

# **TOWN** *Of* **PARADISE VALLEY**



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## **STAFF REPORT**

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**TO:** Chair and Planning Commission Members

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

**DATE:** June 17, 2025

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

**AGENDA TITLE:** Discussion and Possible Action on Smoke Tree Resort  
Minor Special Use Permit (SUP-25-03)  
7101 E Lincoln Drive (APN: 174-64-003A)

### **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).

### **PLANNING COMMISSION REVIEW**

The Planning Commission reviewed SUP-25-03 at the June 3<sup>rd</sup> work study session. During the work session, the Planning Commission discussed the project as summarized below:

- Explain the difference in setbacks from SUP-23-01 and SUP-25-03. The current design maintains substantial compliance with the originally approved SUP-23-01 setbacks. The minor adjustments represent typical design refinement that occurs during the development process, with setbacks shifted only inches to a few feet. Importantly, these modifications improve setbacks from both Quail Run Road and the Andaz Resort property line, providing enhanced buffering. Refer to Setbacks in the report for additional information.
- Provide more detail on where the additional keys were accommodated since the overall square footage is decreasing. The ground level has 7 more keys by relocating the fitness center out of the 3-story building that freed space for 5 additional keys, while optimizing casita layouts contributed 2 more keys. The 2<sup>nd</sup> level eliminated an underutilized open area above the ground floor lobby to allow for

additional 3 keys. The 3<sup>rd</sup> level converted some suites along the east-facing side to add 3 keys.

- Verify that the 300 square-foot increase in meeting space is pre-function space. The 300 square-foot increase in meeting space specifically represents an expanded pre-function area achieved by widening existing space circulation. This modification enhances guest experience and operational flow without fundamentally altering the meeting facility's scope or capacity.
  - Provide more information on the construction timing. After the work session, the applicant provided additional information. The 1<sup>st</sup> building permit (underground, civil, and structural) is expected for early July 2025 and the 2<sup>nd</sup> full submittal is expected mid-November 2025, with an anticipated construction start date the 1<sup>st</sup> quarter of 2026 and anticipated project completion date the 3<sup>rd</sup> quarter of 2027.
  - Understand any differences in the size of the pool and pool area. The applicant noted that the pool and pool area are comparable in size to the SUP-23-01 approval. The original pool was 1,110 square feet with the proposed pool 1,052 square feet. The pool shape changes from rectangular to oval for enhanced aesthetic appeal and fixed seating will accommodate 70 lounge chairs and 25 seats at the pool bar. These modifications represent typical design changes while remaining within the originally approved parameters.
  - Provide more information on the marketing of the spa. Members of the general public will be able to book spa treatments through the hotel website or by phone, but the spa will be largely marketed to guests of the resort. Parking and traffic demand from outside guests is factored into the parking and traffic studies, but it is anticipated that most spa business will come from resort guests.
  - Inquire on any off-site parking capacity for employee use. The applicant replied that they are exploring potential options for offsite parking, if necessary, in the future, but the resort can accommodate parking demand in all peak season scenarios. There was also discussion regarding the decreased demand for resort staffing in the current hospitality field with the example of guests not asking for daily housekeeping. Any arrangement for off-site parking use is extra parking capacity many resorts seek on their own. The SUP-23-01 approval and SUP-25-03 both accommodate all necessary parking on-site. For example, peak season parking demand requires 146 parking spaces. SUP-25-01 accommodates 187 striped parking spaces and 209 parking spaces in valet mode. Stipulation 49 of Ordinance 2023-05 with SUP-23-01 approval (which applies to SUP-25-03) requires a parking management plan if parking demand is expected to exceed onsite capacity. SUP-25-01 parking capacity has only improved with the proposed plans. This includes the parking ratio, and the composition of uses within the site has lowered the peak parking demand.
  - Explain the functioning (including any traffic management sensors) and the Town's interaction regarding the dual left turn lanes on Lincoln Drive onto northbound Scottsdale Road as the Lincoln Drive and Scottsdale Road intersection will likely have more traffic with the reopening of the Smoke Tree Resort. The traffic signal at the intersection of Scottsdale Road and Lincoln Drive is operated and controlled by the City of Scottsdale. The traffic from SUP-23-01 was considered in the updated traffic analysis provided. The net change in trips is very small and creates no additional impact to the intersection when compared to that evaluated in the SUP-
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23-01 Traffic Impact Analysis. As needed, the Town Engineer will coordinate with the adjoining municipal engineering staff. The traffic impact analysis with SUP-23-01 analyzed nearby intersections including Lincoln Drive and Scottsdale Road under current conditions up through when the nearby resorts under construction would be open.

