



STAFF REPORT

Planning Commission Meeting: April 13, 2026

Application:	<u>RZ26-0002</u>: Request for approval of a Rezoning and Preliminary Site Development Plan for DRG Olathe
Location:	Southwest of 167 th Street and Lone Elm Road
Owner:	167 th Street Properties, LLC
Applicant:	Curran Darling, Distribution Realty Group
Engineer/Architect:	Chris Hafner, Davidson Architecture and Engineering
Staff Contact:	Jessica Schuller, AICP; Senior Planner

Site Area: 37.63 acres **Proposed Use:** Warehousing, Storage, Wholesale, and Distribution Facilities

Building Area: 558,960 square feet **Plat:** Unplatted

Existing Zoning: CTY RUR **Proposed Zoning:** M-2 (General Industrial)

	Plan Olathe Land Use Category	Existing Use	Existing Zoning
Site	Industrial Area	Undeveloped	CTY RUR
North	Industrial Area	Vacant / Warehousing/Distribution	MP-2
South	Industrial Area	Undeveloped	CTY RUR
East	Primary Greenway	City Park	RP-1
West	Industrial Area	Warehousing/Distribution	M-2

1. Introduction

The applicant is requesting a rezoning to the M-2 (General Industrial) District and preliminary site development plan for two single-story speculative warehousing/distribution facilities totaling 558,960 on 37.63± acres, located south of 167th Street and west of Lone Elm Road. The buildings are single-loaded dock warehouses with overhead doors facing interior to the property and primary building entrances facing public roadways. The property is currently undeveloped and retains county rural zoning.



Site Location Map

2. History

The property was annexed into the City of Olathe in August of 2025 and has historically been used for residential, farming and agricultural purposes. No other zoning or development applications have been submitted or approved on this site.

3. Existing Conditions

The subject property is located south of 167th Street and west of Lone Elm Road, which are paved 2-lane roadways with intersection turn lanes. A single-family residential structure and livestock pens exists on the property today, with a gravel driveway connecting to 167th Street. There are existing significant trees located near the existing residential structure which will require preservation or mitigation with this application.



Site Photo Looking Southeast

4. Zoning Standards

- a. **Land Use** – The applicant’s request to rezone this site to the M-2 District aligns with the property’s designation as an Industrial Area on the PlanOlathe Comprehensive Plan Future Land Use Map. The M-2 District generally supports industrial buildings grouped around major transportation systems. The applicant expects this development to largely be occupied by the *warehousing, storage, wholesale, and distribution facility* land use, which is permitted by right in the M-2 District and similar to the surrounding area.

M-2 District uses include a number of industrial and service-type uses including warehousing/distribution and cold storage. Staff recommends the restriction of some land uses on the subject property due to its location at the intersection of two arterial roadways, proximity to public open space, and greater intensity of these uses. Staff worked with the applicant on these use restrictions and the applicant is amenable to the following restrictions:

- (1) Power Generation Plant
- (2) Parking Lots, Surface, as Principal Use

- (3) Public Utility Storage and Service Yards
 - (4) Automobile Storage or Towing (Tow Lot)
 - (5) Paper Manufacturing
 - (6) Recycling Centers, Drop-Off
 - (7) Rendering and Meat Byproduct Processing
 - (8) Petroleum Bulk Stations and Terminals
 - (9) Textile, Clothing and Leather Manufacturing
 - (10) Bus/Truck Maintenance, Including Repair and Storage
 - (11) Storage Area or Lot, except when as an accessory use to a building, and not visible from arterial and collector roadways
- b. **Building Height** – Building heights within the M-2 District are limited to a maximum of 55 feet in height (Column 1 Dimensional Standards). The proposed distribution buildings are 50 feet tall at their highest point, in compliance with UDO requirements.
- c. **Setbacks** – The M-2 District requires 30-foot front yard setbacks, 30-foot paving setbacks from right-of-way, and 10-foot side and rear yard setbacks. The preliminary plan meets all the dimensional requirements of the M-2 District.
- d. **Open Space** – The M-2 District requires 15% of the net site to be maintained as open space, and 27% open space is provided, exceeding UDO requirements.

