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September 5, 2018

Via Email and Mail

Jeremy T. Knapp, AICP
Community Development Director
Town of Paradise Valley
6401 E. Lincoln Dr.
Paradise Valley, AZ 85253

Paul Michaud, AICP
Senior Planner
Town of Paradise Valley
6401 E. Lincoln Dr.
Paradise Valley, AZ 85253

Re: Paradise Valley East Lincoln Drive South Development Area Work Session – Sept. 13
Major Special Use Permit Amendment (SUP-18-05) - Smoke Tree Resort
Major Special Use Permit Amendment (SUP-18-06) - Lincoln Medical Plaza
Effect on Adjacent Residential Properties

Dear Mr. Knapp and Mr. Michaud:

In response to the call and email to Todd Tupper from Jeremy Knapp advising of the September 13 Work Session, I am writing on behalf of SunChase Century, LLC and SunChase Holdings, Inc. (together “SunChase”). SunChase owns approximately 9 acres, all zoned R-43, within the residential neighborhood immediately west of the Smoke Tree Resort and within the East Lincoln Drive Development Area. SunChase is aware that redevelopment of the Smoke Tree Resort is proposed and in that regard Smoke Tree is seeking an amendment to its Special Use Permit (“SUP”). While SunChase agrees that redevelopment of the Smoke Tree Resort should occur, SunChase would also like consideration of the redevelopment’s impact and effects on the neighboring residential community.

Smoke Tree currently has two access points (with full turning ability) from Lincoln Drive. Although Smoke Tree is trying to preserve those access points, we understand that current plans proposed by Town Staff for improvements on Lincoln would eliminate left turns from Lincoln into Smoke Tree, rendering those existing entrances “right in, right out” only for eastbound traffic. Smoke Tree’s proposed Site Plan in conjunction with its requested SUP amendment calls for adding two access points on its west side from Quail Run Road. Smoke Tree currently has no access to/from Quail Run, has never dedicated its 25’ for Quail Run, the existing road is a 25’ half-street on land dedicated by the adjacent existing residential properties, and Quail Run is currently a discontinuous street that does not connect Lincoln to McDonald. Smoke Tree’s proposed redevelopment also includes substantially increasing its existing room capacity, clearly increasing the vehicular movements in/out of the resort and onto Quail Run Road.

As you know, Article XI of the Paradise Valley Zoning Ordinance addresses Special Uses. Section 1102 identifies as a purpose that “development will have minimal impact on adjacent properties.” That stated purpose is consistent with numerous goals/policies of the 2012 Paradise Valley General Plan. For instance, General Plan LU 2.1.1.7 states that: “The Town shall ensure that non-residential uses shall not affect the integrity and enjoyment of adjacent residential neighborhoods.” LU 2.1.2.2 states that: “The Town shall require proposals for revitalization and improvements of Special Use Permit properties include community impact assessments.” DA 2.2.1.3, DA 2.2.3.3, and CC&H 3.1.1.2 all identify a policy of minimizing impacts on adjacent residential areas and protecting established neighborhoods. M 4.1.2.1 and M 4.4.2.9 both identify a policy to condition approval of development and redevelopment on reducing traffic impacts on residential neighborhoods and providing adequate right-of-way for all users. In conjunction with the foregoing, there are the SUP Guidelines, which when reviewed along with Smoke Tree’s proposal discloses a property that is about ¼ the intended minimum size for a new resort with about ½ the intended minimum street frontage, but is proposing redevelopment exceeding the height, lot coverage, guest unit density, and perimeter standards of SUP Guidelines Section 4. While the Town’s Zoning Ordinance, General Plan and SUP Guidelines call for the



protection of an existing residential neighborhood, we also recognize that redevelopment within appropriate parameters is also a consideration. SunChase asks the Town to consider and determine whether and how the intensity that Smoke Tree proposes, especially with access to/from Quail Run Road, can work next door to SunChase's and other residential properties in the area. For more specific reference to the Zoning Ordinance, General Plan, and SUP Guidelines, please see the memo attached as Exhibit A. SunChase would like to know what the Town can do, and intends to do, to address or protect the adjacent neighborhood.

