

SUP-23-01 Smoke Tree Resort

Statement of Direction

April 27, 2023

ST Holdco, LLC (Walton Global Holdings) submitted a Major Special Use Permit (SUP) amendment application for redevelopment of the Smoke Tree Resort located at 7101 E Lincoln Drive. The current proposal is for a complete redevelopment of the 5.0 net acre site with 82 total resort guest units ranging in size from approximately 533 square feet to 1,486 square feet (includes 5 single-story casitas with small plunge pools and a presidential suite on the 3rd floor), a detached fine dining restaurant/bar with cellar and patio dining, all-day market bistro with outdoor patio, meeting function building with outdoor event lawn, resort pool, guest fitness and spa facility, and underground parking.

Section 1102.3 of the Town's Zoning Ordinance states the Town Council must issue a Statement of Direction (SOD) for the Special Use Permit application within 45 days of the first staff presentation. In this case, the SOD must be issued on or before May 8, 2023.

The SOD is not a final decision of the Town Council and does not create any vested rights to the approval of a SUP. Any application for a SUP does not rely solely upon the matters addressed in the SOD. The following is the SOD for the Smoke Tree Resort being issued:

- 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 Special Use Permit 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 Planning Commission shall focus their review on the visible, audible, and operational effects the major amendment may have on the neighbors. In particular, the Planning Commission shall focus their review on:

1. **Use.** *The uses at the proposed resort will include additional resort amenities from what was offered at the past resort with all uses in compliance with Section 1102.2, Uses Permitted, of the Town's Zoning Ordinance for resorts. Besides additional guest units, the proposal offers two different food and beverage options instead of one restaurant facility, an indoor/outdoor meeting function space, and fitness/spa facilities. Improvements to the grounds include a larger resort pool, enhanced landscaping, new signage, and underground parking.*

The primary areas for the Planning Commission to study include, and are not limited to, the design/layout, impact of said uses to the surrounding area outside the site (specifically noise and light), as well as the specific operational factors (hours of operation, outdoor seating, etc.) and resort quality standards. For-sale product is not proposed nor desired at this location.

2. **Noise Mitigation/Impact.** *Resorts include outdoor areas for events and places where people congregate that could create unintended nuisance for people off-site. As such, the Town partnered with MD Acoustics and a few resorts (this did not include Smoke Tree Resort) to assess noise and offer mitigation strategies. The proposed resort includes a main resort pool designed around a courtyard, seven small plunge pools as part of the casita suites and spa, meeting function building with event lawn, and outdoor dining patios as part of the two restaurants.*

The Planning Commission shall consider impacts including noise, light, traffic, and any other adverse impacts, particularly for those existing residential properties west of the site along Quail Run Road. In particular, outdoor employee areas and service uses such as maintenance, maid service/laundry, trash collection/storage, mechanical equipment (roof/ground), outdoor areas (e.g., restaurant dining, patios/balconies), and all other noise generating elements shall be studied. The review shall address site design, location, and orientation; along with the reasonable separation between incompatible uses and effective buffering of unwanted noise, light, traffic, views of the buildings offsite, and other adverse impacts. The Planning Commission take into account mitigation measures based upon design (e.g., courtyards, walls), technology (e.g., installation of a distributed audio system), and operational means through stipulations.

3. **Density.** *The available guest accommodations increase from 25 (originally 30) to 82 units. The SUP Guideline for guest unit density is one unit for each 4,000 square feet of site area. Site area is typically determined by the net site area. The net site area shown on the submittal is 218,096 square feet net (5.0 acres, accounts for the typical 25-foot half width right-of-way dedication along Quail Run Road and 33 feet of the typical 65 feet of half width right-of-way dedication along Lincoln Drive). Additionally, the SUP Guidelines suggest a minimum site area of 20 acres, which this existing resort is only a quarter of that area. The site's gross acreage is 233,630 square feet (5.4 acres). Based on this information, the number of guest units using the SUP Guideline is 55 to 58 depending on net or gross site acreage (10.2 to 11.6 units per acre). The proposed 82 guest units has a density of one unit for each 2,660 net square feet or 2,849 gross square feet (15.3 to 16.4 units per acre).*

The Planning Commission shall evaluate how the proposed density impacts safety and quality of life. The site adjoins non-residential zoning on three sides, and the proposed site plan has reduced density on the west and south sides of the site.

