

## **BACKGROUND:**

### Request

The applicant's proposed redevelopment of this resort property will be a complete demolition of all existing structures. The proposed resort site includes the following uses:

- 122 total resort rooms between the main hotel and luxury suites.
- Restaurant and bar/lounge in a similar location to the prior on-site restaurant.
- A rooftop bar with indoor and outdoor seating, as well as a lounge.
- Accessory uses such as a fresh food market, café/eatery, micro-brewery, speakeasy, pop-up retail, coffee shop, florist, sandwicheria, bakery, and epicurean retail and sundries.
- Indoor and outdoor space for events, including a resort pavilion for banquets/meetings and pool areas.

### Town Council Consideration After Planning Commission Action

After the application was recommended for denial by the Planning Commission in March 2019, the applicant updated their submittal to address some of the concerns identified by the Commission. In March 2019, Town Staff presented to Town Council the revised request in work study session. Council had concerns specifically regarding the for-sale product among other items. In May 2019, the applicant made a presentation to Council where generally the Council indicated support to redevelop the property. Specific Council opposition was unanimously expressed with regard to the project's density and its for-sale condo element. It was the expectation of Council the applicant would respond to the Council's concerns and present a revised plan to staff for review prior to placing the item on a future agenda item. The applicant submitted revised plans for staff review in September, October, and November, 2019. At that time staff and Council provided feedback that they were not supportive of the idea of the applicant's proposed "bubble zoning". Subsequent to that meeting, the applicant submitted revised plans in January and May 2020.

Council discussed the revised proposal at their June 11, 2020 Town Council meeting where staff compared it to the original Statement of Direction. Subsequent to that meeting, the applicant provided written correspondence waiving their right to a public hearing prior to sending the revised proposal back to the Planning Commission for consideration. Council requested that staff prepare a revised Statement of Direction for Council's review and action which took place on June 25, 2020. The revised Statement of Direction can be found as Attachment H.

### Planning Commission Recommendation on Previous Development Proposal

On March 5, 2019 the Planning Commission recommended denial of this application by a vote of 4 - 3. Generally, the reasons for denial included density, intensity of use, height, and incomplete information.

### History and Conditions

Use of the property for guest services began prior to its annexation into the Town in 1961. At annexation, the property operated as a resort and restaurant in much the same

configuration as it presently exists. The original Special Use Permit (SUP) was issued on March 13, 1969. There is limited information on past approvals and stipulations for this property. Historically, the property has not had many building permits issued or amendments to its Special Use Permit zoning. The latest activity included renovations to the restaurant in 2007 that never opened. The SUP History is included as Attachment F.

#### General Plan/ Zoning

The subject property has a General Plan designation of "Resort/Country Club" pursuant to the Town's General Plan Land Use Map (Attachment B). The zoning on the property is "Special Use Permit - Resort". The proposed resort use is in conformance with this designation and zoning.

Several General Plan policies apply related to the request for redevelopment of the Smoke Tree property. Primary policies that apply are the policies of Goal LU 2.1.2, Special Use Permit Property Revitalization, and several of the policies of Goal DA 2.2.1, Development Area Policy. The site is located in the East Lincoln Development Area that encourages moderate intensity, mixed-use, and context appropriate resort development that includes reasonable separation between incompatible uses and adjacent residential areas and effective buffering of unwanted noise, light, traffic and other adverse impacts. Also, the General Plan encourages upgrading existing structures and properties to improve their physical condition to acceptable Town standards.

#### Enforcement

As of the date of this report, there are no known active code violations on the subject site.

