



**TOWN COUNCIL MEETING  
6401 E. LINCOLN DRIVE  
PARADISE VALLEY, ARIZONA 85253  
SUMMARIZED MINUTES**

**May 24, 2012**

**CALL TO ORDER**

Mayor LeMarr called to order the Town Council meeting of the Town of Paradise Valley, Arizona, held at Town Hall 6401 E. Lincoln Drive, on Thursday, May 24, 2012 at 3:06 PM.

**COUNCIL MEMBERS PRESENT**

Mayor Scott P. LeMarr  
Vice Mayor Mary Hamway  
Council Member Michael Collins  
Council Member Paul E. Dembow  
Council Member Pam Kirby  
Council Member Vernon B. Parker  
Council Member Lisa Trueblood arrived at 3:09 p.m.

**STAFF MEMBERS PRESENT**

Town Manager James C. Bacon, Jr.  
Town Attorney Andrew M. Miller  
Town Clerk Duncan Miller  
Community Development Director Eva Cutro  
Planner George Burton  
Senior Planner Molly Hood  
Police Chief John Bennett  
Municipal Court Director Jeanette Wiesenhofer  
Acting Public Works Director Brent Skoglund

Councilmember-elect Dan Schweiker

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**Discussion of Mountain Shadows**

Robert Flaxman, President and CEO of Crown Development and owner of Mountain Shadows Resort, shared his vision for the redevelopment of Mountain Shadows Resort. He stated that he signed a term sheet with Solage Hotel and Resorts which will make them a 50% partner in Mountain Shadows. He introduced Robert Watson, President of Solage Hotel and Resorts. Mr. Watson shared examples of other properties in their portfolio around the country. He said Solage, and their sister resort management company Auberge, have much experience with small luxury resorts. They emphasize designing their properties to reflect the local architecture and environment.

Responding to a question from Council, Mr. Watson stated that it is too early to discuss details such as the price point or number of rooms. He confirmed that the resort amenities will be available to residents of Mountain Shadows East and West.

Mr. Watson stated that Solage has partial ownership in all of the properties they manage. Solage will be a 50% owner in Mountain Shadows Resort. He said he is aware of the foreclosure proceedings against the property but his company is still committed to moving forward with securing funding.

Responding to a question from Council, Mr. Flaxman clarified that a "term sheet" establishes the commitments between Crown Development and Solage. He said Solage will be an equal partner. He said neither party could walk away at this point.

Doug Jorden, attorney representing Crown Development, stated that Mountain Shadows is the only resort in Town without a Special Use Permit. In the late 1980s and early 1990s the town aggressively worked to annex three properties into the town: Camelback Inn, Paradise Valley Country Club, and Mountain Shadows. When Camelback Inn and the Country Club were annexed they were granted SUPs with certain general development standards. Mountain Shadows was granted a development agreement instead. Crown Development is willing to accept less than what is in the current development agreement but asked for similar treatment to Camelback Inn.

He showed potential design examples for the redeveloped resort. He summarized the various resort and residential zones, traffic circulation, development envelope, a vision for 56<sup>th</sup> St, demolition plan, golf course plan, and the addition of a park (Lincoln Park) at the entrance on Lincoln Drive.

Council stated that it will be important to come to an understanding on how to measure density. The applicant prefers "conditioned space". The Town measures it based on lot coverage and floor area ratio. Mr. Jorden said the applicant is comfortable using floor area ratio so long as courtyards and roof overhangs are not included in the calculation.

Council questioned the treatment on 56<sup>th</sup> Street and asked for the applicant to provide survey of the landscaping and view fence. By the June 28<sup>th</sup> meeting, Council asked for heights and setbacks and lot dimensions for the Mountain Shadows East.

Kay Pulatie representing Mountain Shadows West Homeowners' Association stated that her association is pleased that the demolition will occur soon. However, they are still concerned about the density, the loss of views by some existing homes, and realignment of the golf course. She asked the Town to require the applicant to erect stakes at the proposed setbacks and fly balloons to demonstrate the heights and setbacks. She was also concerned about the hearings taking place during the summer when many residents are out of town. She submitted a

resolution and the results of a survey from property owners in Mountain Shadows West. (Attachment 1)

Ms. Pulatie clarified that the HOA's position does not take into consideration the changes made by the applicant to provide a buffer between the realigned golf course and neighbors.

Becky Bennett, representing Mountain Shadows East, stated that there are many positives related to the proposed redevelopment. She expressed some concerns regarding treatment on 56<sup>th</sup> St, the golf course re-alignment, flexibility of design, and phasing. She submitted the results of a survey of the property owners in Mountain Shadows East. (Attachment 2)

Mr. Bacon presented the proposed review schedule. He said the Statement of Direction (SOD) would be discussed twice in June and approved on June 28. The Planning Commission would review the application in July through September. The Council would hold a work session September 13 and hold a public hearing for consideration and vote on September 27. He said this schedule addresses the concerns that consideration would take place while many residents are out-of-town for the summer.