4. **Lot Coverage/Floor Area Ratio.** *SUP Guidelines suggest a lot coverage of 25 percent, with no guideline on floor area ratio. The existing resort lot coverage is 24,100 square feet (11.1 percent net and 10.3 percent gross). The proposed lot coverage is 64,350 square feet (29.5 percent net and 27.5 percent gross, which excludes the fully subterranean garage that includes storage, kitchen, laundry, office, and the 3,420 square feet of cellar dining beneath the French Cowboy). The existing total floor area is 24,100 square feet with a floor area ratio of 11.1 percent net and 10.3 percent gross, as the existing buildings are all one-story. The proposed total floor area is 116,740 square feet (53.4 percent net and 50.0 percent gross, this excludes the underground garage level).*

The Planning Commission shall consider lot coverage and floor area ratio while taking into

consideration the unique characteristics of the site located on five acres, its proximity to the City of Scottsdale, and that non-residential zoning adjoins three sides of the site with the fourth side adjoining Quail Run Road adjacent to residential R-43 zoning. The Planning Commission shall also evaluate the lot coverage and floor area ratio within the context of the immediately adjacent properties. The lot coverage and floor area ratio shall be calculated based on both net and gross area.

5. **Heights/Viewsheds.** *SUP Guidelines suggest a maximum height of 36 feet for principal structures (those containing guest units or containing guest registration, administrative offices, and accessory uses) and maximum height of 24 feet for accessory structures. The guidelines further apply the Open Space Criteria whereby no structure would penetrate an imaginary plane starting at a setback of 20 feet from all property lines at 16 feet above natural grade which slopes upward at a ratio of one foot vertically for each five feet horizontally. Except for the detached restaurant (French Cowboy) building nearest Lincoln Drive and the interior structures within the resort pool/event lawn, all the proposed buildings on the proposed site plan are principal structures. Existing building heights are generally not taller than 18 feet and all buildings are single-story. The proposed heights vary from approximately 14 to 36 feet 3 inches tall up to three stories. However, except for an “L” shaped portion of the principal guest unit building at three stories, the majority of the buildings proposed are single-story 14 to 22 feet tall. Heights are compliant with the SUP Guidelines except for a small portion of the roof of the detached restaurant building nearest Lincoln Drive and the eastern portion of the 3rd story nearest the adjoining medical plaza.*

The Planning Commission shall evaluate the proposed height and viewsheds based on its visibility of proposed buildings as seen from off-site which may require additional visuals (e.g. sight line representation, rendering, etc.). Lower height is encouraged on the west side of the site nearest to existing residential properties. Heights shall comply with the SUP Guidelines with mechanical screening and architectural elements included in the maximum height.

This site is one quarter the suggested 20-acres per the SUP Guidelines and the location adjoins other non-residential uses. 36 feet or three-story resort development is the exception in the Town, and will only be considered where contextually appropriate and mitigated by design. The Planning Commission focus shall be that the overall mass of the structures are of an appropriate scale, with special consideration given to the views from the south side bordering the Andaz resort and the west side bordering Quail Run Road.

6. **Setbacks.** *SUP Guidelines as applied to this site suggest that the setbacks to the exterior property lines are 100 feet for principal structures and 40 feet for accessory structures. The guideline for pools generally available to all guests is 65 feet from all property lines. The minimum setback of the existing buildings are approximately 50 feet from the Lincoln Drive net property line (35 feet to the restaurant porte-cochere), 10 feet to the Quail Run Road post dedication property line, 35 feet to the east property line along the medical plaza, and 38 feet to the south property line along the Andaz Resort. None of the proposed principal buildings meet the SUP Guideline for setback of 100 feet to any of the property lines. The minimum principal setbacks generally measure approximately 95 feet to the Lincoln Drive property line, 50 feet to the east property line, 55 feet to the Quail Run Road post-dedication property line, and 43 feet 9 inches to the south property line. The setbacks of the French Cowboy building are less than the SUP Guideline for an accessory structure of 40 feet from a public street being approximately 39 feet to the Quail Run Road post-dedication property line and approximately 25 feet to the Lincoln Drive net property line (excludes the outdoor patios).*

The Planning Commission shall explore appropriate setbacks for structures and outdoor spaces, with particular attention to the setback along Quail Run Road for the residents west of the site, visitors to the medical plaza to the east of the site, and the Andaz resort guests south of the site related to privacy and noise levels. The Commission shall also identify any mitigating circumstances that may buffer the development (e.g. the use of vegetation, modified setbacks or heights, reorientation of the structures, etc.).