## **RECOMMENDATION**

### Recommendation A:

It is recommended the Planning Commission deem the requested amendment to the Smoke Tree Resort Special Use Permit a Minor Amendment per the criteria listed in Section 1102.7.B of the Zoning Ordinance.

### Recommendation B:

It is recommended that the Planning Commission approve the Smoke Tree Resort Special Use Permit Minor Amendment to increase of the guestroom count from 82 keys to 95 keys (along with the other modifications in SUP-25-03), subject to the following stipulations:

1. The improvements shall be in substantial compliance with the following:
    - a. The project narrative prepared by Withey Morris Baugh, revised on May 19, 2025.
    - b. The Smoke Tree Resort Special Use Permit Amendment Application booklet prepared for the developer Walton Global dated March 5, 2025. This booklet replaces the Application booklet with SUP-23-01. The revised booklet includes the following new sheets:
      - i. Cover Sheet and Sheet 2 through Sheet 5, providing information on the applicant team and site context. All sheets dated March 5, 2025.
      - ii. Sheet 6, Conceptual Illustrated Site Plan/First Floor Plan, Sheet 7, Conceptual Illustrated Second Floor Plan, Sheet 8, Conceptual Illustrated Third Floor Plan, Sheet 9, Conceptual Site Dimension Plan, Sheet 10, Conceptual Level B1 Floor Plan, Sheet 11, Conceptual Room Plans, Sheet 12, Preliminary Area Calculations & Project Data, and Sheet 13, Conceptual Room Matrix. All sheets dated March 5, 2025.
      - iii. Sheet 14 through Sheet 17, providing site setbacks. All sheets dated March 5, 2025.
      - iv. Sheet 18, Conceptual Building Height Diagram, dated March 5, 2025.
      - v. Sheet 19 through Sheet 21, Conceptual Building Elevations and Enlarged Elevations. All sheets dated March 5, 2025.
      - vi. Sheet 22, Conceptual Site Sections, dated March 5, 2025.
      - vii. Sheet 23, Conceptual Site Wall Diagram, Sheet 24, Conceptual Signage Diagram, and Sheet 25, Service Areas & Screening Details, and Sheet 26, Seating Layouts. All sheets dated March 5, 2025.
      - viii. Sheet 27 and Sheet 28, Conceptual Renderings Arrival, Sheet 29, Pool Area & Hotel Room Wing, Sheet 30, Internal Courtyard/Amenity Spaces, Sheet 31 through Sheet 34, Perimeter Views. All sheets dated March 5, 2025.
      - ix. Landscape Design, that includes an Overall Site Plan, Enlarged Conceptual Plan North, Enlarged Conceptual Plan South, Conceptual Streetscape Plan North, Conceptual Streetscape Plan South, Conceptual
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Streetscape Palette (3 sheets), and Hardscape Palette. All sheets dated March 5, 2025.