Of course, redevelopment of Smoke Tree is not the only activity proposed or underway in this area. There is also Lincoln Medical Plaza next to Smoke Tree, the Ritz Carlton Resort being developed on the north side of Lincoln Drive, the proposed improvement to Lincoln Drive itself, and a traffic signal at the Lincoln/Quail Run intersection. That activity raises a specter of negative impacts and unintended consequences on SunChase's property, particularly the parcel fronting on Lincoln, that would be exacerbated by the proposed addition of access points for Smoke Tree on the half-street that is Quail Run Road. In conjunction with the foregoing is the uncertainty about Quail Run Road. It currently extends south from Lincoln as a half-street for approximately 360 feet. Quail Run extends north from McDonald, also as a half-street, approximately 1300 feet. While the Town has received some dedications for the other half of the street, there remains a gap of approximately 930 feet disconnecting the two segments and limiting the development of adjacent land. When does the Town plan to take any action regarding the extension (or not) and the widening (or not) of Quail Run Road for Smoke Tree, and what action does the Town intend to take?

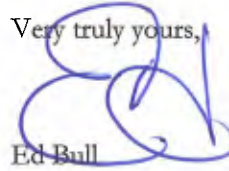
It's understood that Smoke Tree has resisted proposed changes to the existing access points and dedicating anything for streets as effectively shrinking the developable area of its property. In contrast, please see the diagrams attached as Exhibit B and Exhibit C and consider the impact on the neighboring residential property. Exhibit B depicts the current setback situation on the SunChase lot at the southwest corner of Lincoln and Quail Run. That lot is currently improved with a single-family home that is set back 52 feet from the existing Lincoln right-of-way. Exhibit C then depicts how the developable area of that lot is reduced by a number of potential additional setbacks that would impact any new construction. (1) The currently proposed Lincoln widening is an additional 32 feet (20 feet from the current residence). (2) Depending upon whether a new residence faced Lincoln or Quail Run, the front or side yard setback would be at least 40 feet from the widened Lincoln. (3) In either orientation, there is a recorded 50 feet setback required from Quail Run. (4) And in either orientation, there is another 40 feet setback from the rear and a 20 feet setback on the remaining side. (5) After the above points 1-4, the developable area that is left could be approximately $\frac{1}{3}$ acre, for an R43 zoned lot. Now, consider the exacerbating effect that along with Smoke Tree's proposal to further burden the half-street Quail Run, but not to dedicate its 25 feet, and to improve its property within that non-dedication area, it proposes to add two access points there. So, again, SunChase would like to know what the Town can do and proposes to do to address or otherwise protect the existing residential neighborhood adjacent to Smoke Tree.

Unless solutions are found, currently what is being proposed for this area around the existing residential neighborhood southwest of the intersection of Lincoln and Quail Run negatively impacts what is supposed to be protected. Understanding that this Work Session suggests interest in a broader examination of this area, if the Town sees in the General Plan guidance for Smoke Tree's intensity, solutions for what to do with Quail Run, or some creative options not restricted to the R43 1-house/acre for the adjacent neighborhood that could ameliorate the impacts of the surrounding non-residential uses, then SunChase would be interested in participating in such a discussion. But if no creative solution is available to the challenges facing the existing residential property, then the Town should explain what can be done and what is going to be done to protect the residential neighborhood from the intensity of the proposed redevelopment of the nearby non-residential property.

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Thank you for considering SunChase's questions and perspectives.

Very truly yours,

A handwritten signature in blue ink, appearing to be "Ed Bull", written over the closing "Very truly yours,".

Ed Bull

Enclosures
cc Todd Tupper



EXHIBIT A

- **Article IX of the Paradise Valley Zoning Ordinance (effective 09-15-2017)**

Section 1102 (Special Use Permits (SUPs)) – Section 1102 states that “[t]he intent of these provisions is . . . A. The implementation of the goals and policies of the General Plan. . . I. The incorporation of standards to ensure that the development will have minimal impact on adjacent properties.”

