

TOWN *Of* **PARADISE VALLEY**



STAFF REPORT

TO: Chair and Planning Commission Members

FROM: Chad Weaver, Community Development Director
Paul Michaud, Planning Manager

DATE: June 3, 2025

DEPARTMENT: Community Development Department – Planning Division
Paul Michaud, 480-348-3574

AGENDA TITLE: Discussion Smoke Tree Resort Minor Special Use Permit
7101 E Lincoln Drive

SUMMARY STATEMENT:

Request

The applicant requests a Minor Special Use Permit (SUP) amendment (SUP-25-03) for the Smoke Tree Resort to the Major Special Use Permit approved in January 2024 (SUP-23-01). The request will maintain a similar footprint and building layout to SUP-23-01. This amendment is for an increase of the guestroom count from 82 keys to 95 keys (while reducing the gross building area) along with other minor modifications (e.g., increasing the number of parking spaces, adjoining the fitness area to the spa, and similar modifications). The resort is located at 7101 E Lincoln Drive (Maricopa County Assessor Number 174-64-003A). The request is submitted by Withey Morris, PLC, on behalf of ST HOLDCO, LLC, a Delaware limited partnership (being the land asset management and global real estate company called Walton Global Holdings).

Location

The Smoke Tree Resort is located at the southeast corner of Lincoln Drive and Quail Run Road/Palmeria Boulevard. It lies approximately 200 feet west of the Town limits and the City of Scottsdale. It borders two public roads. These are Lincoln Drive, a major arterial, and Quail Run Road, a dead-end local road. To the north of the resort is the Five Star Development (specifically the proposed attached residences). To the east is a medical plaza. To the south is the Andaz Resort. To the west across the street on Quail Run Road are single-family R-43-zoned lots.

History/Background

Use of the property as a resort began prior to its annexation into the Town in 1961. A Major SUP amendment was approved in January 2024 (SUP-23-01) to demolish the pre-existing resort that was no longer in operation with a new boutique resort. The 2024 SUP approval allows for an 82-guest unit resort which consists of the main arrival building that varies in height from 12 feet to 36 feet tall (up to 3-story tall), along with five single-story casitas (part of the 82-unit key count) with private patios and a detached one-story spa building. The arrival building, casita building, and spa building forms a courtyard which

contains the resort pool, pool cabanas, and pool bar. Redevelopment includes both surface and underground parking, signage, perimeter walls, landscaping, lighting, and utility improvements. Refer to the SUP History of the property for more information (Attachment C).

Purpose

The primary purpose of the upcoming work session is for the Planning Commission discussion of the request and provide the applicant with an opportunity to explain their request. There will be no action taken.

Scope of the Request

Below is a summary of the proposed improvements. For additional information, reference the applicant's narrative (Attachment E).

- *Number of Guestrooms.*

SUP-25-03 (Stipulation 37, Ordinance 2023-05) requires that the number of guestrooms (defined as resort keys) be limited to a maximum of 82 and the minimum resort key size be 475 square feet. The proposal to increase the number of guestrooms from 82 to 95 requires a Minor Special Use Permit Amendment to modify a stipulation (Section 1102.7, Zoning Ordinance).

The 13 additional resort keys are within the originally approved floor area of the resort building and possible through space reallocation. This reallocation for additional keys includes the conversion of five suites into standard guestrooms (reducing the total number of suites from 18 to 13) and gaining interior space for these additional keys by using back-of-house space. The hotel operator finds that this reallocation is better aligned with the boutique resort market for this region as described in the applicant's narrative (Attachment E). The resort is at the beginning stages of construction (with the demolition completed in January 2025) and excavation for the underground garage level expected to start in summer 2025.

The reallocation of space (including the changes in resort key size) falls within the existing SUP provisions provided no resort key type is less than 475 square feet. The smallest proposed key size is 478 square feet (sf). Overall, the key sizes are the same or slightly larger compared to SUP-23-01 as shown in the table below.

