

BEUS GILBERT

PLLC

ATTORNEYS AT LAW

701 NORTH 44TH STREET
PHOENIX, ARIZONA 85008-6504
FAX (480) 429-3100

Paul E. Gilbert

DIRECT (480) 429-3002
E-Mail Address: pgilbert@beusgilbert.com

Cassandra H. Ayres

DIRECT (480) 429-3010
E-Mail Address: caayres@beusgilbert.com

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HAND-DELIVERED

Jeremy Knapp
Community Development Director
Town of Paradise Valley
6401 E. Lincoln Drive
Paradise Valley, AZ 85253

Re: Major Special Use Permit Amendment Review (SUP-18-05)
Redevelopment of Smoke Tree Resort

Dear Mr. Knapp:

This letter responds to yours of December 21, 2018 summarizing the comments and additional requests from the Planning Commission during the December 4 and December 18, 2018 study sessions. This letter is also intended to accompany and supplement the materials being submitted for the Planning Commission's evaluation at the January 22, 2019 study session. We believe that with the materials submitted today in conjunction with a Development Agreement, the terms of which are being drafted by the Town Attorney, the Planning Commission will have sufficient time and information to act on the Smoke Tree Resort SUP Amendment application during the February 5, 2019 Planning Commission hearing.

While we have been meeting with the Town staff and various public bodies continuously for several months to discuss "specifics" of the Smoke Tree Resort SUP Amendment application, we thought this juncture would be an opportune time to take a step back and focus on an issue that it appears everyone can agree on. Namely, that the Smoke Tree Resort is a resort use, should remain as a resort use, is part of the East Lincoln South Redevelopment Area in the Town's General Plan, and should be redeveloped in order to contribute to the Town's fiscal health, economic diversification, and quality of life.

As you know, the SUP Resort Guidelines were written for, and intended to apply to, resort properties of 20 or more acres. The Smoke Tree Resort is a 5.36 acre property with an existing special use permit for resort uses, not a 20-acre property. At only 5.36 acres, the Smoke Tree Resort is approximately one-fourth the size of the 20-acre resort properties contemplated in

the SUP Resort Guidelines, yet must achieve the same resort uses without the benefit of additional land area necessary for such resort uses, amenities, and density calculation. Adherence to every single SUP Resort Guideline is simply not possible if the desired outcome is to revitalize and redevelop the Smoke Tree Resort into an economically viable resort that will contribute to the Town's resources and vitality, and act as a gateway to the Town.

The Town's SUP Resort Guidelines recognize that each SUP request should have enough flexibility to respond to its respective unique settings and circumstances. By way of example, Section 1 of the SUP Guidelines provides, "The nature of the request, the architecture of the development, the unique characteristics of the site, among other factors; may merit less or more restrictive standards as determined during a complete review of each individual request. As such, and as the Town Council recognized in its Statement of Direction ("SOD"), some modifications from the SUP Guidelines are warranted. Fortunately, these modifications can be achieved within the Smoke Tree Resort's existing geographical boundaries and, critically, without affecting the integrity and enjoyment of the adjacent residential areas. [General Plan Implementation Policy Table 2.2.1.7.] We have provided conceptual drawings and images of the proposed Resort previously, and in conjunction with this letter, but in the absence of SUP Resort Guidelines appropriate for a 5-acre resort property, stipulations and design guidelines unique to the Smoke Tree Resort site are needed in order to meaningfully advance designs.

This response to your letter, in *seriatim* and where a response is available at this time, is based on the currently submitted site plan, as well as the revisions being submitted concurrently herewith, and which are subject to further review and may change as this project continues through the hearing process.

1. **Previous Item:** Evaluation of the expanded traffic documentation that addresses such items as access points in/out of the site, the right in/right out movements, medians, deceleration turn lane for eastbound traffic entering the site, full build-out of nearby uses such as the Ritz Carlton Special Use Permit, any cross access with Lincoln Medical Plaza and the coordination with Town improvements along Lincoln Drive which may require an updated site plan modifying access. Please respond to the Town Engineer's recommendation on access.