How is allowing Smoke Tree to add two access points on the half-street for Quail Run Road, where Smoke Tree currently has none and has not provided its half street, minimally impacting the adjacent S-F properties that use narrow Quail Run Road for ingress/egress?

Section 1102.1 (Nature of Special Use Permit) – Section 1102.1 states that managerial or minor amendments are not subject to referendum, but that: “The decision to grant, or to condition the grant of, a Special Use Permit or an intermediate or major amendment is, on contrast, a legislative act subject to review by referendum.”

Section 1102.3 (Creating a Special Use Permit) – Section 1102.3(C)(3)(c), states that “[a]fter the formal application is deemed complete,” “staff presents the application to the Town Council,” and “[t]he Town Council then issues a Statement of Direction.” But the Smoke Tree Statement of Direction presentation to the Town Council of May 24, 2018, states on the second powerpoint screen that “[m]any application submittal items are not fully complete, but do provide the nature of the proposed redevelopment.”

Is Smoke Tree going to resubmit its application when complete so that surrounding property owners are able to participate throughout the review and hearing process based on a complete application?

Section 1102.7 (Types of Amendments to Special Use Permits) – Section 1102.7(D) defines a “Major Amendment” as one that is not within the definitions for Managerial, Minor, or Intermediate Amendments, and anything increasing floor area by more than 40% is a Major Amendment.

So Smoke Tree should be a Major Amendment.

Section 1102.8 (Application and Approval Process for Amendments to Special Use Permits) – Section 1102.8(D) states that an applicant first completes a pre-application review, then makes a formal application pursuant to Section 1102.3, the following staff review there is “a Town Council preview for a Statement of Direction”, following which there is “standard Planning Commission review” with a “recommendation for approval or denial to the Town Council,” and then a public hearing before the Town Council to determine whether to grant the application.

Smoke Tree made a presentation seeking a Statement of Direction on May 24, 2018.

- **2012 Paradise Valley General Plan – Land Use and Development**

Goal LU 2.1.1 Quality of Life. To preserve those elements or features which contribute to the Town's quality of life and character as a premiere residential community and resort designation with strong rural and historic roots.

Policies

LU 2.1.1.7 Conversion. The Town shall consider the conversion of land from residential to non-residential uses only within Development Areas as designated on the Development Areas Map. (Figure 2.3). The Town shall ensure that non-residential uses shall not affect the integrity and enjoyment of adjacent residential neighborhoods.

How would allowing Smoke Tree, pursuant to its proposed SUP Amendment, to increase its current room capacity by more than a factor of five (and three times the SUP Guidelines limit), increase its access to Quail Run Road, and to increase building height from single story 16'3" to three-story buildings at 44' in height (including some architectural elements at 48'), preserve the integrity and enjoyment of the adjacent residential neighborhoods to the West?

Goal LU 2.1.2 Special Use Permit Property Revitalization. To encourage the continued revitalization and improvement of the Town's Special Use Permit properties while protecting the adjacent residential neighborhoods.

Policies

LU 2.1.2.1 Encourage Revitalization. The Town shall continue to encourage Special Use Permit property revitalization and improvement within their existing geographic boundaries as long as such improvement does not adversely affect the integrity and enjoyment of adjacent residential neighborhoods.

How would allowing Smoke Tree to add two access points from the half-street Quail Run Road, where none currently exist, without dedicating the other half of the street and without providing significant landscape buffers preserve "the integrity and enjoyment of the adjacent residential neighborhoods" to the West?

LU 2.1.2.2 Require Impact Assessments. The Town shall require that proposals for revitalization and improvement of Special Use Permit properties include community impact assessments that address beneficial as well as adverse project impacts, including but not limited to noise, traffic, parking, open space or mountain views, and light pollution.

Has Smoke Tree provided the required community impact assessment addressing the beneficial and adverse impacts that might be anticipated with respect to the adjacent, existing residential development?

