as the goals of the Mixed Use Activity character designation envisioned in the General Plan.

Zoning District Designations:

Currently, 40± acres of the subject property is zoned LC-PAD and the one-acre property to be added to the PAD is zoned Agriculture. The applicant is requesting to rezone the one-acre property to LC. Per Section 11-6-1 of the Mesa Zoning Ordinance (MZO), the purpose of the LC zoning district is to provide areas for indoor retail, entertainment and service-oriented businesses. The proposed rezoning, addition of the one-acre to the PAD, and modifications to certain development standards within the PAD to allow a mixed-use development on the property conforms to the purpose of the LC zoning district and the Mixed Use character area designation.

Airfield Overlay – MZO Article 3 Section 11-19:

Per Section 11-19 of the MZO, the site is located within the Airfield (AF) Overlay District. Specially within the Airport Overflight sub-areas: Airport Overflight Area one (AOA 1), Airport Overflight Area two (AOA 2) and 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 11-19 of the MZO, multiple residence development requires a Council Use Permit in the AOA 1 and AOA 2. This Council Use Permit was approved by City Council on May 20, 2019 as part of the PAD. There is no request to increase the number of approved units within the PAD.

Planned Area Development (PAD) Overlay District – MZO Article 3, Chapter 22:

The subject request includes modifications to the approved Planned Area Development (PAD) Overlay. The purpose of the PAD overlay is to allow modifications to certain development standards on the property. The overlay is also to allow innovative design and flexibility that create high-quality development for the site.

Table 1 below shows the approved PAD standards and the applicant's proposed modifications.

Development Standard	Approved LC PAD and MZO Standard	Proposed LC PAD	Staff Recommendation
<u>Minimum setback along property lines or building and parking areas</u> – front and street facing side adjacent to freeways (ft.) - <i>MZO Section 11-6-3</i>	30' for buildings; 15' for parking structures	20 feet for buildings and 15 feet for parking structures	As proposed
<u>Compact parking</u> - <i>MZO Section 11-32-2.D</i>	On a site with at least 10 required parking spaces, up to 20 percent of the total required parking spaces may be compact spaces, provided that the following standards are met:	For the parking for multiple residence building identified as Building 20 on the site plan, up to 20	As proposed

	1. Where covered parking is required all covered parking spaces shall be standard size; 2. All compact spaces are to be designated with a sign or pavement marking; and 3. Compact spaces shall be distributed throughout the parking area, with no more than 9 compact spaces in a single cluster. Each cluster of up to 9 spaces shall be separated by a minimum radius of at least 60-feet from the next cluster of compact parking spaces.	percent of the total required parking spaces may be compact spaces and the other compact parking standards of MZO Section 11-32-2.D. do not apply to the parking for Building 20.	
--	--	--	--

As shown on the table above, the applicant is requesting the following deviations from the approved PAD and LC zoning district standards outlined in Sections 11-6-3 and 11-32-2 of the Mesa Zoning Ordinance:

Required minimum front and street facing side setback adjacent to freeways: Per Table 11-6-3(A) of the MZO, the required minimum front and street facing side setback adjacent to a freeway is 30 feet for buildings and 15 feet for parking structures. The approved PAD showed the setback along the north property boundary meeting the MZO requirement. The applicant is requesting a reduction to the minimum setback along the north property line, adjacent to the Loop 202 Freeway, from 30 feet to 20 feet for buildings with the setback for parking structures remaining at the required 15 feet. According to the applicant, beside the freeway, there are no adjacent properties to the northern property boundary that require such a setback and allowing the reduction will also not significantly impact the development for its proximity to the freeway.

Compact Parking: Per Section 11-32-2.D of the MZO, on a site with at least 10 required parking spaces, up to 20 percent of the total required parking spaces may be designated as compact car parking spaces, provided that the following standards are met:

- 1) Where covered parking is required all covered parking spaces shall be standard size;
- 2) All compact spaces are to be designated with a sign or pavement marking; and
- 3) Compact spaces shall be distributed throughout the parking area, with no more than 9 compact spaces in a single cluster. Each cluster of up to 9 spaces shall be separated by a minimum radius of at least 60-feet from the next cluster of compact parking spaces.

The applicant is requesting to modify the standards for the required compact parking spaces on the property, specifically for the multiple residence building identified as Building 20 on the site plan. Specifically, the applicant requests that it only must comply with the standard that 20 percent of the required parking spaces at the site may be compact spaces, and to remove the remaining three required standards of MZO Section 11-32-2.D . According to the applicant and the submitted site plan, there are proposed loft units developed above parking areas. Because of the required structural column required for construction to support the loft units, it is infeasible to have the required number of regular parking spaces because of the impediments created by the required structural support (ie. Columns).

