



**STAFF REPORT**

**Planning Commission Meeting: April 13, 2026**

<b>Application:</b>	<b><u>RZ26-0001</u>: Request for approval of a Rezoning and Preliminary Site Development Plan for Hedge Industrial Park East</b>
<b>Location:</b>	Southwest of 167 <sup>th</sup> Street and Lone Elm Road
<b>Owner:</b>	Dan Schulte; Aspen Industrial Land Fund I, LLC
<b>Applicant:</b>	Stephanie Gillard, Tessere
<b>Engineer:</b>	Kurt Hershey; Tessere
<b>Staff Contact:</b>	Emily Carrillo; Senior Planner

**Site Area:** 80.47 acres                      **Proposed Use:** Warehousing, Storage, Wholesale, and Distribution Facilities

**Building Area:** 1,341,871 square feet                      **Plat:** Unplatted

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

	<b>Plan Olathe Land Use Category</b>	<b>Existing Use</b>	<b>Existing Zoning</b>
<b>Site</b>	<b>Industrial Area</b>	<b>Undeveloped</b>	<b>CTY RUR</b>
<b>North</b>	Industrial Area	Vacant / Warehousing/Distribution	MP-2 and CTY RUR
<b>South</b>	Industrial Area	Undeveloped	CTY RUR
<b>East</b>	Primary Greenway	City Park	RP-1
<b>West</b>	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 five (5) single-story speculative warehousing/distribution facilities totaling 1,341,81 square feet on 80.47± acres, located south of 167<sup>th</sup> Street and west of Lone

Elm Road. The proposed buildings are single-loaded dock warehouses with overhead doors facing interior to the property. The vacant property is undeveloped and retains CTY- RUR (County Rural) zoning.

## 2. History

The property was annexed into the City of Olathe in December of 2025 (ANX25-0005) and historically has been used for agricultural purposes. No other zoning or development applications have been submitted or approved on this site.



*Aerial view of the subject property outlined in red.*



*View of subject property looking north and west from Lone Elm Road.*

### 3. Existing Conditions

The subject property is located south of 167th Street and west of Lone Elm Road, both of which are paved two-lane roadways with turn lanes at the intersection. The site is currently vacant and consists of open grass and farmland. Tree lines are present along portions of the fence lines on the west and south property boundaries, primarily within areas anticipated to be dedicated as future right-of-way.

### 4. Zoning Standards

- a. **Land Use** – The applicant is requesting 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.

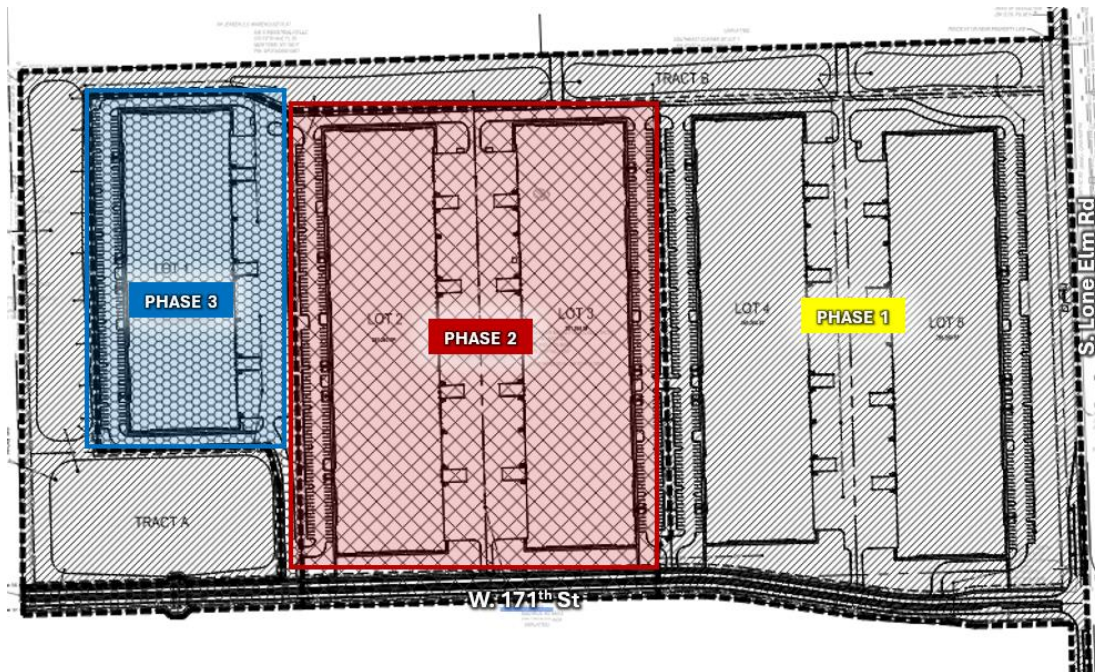
M-2 District allows for a number of industrial and service-type uses including warehousing/distribution and cold storage. Staff is recommending the restriction of some land uses on the subject property due to its location at the intersection of two arterial roadways, its proximity to adjacent public 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. The proposed distribution buildings have a maximum height of 48.6 feet at their highest point, which complies with the Unified Development Ordinance (UDO) requirements. The dimensional standards referenced are based on Column-1 of the M-2 District Dimensional Standards within the UDO.
- 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 31% open space is provided, exceeding UDO requirements.