LU 2.1.2.3 Compatibility of Adjoining Uses. The Town shall ensure that development within Special Use Permit properties is compatible with adjacent land uses, particularly residential uses, by requiring such features as:

- Increased building setbacks from rear or side yard property lines adjoining single-family residential uses;
- Building heights stepped back from sensitive adjoining uses to maintain appropriate transitions in scale and to protect privacy;
- Landscaped off-street parking areas, loading areas, and service areas screened from adjacent residential areas, to the degree feasible;
- Lighting shielded to minimize impacts on adjacent residential use and protect dark skies; and
- Operational restrictions to limit the adverse impact of noise, light, and traffic and minimize the risk of crime to adjacent residences.

Pursuant to the proposed SUP Amendment, what is Smoke Tree doing to provide increased building setbacks, landscaped and screened off-street parking areas, shielded lighting, and restricted operations with respect to the adjoining residential development?

Goal LU 2.1.3 Community Form/Design. To promote development in the Town that is in harmony with the natural and built environment at both the community and neighborhood levels.

Policies

LU 2.1.3.1 Visual Openness. The Town shall maximize the benefits of visual openness throughout the Town by specific limits on floor area ratio, setbacks, side yards, and building and wall heights.

How does the plan accompanying the proposed Smoke Tree SUP Amendment satisfy the Visual Openness element when it substantially exceeds the Special Use Permit Guidelines on maximum floor area ratio and maximum building heights?

2012 General Plan – Development Area Policy

Goal DA 2.2.1 Development Area Policy. To support limited, targeted and context appropriate development and redevelopment within Development Areas through orderly and well-planned development that provides for the needs of existing and future residents, and makes efficient use of land and infrastructure.

Policies

DA 2.2.1.2 Balanced Consideration. Consideration of Development Area Special Use Permit applications should balance a need for the Town's fiscal health against a steadfast commitment to protecting adjacent low-density residential character and quality of life.

How would permitting Smoke Tree, pursuant to its proposed SUP Amendment, to increase its density to five times its existing use (three times that permitted by the SUP Guidelines) and add two access points

on the Quail Run Road half-street, where it currently has no access, serve to “protect the adjacent low-density residential character and quality of life” for the properties that dedicated and are currently the sole users of the existing half-street for Quail Run Road?

DA 2.2.1.3 Minimize Neighborhood Incompatibility. The Town shall require development or redevelopment within Development Areas to provide reasonable separation of incompatible land uses from adjacent residential areas through context- and scale appropriate land planning and architectural design, greater setback distances, noise mitigation, resort property programming, and landscape buffering.

Smoke Tree currently has ingress/egress solely from Lincoln and no access via Quail Run. Smoke Tree’s proposed SUP Amendment does not include dedicating additional ROW on Lincoln nor providing its half-street dedication for Quail Run. Smoke Tree does, however, propose adding two points of entry on the existing Quail Run half-street. It also proposes increasing its density to five times its existing use (three times that permitted by the SUP Guidelines). How does that provide the “reasonable separation” and buffering for the existing adjacent residential areas consistent with Goal Policy DA 2.2.1.3? Pursuant to the proposed SUP Amendment, what sort of land planning and architectural design, greater setback distance, noise mitigation, resort property programming, and landscape buffering is Smoke Tree providing with respect to the adjacent residential area?

Goal DA 2.2.2 Community Spaces. To conserve and enhance public open spaces, access to open spaces, open space connections, and encourage the incorporation of public art in Development Areas.

Policies

DA 2.2.2.1 Open Space. The Town shall seek to provide open spaces in Development Areas that encourage public gathering, enhanced aesthetics, and serve as buffers between uses of significantly differing function and intensity.

How would permitting Smoke Tree, pursuant to its proposed SUP Amendment, to increase its density to three times that permitted by the SUP Guidelines serve as a buffer between the adjacent residential uses to the West and the commercial uses to the East?

Goal DA 2.2.3 Infrastructure and Development. To direct orderly and well-planned development within Development Areas to support infrastructure improvements, and a concentration of development density and intensity.

Policies

DA 2.2.3.1 Public Infrastructure. The Town should promote the public and private construction of timely and financially sound public infrastructure within Development Area through the use of infrastructure and financing that is coordinated with development and funded by the developer whenever possible.

