

TOWN *Of* **PARADISE VALLEY**



STAFF REPORT

TO: Mayor Bien-Willner and Town Council Members

FROM: Jill Keimach, Town Manager
Lisa Collins, Community Development
Director Paul Michaud, Planning Manager
George Burton, Senior Planner

DATE: September 22, 2022

DEPARTMENT: Community Development
George Burton, Senior Planner 480-349-3525

AGENDA TITLE:
Discussion of Statement of Direction
Andaz Resort Intermediate Special Use Permit Amendment
6160 N Scottsdale Rd & 6041 N Quail Run Rd

SUMMARY STATEMENT:

Request

The applicant, PV Hotel Venture SPE LLC, requests Statement of Direction for an Intermediate Special Use Permit Amendment (SUP-22-01), a Rezoning (M-22-01), and a Non-Administrative Land Modification/Lot Combination (LLA-22-03) to incorporate and develop a vacant 5-acre residential property (6041 N Quail Run Rd/Maricopa County Assessor Parcel Number 174-65-004C) into the Andaz Resort (6160 N Scottsdale Rd/Maricopa County Assessor Parcel Number 174-65-071). Proposed development on the 5-acre site are 10 luxury one-story guest units (2,853 square feet to 5,410 square feet under roof) with private pools, a new one-story service building, and new perimeter walls.

Location

Andaz Resort is located east of Quail Run Rd, north of McDonald Dr, and west of Scottsdale Rd. Quail Run Rd is a Local Street, McDonald Dr is a Minor Arterial Street, and Scottsdale Rd is a Major Arterial Street. The resort is approximately 22 acres in size and is accessible from Scottsdale Rd. 6041 N Quail Run Rd is located north of McDonald Dr and east of Quail Run Rd.

History/Background:

PV Hotel Venture SPE LLC owns the Andaz Resort property and 6041 N Quail Run Rd. 6041 N Quail Run Rd is a residential lot, zoned R-43, has a General Plan designation of Resort/Country Club, and is located at the southwest corner of the resort property.



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Andaz Resort is zoned SUP- Resort and has a General Plan designation as Resort/Country Club.

The original Special Use Permit (SUP) for the resort was issued on July 10, 1975 and has been amended several times. In 2014, Ordinance 673 was issued approving a Major SUP Amendment to renovate the existing resort with the building area and keys as shown in the Project Data table below. A Major General Plan Amendment was also processed in conjunction with the 2014 SUP Amendment that changed the land use designation on 6041 N Quail Run Rd from Low Density Residential to Resort/Country Club (via Resolution No. 1267). However, the original scope of the project changed and the proposed development for 6041 N Quail Run was removed from 2014 SUP Amendment. The last amendments were in 2015. These included a Managerial SUP Amendment for modifications and site improvements (e.g. relocation of the spa/fitness building, replacement of a permanent tent with an enclosed structure, and relocation of existing parking area) and a Minor SUP Amendment for resort lighting and signage.

The Town Council Discussion

The Town Council reviewed the draft Statement of Direction (SOD) at the September 8th work study session. The Council identified the following:

1. The primary issues or areas of concern are noise, setbacks of all proposed structures, and an assurance that the proposed guest units will not be “for sale product” (e.g., a resort residential subdivision).
2. The proposed fence all adjoining Quail Run Rd should align with the existing fence wall to the north.
3. The residential standards listed in the SOD, staff report, and staff generated documents shall be removed.
4. Update and streamline SOD item No. 5. The Town Engineer shall review the Grading & Drainage plan for code compliance.
5. Staff must provide more analysis on the Quail Run Road right-of-way dedication and improvements for Council review (e.g. provide a “pros and cons” list for developing or landscaping the dedicated portion of Quail Run Rd right-of-way).