Response: We can comply with the Town Engineer's recommendation number 2, but how the traffic counts are calculated, and where access is located, remains to be decided in light of the fact that the Town has not received, and will not receive, a firm answer from Lincoln Medical Center with regard to its decision on whether to accept the Town Engineer's recommendation until around January 24, 2019. In addition, Lincoln Medical Center has not advised whether it will enter into a mutually acceptable shared access agreement. We propose submitting two scenarios: (1) one that assumes Lincoln Medical Center will agree to shared access and that the Town Engineer's recommendation number 2 is acceptable; and (2) one that assumes Lincoln Medical Center will not agree to the foregoing.

2. **Previous Item:** Clarification on right-of-way on both Quail Run Road and Lincoln Drive. As you are aware, Town Code requires 25' of dedication along Quail Run from centerline as well as 65' of dedication along Lincoln Drive from centerline. Please update the site plan and associated information (open space corridor, lot coverage, etc.) to reflect.

Response: This item is in process. While we can provide 25' along Quail Run Road and 65' along Lincoln Drive, the mechanism by which this is accomplished (i.e., dedication vs. easement) will greatly impact the practical and actual use and design of the site. For example, providing 25' and 65' dedications, in addition to landscape buffers as well as required parking and circulation safety distances, takes up approximately 25% of the site that cannot be used for resort purposes. On a 20 acre resort, 25% may not have that great of an effect, but on a 5 acre resort, taking 25% renders the site undevelopable. We believe there are multiple ways to accomplish what the Town is requesting, and are actively working with the Town Attorney to accomplish those through a proposed Development Agreement.

3. **Previous Item:** Provide hours of operation for Program Area D, including seating area, address back of house for deliveries and areas for staff congregation outdoors.

Response: We propose using the model adopted in connection with the Mountain Shadows project. See paragraph 51 of the Mountain Shadows Development Agreement. With regard to a depiction of the seating area, same is included in the revised renderings provided simultaneously herewith. In addition, in response to comments from the Commission that an Employee Break Area should be identified, same has been included in this submittal as Item R on the southwest side of the site.

4. **Previous Item:** Clarify number of residential units, room design, and FFE. Include a typical residential unit plan.

Response: A typical room design and residential unit plan are being provided simultaneously herewith. With regard to the number of units, we are proposing a maximum of 180 units, which is comprised of 120 hotel units, and 30 residential units with a "lock off" ability, which creates the potential for another 30 units. (120 + 30 + 30 = 180) With regard to the FFE, the residential units will have initial FFE commensurate with that of the hotel units, and provide for appropriate variations based on room types as those are ultimately determined through the public hearing processes. The Town proposed, and we are willing to follow the model adopted in the Mountain Shadows project, but we will make initial FFE package mandatory, rather than optional as is the case for Mountain Shadows. However, in order to achieve a 4-star resort rating or better, the Mountain Shadows model needs to be updated to reflect current luxury resort standards and to provide the ability to upgrade the FFE as luxury resort standards change. We are working with the Town Attorney on specific language to be included in a proposed Development Agreement.

5. **Previous Item:** A concern was raised regarding the garbage area at the northeast corner of property and how it relates to the valet operations with the hotel as well as impacts it may have on cross access.

Response: This item has advanced as far as possible without Town Council direction from and/or agreement by Lincoln Medical Center. To the extent such issues are resolved, this item can be easily and quickly changed, and can be included on subsequent plans.

6. **Previous Item:** A concern was raised about the overall density of the site and the lack of open space. A suggestion was made to add a transition from west to east in terms of height and minimize 44' facades if possible. The SOD requires a compelling reason to exceed 36' in height, please provide any information that supports the need for a 44' building.