7. **Landscaping/Buffers.** *SUP Guidelines suggest a 30-foot wide landscape buffer along a local street (Quail Run Road) and a 50-foot wide landscape buffer along a major arterial (Lincoln Drive), with no buffer guideline along non-residentially zoned property lines (east and south). Buffers typically are measured to the property line allowing for additional landscaping within the right-of-way. The SUP Guidelines also include provisions for landscape islands and shade trees within parking lots. Lincoln Drive is a designated corridor with guidelines on landscape palette and design in accordance with the Resort Living Zone of the Town's Visually Significant Corridors Master Plan. The proposal has an approximate landscape buffer of 12 to 16 feet wide along Lincoln Drive measured from the back of, 18 feet wide along Quail Run Road north of the driveway and approximately two feet south of the driveway, approximately two feet along the east property line with the medical plaza, and approximately five feet to the proposed fire lane along the south property line with the Andaz Resort. There are no changes to the oleander hedge along the medical plaza as this hedge is part of the plaza site. The landscaping along the south property line is proposed with a hedge of Hopseed and Ghost Gum trees (but requires verification on retaining the existing oleander hedge as this hedge is thought to be on the Andaz Resort property).*

The Planning Commission focus on landscaping/buffers shall be along the perimeter of the site. This includes, and is not limited to, appropriate screening or relocation of the utility cabinets along Lincoln Drive, locations and screening of loading zones and dumpsters, suggested guidelines along Lincoln Drive from the Town's Visually Significant Corridors Master Plan (e.g., Resort Living Character Zone), buffers along the rights-of-way adjoining the proposed restaurant (particularly the two outdoor patios) at the Lincoln Drive and Quail Run Road intersection, harmony of the proposed landscaping with the adjacent landscaping (e.g., Lincoln Drive medians), appropriate type of plant material for the location (e.g., drought tolerance, scale, seasonal color), review of plant impact (e.g., fire/fall hazard, pollen irritants), and appropriate stipulations (such as maintenance, early phasing of street frontage/perimeter landscaping, and replacing dead plant material).

8. **Exterior Lighting.** *SUP Guidelines suggest that exterior lighting be hooded and shielded so as not to be visible from an adjacent property, the brightness for any up-lighting not exceed 300 lumens, pole lights be a maximum height of 16 feet tall (although encouragement is for pole fixtures at lower heights), fixtures be minimally setback equal to the height of the fixture, and the maximum illumination output be 0.5 foot candles adjacent to residential and 0.75 foot candles along other property lines (Section 1023, Zoning Ordinance). The Town typically suggests not more than 3,000 Kelvins to keep in the warm and soft color scale. In general, the proposed lighting is compliant with Town guidelines based on the material submitted to date.*

The Planning Commission focus on exterior lighting shall be how it meets SUP Guidelines and that the fixtures are of a quality expected for a Town resort. In particular, some focus areas include lighting along the perimeter of the site, how illumination might wash building elevations, limits on the visual impact of string lights and palm tree lights, and impact of lighting at the second and third floor elevations.

9. **Grading/Drainage & Utilities.** *Preliminary drainage, grading, water, and wastewater reports have been provided and are reviewed by the Town's professional staff to ensure compliance with required safety best practices. The site currently provides no onsite retention. The proposed improvements will utilize parking and drive corridors to drain stormwater east and north to match current drainage patterns through a series of catch basins and underground retention basins.*

The Planning Commission has this information as a resource to understand the scope of the project and if applicable provide general input should the drainage, grading, and utilities affect the design or impact to nearby properties.

