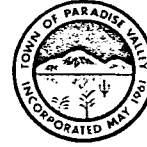


TOWN
of
PARADISE VALLEY



TOWN COUNCIL MEETING
6401 E. LINCOLN DRIVE
PARADISE VALLEY, ARIZONA 85253
MINUTES
Monday, December 21, 2015

1. CALL TO ORDER / ROLL CALL

Mayor Collins called to order the Town Council Meeting for Monday, December 21, 2015 at 4:00 p.m. in the Town Hall Boardroom.

COUNCIL MEMBERS PRESENT

Mayor Michael Collins
Vice Mayor Paul Dembow
Council Member Jerry Bien-Willner
Council Member Mary Hamway
Council Member David Sherf
Council Member Mark Stanton
Council Member Maria Syms

STAFF MEMBERS PRESENT

Town Manager Kevin Burke
Town Attorney Andrew M. Miller
Town Clerk Duncan Miller
Police Chief Peter Wingert
Community Development Director Eva Cutro
Director of Administration and Government Affairs Dawn Marie Buckland
Public Works Director / Town Engineer James P. Shano
Assistant Town Attorney Debbie Robberson
Outside Counsel Doug Jorden

2. STUDY SESSION ITEMS

15-331 **Discussion of Special Use Permit Major Amendment for The Ritz-Carlton Resort, Paradise Valley**

Town Manager Kevin Burke stated that the focus of the Study Session was to discuss only the changes to the Special Use Permit site plan made since the December 17

meeting. Community Development Director Eva Cutro summarized the reduction of units in Area D. She said the unit count was reduced from 62 units to 53 units, the dwelling unit square footage increased from 2,400 to 2,800, and the floor area decreased from 209,700 to 197,175. She described which buildings in Area D were removed or repositioned.

Benjamin Graff of Withey Morris and Five Star Development Chief Financial Officer Chris Klecka, responded to questions from the Council.

Mr. Burke reviewed the proposed Development Agreement and responded to questions. He stated that two versions of the agreement were presented at the December 17 meeting. Following that meeting, staff took the Council's feedback to the developer and a new version of the agreement was drafted and distributed to the Council just prior to this meeting. Some Council Members expressed concern about not having enough time to review the new document before voting on it.

Mr. Klecka responded to questions from the Council. He announced that Five Star Development executed an agreement with The Ritz-Carlton to be the resort operator.

Staff responded to questions regarding parliamentary procedure for the business meeting. Mr. Miller stated that it was preferable to vote on both the Special Use Permit and the Development Agreement at the same time but it was possible to vote on the SUP tonight and continue the development agreement if Council Members needed more time to review the document.

3. EXECUTIVE SESSION

A motion was made by Council Member Hamway, seconded by Council Member Bien-Willner, to go into executive session at 5:35 p.m. The motion carried by the following vote:

Aye: 7 - Mayor Collins, Vice Mayor Dembow, Council Member Bien-Willner, Council Member Hamway, Council Member Sherf, Council Member Stanton, and Council Member Syms

15-332 Discussion and consultation with Town Attorney to consider the Town Council' position and instruct the attorney regarding a potential development agreement with Five Star Development as authorized by A.R.S. §38-431.A.4; and discussion or consultation for legal advice with the Town Attorney as authorized by A.R.S. §38-431.A.3.

4. BREAK

5. RECONVENE FOR REGULAR MEETING

Mayor Collins reconvened the meeting at 6:35 p.m.

6. ROLL CALL

COUNCIL MEMBERS PRESENT

Mayor Michael Collins
Vice Mayor Paul Dembow
Council Member Jerry Bien-Willner
Council Member Mary Hamway
Council Member David Sherf
Council Member Mark Stanton
Council Member Maria Syms

STAFF MEMBERS PRESENT

Town Manager Kevin Burke
Town Attorney Andrew M. Miller
Town Clerk Duncan Miller
Police Chief Peter Wingert
Community Development Director Eva Cutro
Director of Administration and Government Affairs Dawn Marie Buckland
Public Works Director / Town Engineer James P. Shano

7. PLEDGE OF ALLEGIANCE*

Mayor Collins led the Pledge of Allegiance.

8. ACTION ITEMS

15-333 Consideration of Ordinance Number 694 Amending the Existing Special Use Permit for The Ritz-Carlton, Paradise Valley

Community Development Director Eva Cutro summarized the changes to the proposed Special Use Permit Amendment and site plan submitted by Five Star Development since the December 17 meeting.

Benjamin Graff, Withey Morris, represented the applicant, Five Star Development. He discussed the revised site plan and the opportunities it presented. He announced that Five Star Development executed all the necessary agreements with The Ritz-Carlton to serve as the resort operator. He read the following email into the record:

Congratulations on the signing of The Ritz-Carlton, Paradise Valley project! Please see the first set of executed documents below...others to follow shortly. I know it has been a long arduous road but I can assure you that Ritz-Carlton is excited and eager to see the project come to fruition.