How is Smoke Tree’s proposed plan satisfying the public infrastructure requirement when it does not intend to dedicate the additional 32’ recommended for Lincoln nor its 25’ half-street and improvements for Quail Run Road, while proposing to increase its density five-fold (and three times the SUP Guideline)

and to add two access points on the existing Quail Run Road half-street which is currently serving only the adjacent residential neighborhood?

DA 2.2.3.3 East Lincoln Drive Development Areas. The Town should encourage moderate intensity, mixed-use, and context appropriate resort development within the East Lincoln Drive Development Areas that includes reasonable separation between incompatible uses and adjacent residential areas and effective buffering of unwanted noise, light, traffic and other adverse impacts.

Smoke Tree currently has ingress solely from Lincoln – no access via Quail Run – but the plan submitted with the proposed SUP amendment, despite increasing the current room capacity by more than factor of five (and three times the SUP Guidelines limit), does not include dedicating additional ROW on Lincoln nor providing its half-street dedication for Quail Run, while adding two points of entry on the existing Quail Run half-street. How is the “reasonable separation” and “effective buffering” for the existing adjacent residential areas going to be provided pursuant to Goal Policy DA 2.2.3.3?

2012 General Plan – Community Character & Housing

Goal CC&H 3.1.1 Residential Character. Preserve and protect the quality of residential character development within the Town while taking care to perpetuate the natural landscape, desert plants, and scenic beauty of the mountain areas of the Town.

Policies

CC&H 3.1.1.2 Protect Established Neighborhoods. The Town shall encourage new development and redevelopment, both private and public, to respect and respond to those existing physical characteristics, buildings, streetscapes, open spaces, and urban form that contribute to the overall character and livability of the neighborhood.

How does the proposed plan submitted with Smoke Tree SUP Amendment protect the established adjacent residential neighborhoods?

2012 General Plan – Mobility

Goal M 4.1.2 Neighborhood Traffic. To enhance the quality of life within existing neighborhoods through the use of neighborhood traffic management techniques.

Policies

M 4.1.2.1 Neighborhood Traffic Management. The Town shall continue to design streets and approve development applications to reduce high-traffic flows and traffic speeds within residential neighborhoods wherever possible.

How would allowing Smoke Tree to add two access points from the half-street Quail Run Road, where none currently exist, without dedicating the other half of the street, while increasing the intensity of use from the current 32 units to 180 units, avoid imposing higher traffic flows on the adjacent residential

neighborhoods which dedicated and are currently the sole users of the existing half-street for Quail Run Road?

Goal M 4.4.1 Roadway System. To create a roadway system that will ensure the safe and efficient movement of people, goods, and services that supports livable communities and reduces air pollution and greenhouse gas emissions.

Policies

M 4.4.1.3 Access onto Major Arterials. The Town shall require design of new developments to avoid direct access onto major arterial roadways where possible.

How would permitting Smoke Tree, which desires to increase its density five-fold and currently has ingress/egress solely from Lincoln (while keeping the present two curb cuts there), satisfy Goal Policy M 4.4.1.3 by adding two access points on the half-street for Quail Run Road without widening, improving, and matching it up for a signalized intersection?

Goal M 4.4.2 Roadway Design. To provide high-quality roadway design that promotes the character and image of the Town, reduces negative environmental impacts, and minimizes negative impacts to neighborhoods.

Policies

M 4.4.2.9 Rights-of-Way Extents. The Town shall ensure that all new public roadway projects and major reconstruction projects provide appropriate and adequate rights-of-way for all users including bicyclists, pedestrians, and motorists except where pedestrians or bicyclists are discouraged.

Given that the existing residential development to the West dedicated and is using the existing half-street for Quail Run Road, how does the proposed plan for the Smoke Tree SUP Amendment, which adds two access points on the half-street for Quail Run Road, without widening or improving it, provide adequate ROW for all users, as required by the General Plan?

2012 General Plan – Environmental Planning & Water Resources

Goal EP 6.1.3 Visual Resource Preservation. Maintain and protect significant visual resources and aesthetics that define the Town of Paradise Valley.

Policies

EP 6.1.3.3 Standards for SUP Development. The Town shall require that Special Use Permit developments not create major adverse impacts on the town's natural and semi-urban landscapes.