Response: In order to achieve a 4-star or better resort rating, the Resort needs a minimum 36 foot plate height, which is comprised of 12 feet for each floor (10 foot clear ceiling heights and 2 feet of structure and for mechanical, electrical, and plumbing). In response to negative comments received on the roof designs of other recent developments, we opted to provide no flat roofs, but rather architecturally interesting hip roofs that reach 44 feet at various points, and which are concentrated away from the residential areas. In order to minimize the additional height resulting from the hip roofs, we propose to do a mixture of flat roofs and hip roofs. However, we are currently proposing the maximum height along the periphery of the site to buffer adjacent properties from activity generating uses in the center of the site. The Town Council indicated that it found some additional height to the east and south acceptable, which is what we have proposed.

7. **Previous Item:** Provide an updated key map for sections shown in the packet.

Response: This item is completed in this submittal.

8. **Previous Item:** Provide a key map for renderings.

Response: This item is completed in this submittal.

9. **Previous Item:** Update site setbacks map to reflect the site plan as proposed/requested.

Response: This item is completed in this submittal.

10. **FYI.** When a public hearing date is set, you will need to post the property, mail your notices to the 1,500' mailing list, and provide me the posting photo/affidavits of mailing and posting. Staff will update you on this matter at a later date.

Response: We will comply with this item when hearing dates are set.

11. **Previous Item:** A list of outstanding items includes:

- a. Drainage Report
- b. Water Impact Service Study
- c. Exterior Lighting plan that is legible
- d. Updated site plans, traffic study, and parking based on Paul Mood's comments

Response: Items 11(a) and (b) are in process and will be provided when complete. The estimated date of completion is in late January. Item 11(c) was provided to the Planning Commission prior the December 18, 2018 study session. Item 11(d) is in process as additional comments were received January 3, 2019. CivTech is working on responses and changes based on the memo received from Paul Mood. However, until traffic and access issues between Lincoln Medical Center and the Town are resolved, we can only respond to a portion of Paul Mood's comments. We will provide updated information to the Town as soon as is practicable following resolution of the traffic and access issues on the Lincoln Medical Center site.

12. **New Item:** The Planning Commission indicates that the Open Space Criteria as identified in the SUP Guidelines should be met and that additional height, if necessary, should be focused towards the center of the site.

Response: With regard to Viewsheds, the SOD provides: "The Planning Commission shall consider the impact to adjoining properties of any encroachment outside of the imaginary plane suggested by the Open Space Criteria. Due to the size of this property being one quarter the suggested 20-acre size per the Special Use Permit Guideline and the location adjoining other commercial uses, a limited amount of encroachment may be permissible. Structures are suggested to generally stair-step from one-story/lowest height closer to the subject site property lines to not more than three-story/36 feet in height from Lincoln Drive, Quail Run Road, and the adjoining Andaz resort. The overall mass of the structures shall be reviewed to make sure it is of appropriate scale and special consideration shall be given to the views from the south side bordering the Andaz resort and the west side bordering Quail Run Road." (Emphasis added.)

As stated previously herein, in order to achieve a 4-star or better resort rating, the Resort needs a minimum of 36 foot plate height, which is comprised of 12 feet for each floor (10 foot clear ceiling heights and 2 feet of structure and for mechanical, electrical, and plumbing). In response to negative comments received on the roof designs of other recent developments, we opted to provide no flat roofs, but rather architecturally interesting hip roofs. In order to minimize the additional height resulting from the hip roofs, we propose to do a mixture of flat

roofs and hip roofs. However, we are currently proposing the maximum height along the periphery of the site to buffer adjacent properties from activity generating uses in the center of the site. The Town Council indicated that it found some additional height to the east and south acceptable, which is what we have proposed. We could not encroach in the Open Space Corridor, but then all the height would have to move to the center of the site. Consequently, moving all the height to the center of the site not only creates a displeasing "tower effect," but also results in displacing amenities that produce more noise (such as the pool, event lawn, and pavilion) to the periphery of the site, thereby potentially causing a detrimental effect on neighbors, particularly residential. Such an effect is contrary to the directive in the SOD and SUP Guidelines that redevelopment should strive to protect adjacent residential neighbors from detrimental effects. Instead, allowing a small amount of additional height at the periphery, as in the current submittal, creates a protective buffer for the adjacent neighbors.