## SUP History – Smoke Tree Resort

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- *December 2012. Adoption of General Plan*  
55 acres near the southeast area of Lincoln Drive and Mockingbird Lane were designated as a redevelopment area in the Town's General Plan. Smoke Tree Resort is located in the "East Lincoln Drive South Development Area." This development area is encouraged to have moderate intensity, mixed-use, and context-appropriate resort development. Refer to the attached General Plan policies for more information.
- *June 2008. Mechanical Screening on Restaurant Building*  
As part of the renovation of the long-standing "The Other Place" restaurant for a new restaurant tenant "REM." Various improvements to the restaurant building fronting along Lincoln Drive were made in 2007 and 2008. The mechanical roof screening on the restaurant building was the most visible element completed. The improvements were all in substantial compliance with the existing Special Use Permit. REM never opened.
- *2005 – 2007. Compilation of SUP records*  
The Planning Department worked on a project to compile records for all Special Use Permit properties to better monitor these properties. This included centralizing stipulations. Most of the records for Smoke Tree Resort were not found.
- *June 1972. Amendment to the Special Use Permit to add more kitchen space*  
The Town approved modification of Cottage 1 to a non-public use for more kitchen space. This same application appears to have been filed and approved in May 1971. The only plan from this period is the attached site plan from 1971.
- *March 1969. Establishment of the Special Use Permit*  
The resort was granted Special Use Permit status in 1969 with two stipulations. One stipulation that related to payment for condemnation of right-of-way on Lincoln Drive and that any new leases of commercial space be approved by Town Council. There are no site plans or other records available. From the attached March 13, 1969 minutes, it appears that the changes to the site related to façade improvements, interior remodel, adding and paving parking areas, and dedication of 7 feet of right-of-way along Lincoln Drive to comply with the then 40 feet of half-width of right-of-way. However, it does not appear the applicant dedicated or granted an easement for the additional 7 feet of right-of-way along Lincoln Drive.

Gulf  
Leisure  
(Con'td.):

property owners were present to object. They included Mr. and Mrs. John Kronenberg, Mrs. L. E. Zuhn, Mr. and Mrs. M. J. Wilton, Mr. and Mrs. Dave Manning and Mr. W. G. Mizell, Jr. Mrs. Kronenberg read a prepared statement citing the residents' objections, which were primarily devaluation of property and invasion of privacy. A protesting petition was also presented. No reply was forthcoming to the Mayor's question as to what the residents would consider an acceptable use of the land in question. Mayor Tribken pointed out that if the present petitioners were refused, construction over which the Town would have no control could take place in the future. Vice-Mayor Donegan mentioned current litigation with respect to the property which could result in the construction of a seven story office building on the site. In answer to the question "Why are we changing our Zoning Ordinance?", Councilwoman vonAmmon advised that the Town already has resort zoning. Nearby homeowners were concerned about drainage and flood control, and Mayor Tribken assured them that if plans for such were not adequate and approved by the Town Engineer and State Flood Control Authorities, a building permit would not be issued.

In answer to objections of balconies on the second story rooms, Mr. Pierce stated that all balconies would be removed. Vice-Mayor Donegan moved to grant a Special Use Permit for a resort hotel provided flood control drainage were approved by the Town Engineer and State Authorities. The question as to the final height of the buildings was raised. Mr. Pierce stated that this would depend on how much the site would have to be elevated in order to accomplish proper drainage, something which is not known at the present time.

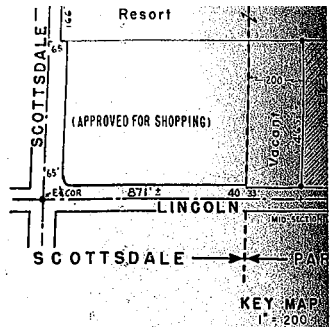
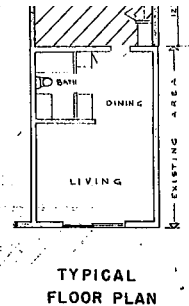
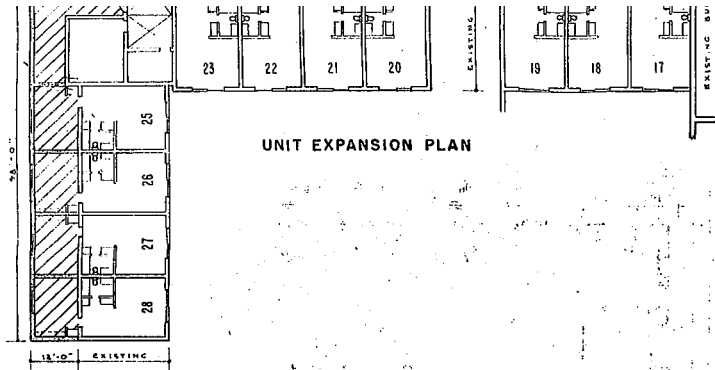
Councilman Kleban suggested approval of final building height be incorporated into the motion, and Mr. Pierce wanted approval of landscaping also to be included. Mr. Harry Ekdahl, assistant to the Planning and Zoning Commission, suggested that the motion state that the flood control and drainage program take into consideration the nearby property owners.

