



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

**SUMMARIZED MINUTES
APRIL 10, 2008**

CALL TO ORDER

Mayor Winkler called to order the Town Council meeting of the Town of Paradise Valley, Arizona, held at Town Hall 6401 E. Lincoln Drive, on Thursday, April 10, 2008 at 5:05 PM.

COUNCIL MEMBERS PRESENT

Mayor Ed Winkler
Vice Mayor Scott LeMarr
Council Member Ron Clarke
Council Member Brian Cooney
Council Member Mary Hamway
Council Member Dan Schweiker
Council Member Virginia "Jini" Simpson

STAFF MEMBERS PRESENT

Town Manager James C. Bacon, Jr
Town Attorney Andrew Miller
Town Clerk Duncan Miller
Town Engineer William Mead
Chief of Police John D. Wintersteen
Management Services Director Lenore Lancaster
Planning & Building Director Eva Cutro
Public Works Director Andrew Cooper
Senior Planner Molly Hood
Capital Improvement Program Administrator Robert Ciccarelli
Fire Marshal Pat Dunlap

DISCUSSION ITEMS

Discussion of Berneil Channel Improvements

Mr. Mead introduced Scott Buchanan of Stanley Consultants and Afshin Ahouraiyan of Maricopa County Flood Control District.

Mr. Mead stated that the Council authorized the Town to retain a consultant to evaluate alternatives for the improvement of the Berneil Channel within the Town’s limits. He said the Town’s ultimate goal is to increase the capacity of the Berneil Channel to accommodate an acceptable level of flood protection while causing minimal damage to future landscaping features.

Scott Buchanan with Stanley Consultants, Inc presented three alternatives:

Alternative 1 – Construct minimal improvements by deepening portions of the channel to achieve a 10-year level of flood protection for a cost of \$2,555,000.

Alternative 2 – Construct minimal channel improvements necessary to accommodate a 100-year level of flood protection and would include the reconstruction of a bridge on Doubletree Ranch Road for a probably cost of \$5,088,000.

Alternative 3 – Complete reconstruction of the Berneil Channel and Doubletree bridge providing a 100-year level of protection for a probably cost of \$10,259,000.

There was consensus to hold a neighborhood meeting to present these options to the residents. Neighborhood input will be especially important since Alternative 3 would require Doubletree Ranch Road to be closed for several months. This would cause detours through neighborhoods and emergency response times might be delayed in those areas.

Discussion of Capital Improvement Program – Future Project List

Mr. Mead stated that during the budget policy retreat the Council requested reconsideration of priorities in the capital improvement budget. Given the current favorable bidding climate it may be prudent to accelerate certain construction projects. There was consensus to accept the following recommended priority list.

| <u>Future Projects List</u> | <u>Budget</u> | <u>Ranking</u> |
|--|---------------|------------------|
| New Municipal Court Building, Construction | \$3,100,000 | 1 st |
| Lincoln Drive Sidewalk Improvement, South Side, between Fire Station Number 2 and Eastern Town Limits | 830,000 | 2 nd |
| Stanford Drive Reconstruction, 32 nd Street to 40 th Street, Construction | 2,000,000 | 3 rd |
| Traffic Signal System Controller Hardware Upgrade | 15,700 | 4 th |
| Mockingbird Lane Improvement, 52 nd Street to 56 Street, Construction | 1,000,000 | 5 th |
| Berneil Channel Flood Control Improvement, Construction | 2,000,000 | 6 th |
| Town Entry Monument, Construction | 72,000 | 7 th |
| Underground Utility Conversion SRP Homestead Lane District | 366,600 | 8 th |
| Underground Utility Conversion SRP Rose Lane District | 266,600 | 9 th |
| Underground Utility Conversion SRP Wainwright District | 191,100 | 10 th |
| Underground Utility Conversion SRP 40 th Place District | 666,600 | 11 th |
| Invergordon Road Improvement, Chaparral Road to McDonald Drive | \$2,700,000 | 12 th |

Discussion of The Ritz-Carlton, Paradise Valley Special Use Permit

Mr. Miller recommended the following amendments to The Ritz-Carlton Special Use Permit:

3. *Development of the Resort shall be in substantial conformance with the Ritz Carlton Paradise Valley Special Use Permit Application Book dated January 17, 2008, an Index of which is attached hereto as Exhibit "B" (the Index and SUP Application Book are collectively referred to as the "SUP Book"), ~~as well as~~ the Site Plan, dated April 1, 2008 attached hereto as Exhibit "C" (Site Plan), which are made a part hereof by this reference, **and these stipulations**. Prior to the Final Plat Submittal, those sheets in the SUP Book marked with an asterisk (*) on the Index shall be modified to be consistent with and in conformance to the Site Plan. Such modifications shall be reviewed, and if substantially consistent with the Site Plan, approved by the Town Manager. **Lot coverage for the Property as a whole shall not exceed twenty-five percent (25%).***

6. ***Once the modifications to the SUP Application Book required in stipulation #3 have been completed, ~~In the event of inconsistencies or conflicts between or among these stipulations, the SUP Book and/or the Site Plan shall be resolved in the following order of precedence: these stipulations shall have first precedence and control over the text of the SUP Book and the Site Plan, and after that, the text of the SUP Book shall have first precedence and control over these stipulations and/or the Site Plan and then the Site Plan shall have precedence and control over these stipulations.~~ In the event of a conflict between the text or narrative and diagrams, drawings or other graphic representations contained in either the SUP Book or the Site Plan, the text or narrative will prevail and control over the graphic representations.***

There was Council consensus to make the recommended amendments to the special use permit stipulations.

Mayor Winkler recessed the meeting at 6:20 p.m.