Community Development Director Eva Cutro reviewed the draft SOD. She said the Council will have an additional opportunity to provide feedback on the SOD before approval in June. She summarized the SOD topics including:

- Planning Commission shall focus its review on:
  - Max floor area
  - Max building heights and number of stories
  - Min perimeter setbacks
  - Proposed uses and their locations
  - Min key count
  - Public improvements (including Lincoln Dr, 56th St and McDonald Dr)
  - View corridors
- PC may craft stipulations to address architecture, landscaping, mechanical equipment, resort operational issues and other land use concerns
- PC to complete its review on or before September 11, 2012

#### **Discussion of Camelback Golf Course Special Use Permit Amendment**

Councilmember Dembow recused himself from consideration of this topic.

Mr. Bacon stated that this project has generated much interest. Approximately 47 emails have been received in support of the project.

Nick Wood, of Snell and Wilmer representing Marriott, spoke on behalf of the applicant. He stated that the resort industry has changed a great deal over the years. Golf amenities are more important than ever before. In the span of 10 years, there has been a decline of over 30% in golf

rounds and total revenue at the Camelback Golf Course. There have been 22,663 fewer golfers in that same period which equates to \$239,000 in lost tax revenue.

He said to remain competitive in the market, the applicant plans to completely renovate the existing Indian Bend Course. The proposed improvements to the course would include alternate tee box locations, the restructuring of individual holes, resurfaced and reconfigured golf cart paths, new sand traps, new berms and reconfigured water obstacles. The landscaping surrounding the fairways will be bermed and vegetated with native plants to improve sustainability and reduce water use. He said 365,000 cubic yards of dirt will be moved, but the historical flow rates will remain.

Council asked the applicant to be prepared to clearly explain at the public how they will comply with the MAG PM-10 fugitive dust regulations during construction.

Responding to a question from Council, Mr. Wood explained that trees will be removed during the excavation. Many of them are not healthy and will be replaced with native trees.

Mr. Bacon stated that this item is scheduled for a public hearing on June 7, 2012.

#### **Discussion of SRP Undergrounding Policies**

Mr. Bacon discussed the history and policies regarding utility undergrounding projects in the Salt River Project (SRP) district. He said since 1988, the Town has actively been removing overhead wires and utility poles both in the Arizona Public Service (APS) and SRP service areas. Far more underground has taken place in the APS district because they contribute up to 45% of the total cost, whereas SRP only contributes up to \$30,000 per year.

Recently, however, SRP increased their allocation to the Town from \$30,000 to \$100,000 annually. SRP funds earmarked for the Town's underground program has grown to \$317,166. He said there are three SRP underground districts the Town would like to pursue in the near future. They include:

1. Keim District – on Keim Drive between 44<sup>th</sup> Street and Hogan Drive
2. Stanford District – south side of Stanford Drive west of Palo Cristi Road (will be done concurrently with the reconstruction project)
3. Homestead District – north of Stanford Drive west of Palo Cristi Road

He said Council may wish to amend the current policy regarding the residents' participation so that these districts can be completed.

There was discussion about reducing the resident contribution to take advantage of the SRP esthetic funds. Council directed staff to contact the residents in the remaining SRP districts to see if there is renewed interest.

**Discussion of APS Districts 21 and 30**

Mr. Bacon stated that since 1988, the Town has undergrounded 34 APS districts and several high profile transmission lines such as those on Lincoln Drive. Two districts remain which have not met the requirements for undergrounding: Districts 21 and 30.

According to policy, District #21 needed 50% or 38 property owners to contribute \$1,500 each to help finance the project. Only 12 owners agreed. Efforts to enlist more support have failed. He said there are three options:

1. Staff and district volunteers could reach out to owners and encourage more participation
2. Town could make up the difference and pay the \$24,000 to initiate the district
3. A special taxing district (ARS 48-620) could be established to complete the improvements

Council stated that there is a need to prioritize capital improvement projects, not just undergrounding projects. Mr. Bacon confirmed that the Town's cost share in APS District #21 is included in the FY 2012-12 budget. One of the assignments for the recently hired Public Works Director/Town Engineer will be to develop a comprehensive CIP review and prioritization process. Mr. Bacon stated that staff will bring back a proposal to establish a special taxing district.

He said district #30 contains 31 properties but only two owners have contributed funds. He said the District failed because highly visible Scottsdale poles outside district were to remain. Scottsdale was asked to join District, but they declined due to cost and budget constraints. Recently, APS agreed to pay 45% of Scottsdale's share of the cost. Mr. Bacon recommended that he meet with Scottsdale and encourage them to participate now that their cost would be significantly reduced. If Scottsdale agrees to participate, staff will work with residents to rekindle interest in removing the poles.

There was Council support for the Town Manager to speak with the City Manager in Scottsdale.

**Discussion of Direct Election of the Mayor**

Councilmember Parker stated he did not oppose an election but did not support repealing direct election of the mayor. Mr. Parker departed the meeting. At 5:20 p.m.

Mayor LeMarr stated that this item was placed on the agenda tonight as a result of a petition submitted by former Mayor Plenge. The petition, signed by approximately 500 residents, requests that the Council put the issue of direct election of the mayor back on the ballot.