Motion: The motion, as amended, was restated: "To grant a Special Use Permit for a resort hotel with site plan approval to include landscaping, final building height and proper flood control drainage taking into consideration the needs of the surrounding homes." Councilman Worthington seconded. Mr. John Kronenberg asked the Council by what authority it could ignore the recommendation for denial by the Planning and Zoning Commission. Mayor Tribken replied that the function of the Planning and Zoning Commission is advisory

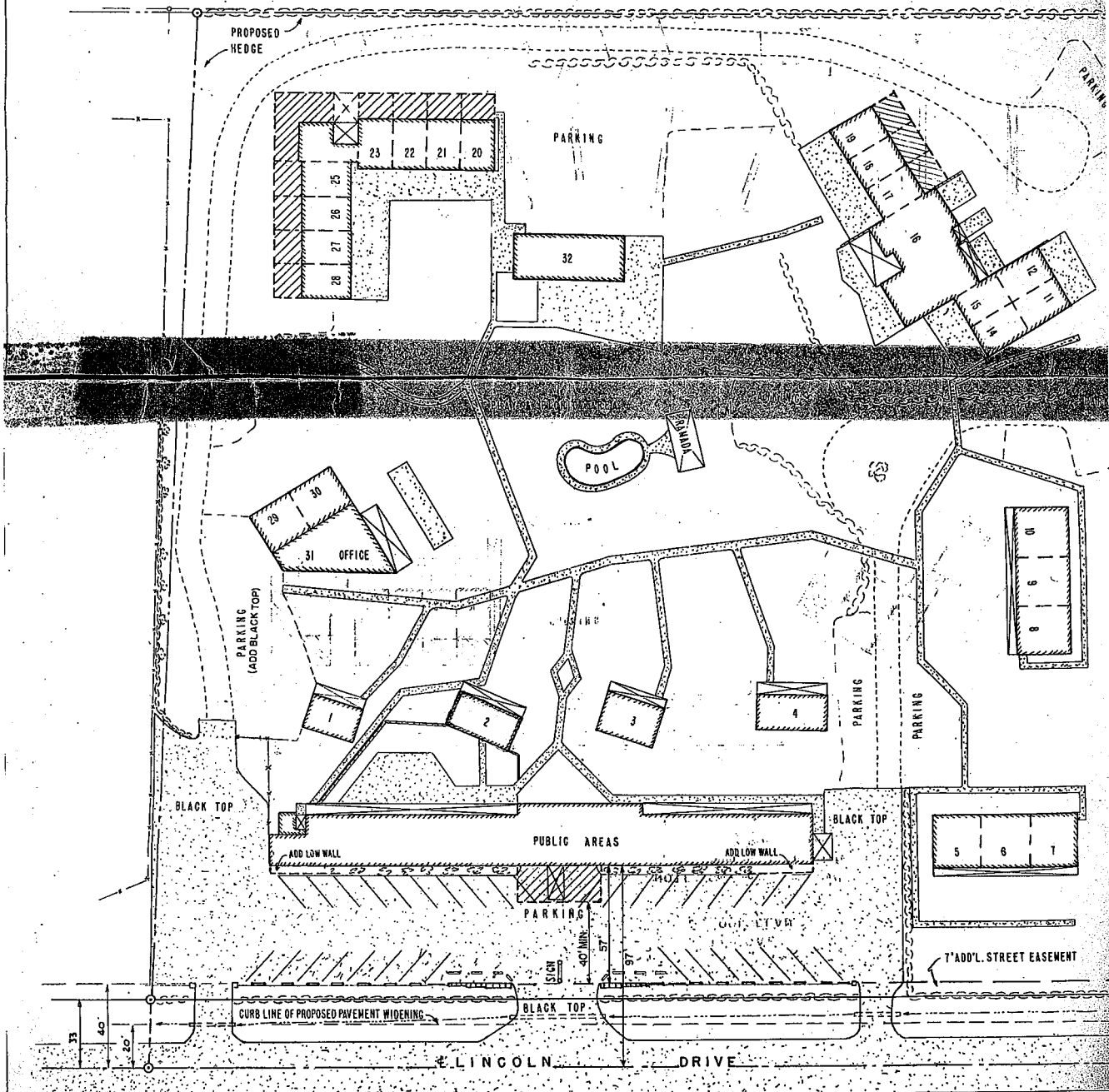
Roll Call: only, and that final authority lies with the Town Council. A roll call vote was taken, and the motion carried four to two with the negative votes being cast by Councilman Palmer and Councilwoman vonAmmon.