How does adding two access points for use by Smoke Tree on the half-street for Quail Run Road avoid adversely impacting the existing residential neighborhood to the West?

● **Special Use Permit Guidelines (eff. 07-08-2017)**

Section 4 —Resorts — Site Standards 1.a and 1.b

- a. Except for properties that have existing special use permits for resort uses, the minimum size area shall be 20 acres which shall not be bisected by any public right-of-way.
- b. Except for properties that existing special use permits for resort uses, the site shall have primary access from and frontage of a least 300 feet on a Major or Minor Arterial as designated in the Paradise Valley General Plan.

Given that Smoke Tree is about ¼ the intended minimum size for a resort and with about ½ the intended minimum street frontage, how does that become a justification for even further deviating from other guidelines such as on density, building height, setbacks, and depth of perimeter landscape buffers? What are the mitigating standards that are being exceeded to offset all of those negative deviations?

Section 4 —Resorts — Bulk and Density Standards 2.a

- a. Maximum building height:
 - i. Principal Structures – 36 feet
 - ii. Accessory Structures – 24 feet
 - iii. Service structures – 18 feet
 - iv. Towers and other architectural features may exceed maximum building heights, subject to special use permit or major amendment approval.
 - v. To maintain view corridors around the perimeter of a property, building heights shall be limited around property lines in accordance with the Open Space Criteria per Section 3 of the Special Use Permit Guidelines.

At present, the maximum building height of Smoke Tree is 16'3" to the top of parapet and all structures are one-story, but the proposed plan specifies a majority of three-story buildings at 44' in height (including some architectural elements at 48'). How is this consistent with the SUP Guidelines maximum of 36' in height for principal structures?

Section 4 —Resorts — Bulk and Density Standards 2.b

- b. Lot coverage:
 - i. Total of all structures – 25%
 - ii. Total of all impervious surfaces including building footprints – 60%
 - iii. Open space, which shall consist of land and water areas retained for active or passive recreation purposes or essentially undeveloped areas retained for resource protection or preservation purposes, a minimum of 40%

Given that Smoke Tree is proposing 34% lot coverage and a floor ratio area of 62%, how is the open space requirement going to be met?

Section 4 —Resorts – Bulk and Density Standards 2.c

- c. Maximum density of guest units – 1 unit for each 4000 sq. feet of site area.

How is the density requirement being satisfied by increasing the units on a 5.3 acre site from 32 to 180, which is three times what is permissible under the Guidelines? Are there other standards for which Smoke Tree is providing far more than the minimum to mitigate the proposed density deviation?

Section 4 —Resorts – Perimeter Standards 3.a

- a. Minimum distance from exterior property lines where the adjacent use is residential:
 - i. Principal structures – 100 feet
 - ii. Accessory structure – 60 feet
 - iii. Service structure – 100 feet

Section 4 —Resorts – Perimeter Standards 3.b

- b. Minimum distance from exterior property lines where the adjacent use is other than residential or is adjacent to a public street:
 - i. Principal structures – 100 feet
 - ii. Accessory structure – 40 feet
 - iii. Service structure – 65 feet

Based on the proposed plan's 90' distance without dedicating its 25' half-street, how are the minimum distances specified by the Guidelines being satisfied with respect to the residential properties on Quail Run Road?

Section 4 —Resorts – Perimeter Standards 3.c and 3.d

- c. There shall be a 40 foot wide landscaped area adjacent to an exterior property line where it abuts residentially zoned property.
- d. There shall be a minimum 30 foot wide landscaped area where an exterior property line abuts a public or private local collector street and a 50 foot wide landscaped area where an exterior property line abuts a Major or Minor Arterial.

Since the proposed Smoke Tree plan only calls for 25' landscaping adjacent to the existing residential neighborhood, including along Quail Run Road, without dedicating its 25' half-street, how are the 30' and 40' minimum distance landscaped areas specified by the Guidelines being satisfied?