Key Type	Amount (SUP-23-01)	Amount (SUP-25-03)	Size (SUP-23-01)	Size (SUP-25-03)
Standard Room	59	75	475 sf	478-480 sf
Suite	18	13	735 sf 982 sf 1,472 sf	+/- 750 sf +/- 980 sf 1,512 sf
Casita	5	7	750 sf 1,301 sf	780 sf 1,305 sf
TOTALS	82	95		

The increase in resort keys increases the density (which was not specifically stipulated) from 15.3 units per acre (gross) to 17.6 units per acre (gross) as detailed in the table below. However, this density should not be apparent as the approved building mass remains substantially compliant with SUP-23-01, the gross area above grade will decrease from 106,030 square feet to 105,826 square feet and the lot coverage (dripline) will decrease from 73,940 square feet to 72,184 square feet.

	SUP Guidelines	Approval (SUP-23-01)	Proposed (SUP-25-03)
Lot Size	Minimum 20 acres	233,630 sf gross 206,468 sf net 5.4 gross acres/ 4.7 net acres	233,630 sf gross 206,468 sf net 5.4 gross acres/ 4.7 net acres
Guest Units Density	58 keys (gross) 52 keys (net) 1 unit per 4,000 sf 10.7 units per gross acre 11.0 units per net acre	82 keys (gross) 1 unit per 2,849 sf (gross) 15.2 units per gross acre 1 unit per 2,518 sf (net) 17.4 units per net acre	95 keys (gross) 1 unit per 2,475 sf (gross) 17.6 units per gross acre 1 unit per 2,156 sf (net) 20.2 units per net acre
Lot Coverage	Maximum 25%	31.6% gross 35.8% net 73,940 square feet (dripline)	30.9% gross 35.0% net 72,184 square feet (dripline)
Floor Area	None	59.2% gross 67.0% net 106,030 square feet	58.7% gross 66.4% net 105,826 square feet

▪ *Parking.*

SUP-23-01 (Stipulation 50, Ordinance 2023-05) requires that the resort property have no less than 159 striped parking spaces (minimum 180 square feet) that can accommodate no less than 181 valet-assist parking spaces. The proposal exceeds this minimum requirement at 187 striped parking spaces and a total of 209 parking spaces when in valet mode. The modifications to the site to accommodate these 28 additional striped parking spaces included reducing the cactus garden area at the resort entry (which gained 8 parking spaces), increasing the west setback of the meeting room building near the event lawn and spa (which gained 17 parking spaces), reconfiguring the underground garage (which lost 3 parking spaces), and reconfiguring the parking along the east property line with the medical plaza (which gained 6 parking spaces).

The revised parking analysis (Attachment G) requires a minimum of 146 parking spaces in peak season and 89 parking spaces in off-peak season. The proposed 187 striped parking spaces and 209 parking spaces when in valet mode provide more than the minimum number of parking spaces. The parking analysis with SUP-23-01 required a minimum of 142 parking spaces in peak season and 120 parking spaces in off-peak season (with a total of 181 parking spaces when in valet mode).

The modeling assumptions between the SUP-23-01 parking analysis and the SUP-25-01 revised parking analysis are the same. The different minimum peak season and off-peak season parking space numbers are a function of the proposed 13 additional resort keys that add more parking demand and the reduction in square footage of resort uses (predominantly the food & beverage square footage) that reduces parking demand.

Parking	SUP-23-01	SUP-25-01
Minimum Required Peak Season	142	146
Minimum Required Off-Peak Season	120	89
Striped On-Site Total	159	187
Valet-Assist On-Site Total	181	209
Peak Additional Parking Above Minimum	17	41
Peak Additional Parking Above Minimum (inc valet)	39	63
Off-Peak Additional Parking Above Minimum	39	98
Off-Peak Additional Parking Above Minimum (inc valet)	61	120

- *Traffic.*

The amended trip generation statement (Attachment H) takes into consideration the increase in key counts along with the associated changes in square footage of uses. The proposed development is anticipated to generate approximately 962 external weekday daily trips (46 morning peak hour trips and 75 evening peak hour trips). The SUP-23-01 traffic analysis anticipated 918 external weekday daily trips (41 morning peak hour trips and 73 evening peak hour trips). This is an increase of 44 daily trips or 4.8-percent increase (5 morning peak hour trips and 2 evening peak hour trips). There is no change in circulation and driveway access (including the widening and striping of the shared driveway with the adjoining medical plaza). The additional modeled traffic maintains the level of service levels in the traffic analysis approved with SUP-23-01.