10. **Traffic, Parking, Access, and Circulation.** *The site is approximately 200 feet from the City of Scottsdale and adjoins Lincoln Drive which is a major arterial. Lincoln Drive east from Quail Run Road to the Town limits is 65 feet north of the street centerline and 33 feet south of the centerline. The Town's major arterial street cross section suggests a total right-of-way width of 130 feet. The proposal is for a total right-of-way width of 105 feet (40 feet south of the centerline inclusive of a seven-foot sidewalk and utility easement). Along Quail Run Road (a designed local street), the Town has 25 feet of right-of-way west of the street centerline. Primary access into the resort will be on Quail Run Road via the signalized light at Lincoln Drive and Quail Run Road. Secondary access will be on Lincoln Drive via the shared access driveway with the adjoining medical center. Normal operating circulation will occur along the north, west, and part of the eastern areas of the site, with a stabilized surface along the south and remaining east portions to allow for 360-degree fire access. The proposal is for 146 total parking spaces (70 surface and 76 in a proposed underground garage).*

The proposed density and location within a heavily traveled and mixed-use density area near the City of Scottsdale creates a heightened need for ensuring the proposed redevelopment has a positive impact on traffic safety, parking, and circulation which is reviewed by the Town's professional staff to ensure compliance to safety and other standards which may require additional analysis. This analysis shall include, and is not limited to, necessary queuing areas (e.g., deceleration lanes) and driveway access functioning (e.g., allowed movements into and out from the driveway, favorable geometry, sight distance, Quail Run Road primary access considerations, and visibility). The Planning Commission has this information as a resource to understand the scope of the project and if applicable provide general input should these items affect the design or impact nearby residents.

11. **Signage.** *The SUP Guidelines suggest up to one identification sign at each entrance not more than 8 feet tall and a sign area not more than 40 square feet along major arterials (Lincoln Drive) and along other street types (Quail Run Road) one identification sign at each entrance not more than 4 feet tall and a sign area not more than 32 square feet. The Guidelines include suggestions for illumination (e.g., 0.75 foot-candles at property line and 3,000 Kelvin limits) and no reference to building-mounted signs. The existing resort has a monument sign along Lincoln Drive along with two signs on separate driveway entry columns. The proposal includes two 42-inch tall signs on entry wall features at the southeast corner of Lincoln Drive and Quail Run Road and the shared driveway with the medical plaza, a sign at the Quail Run Road driveway on an eight-foot tall entry wall, a sign on the arrival building, and a building sign on the north elevation of the French Cowboy restaurant. Overall, with not all the sign information submitted, the information provided on the proposed exterior signs are consistent with the quality and design of a Town resort.*

Planning Commission review shall focus on the impact of sign location, dimensions, and illumination on the streetscape and compliance with SUP Guidelines.

12. **Walls**. *Walls help mitigate unwanted noise and other nuisances. The SUP Guidelines suggest compliance with Article XXIV, Walls and Fences, of the Zoning Ordinance. Article XXIV allows for the height of walls and fences to vary from 3 feet to 8 feet (with 2-foot berm) depending on setback, with no walls or fences within the first 10-foot setback along a right-of-way. The 3-foot tall parking screen wall along Lincoln Drive (based on a 33-foot half width right-of-way dedication) and the 5-foot tall walls along the east and south property lines are within the guidelines. The two proposed feature walls along Lincoln Drive at 3 feet 6 inches tall, the two proposed feature walls at the Quail Run Road driveway at 8 feet tall, and the two French Cowboy patio walls at 5 feet tall would all be 3 feet tall based on the proposed setbacks. The proposed 6-foot tall wall south of the Quail Run Road driveway is shown in the post-dedication right-of-way.*

Planning Commission review shall evaluate the setback, height, and design of the proposed perimeter walls to ensure these walls are consistent with the quality and design of a Town resort. No walls shall be within the post-dedication rights-of-way.

The Town Council recognizes that too many and/or overly detailed plans and documents may create a substantial financial burden on the applicant. Therefore, the Planning Commission shall consider requesting and/or requiring only the necessary plans and documents needed to evaluate and complete the Intermediate SUP Amendment.

As per Section 1102.3.C.3.c of the Zoning Ordinance, at any time during the review process, the Planning Commission may request clarification and/or expansion of this Statement of Direction based on additional information. The Planning Commission shall complete their review and make a recommendation to the Town Council on or before September 19, 2023. The expectation is the applicant will provide all necessary information for the Commission to render a recommendation sooner.