

# EXHIBIT A

## STAFF REPORT COMMUNITY DEVELOPMENT DEPARTMENT

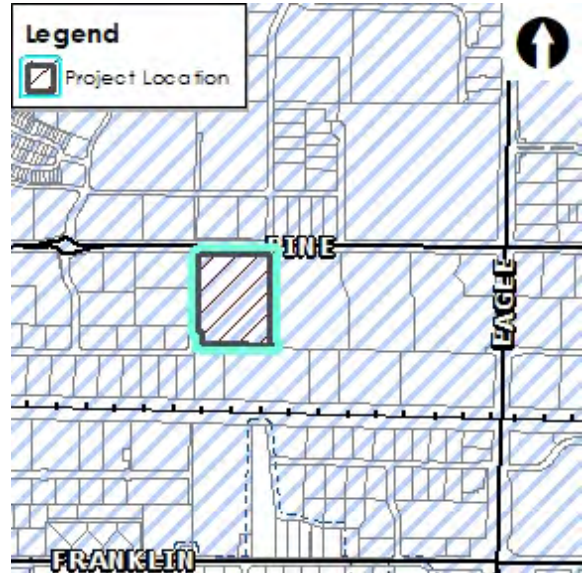


HEARING DATE: 2/23/2021

TO: Mayor & City Council  
FROM: Alan Tiefenbach, Associate Planner  
208-489-0573

SUBJECT: MDA H-2021-0002  
Scentsy Campus - MDA

LOCATION: The site is located at 2499 E. Pine Ave, at the southwest corner of E. Pine Ave. and N. Hickory Ave., in the SE ¼ of Section 8, Township 3N, Range 1E.



### I. PROJECT DESCRIPTION

Modification to existing Development Agreement (Inst. #111052691) to include subject parcel into the Scentsy Campus Development Agreement, expand the allowed uses of the development agreement to include light industrial uses, and update approved concept site plan and elevations.

### II. SUMMARY OF REPORT

#### A. Applicant / Representative:

Sam Johnson – 2701 E. Pine Ave, Meridian, ID 83642

#### B. Owner:

Sam Johnson, Hot1 LLP, 2701 E. Pine Ave, Meridian, ID 83642

### III. STAFF ANALYSIS

#### History

In 2007, 94.69 acres of land was annexed into the City, combined with an additional 75.67 acres of land and rezoned to General Retail and Service Commercial (C-G). All 170.36 acres was then platted into 61 lots as the Pinebridge Subdivision (AZ 07-006, RZ 07-010, PP 07-008). This included the 11.74-acre subject property. A development agreement (Pinebridge DA Instr.108022893) was recorded as part of the annexation.

In 2010, a development agreement modification was approved for 35 +/- acres of the Pinebridge Subdivision (Scentsy Campus MDA 10-010, Instr.111052691). This was requested on behalf of Scentsy to develop a distribution center and corporate campus. The DA included modifications to the allowed uses, a conceptual site plan and elevations. The distribution center and office tower have been subsequently built out in 2010 and 2011 (CZC 10-078 and CZC 11-051).

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In 2012, the applicant purchased the 11.75-acre subject property and included it into a new plat of 7 commercial lots specifically for Scensy, the Scensy Commons Plat. Because the subject property was purchased and replatted into this subdivision after the Scensy Campus development agreement modification, it is still part of the Pinebridge Development Agreement.

In November of 2020, the applicant requested a pre-application meeting to discuss the construction of an approximately 211,000 sq. ft. warehouse building on the subject property. Because the property is zoned C-G under the Pinebridge DA, warehouse uses are not allowed as a principally-permitted use. Staff recommended the applicant modify the existing Scensy Campus DA to include the subject property and expand the allowed uses to include light industrial uses in this location. The DA modification also proposes a new concept plan which includes the two existing buildings that were constructed in 2011 and 2012 as well as reflects the location of two future buildings. Elevations illustrating conceptual building architecture have also been submitted to replace existing elevations.

## Staff Analysis of Proposal to Modify Development Agreement

### a. Use

All of the properties within the Scensy Campus Development Agreement are zoned General Retail and Service Commercial District (C-G). The applicant proposes to add “light industrial use” as a principally permitted use to the development agreement.

The purpose of this modification is to allow warehouse uses as a principally-permitted use for the onsite storage of raw materials and finished goods, whereas it is only allowed as an accessory use in C-G. The warehouse and office use intended in the new building would be integral to and complementary of the distribution center and office towers that have already been constructed, as well as the warehouse uses to the south on the other side of E. Commercial Street. As the property is a manufacturing and distribution center, within an intensely commercial area surrounded by I-L uses on three sides, and more than 500 feet from the nearest residential zoning (R-40), staff finds this is an appropriate use. However, staff believes additional clarification is necessary as the proposed DA amendment allows “light industrial.” Light industrial” is not just specifically warehouse uses. Allowing everything permitted in light industrial would allow additional uses such as public utilities, indoor and outside storage facilities, freight and truck terminals, vehicle impound and repair, and indoor shooting ranges. Staff recommends revising 4.1 (uses allowed) to read “warehouse uses” rather than light industrial.