Town Attorney Andrew Miller explained that the process for repealing direct election of mayor would be similar to the process used in 2010. Because Arizona law requires voters to approve a change to direct election of the mayor, the voters must also approve any ordinance repealing it. He stated that staff prepared a draft ordinance that would be submitted to the voters in November if the Council calls for a Special Election.

Former Mayor Robert Plenge asked Council to honor the petitions and place the question on the ballot.

There was Council discussion about increasing the mayor's term from two years to four years. Mr. Miller stated that such a change would also have to be referred to the voters.

Resident Scott O'Connor spoke in favor of putting this matter on the ballot. He favored the process by which the mayor is selected by the Council instead of directly elected by the people.

There was Council consensus to schedule the vote to call a Special Election on June 7.

Mayor LeMarr recessed the meeting at 5:55 p.m.

**EXECUTIVE SESSION**

- a.** The Town Council may go into executive session at one or more times during the meeting as needed to confer with the Town Attorney for legal advice regarding any of the agenda items listed on the agenda as authorized by A.R.S. §38-431.03.A.3

**RECONVENE FOR REGULAR BUSINESS MEETING**

**CALL TO ORDER**

Mayor LeMarr reconvened the meeting of the Town Council at 6:08 P.M.

**COUNCIL MEMBERS PRESENT**

Mayor Scott P. LeMarr  
Vice Mayor Mary Hamway  
Council Member Michael Collins  
Council Member Paul E. Dembow  
Council Member Pam Kirby  
Council Member Vernon B. Parker was not present  
Council Member Lisa Trueblood

**STAFF MEMBERS PRESENT**

Town Manager James C. Bacon, Jr.  
Town Attorney Andrew M. Miller  
Town Clerk Duncan Miller  
Police Chief John Bennett  
Community Development Director Eva Cutro  
Acting Public Works Director Brent Skoglund

**PLEDGE OF ALLEGIANCE**

Mayor LeMarr led the Pledge of Allegiance.

**PRESENTATIONS**

There were no presentations.

**CALL TO THE PUBLIC**

There were no public comments.

**CONSENT AGENDA**

- a. Minutes of Town Council Meeting May 10, 2012**
- b. Adoption of Resolution Number 1256; Adopting Public Art Guidelines and Policy Statement**  
*Recommendation:* Adopt Resolution Number 1256, guidelines for procuring and placement of public art.

Mr. Bacon summarized the items on the consent agenda.

**Motion and Vote:** Vice Mayor Hamway moved to adopt the Consent Agenda as submitted. Councilmember Collins seconded the motion which passed by a vote of 6 – 0

### **SPECIAL MEETING**

**Motion and Vote:** Vice Mayor Hamway moved to recess the regular meeting and go into a special meeting for consideration of the Fiscal Year 2012-13 Final Budget. Councilmember Collins seconded the motion which passed by a vote of 6 – 0.

### **PUBLIC HEARINGS**

#### **Consideration of Adoption of Resolution Number 1258 Approving the Fiscal Year 2012-2013 Budget**

Town Manager Bacon presented the Final Fiscal Year 2012-13 budget. He stated that budgeted revenue includes 6 months of the fire serve fee and a full year of the temporary sales tax. All other revenue sources are expected to increase by 3.2%. He said only 7% of the capital budget will be funded from current revenue. The remainder depends on fund transfers.

He stated that estimated general fund expenditures equaled \$16.9 million. Estimated capital improvement expenditures equaled \$6.3 million. The total expenditures for all funds were \$30,250,238.

Mayor LeMarr listed the items in the Capital Project budget including:

- Design/Construction of Court
- Underground Dist 6 - Construction
- Underground Dist 21 - Design
- Underground Dist 21 - Construction
- Mockingbird Lane Design
- Mockingbird Lane Construction
- Stanford Drive Design
- 52nd Street Sidewalks
- Tatum Road Sidewalks
- Town Entry Monuments
- Public Safety Communications
- Road Improvements

- Other Projects
- Audio Visual Equipment
- Records Management System Technology

Mayor LeMarr opened the public hearing. There were no public comments  
Mayor LeMarr closed the public hearing.

**Motion and Vote:** Vice Mayor Hamway moved adopt Resolution Number 1258 approving the Fiscal Year 2012-2013 budget in conformance with the tentative budget approved on May 10, 2012. Councilmember Collins seconded the motion which passed by a vote of 6 - 0.

Mayor LeMarr adjourned the special meeting and convened the regular meeting.

## **RECONVENE REGULAR MEETING**

### **ACTION ITEMS**

#### **Approval of Redflex Traffic Systems Contract Extension**

Mr. Bacon recommended that the Council extend the current contract with Redflex Traffic Systems through June 30, 2013. The contract would maintain all services currently offered to the Town. He said between now and October 4, 2012, town staff would meet with Redflex to identify the possible features of a long-term agreement. The Town would make a final determination on a long term assessment at its January 17, 2013 meeting.

Council questioned when there would be an opportunity to discuss the philosophy and general policies and goals of traffic safety in Paradise Valley. Mr. Bacon responded that those discussions could be held concurrently with the Redflex items this fall.