The draft SOD has been updated in accordance with the Council direction and is enclosed for review. Also, in response to Council’s direction, the applicant will modify the proposed fence wall adjoining Quail Run Rd to bring it into alignment with the existing fence to the north, will update the narrative to clarify that the guest units are resort keys and not private homes for sale, will explore the location and orientation of the guest units with the Planning Commission, and will explore noise mitigation measures with the Commission. The applicant provided a brief response letter and updated exhibits, which are enclosed for reference. However, due to the short time frame, these exhibits have not been fully reviewed by staff (see Attachment D – Applicant Response Letter and Updated Exhibits). Updated plans and documents addressing the issues and concerns identified during the

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SOD process will be reviewed by staff and presented to the Planning Commission for evaluation.

Project Data

	SUP Guidelines	Existing	Proposed
Lot Size	Minimum 20 Acres	964,042 S.F. (22.13 Acres)	1,183,069 S.F. (27.16 Acres)
Building Area	60% all impervious area 709,841 S.F.	138,466 S.F. (141,000 S.F. Approved)	173,275 S.F.
Keys	295 (1 per 4,000 S.F.)	185 (201 Approved)	195
Lot Coverage	25%	14.36%	14.65%

Scope of Request:

The scope of the request is an Intermediate SUP amendment to incorporate and develop 6041 N Quail Run Rd into the resort. The request is an Intermediate SUP amendment since it meets the three criteria outlined in Section 1102.7.C of the Zoning Ordinance (which will be vetted through the Planning Commission/Town Council public meeting process) in that the improvements do not: (1) change or add uses otherwise allowed on a resort property, (2) increase the floor area more than 40% (the request is an increase of 25% or 34,809 square feet), and is not expected to have a significant material effect that cannot be sufficiently mitigated.

Below is a summary of the proposed site improvements (which are further outlined in the enclosed Andaz Resort Comparison and Consideration Points – Attachment A).

- *Guest Units.* In response to the increasing demand for larger units and increased lengths of stay, the applicant is proposing to place 10 luxury/villa style one-story (12' to 14' tall) guest units/resort keys with carports on this parcel. The new units range in size from 2,853 square feet (four 2-bedroom units), 3,278 square feet (five 3-bedroom units), and 5,410 square feet (one 4-bedroom unit). These square footages are total floor area and include the carports, covered entry, and covered patios of the guest units. Also, the units will be part of and managed by the resort and the new guest units will not have lock-offs.

These guest units will be setback a minimum of 100' from the south property line and a minimum setback of 40' from the post dedication property line adjoining Quail Run Rd. The 40' setback requirement from post dedication property line is less than the 100' setback recommended by the SUP Guidelines.



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- *Private Pools.* Each guest unit will have a private pools or spas. The pools have a minimum setback of 20' from the west property line (post dedication) and a minimum setback of 70' from the south property line. The SUP Guidelines do not identify recommended setbacks for private pools and spas. Each guest unit and pool will be enclosed with a 6' tall fence wall for privacy and pool barrier requirements.
- *Parking & Circulation.* Each guest unit will have separate parking via a two-vehicle carport (which is compliant with the SUP Guideline requirement of 1.2 spaces per guest unit) and will only be accessible from the existing resort entrance from Scottsdale Rd (with no access to or from Quail Run Rd).
- *Service Building.* A new one-story (12' tall) service building matching the architectural style of the resort buildings will be located on the east side of the subject site and will be used to service the event lawn and new guest units. This building consists of a storage area, men and women's restroom, and a bar.
- *Fence Walls.* An 8' tall masonry wall with a stucco and paint finish will be placed at the southern property line. A 6' tall masonry wall with a stucco paint finish will adjoin the western property line. The western wall (along Quail Run Rd) will have a design and alignment that matches the existing perimeter wall to the north. The proposed western meandering wall has a varying setback of approximately 5' to 25' from the post dedication property line. 6' tall masonry walls will also be constructed around each guest unit to create private backyards with a pool or spa.

The SUP Guidelines recommend that fence walls meet the setbacks and heights outlined in Article 24 of Zoning Ordinance. The southern fence wall and is compliant with these standards. The western fence wall will match the location and design of the existing resort perimeter wall to the north; however, it varies from the recommended average setback of 15' for meandering walls (with recommended meander between the 10' and 20' setbacks). The proposed western meandering wall has an approximate and varying setback of 5' to 25' from the post dedication property line. Also, portions of the interior guest units fence wall tie into the western wall adjoining Quail Run Rd.



