



## Legislation Text

---

File #: 20-284, Version: 1

---

**TO:** Mayor Bien-Willner and Town Council Members

**FROM:** Jill B. Keimach, Town Manager  
Jeremy Knapp, Community Development Director

**DATE:** June 25, 2020

**DEPARTMENT:** Community Development

**AGENDA TITLE:**

**Approval of a Revised Statement of Direction for a Major Special Use Permit Amendment (SUP-18-05) - 7101 E Lincoln Drive - Smoke Tree Resort**

**RECOMMENDATION:**

Approve the revised Statement of Direction for Smoke Tree Resort.

**SUMMARY STATEMENT:**

**REQUEST:**

Gentree LLC, the property owner of the Smoke Tree Resort is seeking redevelopment of the property located at 7101 East Lincoln Drive (APN 174-64-003A) via a major amendment to the site's existing Special Use Permit - Resort zoning. The application is attached as Attachment A, below. The proposed redevelopment of this property will be a complete demolition of all existing structures and construction of a resort.

**MEETING PURPOSE:**

Receive a revised Statement of Direction that incorporates revisions from the Work Study Session and take action.

**BACKGROUND:**

Town Council Consideration

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 Town 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.

Town Council discussed the revised proposal at their June 11, 2020 Town Council meeting where staff compared it to the original Statement of Direction (Attachment G). Subsequent to that meeting, the applicant provided written correspondence (Attachment H) 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 (Attachment I) for Council's review and action.

#### Planning Commission Recommendation

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. The minutes from the Planning Commission meetings are included as Attachment J.

#### Council Statement of Direction

The Town Council issued a Statement of Direction (SOD) on October 25, 2018. Height, land use, landscaping, traffic, parking, and circulation were areas identified for review. On January 24, 2019 the Town Council approved an amended SOD to extend the Planning Commission's action date to March 6, 2019. The Statement of Direction is included as Attachment G. A revised Statement of Direction is included as Attachment I.

#### 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.

## **DISCUSSION:**

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.

### Use

Proposed uses include 122 hotel rooms, of which 102 are located within the main hotel building and 20 are located within detached luxury suites. Additional resort related uses proposed includes a restaurant, market/retail, coffee shop, meeting spaces, an event lawn, event terrace, and pavilion which are all described in more detail in the application. Balconies are shown interior to the hotel building for rooms facing the pool only. These uses appear to align with the Special Use Permit zoning for SUP-Resort. The property is within a designated Development Area per the General Plan that encourages moderate intensity, mixed-use, and context appropriate resort development. Accessory uses such as the market, retail, florist and related uses must be accessory to the resort for the support and service of guests or visitors to functions at the site.

### Density

The applicant requests consideration for a density and lot coverage above the SUP Guidelines due to the site being  $\frac{1}{4}$  the size of the 20-acre minimum for resorts, located in a Development Area, and adjoining non-residential uses on three sides. The proposed 122 units (resort and residential) creates a density of approximately 26 units per net acre while the town's SUP guidelines suggest 11 units per acre.

### Height

As presented, the proposed principal hotel building is 3-story at 36' in height from the existing grade. The building is sunken on the site 2' making the building façade 38' from the proposed finished grade. The 36' height is approximately 60' from the south and 45' from the east property line. The remaining buildings are proposed at one or two stories in height at 30' or less.

The Open Space Criteria (OSC) has been demonstrated by the applicant to be taken from the proposed property lines, which includes the 45'6" of right-of-way known as Lincoln Drive. As such, there is one portion of the third story of the principal hotel building that penetrates the OSC along the east property line, adjacent to the Lincoln Medical Plaza and one portion of the architectural features that penetrates the OSC along the north property line, along Lincoln Drive.

### Setbacks

The applicant is proposing a setback of 52'6" from the net property line (post dedication) for principal structures along Lincoln Drive, 50' from the net property line (post dedication) from Quail Run Rd, 60' from the south property line and 45' from the east property line. The site does not comply with the SUP Guidelines for perimeter landscaping or parking lot setbacks. Below are tables showing SUP Guidelines and proposed setbacks for both Principal Structures and Accessory Structures.