5. Development Standards.

- a. **Access/Streets** – Access to the development is proposed along 167th Street where full site access is provided. This driveway aligns with an existing drive on the north side of the roadway. Two additional full-access driveways are located on Lone Elm Road near the center of the site and at the southern edge of the property. The southern access will be shared with the future industrial development located to the south. Both right and left turn lanes will be constructed at all entrances.
- b. **Parking** – The applicant provided a parking analysis as required for the *warehousing, storage, wholesale, and distribution* use. The analysis estimates one (1) parking stall per 1,000 feet of office area and one (1) stall per 3,000 square feet of warehousing area. Provided parking exceeds these estimates with 222 stalls provided for Building 1 and 223 stalls provided for Building 2. Additionally, parking for 78 trailers is provided for each building, in addition to loading areas at the dock bays.
- c. **Landscaping/Screening** – The applicant provided a preliminary landscape plan meeting the requirements of the UDO. Landscape buffers are required along the perimeter of the site. A 50-foot-wide landscape area is provided along 167th Street and Lone Elm Road, and 25 and 30-foot landscape areas are provided along the south and west property lines. These areas contain a mix of deciduous and evergreen trees. Berms will be considered along 167th Street and Lone Elm Road at the time of final site development plan, to provide additional screening and softening from roadways, based upon final site grading.

Further refinements and landscaping details will be provided at the time of Final Site Development Plan, including shrubs and ground cover, and all landscaping will meet the requirements of the UDO.

- d. **Tree Preservation** – The site contains several existing significant trees, primarily located around the existing residential structure, for a total of 318 caliper inches on site. These trees will be removed during site grading, and mitigated on a caliper inch basis, per UDO requirements at the time of Final Site Development Plan.
- e. **Stormwater/Detention** – The property is subject to all Title 17 requirements of the Municipal Code. One wet detention basin will be located central to the property and will not be visible from adjacent roadways. This basin will be placed in common tracts to be maintained by the property owners and/or business associations.
- f. **Public Utilities** – The property is in City of Olathe sewer and WaterOne service areas. An existing sanitary sewer main is on site and will service the development. An existing water main runs along the north side of 167th Street and will service the development for domestic and fire service.

6. Site Design Standards

The property is subject to Site Design Category 6 based on the Industrial Area designation of the Plan Olathe Future Land Use Map. The following is a summary of the applicable site design requirements:

- a. **Parking Pod Size** – Parking lots must be broken up into parking pods with no more than 320 stalls and the largest parking pod includes 40 stalls, complying with this requirement.
- b. **Drainage Feature** – Tract A is a wet detention basin located central to the property and is not required to be designed as an amenity as it is not visible to the public. Additional landscape screening is provided on the north side of the basin to screen from 167th Street.
- c. **Increased Setback** – All buildings are setback over 50 feet from arterial streets as required by UDO.
- d. **Perimeter Landscaping** – The planted buffer area along 167th Street and Lone Elm Road is 50 feet wide and planted with a mix of deciduous and evergreen trees, meeting the requirements for landscaping along arterial roadways. The applicant will consider the feasibility of berms along arterial roadways, as an additional screening measure, at the time of Final Site Development Plan.

7. Building Design Standards

Buildings in the M-2 District are subject to building design standards for Industrial Buildings (UDO 18.15.020.G.10). Color elevations were provided with the preliminary site development plan showing the proposed building materials and architectural style. Proposed materials consist of textured and painted concrete panels with reveals, and glass, in shades of blue, medium and light gray, and white. Dock walls face internal to the development and will not be visible from adjacent roadways. All dock wall facades are considered secondary facades.