### b. Concept Plan

The existing DA references a concept plan that was submitted in 2010. The Scensy Campus as it has subsequently built out substantially conforms to the site plan, except the subject parcel being included into this present DA modification was not included, and what was shown as a future pad site at the northeast corner of the properties has been developed as open space. The applicant has already submitted a certificate of zoning compliance (CZC) for the future warehouse pending approval of this DA modification, and the existing development, proposed CZC and updated site plan are consistent. Staff supports this amendment.

### c. Elevations

The existing DA references black and white elevations that were submitted in 2010. The existing distribution center and office tower substantially conform to the elevations. The updated color elevations as submitted reflect the architecture of the existing development and the proposed warehouse, although staff did make some minor comments during preliminary review of the CZC regarding rooflines, additional architectural features and modulation. Staff

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believes the revised elevations as submitted would reflect the general architectural character of the existing Scentsy Campus.

## IV. DECISION

### A. Staff:

Staff recommends the City Council approve the following amendment to Development Agreement #111052691 with the revision recommended by staff as shown on Exhibit A dated 1/11/21.

### B. The Meridian City Council heard these items on February 23, 2021. At the public hearing, the Council moved to approve the subject development agreement modification request.

#### 1. Summary of the City Council public hearing:

- a. In favor: Sam Johnson
- b. In opposition: None
- c. Commenting: None
- d. Written testimony: None
- e. Staff presenting application: Alan Tiefenbach
- f. Other Staff commenting on application: None

#### 2. Key issue(s) of public testimony:

- a. None

#### 3. Key issue(s) of discussion by City Council:

- a. None

#### 4. City Council change(s) to Commission recommendation:

- a. None

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## V. EXHIBITS

### A. Proposed Revisions to Development Agreement (date 1/11/21:)

#### DEVELOPMENT AGREEMENT

**PARTIES:** 1. City of Meridian  
2. H.O.T. 1, LLC/LLLP, Owner/Developer

THIS DEVELOPMENT AGREEMENT (this Agreement), is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2011/2021, by and between City of Meridian, a municipal corporation of the State of Idaho, hereafter called CITY, and H.O.T. 1, LLC/LLLP, whose address is ~~2698 E. Lamar~~ 2701 E. Pine Ave, Meridian, ID 83642~~6~~, hereinafter called OWNER/DEVELOPER.

#### 1. RECITALS:

- 1.1 WHEREAS, Owner is the sole owner, in law and/or equity, of certain tract of land in the County of Ada, State of Idaho, described in Exhibit "A", which is attached hereto and by this reference incorporated herein as if set forth in full, herein after referred to as the Property; and
- 1.2 WHEREAS, I.C. § 67-6511A, Idaho Code, provides that cities may, by ordinance, require or permit as a condition of re-zoning that the Owner/ Developer make a written commitment concerning the use or development of the subject Property; and
- 1.3 WHEREAS, Developer has submitted an application for a Modification of the Development Agreement dated 2-28-08, instrument # 108022893 (Pinebridge DA) and Modification of the Development Agreement dated 6-30-11, instrument # 111052691 (HOT1 DA); and
- 1.4 WHEREAS, Owner/Developer made representations at the public hearing before the Meridian City Council, as to how the subject Property will be developed and what improvements will be made; and
- ~~1.5 WHEREAS, City and Owner/Developer entered into that certain Development Agreement that was approved in 2005 and recorded as Instrument # 106002636.~~
- 1.6 WHEREAS, City and Owner/Developer now desire to remove a portion of land referred to as Exhibit "A" from the original Development Agreement, and add said land to the HOT 1 Development Agreement ~~enter into a new Development Agreement for that portion of land which~~

terms have been approved by the Meridian City Council in accordance with Idaho Code Section 67-6511.

- 1.7 WHEREAS, record of the proceedings for the requested development agreement modification for the subject Property held the City Council, include responses of government subdivisions providing services within the City of Meridian planning jurisdiction, and received further testimony and comment; and
- 1.8 WHEREAS, City Council, the ~~4<sup>th</sup>~~ day of ~~January, 2011~~, has approved Findings of Fact and Conclusions of Law and Decision and Order, set forth in Exhibit B, which are attached hereto and by this reference incorporated herein as if set forth in full, hereinafter referred to as (the Findings); and
- 1.9 WHEREAS, the Findings of Fact and Conclusions of Law and Decision and Order requires the Owner/Developer to enter into a development agreement to reflect the change of ownership in the subject property; and
- 1.10 OWNER/DEVELOPER deems it to be in its best interest to be able to enter into this Agreement and acknowledges that this Agreement was entered into voluntarily and at its urging and requests; and
- 1.11 WHEREAS, City requires the Owner/Developer to enter into a development agreement for the purpose of ensuring that the Property is developed and the subsequent use of the Property is in accordance with the terms and conditions of this development agreement, herein being established in accordance with the amended Comprehensive Plan of the City of Meridian adopted August 6, 2002, Resolution No. 02-382, and the Zoning and Development Ordinances codified in Meridian Unified Development Code, Title 11.