- c. Revised Parking Statement (including valet plan) prepared by CivTech dated April 2025, and date sealed by Registered Professional Engineer Dawn D. Cartier on April 17, 2025.
  - d. Trip Generation Comparison Statement prepared by CivTech dated April 2025 and date sealed by Registered Professional Engineer Dawn D. Cartier on April 18, 2025.
  - e. Other documents as approved with SUP-23-01 (no changes):
    - i. Lighting Basis of Design prepared by EXP dated December 12, 2023, that includes an exterior lighting photometric plan, cutsheets, and lighting schedule.
    - ii. Land Title Survey, prepared by Alliance Land Surveying, LLC, dated March 21, 2022.
    - iii. Preliminary Grading Plan, prepared by Coe & Van Loo Consultants, Inc., dated December 6, 2023.
    - iv. Preliminary Utilities Plan, prepared by Coe & Van Loo Consultants, Inc., dated December 6, 2023.
    - v. Preliminary Drainage Report (with Preliminary Grading Plan) prepared by CVL Consultants dated December 6, 2023, and date sealed by Registered Professional Engineer William V. Haas on December 6, 2023.
    - vi. Water Service Impact Study prepared by CVL Consultants dated December 7, 2023, and date sealed by Registered Professional Engineer Cassandra Alejandro on December 7, 2023.
    - vii. Wastewater Capacity Study prepared by CVL Consultants dated December 7, 2023, and date sealed by Registered Professional Engineer Cassandra Alejandro on December 7, 2023.
    - viii. Noise Study and Recommendations, dated December 14, 2023, prepared by MD Acoustics.
2. The Owner shall widen the shared driveway off Lincoln Drive with the adjoining medical plaza located at 7125 E Lincoln Drive on the resort property to allow for two outbound lanes and one inbound lane as generally shown on the Site Plan/ First Floor Plan of the SUP-25-03 approved plans subject to the approval the Town of Paradise Valley Community Development Department.
  3. During construction of the resort the shared driveway off Lincoln Drive with the adjoining medical plaza located at 7125 E Lincoln Drive shall be used for emergency access only (unless otherwise authorized by the Town's Community Development Director with notice to the medical plaza ownership).
  4. The Owner shall provide the Town with a signed Waiver of Claims for Diminution of Value under A.R.S. § 12-1134 (Proposition 207 Waiver), in the form provided by the Town Attorney, prior to Planning Commission approval of this application, with said form recorded prior to or on the effective date of this approval.
  5. All existing Special Use Permit stipulations shall remain in full force and effect, unless changed or modified by SUP-25-03.
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### Location

The Smoke Tree Resort is located at the southeast corner of Lincoln Drive and Quail Run Road/Palmeriaie 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. Refer to the SUP History of the property for more information (Attachment C) and Background – Scope of Request (Attachment L).

### Purpose

The purpose of the meeting is for the Planning Commission allow for public comment and to act on the request.

### 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.*

The 13 additional resort keys are within the originally approved floor area of the resort building and possible through space reallocation. 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. 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). 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. For additional information, refer to the Background – Scope of Request (Attachment L).

- *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 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

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spaces in off-peak season (with a total of 181 parking spaces when in valet mode).

- *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*  
SUP-23-01 approved 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. 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. (Refer to Sheet 12, Calculations & Project Data in Attachment F).
  - *Setbacks*  
The building setbacks shifted slightly with SUP-25-03 and are in general compliance with SUP-23-01. The resort buildings setback with SUP-25-03 is closer to the Lincoln Drive property line by approximately 7 inches for the 1<sup>st</sup> level and closer by approximately 1 to 2 feet for the two upper levels (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 1<sup>st</sup> 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 1<sup>st</sup> 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. Refer to Sheets 7, 8, and 9 of the plans (Attachment F).
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- *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).

- *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 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.

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- *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 3<sup>rd</sup> 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 work session discussion of the SUP (completed), 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

Notice of the public meeting was 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.

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There was only one comment since the study session. This was the owner of the adjoining medical plaza requesting the east and south walls along his shared property line be built now (see Attachment I). He 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.

#### Next Steps

If approved by the Planning Commission, the action becomes final after the 15-day appeal period. The applicant can then move forward with building permits.

#### **ATTACHMENT(S):**

- A. Staff Report
  - B. Vicinity & Related Maps
  - C. SUP History
  - D. Application
  - E. Narrative
  - F. Plan Set
  - G. Parking Statement & SUP-23-01 Parking Analysis
  - H. Trip Generation Statement & SUP-23-01 Traffic Impact Analysis
  - I. Public Comments – Noticing
  - J. Dust Control Plan Information
  - K. Background – Scope of Request
  - L. Waiver of Claims
  - M. Staff Presentation
  - N. Applicant Presentation
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