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- *Lighting & Landscaping.* The landscaping and lighting will match the existing campus. The applicant will use the same plant palette and exterior light fixture that are currently on campus. Six 14' tall pole lights will be placed on the eastern side of the new drive aisle that provides access to the guest units and service building and match the parking lot pole lights that are currently on the campus. All but one landscape light fixture are compliant with the SUP Guidelines, in which a landscape up-light exceeds the recommended lumens.

The SUP Guidelines also recommend a 40' wide landscape buffer adjoining a residential property and a 30' wide landscape buffer adjoining a local road (measured from property lines). The southern part of this area is compliant with the 40' wide landscape buffer; however, the west side is not compliant with the recommended 30' landscape buffer from post dedication property line. The west side will have a landscape buffer that varies approximately 5' to 25' from post dedication property line but will have the appearance of a compliant buffer since the applicant is proposing to landscape this area from the edge of the existing street to the proposed fence wall.

- *Quail Run Rd Right-of-Way Dedication.* Quail Run Rd is classified as a local street. The Town's right-of-way (ROW) design standards recommend a minimum ROW width of 50'. Quail Run Rd currently has a 30' wide ROW with approximately 14' to 15' of existing asphalt. The applicant will dedicate an additional 20' of ROW to bring the ROW width into compliance.

The Town Engineer recommends that the applicant add an additional 3' to 4' of asphalt and 2' of ribbon curb in the dedicated portion of ROW to provide safe passage for two vehicles (which will result in a total of 18' of asphalt with 2' of ribbon curb on the east side of the road). This leaves 15' of dedicated ROW that can be landscaped. However, the applicant is proposing to add no additional pavement and ribbon curb and instead landscape the entire 20' of newly dedicated ROW due to limited use of this street and to match the northern portion of ROW that was landscaped per 2014 Major SUP amendment.

- *Supplemental Information.* The applicant included a conceptual Grading & Drainage Plan showing the location and volume of the retention basin and tank, Conceptual Drainage Design Memo, preliminary trip generation report, preliminary water system analysis report, preliminary sewer system analyst report, preliminary noise impact study, preliminary sign plan, site project data, and parking data for review and reference. These preliminary reports and plans identify the general design and impacts associated with the proposed improvements; however, more detailed information will be required for Town Engineer review and approval.



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Statement of Direction (SOD)

The work session is an opportunity for staff to receive input and direction from the Town Council regarding the draft Statement of Direction (SOD). Section 2-5-1.C of the Town Code requires the Town Council to issue a SOD for Intermediate SUP Amendments. Attachment B is the draft SOD. Section 2.5.2.D of the Town Code requires the Planning Commission to forward a recommendation to the Council within 90 days from the approval date of the SOD, or 150 days from the filing of the application for the Special Use Permit, or within a specified time set by Council in the SOD.

The draft SOD provides Planning Commission with a deadline on or before February 10, 2023. This date is approximately 120 days from the issuance of the SOD date to account for the holiday season and any unexpected reviews, with the possibility of an earlier Planning Commission recommendation. Section 1102.3.C.3.c of the Zoning Ordinance requires the Town Council to issue a SOD within 45 days from the date of the first staff presentation. The initial presentation of this SOD is September 8, 2022; which requires the Town Council to issue a SOD by October 23, 2022.

The SOD is not a final decision of the Town Council and creates no vested right to the final action of this Special Use Permit. Rather, a SOD provides the Planning Commission with general guidance on a variety of development aspects of the project (such as height, setbacks, design, density, landscaping, lighting, noise, etc.), guidance on procedural aspects (such as application timing/completion of review), and guidance on policy aspects (such as identifying appropriate and acceptable standards, uses, and compatibility for the SUP) in order to be transparent and efficient in the completion of the SUP amendment. The full merits of the request are reviewed in detail during the Planning Commission recommendation process, with a full review by the Town Council after the Planning Commission recommendation.