- *Square Footage Modifications*

A main shift from the SUP-23-01 approval is the spa and fitness area. The 2024 SUP approval has the spa as a separate detached one-story building located at the southwest corner of the property and the fitness center for guest use located within the 3-story main building on the lower level. To maximize efficiency and complement the spa, the resort operator proposes the spa location remain the same and adjoin the fitness center to it. The spa/fitness square footage decreases approximately 700 square feet with a proposed total area of approximately 4,300 square feet. The added parking results in less open space and more impervious surface while substantially maintaining the perimeter landscape buffers. (Refer to Sheet 12, Calculations & Project Data in Attachment F).

The reallocation of the spa and fitness center fall within the existing SUP provisions as substantial compliance. It is described as part of this Minor SUP since these changes affect the parking and the trip generation. The changes in square footage are summarized in the table below. Beside the guest rooms, the other area of increase is the meeting space by approximately 300 square feet. This is a result of expanding the pre-function area on the north side of the ballroom to improve circulation flow before and after events for improved queuing space outside the main ballroom doors, improved transition between the high-traffic corridor and the formal meeting spaces, among other efficiencies.

Uses in Square Footage (SF)	SUP-23-01	SUP-25-01
Total Open Space (Net)	92,222 SF	81,571 SF
Total Impervious Surfaces (Net)	123,881 SF	159,937 SF
Gross Floor Area (Includes Basement Level)	138,249 SF	137,091 SF
Gross Floor Area (Above Grade)	106,030 SF	105,826 SF
Back-of-house (excludes Basement Level)	37,407 SF	35,469 SF
Guestrooms (Keys)	48,022 SF	53,275 SF
Lobby	4,386 SF	2,787 SF
Food & Beverage (Public Areas)	6,137 SF	4,606 SF
Spa/Fitness	4,996 SF	4,303 SF
Meeting Areas	5,082 SF	5,386 SF

▪ **Setbacks**

The building setbacks shifted slightly with SUP-25-03 and in general compliance with SUP-23-01. The resort setback in the Town's Special Use Permit Guideline is 100 feet from all property lines for the arrival building/casitas and 40 feet for accessory structures (e.g., spa building). The 100-foot setback is not met in most instances with SUP-23-01 as it took into consideration that the resort site existed prior to the Town's incorporation, the resort has a site that is one-quarter of the 20-acre minimum guideline, and the site location adjoins non-residential near the City of Scottsdale. The resort buildings setback with SUP-25-03 is closer to the Lincoln Drive property line by approximately 7 inches for the 1st level and closer by approximately 1 to 2 feet for the two upper levels (which the upper levels are still setback further than the 100-foot guideline). The buildings are setback further from the Quail Run Road property line at up to approximately 14 feet for the 1st level for the arrival building, 4 to 8 inches for the two upper levels (which are still setback further than the 100-foot guideline), and approximately 14 feet for the spa building. The resort buildings are setback further from the south property line (by up to approximately 3.5 feet for the 1st level and up to 8 inches for the upper levels). The resort buildings are setback a few inches closer to the east property line with the chiller screening at the northeast portion of the building on the ground level closer to the east property line by approximately 9 feet. These setbacks changes are a result of accommodating the additional parking row along the west side of the resort building and that the site is not an exact square. The setbacks are shown in the table below with detail on Sheets 7, 8, and 9 of the plans (Attachment F).

Property Side	Setbacks Arrival Building (SUP-23-01)	Setbacks Arrival Building (SUP-25-03)	Setbacks Casitas & Spa/Fitness (SUP-23-01)	Setbacks Casitas & Spa/Fitness (SUP-25-03)
North Front Lincoln Drive	85'10" (1 st floor) 187' 7" (upper floors)	85'3" (1 st floor) 186'1" (upper floors)	380'	380'
West Street Side Quail Run Road	60'2" (1 st floor) 167'10" (upper floors)	69'0" (1 st floor) 167'6" (upper floors)	59'8"	73'6"