There was discussion about extending the Redflex contract for 6 months instead of 12. It was noted that modifying the use of, or eliminating, photo enforcement would have a significant budget impact both in terms of revenue generated by photo radar issued-citations and the cost of adding additional police officers if photo radar were eliminated. Council asked staff to be prepared to discuss police officer staffing levels should Council decide to reduce or eliminate the use of photo enforcement.

**Motion and Vote** – Vice Mayor Hamway moved to authorize the Town Manager to execute the Fourth Addendum to the contract between Redflex Traffic Systems and the Town of Paradise Valley. Councilmember Collins seconded the motion which passed by a vote of 5 – 1. (Councilmember Kirby voted “No”).

**REQUESTS FOR FUTURE AGENDA ITEMS**

Mayor LeMarr stated that the June 7<sup>th</sup> agenda might be amended to provide for more time to discuss the SOD for Mountain Shadows.

**Motion and vote:** Councilmember Kirby moved to schedule Ordinance Number 652 for consideration on June 7, 2012. Vice Mayor Hamway seconded the motion which passed by a vote of 6 - 0.

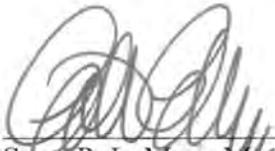
**MAYOR / COUNCIL / MANAGER REPORT**

There were no reports.

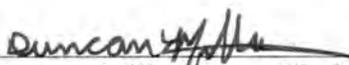
**ADJOURNMENT**

**Motion and vote** – Vice Mayor Hamway moved to adjourn. Councilmember Kirby seconded the motion which passed by a vote of 6 - 0.

Mayor LeMarr adjourned the meeting at 7:14 p.m.

  
\_\_\_\_\_  
Scott P. LeMarr, Mayor

ATTEST:

  
\_\_\_\_\_  
Duncan Miller, Town Clerk

**Mountain Shadows Estates West  
Homeowner's Association  
May 17, 2012**

**RESOLUTION**

**To: The Town of Paradise Valley and Crown Realty Development (Robert Flaxman).**

**The Mountain Shadows West Board requests that Crown Realty Development stake the areas of encroachment on the golf course so that the homeowners can clearly see the effects of this project.**

**Mountain Shadows Estates East & West**  
**SEQ CHAPTER \h \r 1 Homeowner's Associations**

**May 24, 2012**

**Mountain Shadows Estates West HOA, Inc.**

**BALLOT RESULTS**

A ballot was sent to all the MSE and MSW Homeowners, May 19, 2012, along with a cover letter directing the Homeowners to view a link on the PV Town website displaying the application for a SUP submitted by Robert Flaxman. Many Homeowners also attended a presentation by Robert Flaxman on May 17, 2012. There are 59 owners in MSW and 45 returned ballots. 76% of homeowners responded.

Question #1:

**Do you support or oppose Crown's current plan?**

| <u>Support</u> | <u>Oppose</u> | <u>Abstain</u> |                         |
|----------------|---------------|----------------|-------------------------|
| 3              | 41            | 1              |                         |
| 5.1%           | 69.4%         | 1.7%           | (based on 59)           |
| 6.7%           | <b>91.1%</b>  | 2.2%           | (based on 45 responses) |

Question #2:

**Do you support or oppose having public hearings on Crown's plan during the summer months?**

| <u>Support</u> | <u>Oppose</u> | <u>Abstain</u> |                         |
|----------------|---------------|----------------|-------------------------|
| 5              | 35            | 5              |                         |
| 8.5%           | 57.8%         | 8.5%           | (based on 59)           |
| 11.1%          | <b>77.8%</b>  | 11.1%          | (based on 45 responses) |

(1)

## **Several Homeowners provided comments on their ballots**

\* Our primary concern lies with the golf course and the proposal to shorten it and eliminate two holes and the driving range. We are also interested in the density, setbacks and heights. We are very much against the shortened timetable as we are gone for the summer and would like to attend some of the planning discussions. It seems to me that after an eight year delay, another six months to allow those most interested to return from the summer, would not be a burden. I think a majority of the community are already gone.

\* I have two main concerns:

1. Given the developer's history in Paradise Valley, he will have to present detailed FINAL plans for consideration and demonstrate that he has the financial wherewithal to carry these through to completion.

2. The MS Golf Course is the essential element of MS West. My understanding is that the developer must maintain this. His previous plan encroached on the golf course and his new plan encroaches even more; to the point where I fear it will cease to be viable. Given the developer's previous attempts to turn the whole of the site into building lots, I am concerned that this encroachment is calculated to lead to the demise of the golf course and the condemnation of all its land to this fate in the end.

\* The conceptual plan presented by Flaxman with the removal of the two 4's and taking of the driving range violates the integrity of the golf course -- it would no longer represent a quality "executive course" but become undesirable "pitch and putt" layout. We cannot support the proposed plan

I agree with the concerns listed by the Resort Committee. I would like to further comment on the architectural design...Arizona is an incredibly beautiful place. Most of us live here because we love it, and love the traditional "Arizona" look. I hope that the new Mountain Shadows Resort will remain in the Arizona tradition (such as Royal Palms, Hermose Inn, Camelback and Wigwam) That is the look that guests coming to visit Arizona resorts want as well. The renderings on the web site, quite frankly, don't remotely relate to anything even slightly reminiscent of Arizona, nor do they have any warmth or charm. I hope that the new resort will also respect the Arizona desert landscape that has been our tradition.