Principal Structure Setbacks		
	SUP Guideline	Proposed
North (Lincoln Drive)	100'	165
West (Quail Run Road)	100'	50'
South (Andaz)	100'	60'
East (Lincoln Medical)	100'	45'

Accessory Structure Setbacks		
	SUP Guideline	Proposed
North (Lincoln Drive)	40'	52'6"
West (Quail Run Road)	40'	50'
South (Andaz)	40'	60'
East (Lincoln Medical)	40'	45'

### Impact to Adjacent Uses

To address impacts to adjacent uses, the updated plans remove all balconies from the exterior side of the principal resort hotel. Additionally, a three-foot wall has been proposed along the western property line to screen the parking lot vehicles from view. Staff's main concern with the impact to adjacent users is from the outdoor event spaces as well as the newly added rooftop bar. The rooftop bar does have large operable windows and some outdoor seating that will need to be stipulated for hours of operation to minimize impacts to the residential neighbors to the west.

### Landscaping

Proposed landscaping buffers of 10' to 20' along Lincoln Dr (mainly within Town right-of-way) and 12' along Quail Run (within the right-of-way) do not meet the SUP guideline for perimeter landscaping. The landscape pallet is substantially compliant with the Visually Significant Corridors Master Plan and the applicant has indicated they intend to fully comply.

The submitted narrative explains that the existing vegetation condition is not recommended for salvage due to age, size, and diseased quality. Evaluation of the existing mature trees shall be reviewed.

### Infrastructure Improvements

Will serve letters have been provided by EPCOR, CenturyLink, Cox, APS, and Southwest Gas. In addition, the Town is the sewer service provider and the site and will be extending the sewer line in the area with its own Capital Improvement Project. The Town will serve the site with sewer and a sewer buy back will be required for the property.

The existing APS cabinet along Lincoln Drive is currently 4-5 feet from the edge of the roadway and staff has requested to relocate the cabinet to a location further away from the travel lanes for safety and aesthetic improvements. The applicant's current proposal is to screen the existing cabinet in its

current location with decorative metal panels.

The Water Service Impact Study indicates that sufficient flow is available in the area but a waterline extension is required in Quail Run Road to service the property. EPCOR has previously installed a stub out in Quail Run Road outside of Lincoln Drive and will require Smoke Tree to reimburse EPCOR for this work as part of their Water Impact Analysis.

The Preliminary Drainage Report has been submitted as well. The report indicates the applicant will provide the required on site retention through a series of inlets and underground pipes.

#### Traffic, Parking, Access and Circulation

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 does not have a negative impact on traffic safety, parking, and circulation. The staff review and recommendations included analysis of the following:

- Number of access points in/out of the site
- Emergency access to the site
- Location and screening of loading zones and dumpsters
- Coordination with Town improvements along Lincoln, i.e. the entry/exit and roadway medians
- Deceleration turn lane for eastbound traffic entering the site
- Cross-access easement(s) with Lincoln Medical Plaza
- Sidewalk and other pedestrian circulation
- Necessary roadway dedication for Lincoln Drive and Quail Run Road
- Number of parking spaces, use of shared parking, and ride-share
- Full build-out of The Ritz-Carlton Resort Special Use Permit
- Coordination of improvements/impacts with neighboring non-residential properties
- Uses that generate quick turn-around trips such as a coffee shop or take-out food

The applicant is proposing the following for right-of-way:

A 45'6" right-of-way dedication is proposed for Lincoln Drive. Staff recommends a 65' full dedication of right-of-way in accordance with Town Code and the Town's General Plan. A deceleration lane has been added to the Lincoln Drive frontage and the western most driveway, nearest Quail Run Road, has been removed.