Scottsdale Baptist Church: The hearing of Scottsdale Baptist Church was continued to the next Council meeting as the petitioner was not present.

Smoke Tree Resort: Mr. Curtis Williams, owner of Smoke Tree Resort requested an amendment to a Special Use Permit to change Cottage I to a non-public use, and construct additional space by connecting Cottage I with "The Other Place" to provide additional kitchen facilities for "The Other Place" and a rest area for its employees. Councilman Palmer moved to approve the amendment to the Special Use Permit in accordance with the recommendations of the Planning and Zoning Commission and with special consideration for Fire protection with fire hydrants. Vice-Mayor Donegan seconded the motion, and it carried unanimously.



NOTE: See architectural drawings for additional expansion details.  
 Sign, after 18 months from approval date, to be reduced to 20 sq. ft.  
 Proposed building expansion



	TOTAL UNITS	TOTAL BLOCS	FLOOR AREAS	NET LAND AREA
GUEST UNITS	29	10	17,100	5 ACRES
OFFICE & RES.				
COMMERCIAL	30	11	7,000	
			24,100	218,500*

BUILDING DENSITY = 10.75% - INCREASES TO 12%

Amendment Application 4/23/71

LAZY-K "smoke tree" G  
 7101 EAST LINCOLN DRIVE - TOWN  
 PORTION NE 1/4 SE 1/4 SECTION 10 - T2  
 SITE PLAN "A" - EXISTING & PRO  
 DONALD T. VAN ESS - ARCHITECT

5/27/1971

Council

is reached between the City of Phoenix and the Town regarding installation and maintenance of fire hydrants. Town Attorney Robertshaw stated that he had received copies of the proper bond.

Councilman Donegan suggested a letter be written, dated May 18, 1971, stating that the Mirada Los Arcos developers agreed to install three fire hydrants, to be hooked to City of Phoenix water lines within a year provided agreement referred to above is reached between the City of Phoenix and the Town within that time. Mr. William Goodheart, representing Mirada Los Arcos, agreed to sign such a letter. Town Attorney Robertshaw composed the letter and Mayor Huntress read it. Mr. William Goodheart signed the letter as a representative of Mirada Los Arcos Subdivision.

Motion

Councilman Donegan moved that the Final Plat for Mirada Los Arcos Subdivision be approved, subject to the provisions of the letter referred to above. Councilman Crook seconded the motion. The motion was carried unanimously.

Smoke Tree Resort-  
Application for  
Amended Special  
Use Permit

- Mayor Huntress read from the Minutes of the Planning and Zoning Commission of May 18, 1971 in which the Commission recommended approval of the Application for an Amendment to the Special Use Permit by Smoke Tree Resort to permit conversion of a living unit to a private dining room or meeting room and additional public dining space in connection with "The Other Place" restaurant. After the Council's discussion of seating capacity and available parking space, Councilman Crook moved that the Application as submitted be approved. Councilman Donegan seconded the motion. The motion was carried unanimously.

Town Manager's  
Report

- Town Manager's Report:

- a. The Arizona Public Service Power Pole move back along Scottsdale Road between Jackrabbit Road and Orange Blossom Lane as previously outlined was reported upon as being caused by the Town of Paradise Valley's granting a Special Use Permit to the Scottsdale Baptist Church and widening of Scottsdale Road. A permit, to expire at the end of ten years, had been granted to Arizona Public Service Company to build this line (69 Kv) overhead. After considerable discussion it was decided that APS would have to file an application for an amendment to this permit to move the affected poles approximately 25 feet to the west along this stretch of Scottsdale Road.
- b. The list of articles to be auctioned off by the Town Marshal's Office, and the date set for the auction July 15, 1971 at 10:00 a.m. was also reported upon. Instructions to post a list of articles and notice of auction on all Town bulletin boards and have an article in the Scottsdale Daily Progress

MINUTES OF REGULAR MEETING OF  
THE TOWN COUNCIL OF THE TOWN  
OF PARADISE VALLEY, ARIZONA

March 13, 1969

A regular meeting of the Town Council for the Town of Paradise Valley, Arizona, was called to order by Mayor Jack B. Huntress at 7:30 P.M., Thursday, March 13, 1969, in the Council Chambers at the Town Hall, 6325 North Invergordon Road. Mayor Huntress led Council members and guests in the Lord's Prayer and Pledge of Allegiance to our Flag.