NOW, THEREFORE, in consideration of the covenants and conditions set forth herein, the parties agree as follows:

2. **INCORPORATION OF RECITALS:** That the above recitals are contractual and binding and are incorporated herein as if set forth in full.

3. **DEFINITIONS:** For all purposes of this Agreement the following words, terms, and phrases herein contained in this section shall be defined and interpreted as herein provided for, unless the clear context of the presentation of the same requires otherwise:

- 3.1 **CITY:** means and refers to the City of Meridian, a party to this Agreement, which is a municipal Corporation and government subdivision of the state of Idaho, organized and existing by virtue of law

Staff recommends this be revised to read “warehouse uses are allowed as a principally permitted use within the C-G zone.”

of the State of Idaho, whose address is 33 East Broadway Avenue, Meridian, Idaho 83642.

3.2 **OWNER/DEVELOPER:** means and refers to H.O.T. 1, ~~LLPC, 4698 E. Lanark, Meridian, ID 83642~~ 701 E. Pine Ave., Meridian, ID 83642, the party that is developing said Property and shall include any subsequent developer(s) of the Property.

3.3 **PROPERTY:** means and refers to that certain parcel(s) of Property located in the County of Ada, City of Meridian as described in Exhibit A describing the parcels to be zoned C-G (General Commercial District) attached hereto and by this reference incorporated herein as if set forth at length.

#### USES PERMITTED BY THIS AGREEMENT:

4.1 The uses allowed pursuant to this Agreement are only those uses allowed under City’s Zoning Ordinance codified at Meridian Unified Development Code § 11-2B-2 and, per this agreement, light-industrial use is allowed as a principally permitted use within the C-G zone.

4.2 No change in the uses specified in this Agreement shall be allowed without modification of this Agreement.

#### 5. CONDITIONS GOVERNING DEVELOPMENT OF SUBJECT PROPERTY:

5.1. Owner/Developer shall develop the Property in accordance with the following special conditions:

1. Development of the property shall substantially comply with the conceptual site plan and elevation submitted with the subject application and the concepts outlined below.
2. The following concepts shall be employed in the development of the property:
  - a. General massing of buildings, roundabouts and landscape islands in streets shall be constructed as generally shown on the conceptual site plan ~~prepared by CTA, Inc., dated 11-12-10.~~
  - b. Pedestrian connections shall be constructed between buildings in the form of pathways distinguished from vehicular driving surfaces through the use of pavers, colored or scored concrete, or bricks;
  - c. Common areas with site amenities (i.e., plazas/courtyards, water features, picnic areas, flower gardens, public art, etc.) are encouraged to be included within the development.

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- d. Exterior building walls should demonstrate the appearance of high-quality materials of stone, brick, wood, or other native materials (acceptable materials include tinted or textured masonry block, textured or painted architectural concrete panels, or stucco or stucco like synthetic materials. Smooth faced concrete block, tilt-up concrete panels, or prefabricated steel panels are acceptable with the addition of paint and/or high-quality accent materials.
- e. The building design shall incorporate at least 2 changes in one or a combination of the following: color, texture and materials;
- f. Rooflines shall demonstrate 2 or more of the following: overhanging eaves, sloped roofs, two or more roof planes, varying parapet heights, and cornices;
- g. The primary building entrances shall be clearly defined by the architectural design of the building.
- h. Buildings will be constructed in the order they are generally listed on the conceptual site plan (A, B, C, etc.)
- ~~i. Building "A" is an accessory use within the current zoning designation and will be permitted to be constructed prior to other principally permitted structures (B or C) per this agreement.~~
- ~~j. The construction of either building B or C will commence within 30 months of completing the previous building.~~

6. **COMPLIANCE PERIOD/CONSENT TO REZONE:** This Agreement and the commitments contained herein shall be terminated, and the zoning designation reversed, upon an uncured material default of the Owner/Developer or Owner/Developer's heirs, successors, assigns, to comply with Section 5 entitled "Conditions Governing Development of Subject Property" of this agreement within two years of the date this Agreement is effective, and after the City has complied with the notice and hearing procedures as outlined in Idaho Code § 67-6509, or any subsequent amendments or recodifications thereof.

## 7. **DEFAULT/CONSENT TO DE-ANNEXATION AND REVERSAL OF ZONING DESIGNATION:**

- 7.1 **Acts of Default.** Either party's failure to faithfully comply with all of the terms and conditions included in this Agreement shall constitute default under this Agreement.
- 7.2 **Notice and Cure Period.** In the event of Owner/Developer's default of this Agreement, Owner/Developer shall have thirty (30) days from receipt of written notice from City to initiate commencement of action to correct the breach and cure the default, which action must be prosecuted with diligence and completed within one hundred eighty (180) days; provided, however, that in the case of any such default that cannot with diligence be cured within such one hundred eighty (180) day period, then the time allowed to cure such failure may be extended for such period as

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B. Proposed Revised Concept Site Plan (date ~~1/11/21~~ 2/19/2021)



C. Proposed Elevations





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