Below is a summary of recommended components of the draft SOD as it relates to how the proposed request compares to the SUP Guidelines, with further detail outlined in Attachment B.

Incorporation and development of the residential lot into the resort brings the resort uses closer to the existing residential properties. The Planning Commission shall focus their review on the visible, audible, and operational effects the amendment may have on the neighbors that include the following:



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1. **Use.** Evaluate if additional changes or measures are needed to mitigate any adverse effects (such as noise and lighting) created by the new guest units, carports, service building, pools, and/or fence walls. Craft stipulations that ensure that these guest units remain as resort keys and will not be sold as private/individual residences.
2. **Setbacks & Heights.** Evaluate the location and setbacks of the new guest units, carports, service building, and shall evaluate the setbacks and heights of the new fence walls.
3. **Quail Run Rd Right-of-Way (ROW) Dedication.** Evaluate the pavement and landscaping of the dedicated ROW. Per Council's request at the September 8th work study, staff provided a "pros and cons" list for paving or landscaping this area (see Attachment C).
4. **Landscaping & Lighting.** Evaluate a detailed landscape and lighting plan with particular attention to the west and south areas nearest existing residential properties.
5. **Grading & Drainage, Water, & Sewer.** Evaluate conceptual grading & drainage plans and preliminary drainage memo, water system analysis, and sewer system analysis and provide general input if these improvements affect the design of the project or impact the neighbors.
6. **Traffic, Parking, and Circulation.** Ensure the parking is compliant with the SUP Guidelines and provide general input should parking and circulation affect the design or impact to nearby residents.
7. **Signage.** Evaluate the size, height, location, and illumination of all proposed signs for appropriateness with the SUP and compliance with the SUP Guidelines.

Process

Intermediate SUP Amendment

Section 1102.3.C of the Zoning Ordinance requires that the Town Council issue a Statement of Direction to the Planning Commission for an Intermediate SUP Amendment before their review of the request. The process for the request is pre-application review by the Town staff (completed), review and issuance of an SOD by the Town Council (typically two work study sessions and one action item), Planning Commission review (typically two or more work sessions), a Citizen Review Session (neighborhood meeting) held by the applicant, Planning Commission public hearing – in which a recommendation is forwarded to Town Council, and Town Council work session review(s) and Council public hearing for action.



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Non-Administrative Land Modification

The Non-Administrative Land Modification is reviewed directly by Town Council and will be reviewed by Council after the Commission forwards their recommendations on the Intermediate SUP Amendment and Rezoning.

A General Plan amendment is not required since 6041 N Quail Run Rd already has a General Plan designation of Resort/Country Club (which was approved in 2012 via Resolution 1267).

Public Comment

Staff received public comment regarding these proposed improvements. Several of the neighbors expressed concern regarding noise and lighting, guaranteeing that Quail Run Rd will not connect to Lincoln Dr, better maintenance of the landscaping on Quail Run Rd adjoining the Andaz Resort, and the desire to see a few feet of extended pavement on Quail Run Rd to enable two cars to pass through safely. A copy of the public comment is enclosed.

Next Steps:

Staff will incorporate any changes from this meeting and present the updated SOD for Council review and action on October 13th.

ATTACHMENT(S):

1. Application
2. Vicinity Map & Aerial Photo
3. Narrative & Plans
4. Attachment A – Comparison & Consideration Points
5. Attachment B – Draft Statement of Direction (SOD)
6. Attachment C – Quail Run Rd ROW Pavement Pros & Cons
7. Attachment D – Applicant Response Letter and Updated Exhibits
8. Noise Impact Study
9. Trip Generation Comparison – First Revision
10. Water System Analysis Report
11. Sewer System Analysis Report
12. Conceptual Drainage Design Memo
13. Power Point Presentation
14. Summary of Andaz Preliminary Meeting with Neighbors
15. Public Comment

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