East Adjoins Medical	52'7" (1 st floor–north) 55'3" (1 st floor–south) 55'11" (upper floors) 48'8" (balconies)	45'0" (1 st floor–north)* 55'3" (1 st floor–south) 55'0" (upper floors) 48'9" (balconies)	150'	145'
South Adjoins Andaz	54'3" (1 st floor) 64'0" (2 nd floor) 86'0" (3 rd floor)	57'8" (1 st floor) 64'4" (2 nd floor) 86'8" (3 rd floor)	40'0" (building) 33'7" (patio)	40'2" (building) 34'8" (patio)

*Due to the chiller screening

▪ *Heights / Elevations*

The 36-foot maximum height on the 3-story element of the arrival building remains unchanged from SUP-23-01. SUP-25-03 reduces the volume of encroachment into the Open Space Criteria from 60,905 square feet to 37,487 square feet. Refer to Sheet 22, Conceptual Site Sections of the plans (Attachment F). The single-story components of the arrival building, spa building, and casitas are generally more varied in height, somewhat taller on the portions facing Lincoln Drive, lower on the portions facing Quail Run Road (including the maximum height caps at 25 feet instead of 30 feet), and lower on the portions facing the south property line (except for the spa building at 15 feet/16 feet instead of 14 feet). The heights are all within the Town's Special Use Permit Guideline of 36 feet for the arrival building/casitas and 24 feet for the spa building. There are some minor changes to the building elevations as shown on Sheets 19 through 21 and Sheets 27 through 34 of the plan set (Attachment F).

Height	Height (SUP-23-01)	Height (SUP-25-03)	Open Space Criteria (SUP-23-01)	Open Space Criteria (SUP-25-03)
Arrival Building	12', 14' 16', 22', 26', 30', 36'	12', 13', 14', 15', 19', 20', 21', 23', 25', 36'	Meets, except part of 3 rd story along east	Meets, except part of 3 rd story along east
Casitas	16'	13'	Meets	Meets
Spa	14'	12', 15', 16'	Meets	Meets

▪ *Exterior Landscaping*

The landscaping remains substantially-complaint with SUP-23-01. The changes reflect the modifications due to the addition of parking spaces. This includes a reduced tract of the transformer in the landscape island directly south of the shared driveway off Lincoln Drive (with landscaping and decorative metal screening in compliance with the Town's Visually Significant Corridors Plan). Refer to the renderings and landscape plan in the applicant material (Attachment F).

- *Other*

There will be no substantive changes to the grading and drainage, lighting, signs, utility, and noise approvals from SUP-23-01. As such, these documents are not part of SUP-25-03.

General Plan

The General Plan encourages the renovation of SUP sites while protecting the Town's low-density residential character and quality of life. The Town shall require development or redevelopment within SUP properties to provide any necessary mitigation achieved through context and scale, and architectural design, setbacks, sound moderation, resort property programming, and landscape buffering (General Plan Land Use Policy LU.3.2). Other General Plan policies related to SUP properties encourage the use of enhanced aesthetics, buffers between uses of significantly differing function and intensity, the integration of pedestrian amenities, attractive streetscapes, use of shade trees, and the integration of art.

The request is compliant with the General Plan since the proposed improvements will have limited impact over the SUP-23-01 approval. The overall site plan layout and building design remains in substantial compliance to SUP-23-01.

Minor SUP Amendment

The request meets the criteria for a Minor SUP Amendment (Section 1102.7 of the Zoning Ordinance). There are four criteria for a Minor SUP Amendment:

- *The request does not change or add any uses.*

The proposed improvements do not add or change uses. The functions and activities permitted under SUP-23-01 remain the same. The primary use is for resort keys with ancillary uses for dining, spa, fitness, meeting event space, and similar uses that align with the uses described in Section 1102.2(A), Resorts, of the Town's Zoning Ordinance.

- *The request cannot increase the floor area over the last 60-month period, which the floor area cannot increase by more than 5,000 square feet or 15% of the current floor area.*

The request results in a reduction of gross building area above grade from 106,030 square feet to 105,826 square feet and a reduction of lot coverage (dripline) from 73,940 square feet to 72,184 square feet.

- *The improvements will not have any significant material effect on the adjoining property owners that is visible, audible, or otherwise perceptible from adjacent properties that cannot be sufficiently mitigated.*

The 13 additional resort keys and other modifications have no significant material effect as the resort mass remains relatively the same and is offset as the site will have more parking. The approved perimeter screening (walls and landscaping)

remains in substantial compliance to the SUP-23-01 approval. Also, the stipulations required to mitigate noise still apply including the installation of a distributed audio system and a noise limiter and other provisions.