EXHIBIT B

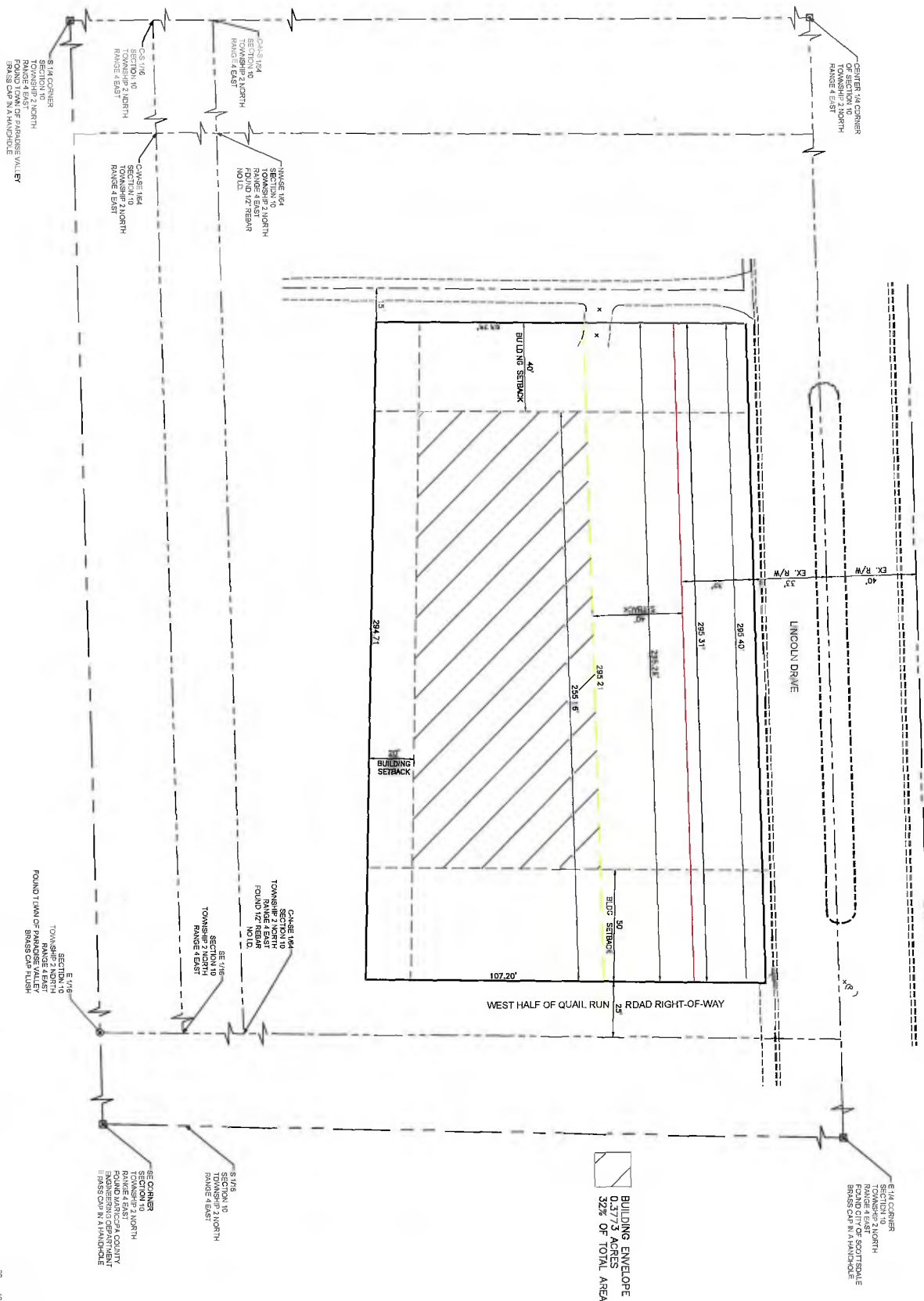



SUNCHASE QUAIL RUN

EXHIBIT B

4550 North 12th Street
Phoenix, Arizona 85014
602-264-6831
www.cycli.com

EXHIBIT C



 BUILDING ENVELOPE
0.3773 ACRES
32% OF TOTAL AREA

SUNCHASE QUAIL RUN EXHIBIT C