

PV SCOTTSDALE HOTEL OWNER SPE LLC

5721 Chelsea Avenue
La Jolla, California 92037

Via email: gburton@paradisevalleyaz.gov

September 13, 2022

Mr. George Burton
Senior Planner
Community Development Department
TOWN OF PARADISE VALLEY
6401 E. Lincoln Drive
Paradise Valley, Arizona 85253

RE: 6041 N. Quail Run Road APN 174-65-004C Proposed Andaz Resort Expansion

Dear Mr. Burton,

In response to the issues discussed at the Paradise Valley Town Council working session relative to discuss the proposed expansion of the Andaz Scottsdale Resort & Bungalows (the "Resort") on September 8, 2022, I am writing to clarify our thoughts and behind and the intent for the proposed development of the five acre and parcel adjacent to the Resort.

The proposed Resort expansion parcel is currently zoned R-43 with a Resort/Country Club General Plan use designation, similar to the balance of the Resort. Over the past few years, we have considered several options for the development of this parcel, including additional guest bungalows and meeting spaces, and up to four single family homes. However, after considering the concerns of our neighbors to the south and west, particularly the transmission of sound from the event lawn at the western edge of the Resort, we felt that the development of new homes for sale even closer to the Resort would only lead not only to friction with our new neighbors, but do little to alleviate the concerns of our current neighbors. As a result, we arrived at the plan for the development of ten residential style units on this parcel, which we are submitting for the consideration of the Planning Commission and Town Council.

Our acquisition of the Resort and the property for the proposed expansion in 2014 came about because the prior owner was unable to secure approvals for the development of for sale residential units on lots of less than one acre. Therefore, we are acutely aware of the Town of Paradise Valley rules for the development of single family residences. It is our understanding that any plan for their individual sale would require an amendment of the Town's General Plan, which approval we believe would be highly unlikely and unworthy of our pursuit.

Therefore, for the reasons we elected not to pursue the development of four for sale residential units, it makes little sense to us to come to you to approve the development of ten.

The bottom line is that in no way was this proposed plan ever envisioned as a way to create residential units which at some point in the future would be offered for individual sale.

Equally importantly, the plan we have proposed is designed to integrate with the existing Resort. There will be no access from Quail Run Road and access to the proposed new units will only be from within the Resort. Guests will either drive around the entire Resort perimeter road to get to them or be transported to them on the Resort vehicles.

To address any remaining concerns about the sale of any or all of these proposed units, we would be happy to work with the Planning Commission and Town Council to agree upon specific restrictions to prohibit their sale separate from a sale of the balance of the Resort property.

These residential style accommodations are designed to encourage – and facilitate longer term stays and as a result, will include kitchens, laundry facilities and other similar amenities. Based upon what we are seeing at other luxury resort properties in the area and across the country, the ability to offer residential style, longer term stay guestroom options is where the luxury resort industry is moving today. These larger units will address increasing demand for luxury residential style accommodations in resort settings from users that can afford but would prefer not to own second homes in these markets due to the cost and time necessary to maintain them on a full-time basis. While length of stay is likely to vary depending on the nature of the guest, time of year and other factors, we expect that many stays in these units will approach 30 days or longer, particularly in season. We believe that they will likely also be attractive to local area homeowners building new or renovating existing homes.

Following is a description of the key elements of the proposed addition, most of which information is the same as that submitted to you previously, but has been updated where appropriate to reflect adjustments to the proposed plan in response to the comments from the Town Council members and neighbors to the south and west of the Resort.

- The addition will include 10 residential villa style units which will expand the guestroom options available to Resort guests. Four of these will be 2 bedroom units of approximately 2,150 sq ft interior space each, Five will be 3 bedroom units of approximately 2,600 sq ft each, together with One 4 bedroom unit of just over 4,000 sq ft of interior size. In addition, we are planning to add a new service / storage / restroom structure of approximately 1,200 square feet adjacent to the existing outdoor event area in the west side of the Resort which will provide restrooms, storage and support to service this event area – as well as support service for the proposed new guestroom villas.
- Each of these new structures will be placed within setbacks on the west and south sides of the parcel consistent with those of the existing Resort.
- The exterior design of these new residential guestroom units will be consistent with the architecture of the existing Resort. All of the new structures will be single story with maximum

heights of 14 feet, with the bulk of each of the structures being 12 feet or less in height – with all height measurements taken from the lowest natural grade under each unit. Each new unit will be situated on parcels of approximately ½ acre configured to maximize view corridors and accommodate required rainwater retention areas.