The following Council members were present:

Mayor Jack B. Huntress  
Vice-Mayor E. Robert Tribken  
Councilman A. Irving Scherer  
" Richard D. Fellars  
" Oscar C. Palmer, Sr.  
" J. Stephen Simon

Also present were:

Town Manager Henry Penfield  
Town Attorney Fred Robertshaw  
Town Engineer Gerry Sudbeck  
Town Marshal Lester Naumann  
Lt. Richard Kaar

Vice Mayor Tribken moved, and Councilman Simon seconded the motion that the absence of Councilman Philip E. vonAmmon be approved as he is out of town on business. Motion passed unanimously.

Regarding the minutes of February 27, 1969, there being no corrections or additions, Councilman Fellars moved they be approved as submitted; seconded by Councilman Scherer and passed unanimously.

Smoketree  
Inn

- The Mayor proceeded to read from the minutes of the Planning & Zoning Commission meeting of February 18, 1969, regarding the application of the Smoke Tree Inn, regarding a request for a Used Permit to modify and enlarge the present premises. Mr. Frank Haze Burch, Attorney for the principals of Smoke Tree Inn presented the new site plan and explained what is proposed to the Council. He stated that the purpose of the application was to allow them to rehabilitate what is now a use which has deteriorated because of problems of ownership. Western Savings and Loan was forced to foreclose and take possession. This application will allow some changes in the rooms; in front to place a new facade on the premises so it won't be as dismal as it is now. To improve the parking by paving all the dirt areas and increased landscaping across

the front and make certain dedication as requested by the Town on Lincoln Drive, it will provide total off-street parking. It will have a Spanish style, patio effect. The interior of the public building will be redone. Prime tenants will be the Restaurant operated by Dale Andersen, and a beauty shop. There will be ample guest parking, it will be double what is there now, or about 70 spaces for the restaurant alone. Seven feet will be dedicated across the front on Lincoln Drive, since 80' is required for a full 4-lane road.

Town Engineer Sudbeck stated that the County is thinking about 55 feet on each side of Lincoln Road to provide a wide divider between the proposed 4-lane highway. A minimum of 110' would be required for such construction, if approved.

The Council requested Mr. Burch to ask his applicant to come back and check with them before leasing to other tenants on this proposed site. That the seating capacity inside would be 90-100 plus the patio, and the additional parking would permit 70 spaces around the restaurant. More discussions about proposed federal funding of a 4-lane highway, which would create expensive land for condemnation purposes, especially further up Lincoln.

#### Motion

- Councilman Simon moved that the Council approve the Use Permit subject to two conditions: (1) That a condition, approved by the Town Attorney and with approval of the Applicant that in the event of condemnation, the condemnor shall pay the actual cost to the then owner of the property as to that portion taken; and (2) that any new leases of commercial space within the resort be approved by the Council; motion was seconded by Councilman Fellars. Councilman Simon stated further that the representations made by the applicant as to the use of the property as recommended by Planning & Zoning Commission be further approved and that any other new use would have to be approved by the Council. Vice Mayor Tribken asked how one determines cost for condemnation, and Mr. Burch explained the procedure. That an appraiser will break down a property to a square foot value based on the financial statement of the owner's cost of the land aside from the special use thereof. Councilman Simon added to his motion that this apply only in the event that the condemnor uses federal funds. The motion passed unanimously.

#### Traffic lights

- Final action on Traffic Control Lights. The Mayor indicated the amount of the bids again and that they were about \$3,000. over our estimate. Much discussion ensued. The Town Engineer recommended that we reject the bids and hope to do this work in combination with another project later in the year, in cooperation with Scottsdale. Councilman Fellars stated his position that since the need was there and just because it would cost \$2,800.-\$3,000. more than we estimated is not sufficient reason to reject the bids now. Councilman Simon proposed lowering the speed limit and posting a stop sign on Lincoln Drive. The Marshal gave a complete picture of the traffic situation, and stated the offending cars are not on Lincoln Drive, but on cross-traffic. Three