A 25' right-of-way dedication is proposed by the applicant on Quail Run Road with improvements (street and gutter) shown on both sides, including on the western half within the Town owned ROW. Staff supports a 25' full dedication of the right-of-way in accordance with Town Code and the Town's General Plan. The applicant is proposing to construct both sides of Quail Run Road to their southern driveway with two 11' lanes and two 2' curbs centered within the 50' right-of-way/roadway easement.

The underground parking garage has been eliminated and only surface parking is now proposed. A total of 170 self-park spaces are proposed at a dimension of 9' by 18' with a 2' overhang. Up to 199 vehicles can be accommodated in a full valet scenario. There are outstanding comments from the Engineering Department that have not been addressed by the applicant to date regarding the required number of parking spaces on the site. The applicant has also provided a joint parking agreement with Lincoln Medical Plaza although the agreement is for hours outside of the weekday

peak generated by the mix of uses on the site. The agreement commences in September of 2022 and is a month to month arrangement.

The loading zone and refuse area have been relocated to the northeast corner of the site, facing east, and screened from Lincoln Drive and the neighboring properties by the proposed coffee shop, walls, and gates.

#### Signage

The proposed signage plan shows 4 backlit entry signs and building signage. The plans show one Street Corner Sign located at the southeast corner of Lincoln Drive and Quail Run Road. This sign totals 48 square feet in size with a maximum height of 4'. The town's SUP guidelines permit this sign to a height of 8' and restricts the maximum sign area to 40 square feet. As such, this particular sign does not meet the guidelines.

One secondary street corner sign is proposed as well, at the driveway entrance on Lincoln Drive. This sign has a total square footage of 32 square feet with a maximum height of 4'. The towns SUP guidelines permit this sign to a height of 8' and restricts the maximum sign area to 40 square feet. As such, this particular sign does meet the guidelines.

Two resort auto courtyard access signs are proposed at the entrance on Quail Run Road. Each sign has a total square footage of 32 square feet with a maximum height of 4'. The town's SUP guidelines permit one sign on residential streets and this type of sign to a height of 4' and restricts the maximum sign area to 32 square feet. As such, these signs individually meet the guidelines but combined do not.

The building signage proposed is backlit and located on the building above the pedestrian auto court access archway. The lettering for this sign equals 40 square feet. There are no SUP Guidelines for this type of sign, although the Guidelines do state that a sign mounted on an exterior wall of any structure shall contain only structure identification as necessary for emergency access. As such, this sign does not meet the guidelines.

#### Context Appropriate Design

The applicant has provided east, west, and south facing elevations as requested by the commission.

#### **PUBLIC COMMENT AND NOTICING:**

Mailing notification was completed prior to the Planning Commission's March 5, 2019 hearing along with newspaper advertisement and property posting. The applicant held their Citizen Review Meeting on the property at 7101 East Lincoln Drive on Monday February 18, 2019 at 6PM, which met the required minimum of 10 days prior to the Planning Commission hearing. Public Notification materials and a summary of the Citizen Review Meeting can be found in Attachment J.

All received public comments can be found in Attachment K. No public comments have been received on this updated submittal.

#### **NEXT STEPS:**

Once the Statement of Direction is approved by Town Council this Major Special Use Permit Amendment will be referred to the Planning Commission for consideration.

**ATTACHMENT(S):**

- A - Application
- B - Vicinity Map & Related Maps
- C.1 - Narrative and Plans Compressed
- C.2 - Parking Study and Associated Documents
- C.3 - Traffic Impact Analysis
- C.4 - Preliminary Drainage Report
- C.5 - Wastewater Capacity Study
- C.6 - Water Service Impact Study
- D - SUP Guidelines
- E - General Plan Policies
- F - SUP History
- G - Original Statement of Direction
- H - Email Correspondence Waiving PH
- I - Draft Revised Statement of Direction
- J - Public Notification Materials
- K- Public Comments
- L - Planning Commission Meeting Minutes
- M - PowerPoint Presentation