The following table lists the applicable design requirements of the UDO and proposed design elements:

Table 1: Building Design Standards	Design Requirements <i>(Industrial Buildings)</i> <i>Proposed Design</i>
<i>Building Entryway</i>	<p><i>The main common building entry must be defined with a covered projection from the façade or by a recessed area.</i></p> <p>Each building includes canopies that project over building entrances, meeting UDO requirements.</p>
<i>Garage and Overhead Doors</i>	<p><i>Garage and overhead doors may only face a local or collector public street, unless completely screened from view.</i></p> <p>All overhead doors are oriented internally to the property and do not face public streets. A 40-foot long tilt-up screen wall is located on the north corner of both buildings to screen the truck court from public view along 167th Street.</p>
<i>Horizontal & Vertical Articulation</i>	<p><i>Each primary façade must provide horizontal and vertical articulation every 100 linear feet of the façade.</i></p> <p>Each primary façade has an element of horizontal and vertical articulation every 100 linear feet or less through variation in parapet height of four (4) feet and building offsets of four (4) feet, as required by the UDO.</p>

Primary facades are required to utilize a minimum of two (2) Class 1 and Class 2 materials on 75% of the façade, with a minimum of 15% glass on the first floor. Secondary facades must utilize a minimum of two (2) Class 1, Class 2 and Class 3 materials on 40% of the façade. All facades provide two Class 1 and 2 materials, including glass and finished concrete panels with reveals, and all front-facing primary facades exceed the minimum percentage of first-floor glass required. Secondary facades utilize two distinct colors and patterns of Class 2 tilt-up concrete panels, with clerestory glazing over dock doors.

8. Public Notification and Neighborhood Meeting

The applicant mailed the required public notification letters to surrounding property owners within 200 feet and posted a sign on the subject property per UDO requirements. A neighborhood notification letter was also provided to property owners within 500 feet of the site, per UDO requirements. Staff and the applicants have not received any correspondence regarding the project.

9. UDO Rezoning Criteria

The future land use map of the PlanOlathe Comprehensive Plan identifies the subject property as an Industrial Area. Industrial areas are designated for more intensive land uses, including manufacturing, assembly, and distribution. Research, warehousing, and other light industrial uses are also appropriate in industrial areas.

The application was reviewed against the UDO criteria for considering rezoning applications listed in UDO Section 18.40.090.G as detailed below.

A. *The conformance of the proposed use to the Comprehensive Plan and other adopted planning policies.*

The future land use map of the PlanOlathe Comprehensive Plan identifies the subject property as an Industrial Area. The M-2 District directly aligns with the Industrial Area future land use category. This request conforms with the PlanOlathe Comprehensive Plan and the following policy elements of the Comprehensive Plan:

LUCC-1.1: Consistency with the Comprehensive Plan. Land use proposals should be consistent with the vision of the Comprehensive Plan, as well as applicable local ordinances and resolutions.

ES-1.3: Targeted Industries. Promote Olathe as an ideal place for desirable new industries, especially those that would diversify the employment base, reflect the labor force capabilities of the community, and complement Olathe's high quality of life.

B. *The character of the neighborhood including but not limited to: land use, zoning, density (residential), architectural style, building materials, height, structural mass, siting, open space and floor-to-area ratio (commercial and industrial).*

The character of the surrounding area consists primarily of industrial and employment uses, and public open space (Lone Elm Park) to the east. Existing uses include bottling facilities and warehouse and distribution facilities. Structures in the vicinity are primarily very large tilt-up concrete buildings with limited office area, reflecting the area's functional and utilitarian design. The proposed warehouse and distribution development is cohesive and compatible with the character of the area.

However, the M-2 District does allow a number of land uses that are less compatible with the character of the surrounding development due to the intensity of that use or its reliance on outdoor storage. Staff worked with the applicant and they are amenable to restricting the list of uses provided in staff's recommendation.

C. *The zoning and uses of nearby properties, and the extent to which the proposed use would be in harmony with such zoning districts and uses.*

The proposed M-2 (General Industrial) District and warehousing and distribution facilities are in harmony with the surrounding properties, as most have also been rezoned to the M-2 District and are developed with compatible industrial and warehouse & distribution facilities.

D. *The suitability of the property for the uses to which it has been restricted under the applicable zoning district regulations.*

The property currently retains the CTY RUR (County Rural) District zoning and must be rezoned to a City zoning district before it may be developed.