It should also be noted that with regard to the same SOD category for Lincoln Medical Center, the Council indicated that due to the small size of the property, it's location adjoining other commercial uses, and that the existing structures do not meet the Open Space Criteria, a heavy focus on preserving view corridors is not necessary, and that if Open Space Criteria is applied the measurement may be taken from the existing property line along Lincoln Drive. The Smoke Tree Resort suffers from similar debilitations in that it is a very small lot for a Resort property and it is adjacent to commercial uses on three sides, including Lincoln Medical Center. We believe that similar consideration and evaluation should be given to the Smoke Tree Resort. As demonstrated by our previous submittals, the proposed buildings do not interfere with views of Camelback Mountain from properties within the Town.

13. **New Item:** The Planning Commission indicates that at a minimum the right-of-way along Lincoln Drive should match that of the Lincoln Medical Plaza which includes a 49-foot dedicated right of way from centerline with a 16-foot roadway easement.

Response: This item has been updated and definitional detail is in process through the Development Agreement. While we can provide 25' along Quail Run Road and 65' along Lincoln Drive, the mechanism by which this is accomplished (i.e., dedication vs. easement) will greatly impact the practical and actual use and design of the site. For example, providing 25' and 65' dedications, in addition to landscape buffers as well as required parking and circulation safety distances, takes up approximately 25% of the site that cannot be used for resort purposes. On a 20 acre resort, 25% may not have that great of an effect, but on a 5 acre resort, taking 25% renders the site undevelopable. We believe there are multiple ways to accomplish what the Town is requesting, and are working with the Town Attorney to accomplish those through a proposed Development Agreement.

14. **New Item:** On signage, please provide the square footage of all signs proposed. For the street signage, provide a total height to the top of the structure. On the signage plan, show detailed locations with sight visibility triangle. Please indicate any

lighting for the signage. If any other building signage is being proposed such as on the restaurant, show a rendering with dimensions and lighting as well.

Response: These items are completed in this submittal.

15. **New Item:** When the grading and drainage for the site is complete, ensure that the drainage from the underground parking area is considered, if necessary.

Response: This item is completed in this submittal.

16. **New Item:** Consider if natural light can be provided in the underground parking garage.

Response: We investigated this possibility and determined that providing natural light in the underground parking garage could not be accomplished without significant changes that alter the intended use of the site.

17. **New Item:** Provide more detail on the landscape wash lights, their location, and which landscape walls will be lit.

Response: These items are completed with this submittal.

18. **New Item:** Provide detail on how the guideline to ensure vehicle headlights will not trespass onto residential properties. The SUP Guidelines consider landscape mounds or walls.

Response: These items are completed with this submittal.

19. **New Item:** The parking lot pole lights do not meet the SUP Guidelines of being setback from the nearest property line by an equidistant as their height (15'). Please revise the plan to relocate the lighting.

Response: These items are completed with this submittal.

20. **New Item:** Several areas of the site exceed the maximum foot candles as identified in the SUP Guidelines.

Response: These items are completed with this submittal.

21. Provide lumen count for landscape lighting, they cannot exceed 300 lumens.

Response: These items are completed with this submittal.

Jeremy Knapp
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With this submittal, we believe that any further design changes can be determined through acceptable stipulations, and the Smoke Tree Resort Amendment application is on track to be considered as an action item at the February 5, 2019 Planning Commission hearing. We look forward to discussing the foregoing at the study session on January 22, 2019. In the meantime, if you have any further questions, please do not hesitate to contact the undersigned.

Very truly,

BEUS GILBERT PLLC

Paul E. Gilbert / CH

Paul E. Gilbert

CH

Cassandra H. Ayres

PEG/CHA/wmp
cc: Gentree, LLC