Site Plan and General Site Development Standards:

The applicant is proposing modifications to the approved site plan for the PAD. Specifically, to make minor revisions to the building footprints for proposed Buildings 1-10 located along Power Road, as well as changes to the building footprint of Building 20 shown on the site plan. The proposed modifications include a reconfiguration of Buildings 1 through 5 to better allocate the parking areas around the buildings and to accommodate a drive through restaurant in the northeast corner of the site, immediately adjacent to Power Road and the 202 Freeway. The modifications also include a reconfiguration of Buildings 6 through 10 along Power Road, in the central portion of the site, to modify the building footprints and drive-thru lanes. The site plan also shows minor modifications to the building footprints and square footages of Buildings 11, 12, and 13 that have been previously approved through administrative review.

The approved site plan showed a total of 27 buildings with a park in the center of the development (i.e. the Main Street zone). A majority of the buildings range in size from 2,400 square feet (SF) to 350,800 SF. The proposed development on the west side of the PAD, those adjacent to Power Road, are planned for the development of restaurants and commercial uses. There are a total of 2,490 parking spaces shown on the site plan, which is consistent with the required number of parking spaces approved for the Gallery Park PAD.

From the approved PAD and the modified site plan, there will be four accesses to the site. Three of the accesses will be from Power Road to the west of the site, and one access from Ray Road to the south of the site. The site plan also shows pedestrian connectivity throughout the PAD. Overall, the proposed site plan conforms to the requirements of the Mesa Zoning Ordinance including the review criteria for Site Plan Review in Section 11-69-5 of the MZO.

Design Review:

As part of the PAD, the City Council approved design guidelines for development of the property. The applicant is not proposing any changes to the approved design guidelines on the property.

Preliminary Plat:

The applicant is requesting preliminary plat approval with the subject request. The proposed preliminary plat shows the creation of four new lots within Gallery Park. 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.

Surrounding Zoning Designations and Existing Use Activity:

Northwest Loop 202 Freeway	North Loop 202 Freeway	Northeast Loop 202 Freeway
--------------------------------------	----------------------------------	--------------------------------------

<p>West (Across Power Road) Town of Gilbert RC Large Commercial Center</p>	<p>Subject Property LC-PAD Partially developed Gallery Park PAD</p>	<p>East (Across RWCD Canal) LI-PAD Light Industrial</p>
<p>Southwest (Across Power Road) Town of Gilbert RC Large Commercial Center</p>	<p>South (Across Ray Road) LC Commercial</p>	<p>Southeast (Across Ray Road) LC-BIZ Hotel</p>

Compatibility with Surrounding Land Uses:

The subject site is partially developed and surrounded by a commercial center to the west and south. The property to the west is across Power Road immediately abutting the property to the west. There is a Roosevelt Water Conservation District (RWCD) canal abutting the property to the east. The 202 freeway abuts the property to the north. Overall, the proposed modification to the approved PAD and development of the property as a mixed-use development is consistent with the General Plan character area designation and surrounding land uses.

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 ½ mile and registered neighborhoods within one 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 June 9, 2021 study session. Staff will provide the Board with any new information during the study session.

Staff Recommendation:

Based on the application received and the proceeding analysis, staff finds that 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 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 the preliminary plat submitted.
2. Compliance with all requirements of Design Review.
3. Compliance with all requirements of the Subdivision Regulations.
4. Compliance with all conditions of approval for Case No. ZON18-00775, except comply with the final site plan submitted with this request instead of the final site plan previously approved with Case No. ZON18-00775.
5. Compliance with all City development codes and regulations, except the modifications to the development standards as approved with the Gallery Park PAD (Case No. ZON18-00775) with the addition of the modifications as shown in the following table:

Development Standard	Approved
<u>Minimum setback along property lines or building and parking areas –</u> Front and street facing side adjacent to freeways (ft.) - <i>MZO Section 11-6-3</i>	20 feet for buildings and 15 feet for parking structures
<u>Compact parking -</u> <i>MZO Section 11-32-2.D</i>	For the parking for multiple residence building identified as Building 20 on the site plan, up to 20 percent of the total required parking spaces may be compact spaces and the other compact parking standards of MZO Section 11-32-2.D. do not apply to the parking for Building 20.

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 Previously approved site plan

Exhibit 4-Citizen Participation Plan

Exhibit 5-Citizen Participation Report