- Each of the new guestroom villa units will include covered carports sized to accommodate 2 vehicles. These areas will also have space for trash containers and limited storage guest room related items and supplies that will only be accessible by Resort personnel. As we have discussed, because of the long term stay nature of many of our guests, we believe many will have cars – and that carports will be an important selling point. However, as we have discussed, we have no plans to enclose these carports at any time in the future.
- The addition of these 10 proposed units will bring the Resort’s total guestroom inventory to 195 guestrooms, suites and villas, a total less than the 201 units previously approved for the Resort by the Town of Paradise Valley in 2015.
- Together with covered outdoor patio spaces and the new event service building, the total combined covered areas of all of the new spaces will be 29,400 square feet – approximately 13.44% of the 219,027 sq ft size of the proposed expansion land parcel, bringing the total structure and shade coverage for the entire Resort to 167,899 sq ft – or 14.19% of the total combined Resort land parcels of 1,183,000 sq ft.
- Air conditioning and other equipment will be located within screened areas adjacent to each unit to keep them from view and control sound to the greatest extent possible. These areas will not be covered and therefore have not been included in the lot coverage calculation.
- Access to this parcel and the new guestroom units and facilities will be solely from Scottsdale Road and from the perimeter road around the existing Resort. As discussed above, no direct vehicular or pedestrian access is planned from Quail Run Road, except as may be required for Fire Department access or to comply with other Town of Paradise Valley requirements. In this light, we are not proposing to widen Quail Run Road.
- Similar to the existing Resort, we are proposing to dedicate a portion of our property adjacent to Quail Run Road to the Town of Paradise Valley and will also provide a landscaped buffer zone between this land and the new perimeter wall on the west side of the subject parcel, which we will plant with agreed upon drought tolerant landscape materials and provide ongoing maintenance.
- These new units will contain no provisions for the lock-off of any portion of any of the units to create additional guestroom keys.

- To provide security and privacy for these new units and mitigate the impact of sound and light upon surrounding properties, a new eight-foot masonry wall will be constructed on the south property line of the parcel, similar to that which currently exists on the south property line of the adjacent Resort property to the east. On the west property line, an articulating six-foot tall masonry wall will be constructed along Quail Run Road in a design and location consistent with the wall that currently exists along western side of the Resort.
- All site grading, drainage and utilities will be designed to fully integrate into the existing Resort plans and systems.
- Trash generated by these units will be picked up daily by Resort personnel as part of normal housekeeping services.
- These proposed guestroom units will also provide significant contributions to mitigate the transmission of event sound to our neighbors to the south and west. We will continue to work with our Acoustic consultant, MD Acoustics and the Town to implement sound management equipment and programs to mitigate the sound transmission from the adjacent Resort event area to neighboring properties.

We have prepared and submitted a revised site plan to Staff depicting how the location and setbacks for the proposed addition will integrate with and be consistent with those for the existing Resort.

We believe that this proposed addition to the Andaz Scottsdale Resort and Bungalows will enhance our Resort offering - in a manner consistent with the use for this parcel contemplated by the General Land Use plan for the Town of Paradise Valley and with appropriate sensitivity to the neighbors around us.

We look forward to your additional thoughts and comments about our proposed plan – and to working with the Planning Department staff, the Planning Commission and Town Council to arrive at a plan that will work for everyone.

Best regards,

A handwritten signature in blue ink that reads "Gary A. Stougaard". The signature is written in a cursive, flowing style. Below the signature, the text "type text here" is faintly visible.

Gary A. Stougaard
Manager

PV Scottsdale Hotel Owner SPE, LLC