E. *The length of time the property has remained vacant as zoned.*

The property has retained County RUR zoning since it was annexed in 2025. The site is currently undeveloped and was used for agricultural purposes before annexation.

F. The extent to which approval of the application would detrimentally affect nearby properties.

Staff has not received information indicating the proposed project will detrimentally affect nearby properties. Approval of this application would allow a similar type of development to the surrounding properties already zoned to the M-2 District.

G. The extent to which development under the proposed district would substantially harm the value of nearby properties.

The development as proposed is not anticipated to have any detrimental impact on the value of nearby properties, which are zoned for similar uses. The proposed development is similar to the surrounding developed properties regarding site and building design.

H. The extent to which the proposed use would adversely affect the capacity or safety of that portion of the road network influenced by the use, or present parking problems in the vicinity of the property.

The proposed warehouse and distribution uses will not cause any adverse effect on traffic and safety of the road network. New turn lanes are required at site entrances, and on-site parking will be provided as required by UDO.

I. The extent to which the proposed use would create air pollution, water pollution, noise pollution or other environmental harm.

This development is not anticipated to create pollution or other environmental harm. The development will follow all regulations and codes pertaining to stormwater, air quality, noise, and other impacts on the environment.

J. The economic impact of the proposed use on the community.

The proposed development will contribute to the local economy by generating additional property taxes to be collected by the City and creating new employment opportunities.

K. The gain, if any, to the public health, safety and welfare due to denial of the application as compared to the hardship imposed upon the landowner, if any, as a result of denial of the application.

The proposed rezoning does not negatively impact public health, safety, or welfare as presented. If the rezoning were denied, the development could not be constructed as a City zoning district is required prior to development.

10. Staff Recommendation

A. Staff recommends approval of RZ26-0002, DRG Olathe, for the following reasons:

1. The proposed development complies with the policies and goals of the PlanOlathe Comprehensive Plan.
2. The requested zoning meets the Unified Development Ordinance criteria for considering zoning applications.

- B. Staff recommends approval of the rezoning to the M-2 District with the following stipulations:
1. The following uses are prohibited in the M-2 District:
 - a) Power Generation Plant
 - b) Parking Lots, Surface, as Principal Use
 - c) Public Utility Storage and Service Yards
 - d) Automobile Storage or Towing (Tow Lot)
 - e) Paper Manufacturing
 - f) Recycling Centers, Drop-Off
 - g) Rendering and Meat Byproduct Processing
 - h) Petroleum Bulk Stations and Terminals
 - i) Textile, Clothing and Leather Manufacturing
 - j) Bus/Truck Maintenance, Including Repair and Storage
 - k) Storage Area or Lot, except when as an accessory use to a building, and not visible from arterial and collector roadways
- C. Staff recommends approval of the preliminary site development plan with the following stipulations:
1. Only 1 (one) full access drive to Lone Elm Road near the common property line between RZ26-0001 (Hedge Industrial Park East) and RZ26-0002 (DRG Olathe) developments will be allowed, which will serve both developments. This access may be public or private. This access drive may be constructed on either side of the shared property line if an access easement is granted to the adjacent property. If this drive is private, any required agreements and access easements must be executed by all properties using the drive prior to any final plat recording.
 2. Traffic improvements, and associated timing, will be made in accordance with the Traffic Impact Study dated February 2026, the Olathe Access Management Plan, and approval of the City Engineer. The Traffic Impact Study is required to be updated with each development phase and must adhere to Access Management Plan and City Engineer requirements.
 3. Landscaping and tree mitigation will be provided in accordance with all UDO requirements at the time of Final Site Development Plan.
 4. Any fence which extends beyond the front line of the building must be decorative in nature and will not consist of chain-link material.
 5. Barbed wire fencing is not permitted in the development.
 6. Exterior ground-mounted or building mounted equipment including but not limited to, mechanical equipment, utilities' meter banks and coolers must be

screened from public view with three (3) sided landscaping or an architectural treatment compatible with the building architecture.