**5. Development Standards.**

- a. **Phasing** – The applicant intends to commence development with Phase 1, which includes Lots 5 and 4, Tracts A and B, and all street, utility, and stormwater improvements required to serve this phase of the development. Future phases (Phases 2 and 3) will proceed from east to west and will be developed based on market demand.



- b. **Access/Streets** – Access to the development is proposed from a new collector roadway, 171st Street, which will connect to Lone Elm Road and provide primary site access. One additional full-access driveway is proposed along Lone Elm Road via shared access with the property to the north. In final phasing, access from 171st Street will also connect to future Monticello along the west end of the subject property. Right- and left-turn lanes will be constructed at all site entrances.
- c. **Parking** – The applicant expects that future tenants will require 1 stall per 1,500 square feet of general industrial building area, which is standard for most industrial uses. Altogether, the development provides a total of 921 parking spaces. Final parking requirements will be finalized once specific users are identified.
- d. **Landscaping/Screening** – The applicant has provided a preliminary landscape plan that meets the requirements of the UDO. Landscape buffers are required along the perimeter of the site. A 50-foot-wide landscape area is provided along Lone Elm Road. Berms will be considered along Lone Elm Road at the time of final site development plan approval to provide additional screening and visual softening from the roadway, based on final site grading. Street trees are provided along the west and south property lines, with additional plantings along the wing walls adjacent to 171st Street to enhance screening from the right-of-way. Tract B includes stormwater detention and associated landscaping and is approximately 138 feet wide, which exceeds the buffer and landscaping requirements along the north property line adjacent to industrial uses.

- e. **Tree Preservation** – The site contains several existing significant trees, primarily located along portions of the south and west property lines within existing fence rows and in areas of future right-of-way. The majority of these trees will be removed during site grading and will be mitigated on a caliper-inch basis in accordance with UDO requirements at the time of Final Site Development Plan approval.
- f. **Stormwater/Detention** – The property is subject to all Title 17 requirements of the Municipal Code. Five (5) detention basins are proposed along the north and west perimeters of the property and will be located within common tracts to be maintained by the property owners and/or a business association.
- g. **Public Utilities** – The property is in City of Olathe sewer and WaterOne service areas. The development will be served by existing sewer and water mains, which will be extended by the developer to serve each of the buildings.

## 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 52 stalls, complying with this requirement.
- b. **Drainage Feature** – Tracts A and B include dry detention basins located along the northern and western perimeters, which are not visible to the general public. These basins will be maintained as extensively landscaped open space and are designed with a curvilinear shape in accordance with UDO requirements. Additional landscape screening is provided along the outer perimeter of the basins to screen adjacent properties and future roadways.
- 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 Lone Elm Road is over 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

The proposal includes five (5) one-story buildings that are all subject to the Industrial Building category as defined in UDO 18.15.020.G.10. The proposal includes two (2) different sized building types (216k and 281k square feet in size) and elevations are included in the packet for each building type.

All buildings are designed with three (3) primary facades (front, left and right) and every building was intentionally situated so the rear elevation incorporating dock doors and loading areas are classified as a secondary façade. Consistent architectural design, materials, and colors will be used throughout the development. All buildings will be constructed with Class 1 clear glass and Class 2 tilt-up concrete panels with form-liner reveals. The concrete panels will be textured and painted in light and dark tan colors to accent the proposed architectural features.

The table below summarizes the applicable Industrial Building design standards per UDO 18.15.020.G.10 and the corresponding proposed design elements:

<b>Table 1: Building Design Standards</b>	<b>Design Requirements (Industrial Buildings)</b> <i>Proposed Design</i>
<i>Building Entryway</i>	<b><i>The main common building entry must be defined with a covered projection from the façade or by a recessed area.</i></b> Each building includes canopies that project over building entrances, meeting UDO requirements.
<i>Garage and Overhead Doors</i>	<b><i>Garage and overhead doors may only face a local or collector public street, unless completely screened from view.</i></b> All overhead doors are located on the rear façade and oriented away from public streets. 55-foot-long tilt-up screen walls are located on the facades of all buildings to screen the truck court from public view.
<i>Façade Articulation</i>	<b><i>Each primary façade must provide horizontal and vertical articulation every 100 linear feet of the façade.</i></b> 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.
<i>Special Vertical Articulation</i>	<b><i>One-story buildings must include tower elements or similar vertical articulation to bookend the building or anchor the main entry or building corner.</i></b> A special tower element is utilized at each main building entry and building corner to anchor these elements of the building.

Primary facades must use a minimum of two (2) Class 1 and 2 materials on 75% of the façade and secondary facades must use a minimum of two (2) Class 1, 2 and 3 materials on 50% of the façade.

All facades exceed these requirements, with clear glass (Class 1) and tilt-up concrete panels with form-liner reveals (Class 2) comprising 100% of every façade. In addition, primary façades must use a minimum of 15% glass on the first floor, and all primary façades comply by providing between 17% and 19% glass on the first-floor façade area. A Class 2 non-visible membrane roof is proposed, meeting the requirement to use Class 1 or 2 roofing material.

## 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 industrial 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 with Primary Greenways. Industrial Areas are designated for more intensive industrial uses, including manufacturing, assembly, and distribution. Research, warehousing, and other light industrial uses are also appropriate in Industrial Areas. In Industrial Areas, complementary retail and service uses should be limited in scale and carefully integrated with surrounding industrial uses.

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 largely 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 RZ26-0001, Hedge Industrial Park East, 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. On the plans submitted with the final site development plan application, landscaped berms will be included along Lone Elm where possible as required by UDO 18.30.130.D.
5. 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.