The maximum heights will remain as approved with SUP-23-01, including a portion of the 3rd level within the Open Space Criteria. The resort buildings continue to vary in height with some portions taller than the SUP-23-01 approval and some heights lower than the SUP-23-01 approval (with all heights within the SUP Guidelines).

SUP-25-03 results in an approximate 4.8% increase in traffic (using total daily trips) with a 2.8% increase in peak season parking demand (but an approximate 75% reduction in off-peak parking demand) while adding more parking to the site above the minimums required. There is no change in the circulation or driveway access points as approved with SUP-23-01.

- *The amendment shall not change the architectural style of the SUP.*

The architecture, exterior materials, and colors associated with the proposed modifications are compliant with SUP-23-01.

Process

The process for a Minor SUP Amendment requires a pre-application review (completed), Planning Commission discussion of the SUP (in process), and Planning Commission action of the SUP at a public meeting. The Planning Commission action is final unless appealed to the Town Council in accordance with Section 1102(8)(B) of the Zoning Ordinance.

Public Comment

There are no notice requirements for the work session. Notice of the public meeting will be completed in accordance with Town policy. This includes mailing notices to property owners within 1,500 feet, property posting, and a newspaper advertisement at least 15 days before the public meeting.

The owner of the adjoining medical plaza contacted Town staff several times since the filing of this request to express concerns over construction (predominately dust and use of the shared Lincoln Drive access between the resort and medical plaza), timing of the construction of the 8-foot-tall block wall along the medical plaza, and the timing of widening the shared driveway. The owners of the medical plaza and resort have had several conversations regarding construction over the past three months.

- *Dust*

The resort redevelopment requires that the owner at the time of the building permit submit and then follow a dust control plan (Attachment J) that meets the Arizona Department of Environmental Quality requirements. When there is a call on dust, a complaint can be made to the Town's Building Manager/Official who can contact the contractor. However, dust violation investigations are the responsibility of Maricopa County.

- *Shared Driveway (Use)*

The owner agrees that use of the shared driveway along Lincon Drive will only be for emergency access during construction. Construction access will be from Quail Run Road. This is documented in the correspondence between both parties (Attachment I), the Narrative (Attachment E), and the draft stipulations with a provision to allow other times of use if approved by the Community Development Director with notice to the owner of the medical plaza to account for unanticipated events (Attachment K).

- *Shared Driveway (Design & Timing)*

The owners of the resort and medical plaza have a private memo of understanding regarding the redesign of the shared driveway. SUP-23-01 provided no detail on the redesign of this shared driveway other than verbal acknowledgement of having one inbound and two outbound lanes with said plan to be reviewed and approved by the Town Community Development Department. Timing is generally covered in Stipulation 14 of Ordinance 2023-05 which is Phase 2. The redevelopment is in Phase 1 which is the demolition and construction of the underground garage. The demolition is completed with the underground garage permit is yet to be submitted. The general construction process is covered in the applicant's narrative (Attachment E) and existing Stipulation 14 as noted above. The design is documented in the draft stipulations (Attachment K).

- *Perimeter Walls (Timing)*

The design of the perimeter walls is part of SUP-23-01 (which is not changing with SUP-25-03) and the private memo of understanding the resort owner has with the adjoining property owners. The timing in SUP-23-01 is in Phase 2 (generally after the underground garage is built and prior to the construction of the buildings). Any earlier construction is allowable and between the private parties.

Next Steps

The public meeting for Planning Commission action is scheduled for June 17, 2025. If needed, the Planning Commission can hold another work session at the regular meeting of June 17, 2025 and/or continue the action to a later date.

ATTACHMENT(S):

- A. Staff Report
 - B. Vicinity & Related Maps
 - C. SUP History
 - D. Application
 - E. Narrative
 - F. Plan Set
 - G. Parking Statement
 - H. Trip Generation Statement
 - I. Public Comments – Noticing
 - J. Dust Control Plan Information
 - K. Draft Stipulations
 - L. Staff Presentation
 - M. Applicant Presentation
-