I do not support the proposed plan as presented. Important items are undecided including removal of prominent golf course features (driving range), issues of the gatehouse, and our MOU. Most importantly to me and my mother is the reconfiguration of hole 18 where they are planning to move the green from 110 ft away from her back yard, making, in our view, her property (back yard) almost unusable due to the danger of errant golf balls. This timeline is ridiculous; we have been waiting for almost 9 years for a thoughtful plan and now they want to fast track this project without proper vetting. I can wait several months for an appropriately methodical vetting process. This developer's reputation is to be manipulative for his own goals and this timeline promotes that concern.

(2)

\* We support an architectural plan that has the Santa Barbara design, not the contemporary look. We want the same amenities as current ones and that were planned by the original developer. We oppose current density, setbacks and heights as on the Crown Plan. We want to keep the driving range and practice area and holes 1 and 2. We support redevelopment of Mountain Shadows Resort. We support early demolition of existing structures

We oppose the plan that Crown Development has proposed for the development of the Mountain Shadows property for the following reasons:

We cannot support the plan for the project because of the impact on the golf course and driving range. Our property rights were dependent upon the integrity of the golf course as it is presently laid out. New design of the present golf course should be permitted but not one inch of the golf course should be used for resort development purposes.

The brief overview of the structures proposed on both sides of 56<sup>th</sup> Street is too crowded with inadequate setbacks and height limits. The compact nature of the east side residential components will surely lead to a "high priced" ghetto look in appearance and quality – similar to Montelucia.

Removal of the oleanders in various locations will only lead to more security issues, noise, invasion of privacy, golf ball safety issues for cars and other passersby, and maintenance and upkeep issues.

The entire concept or strategy for the resort and residential components seems to crowd the space with the many offerings for services for the resort customers and

with little thought about the impact on the present residents. Our ability to receive resort amenities as stipulated in our CC and Rs at this time is merely an afterthought in the presentations.

The strategy for development of the residential units first with the capital resources being used for the resort component on the surface sounds reasonable. However, with past performance of Crown at Montelucia in mind, Crown could take the money or sell the remaining resort property to another developer and we then start over. We question Crown's financial capability to finish the development as they vision and propose it. We have witnessed Crown's financial performance at Montelucia. The concerns of Crown tying up Mountains Shadows for several more years while we deal with their threatened bankruptcy and trustee sale gives great concern. Should we rush into planning and development issues with this in front of us? Also, we recommend Crown post a performance bond to the Town of Paradise Valley to insure the completion of the project in a timely and stipulated agreed manner.

(3)

Mayor Scott LeMarr

Councilperson Trueblood  
Councilperson Collins  
Councilperson Kirby  
Councilperson Dembow  
Councilperson Hamway  
Councilperson Parker

Herschell Parent  
Pat Dickinson  
Brenda Lee Emerick

Re: Crown Development of Mountain Shadows Golf Course

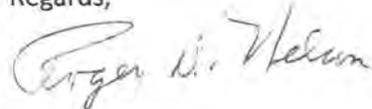
I am current president of Mountain Shadows Men's Golf program and resident of Mountain Shadows West, unit #94. The members of the men's group have great concern about the proposed plan for the golf course and the driving range. Membership asked for an overview of the proposed plan at the year-end luncheon (MAY 16). Several members have been given the overview of the plans presented by Robert Flaxman and they were passed around for all to look at. The group asked what voice they could have in the plan and as a result we circulated a petition regarding the proposed layout and elimination of the driving range. There were 36 members present for the luncheon and 35 signed the petition opposing the changes. We have approximately 65 members and some have left the valley for the summer. In addition we have had other people who have signed the petition, and we now have approximately 75 players that do not support the proposed changes of the golf course and driving range. I will be glad to provide the supporting petitions.

Annually, Mountain Shadows has around 40,000 rounds of golf played. The price of golf all over the valley is very price sensitive and Mountains Shadows is no exception. We do not have access to the books to determine whether the golf operations is making money but we suspect it is close to a break even proposition. However, if the golf course goes away and generates no revenue from either the golf or the club grill the town of Paradise Valley will be the loser. The number of visitors from out the area that play golf at Mountain Shadows is significant in the effort of generating tourism revenue.

We are asking for more consideration in the elimination of the driving range and reconfiguration of the golf course.

Thank you for your consideration.

Regards,



Roger D. Nelson

## Mountain Shadows Estates East HOA, Inc.

Date: May 24, 2012  
 To: Paradise Valley Town Council, Town Manager, and Town Staff  
 From: MSEE Resort Committee  
 Re: May 24, 2012 Council Work Study/Crown Development application for SUP

Mayor LeMarr, Council Members, Jim Bacon, Andrew Miller, and Staff:

Thank you for inviting the MSE and MSW Resort Committee to speak today regarding the application for SUP by Robert Flaxman. We appreciate that the Town understands how important it is for the neighbors living within and immediately around the resort property to be involved in this process and to receive their consensus on the plan.