As you know, we are eagerly awaiting the Town Council's final decision on the SUP this evening. If we can provide you with any assistance to support your efforts, please let me know. We think this will be a spectacular luxury product for the market.

Thank you for all your efforts, and please let me know how things go tonight.

*Best Regards,
James McKinney
Vice President
Americas Asset Management & Analysis
Marriott International Inc*

The following residents addressed the Council: Gordon McGuire believed that the proposed in lieu fees were legal; Kelly Jones spoke in favor of the project with the smaller home sizes; John Anton did not support the project because of the density and associated traffic; Miroslav Bristensky spoke in favor of the project; Joy MacLean did not support the density of the project, Tim Welch supported the Ritz-Carlton Resort but did not support the density and traffic of the development; Rod Cullum supported the SUP as submitted but commented that the fees should be in perpetuity; Heather Wagenhals encouraged the Council to act on the SUP, Sam Khazen supported the project and thanked those who voted in favor of the project on December 17; Ed Isaac spoke in favor of the project; Al Burhan, Paul Bowers asked for the Council to approve the project, Bob Darre asked the Council to vote for the project.

The following people submitted comments but did not speak:

Valarie Crosby supported the project; Regina Bidstrup opposed the density, Pele Bidstrup supported the resort but not the dense residential and commercial; Rami Khazen supported the project; Nadim Zyadh supported the project.

A motion was made by Mayor Collins, seconded by Council Member Hamway, to adopt Ordinance Number 694, amending the existing Special Use Permit for The Ritz-Carlton, Paradise Valley The motion carried by the following vote:

Aye: 4 - Mayor Collins, Council Member Hamway, Council Member Stanton, and Council Member Syms

Nay: 3 - Vice Mayor Dembow, Council Member Bien-Willner, and Council Member Sherf

15-334 Adoption of Ordinance Number 696; Development Agreement with Five Star Development Resort Communities, LLC for the Redevelopment of Real Property in the Vicinity of Lincoln Drive and Mockingbird Lane

Mr. Burke summarized the changes to the development agreement since the December 17 meeting. He stated that changes focused on project phasing:

1. All exterior improvements, improvements to Quail Run Rd, and all utilities are to be completed before the issuance of any certificate of occupancy;
2. Areas A and E1 can be build and issued certificates of occupancy;
3. Areas A1 and C can receive building permits, but not certificates of occupancy until the principal resort hotel and 150 rooms receive a certificate of occupancy and the spa is substantially complete;
4. Area B cannot receive building permits until the lobby building is rough framed; or until the hotel contract is available to the Town Manager; wash grading is complete; and \$3 million is paid to the Town for street improvements;
5. Area D cannot receive building permits until principal resort hotel is framed and 150 keys and the spa receive building permits.

He explained the resort residential unit replacement (in lieu) fee methodology and the default remedies.

A motion was made by Council Member Syms, seconded by Vice Mayor Dembow, to continue Ordinance Number 696, the Development Agreement with Five Star Development to January 14, 2016. The motion carried by the following vote:

Aye: 7 - Mayor Collins, Vice Mayor Dembow, Council Member Bien-Willner, Council Member Hamway, Council Member Sherf, Council Member Stanton, and Council Member Syms

A motion was made by Council Member Hamway, seconded by Council Member Syms to go into Executive Session at 8:00 p.m. The motion carried by a unanimous vote.

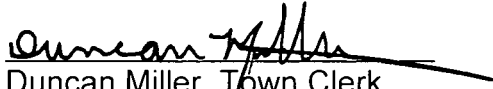
9. ADJOURN

A motion was made by Council Member Hamway, seconded by Council Member Bien-Willner, to adjourn. The motion carried by a unanimous vote.

Mayor Collins adjourned the meeting at 9:21 p.m.

TOWN OF PARADISE VALLEY

SUBMITTED BY:


Duncan Miller, Town Clerk

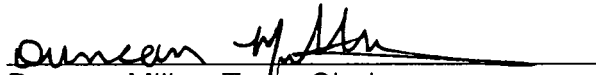
STATE OF ARIZONA)
 :ss.
COUNTY OF MARICOPA)

CERTIFICATION

I, Duncan Miller, Town Clerk of the Town of Paradise Valley, Arizona hereby certify that the following is a full, true, and correct copy of the minutes of the regular meeting of the Paradise Valley Town Council held on Monday, December 21, 2015.

I further certify that said municipal corporation is duly organized and existing. The meeting was properly called and held and that a quorum was present.




Duncan Miller, Town Clerk