Once again, both East and West are uplifted at the prospect of the resort redevelopment. We are eager to work with the Town and Robert Flaxman to obtain a mutually agreeable plan for redevelopment. Robert has stated with conviction that he is ready and willing to complete this project. Let's move forward.

There are many parts of the current application that are pleasing and positive.

- The complete demolition in phase one
- The "Lincoln" park at the corner of 56<sup>th</sup> Street and Lincoln Dr.
- The popular restaurant at corner of 56<sup>th</sup> Street and Lincoln Dr.
- The beautification of 56<sup>th</sup> Street
- The elimination of two (2) of the four (4) entrances from Lincoln Dr.
- "Component parts of the Resort will be maintained and governed under a single unified management system." SUP Narrative, page 22.
- An upscale hotel partner is in place
- Residential element on east.
- South 56<sup>th</sup> Street exit for east

There are also many parts of the current application that cause for clarification, re-design, and resolution.

- The stipulations and requirements of both East and West discussed over the last eight (8) years remain unresolved. A copy of these stipulations was presented to the Town at the last Work Study, May 10, 2012. Meetings and conversations are taking place regarding these issues which will hopefully result in mutual consensus. The core issues

of these stipulations are the concerns for the **golf course** continuance and encroachments, retaining the **oleanders**, Lot 68 access and title, and **entitlements of the** existing homeowners as recorded in the deed restrictions.

- The Narrative presents several questions.

The method to establish Floor Area Ratio is confusing, density needs clarification

**Page 7** – does the FAR 25% include the future homes on the east side?

**Page 10** – the relocation of some golf holes and the deletion of the driving range causes many problems and questions

**Page 12** – “critical need for flexibility” needs to be defined and given a parameter

**Page 13** – Club Component in relationship to “historical practices” and how this relates to the deeded amenities needs clarification

**Page 14** – The “modern architectural style” needs clarification

**Page 16** – Attention is required to the screening of trash, mechanical and other ancillary structures so there is no exposure to any circulation patterns

**Page 17** - Circulation and gatehouse possibilities east of 56<sup>th</sup> Street are being discussed.

**Page 22** - Phasing.. suggest perimeter landscaping and infrastructure completed in phase two (2)

The draft of the Statement of Direction also creates questions

- 2) “ The Town Council finds that the proposed resort concept ... is acceptable...” What qualifies the plan as “acceptable”? The physical components of the application or the contents of the concept?
- 3) c. “The Planning commission shall address... The removal of all or parts of the oleanders adjoining Lincoln Drive, 56<sup>th</sup> Street and McDonald Drive...” The Homeowners overwhelmingly want to retain the oleanders on McDonald Drive and 56<sup>th</sup> Street.
- 5) “... The scope of the deferred submittal will determine the type of review (i.e. review by staff, managerial amendment or minor amendment)...” Does this imply that review of golf course hole relocation and design specifics does not include input from MSE and MSW residents?
- 10) “... in accordance with the Land Use Map in the General Plan. The Golf Course area designated as “private open space” shall remain as golf course.” The current plan does not adhere to this statement.
- 15) What is the Development Agreement? What decisions are determined in the Development Agreement?

- 18) Summer schedule of review and citizen participation. We object to the summer schedule due to many residents are out of town and not permitted to witness or participate in public review.

### Homeowner Ballot

In the past, the Town Council and Town Staff have asked by what authority the Resort Committee speaks? For the record, both east and west HOA Boards have appointed the six (6) RC members to act on behalf of the joint Associations. In addition, December 15, 2011, at a joint east and west HOA meeting, the homeowners voted and approved that the RC would continue to represent the joint Associations regarding all matters of resort development.

To continue with this responsibility, the RC distributed a ballot to the east and west Homeowners to collect feedback for the RC, the Town Council and Management, and Robert Flaxman in order to discuss and represent the wishes of the homeowners. This ballot came after the application had been filed on May 15, 2012 and a presentation given by Robert Flaxman on May 17, 2012 to east and west homeowners.

The questions and results:

#### **Mountain Shadows East**

There were 40 returned ballots out of 59 possible homeowners. 68% return

Question #1 Do you support or oppose Crown's current plan?  
28% support 53% oppose 21% abstain

Question #2 Do you support or oppose having public hearings on Crown's plan during the summer months?  
38% support 55% oppose 10% abstain

#### **Mountain Shadows West**

There were 43 returned ballots out of 59 possible homeowners. 73% return

Question #1 Do you support or oppose Crown's current plan?  
7% support 91% oppose 2.3% abstain

Question #2 Do you support or oppose having public hearings on Crown's plan during the summer months?  
11.6% support 77% oppose 11.6% abstain

Many Homeowners made comments which are listed on the attached results sheet. Some of the comments include:

- Primary concern lies with the golf course and the proposal to shorten and eliminate the driving range
- It seems that after waiting eight (8) years, another 6 months added to the schedule would only help
- Don't want the golf course to become a "pitch and putt"
- The renderings on the web site, quite frankly, don't remotely relate to anything even slightly reminiscent of Arizona
- The proposed configuration of hole #18 comes within 25 feet of the rear yard of Lot 70 making the yard unsafe.
- Cannot support due to impact of golf course and driving range. Property rights were dependent upon the integrity of the golf course.
- Removal of oleanders is a safety issue
- Abstain votes stated they needed more information and had difficulty maneuvering PV website and they are not here in the summer
- Public hearings should be after September 15
- Lot 68 "doughnut" circulation and title need to be resolved
- "Shared" gatehouse is too vague presently
- Bottom line is that we need a resort and should move forward quickly
- Like overall land use plan but need specifics
- Believes this is an exercise in futility but want demo now
- Need to be assured of financial stability
- Plan de-emphasizes golf club... suggest more developed club house and event lawn
- Lot size and set backs on east are questionable
- Adequacy of fitness center concerns

Thank you for permitting our comments to be heard. Collectively and mutually, the joint HOA support the re-development of the Mountain Shadows Resort and the overall "concept" of the Application however with concern for the comments stated here. The Homeowners and Resort Committee look forward to continued discussion and further enhancing to the proposed plan.

**Mountain Shadows Estates East & West**  
**Homeowner's Associations**

**May 24, 2012**

**Mountain Shadows Estates East HOA, Inc.**

**BALLOT RESULTS**

A ballot was sent to all the MSE and MSW Homeowners, May 19, 2012, along with a cover letter directing the Homeowners to view a link on the PV Town website displaying the application for a SUP submitted by Robert Flaxman. Many Homeowners also attended a presentation by Robert Flaxman on May 17, 2012. There are 59 owners in MSE and 40 returned ballots. 68% of homeowners responded.

Question #1

**Do you support or oppose Crown's current plan?**

| Support | Oppose | Abstain                     |
|---------|--------|-----------------------------|
| 11      | 21     | 8                           |
| 19%     | 36%    | 14% (based on 59)           |
| 28%     | 53%    | 21% (based on 40 responses) |

Question #2

**Do you support or oppose having public hearings on Crown's plan during the summer months?**

| Support | Oppose | Abstain                     |
|---------|--------|-----------------------------|
| 15      | 22     | 4                           |
| 25%     | 36%    | .07% (based on 59)          |
| 38%     | 55%    | 10% (based on 40 responses) |

Several Homeowners provided comments.

- Abstain votes stated: need more information, difficulty maneuvering PV website, not here in the summer
- Oppose parts of the plan i.e. house density on east side, 3 stories on west side, golf course infringement. Need insurance of landscape along ring road.
- Public hearings should be before June 15 and after September 1.
- Lot 68 "doughnut" issues, density, golf course infringement

- Crown plan and narrative have to read together however there are discrepancies which need clarification. Which takes precedence, the plan or the narrative?
- Need clarification on garbage screening devices, don't want same situation as at Montelucia.
- Possible "shared" Gatehouse details, restrictions, costs need resolution.
- Support summer schedule but not at the expense of time because some residents go out of town. We need to expedite this process.
- The bottom line is we need a resort – we need to move this forward as quickly as we were planning with JDM. Aside from density, which is too high on ease side, and amenities, I/we want to move forward. We don't care who the developer is, don't need to like him etc., so long as he can get the job done. It appears Flaxman can do that. So let's go.
- Need more information.
- Afraid if we don't have Flaxman, nothing will happen. It is not perfect but better than nothing.
- Assume, Resort Committee can attend the schedule of hearings?
- Overall like the land use concept however there are many details and specifics to work out.
- Concern for view corridors from MSE houses at ring road.
- Issues needing to be resolved: Driving range encroachment, view corridors including views from adjacent homes, lot size on east homes (7400 is too small), resolve e & w gatehouses and lot 68, MSE south 56<sup>th</sup> street exit, size of club house, adequacy of the fitness center, signed binding agreement of stipulations and requirements.
- Believes this is an exercise in futility. Need demolition asap regardless of who is negotiating.
- Flaxman should be given opportunity to present completed plans
- Convinced of financial capability.
- Some elements are acceptable.
- Concept ok, details need to be resolved.
- Support when Notice of Trustee Sale resolved.
- Oppose current plan. Need resolution on removal of prominent golf course features (driving range), issues of gatehouse, and MOU.
- Reconfiguration of hole 18 where the green would move from current location of 110 feet away from my mother's back yard (lot 70) to 25 feet from her back yard making her property unusable due to the danger of errant golf balls.
- Time line is ridiculous. Have been waiting for almost 9 years for thoughtful plan and now "they" want to fast track this project without proper vetting.
- Flaxman completed Montelucia, give him an opportunity to work details out.
- Plan de-emphasizes the intended golf experience. The community was developed, advertised, and maintained as a golf club and golf course setting. The club house is too small, there is not major restaurant. There is no event lawn.
- Suggest bigger more developed golf club house with an event lawn looking up to Camelback Mountain. Would provide income to property owner (developer) and social gathering place for community.

**Mountain Shadows Estates East & West**  
**Homeowner's Associations**

**May 24, 2012**

**Mountain Shadows Estates West HOA, Inc.**

**BALLOT RESULTS**

A ballot was sent to all the MSE and MSW Homeowners, May 19, 2012, along with a cover letter directing the Homeowners to view a link on the PV Town website displaying the application for a SUP submitted by Robert Flaxman. Many Homeowners also attended a presentation by Robert Flaxman on May 17, 2012. There are 59 owners in MSW and 43 returned ballots. 73% of homeowners responded.

Question #1:

**Do you support or oppose Crown's current plan?**

| <u>Support</u> | <u>Oppose</u> | <u>Abstain</u> |                         |
|----------------|---------------|----------------|-------------------------|
| 3              | 39            | 1              |                         |
| 5%             | 66%           | 1.7%           | (based on 59)           |
| 7%             | 91%           | 2.3%           | (based on 43 responses) |

Question #2:

**Do you support or oppose having public hearings on Crown's plan during the summer months?**

| <u>Support</u> | <u>Oppose</u> | <u>Abstain</u> |                         |
|----------------|---------------|----------------|-------------------------|
| 5              | 33            | 5              |                         |
| 8.5%           | 56%           | 8.5%           | (based on 59)           |
| 11.6%          | 77%           | 11.6%          | (based on 43 responses) |

## Several Homeowners provided comments on their ballots

\* Our primary concern lies with the golf course and the proposal to shorten it and eliminate two holes and the driving range. We are also interested in the density, setbacks and heights. We are very much against the shortened timetable as we are gone for the summer and would like to attend some of the planning discussions. It seems to me that after an eight year delay, another six months to allow those most interested to return from the summer, would not be a burden. I think a majority of the community are already gone.

\* The conceptual plan presented by Flaxman with the removal of the two 4's and taking of the driving range violates the integrity of the golf course – it would no longer represent a quality "executive course" but become undesirable "pitch and putt" layout. We cannot support the proposed plan

I agree with the concerns listed by the Resort Committee. I would like to further comment on the architectural design...Arizona is an incredibly beautiful place. Most of us live here because we love it, and love the traditional "Arizona" look. I hope that the new Mountain Shadows Resort will remain in the Arizona tradition (such as Royal Palms, Hermose Inn, Camelback and Wigwam) That is the look that guests coming to visit Arizona resorts want as well. The renderings on the web site, quite frankly, don't remotely relate to anything even slightly reminiscent of Arizona, nor do they have any warmth or charm. I hope that the new resort will also respect the Arizona desert landscape that has been our tradition.

\* We support an architectural plan that has the Santa Barbara design, not the contemporary look. We want the same amenities as current ones and that were planned by the original developer. We oppose current density, setbacks and heights as on the Crown Plan. We want to keep the driving range and practice area and holes 1 and 2. We support redevelopment of Mountain Shadows Resort. We support early demolition of existing structures.

• I do not support the proposed plan as presented. Important items are undecided including removal of prominent golf course features (driving range), issues of the gatehouse, and our MOU. Most importantly to me and my mother is the reconfiguration of hole 18 where they are planning to move the green from 110 ft away from her back yard, making, in our view, her property (back yard) almost unusable due to the danger of errant golf balls. This timeline is ridiculous; we have been waiting for almost 9 years for a thoughtful plan and now they want to fast track this project without proper vetting. I can wait several months for an appropriately methodical vetting process. This developer's reputation is to be manipulative for his own goals and this timeline promotes that concern.

We oppose the plan that Crown Development has proposed for the development of the Mountain Shadows property for the following reasons:

1. We cannot support the plan for the project because of the impact on the golf course and driving range. Our property rights were dependent upon the integrity of the golf course as it is presently laid out. New design of the present golf course should be permitted but not one inch of the golf course should be used for resort development purposes.
2. The brief overview of the structures proposed on both sides of 56<sup>th</sup> Street is too crowded with inadequate setbacks and height limits. The compact nature of the east side residential components will surely lead to a "high priced" ghetto look in appearance and quality – similar to Montelucia.
3. Removal of the oleanders in various locations will only lead to more security issues, noise, invasion of privacy, golf ball safety issues for cars and other passersby, and maintenance and upkeep issues.
4. The entire concept or strategy for the resort and residential components seems to crowd the space with the many offerings for services for the resort customers and with little thought about the impact on the present residents. Our ability to receive resort amenities as stipulated in our CC and Rs at this time is merely an afterthought in the presentations.
5. The strategy for development of the residential units first with the capital resources being used for the resort component on the surface sounds reasonable. However, with past performance of Crown at Montelucia in mind, Crown could take the money or sell the remaining resort property to another developer and we then start over. We question Crown's financial capability to finish the development as they vision and propose it. We have witnessed Crown's financial performance at Montelucia. The concerns of Crown tying up Mountains Shadows for several more years while we deal with their threatened bankruptcy and trustee sale gives great concern. Should we rush into planning and development issues with this in front of us? Also, we recommend Crown post a performance bond to the Town of Paradise Valley to insure the completion of the project in a timely and stipulated agreed manner.