EXECUTIVE SESSION

- a.** Discussion and consultation with Town Attorney regarding the **development agreement with Five Star Development (The Ritz-Carlton, Paradise Valley)** as authorized by A.R.S. §38-431.03.A.4 and legal advice from the Town Attorney regarding **rezoning of property located at 7000 E. Lincoln Drive** as authorized by A.R.S. §38-431.03.A.3.

This item was not discussed.

CALL TO ORDER

Mayor Winkler reconvened the meeting of the Town Council at 7:04 P.M.

COUNCIL MEMBERS PRESENT

Mayor Ed Winkler
Vice Mayor Scott LeMarr
Council Member Ron Clarke
Council Member Brian Cooney
Council Member Mary Hamway
Council Member Dan Schweiker
Council Member Virginia "Jini" Simpson

STAFF MEMBERS PRESENT

Town Manager James C. Bacon, Jr.
Town Attorney Andrew Miller
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Town Engineer William Mead
Assistant Chief of Police Larry Scott
Public Works Director Andrew Cooper
Management Services Director Lenore Lancaster
Planning & Building Director Eva Cutro
Senior Planner Molly Hood
Fire Marshal Pat Dunlap

PLEDGE OF ALLEGIANCE

Assistant Police Chief Larry Scott led the Pledge of Allegiance.

PRESENTATIONS

There were no presentations.

CALL TO THE PUBLIC

Resident Steven Schafner addressed the Council regarding the lane closure on Lincoln Drive. He asked the Council to consider a break in the construction on Lincoln Drive.

Resident Mel Kowal announced that the Police Department VIN etching program would be held on Saturday, April 19, 2008 from 9:30 a.m. to 1:30 p.m. at the Town Hall parking lot.

MAYOR / COUNCIL / MANAGER REPORT

The Mayor announced that Senator Jon Kyl will hold a town hall meeting sometime in the Fall. He said more information will be provided when the details are finalized.

CONSENT AGENDA

- a. Minutes of Town Council Special Meeting March 20, 2008**
- b. Minutes of Town Council Meeting March 27, 2008**
- c. Report on Investments**
Recommendation: Receive and file the report.
- d. Approval of Drainage Easement Abandonment for 6802 East Maverick Road**
Recommendation: Authorize the Town Manager to execute the abandonment of the forty foot drainage easement along the north section of Lot 14 Bret Hills.
- e. Award of Trenching Contract for Underground Utility Conversion District 18**
Recommendation: Award a contract to Northern Pipeline Construction Company for \$685,757 to install underground conduits for Underground Utility Conversion District 18.
- f. Approval of Replacement of Consoles for Police Communications Center**
Recommendation: Approve the purchase of furniture from Creative Communications Sales and Rentals, Inc. for the Watson Company furniture that will replace existing consoles, for an amount not to exceed \$41,817.

Mr. Bacon summarized the consent agenda.

Motion and vote – Mayor Winkler moved to approve the consent agenda as submitted. Council Member Clarke seconded the motion which passed by a vote of 7-0.

PUBLIC HEARINGS

Consideration of Ordinance Number 602 Approval of the Unitarian Universalist Congregation of Phoenix Special Use Permit Amendment

Ms. Hood stated that the Unitarian Universalist Congregation of Phoenix, 4027 E. Lincoln Drive, requests an amendment to the existing Special Use Permit for the following improvements in two phases:

Phase One

- Interior renovations to older existing buildings
- Reconfigure lobby in original 1961 Worship building
- Minor interior renovations to 1961 West Wing Building
- Interior renovations to 1965 Structure
- New restroom addition south of Worship building (956 square feet)
- New partial lobby addition east of Worship space (1,916 square feet)
- Sidewalk and landscape improvements along Lincoln Drive frontage
- Improvements to parking lots
- Connection to Phoenix sewer

Future Phase

- Partial lobby addition (2,216 square feet)
- Partial restroom addition (343 square feet)
- New worship area (6,126 square feet)
- New administrative building (6,482 square feet)
- New kitchen/dining area (5,402 square feet)
- New library/archives (2,602 square feet)
- New education wing (4,358 square feet)
- New pre-school Wing (1,648 square feet)
- New parking lot

Ms. Hood stated that the application is consistent with the General Plan and is in compliance with the Town Zoning Ordinance. She said the entry drive and parking areas will be redesigned to improve functionality and limit impacts on the surrounding area. A new entry drive will be added along 40th Place but will be limited to ingress only. The two existing driveways along Lincoln Drive will be maintained. The existing dirt parking lot in the northwest corner of the site will be paved.

The Planning Commission held eight meetings on the application and voted 4-0 to recommend approval of the major amendment at a public hearing on February 19, 2008. The Council reviewed the application and recommendation in a work study session on March 13, 2008.

The applicant, represented by Smoot Carl Mitchell, thanked the council for their consideration

Planning Commissioner Dolf Strom commented that the only major concern discussed during the Planning Commission review pertained to a traffic backup on 40th Place from cars waiting to turn on to Lincoln Drive. The Town retained another traffic engineer to study the flow. The study showed that the church expansion would slightly increase the number of cars on 40th Place waiting to exit on Lincoln Drive. The Commission proposed a stipulation to make the ingress on 40th Place an entrance only. Accordingly, the Unitarian Church expansion project would not have a traffic impact on 40th Place.

The Mayor opened the public hearing.

Resident Dennis Wurst asked for additional landscaping to block his view of the parking lot.

The project architect, Doug Sydnor responded that extensive landscaping improvements are planned including in the area of Mr. Wurst's property.

The Mayor closed the public hearing.

Motion and vote – Councilmember Hamway moved to adopt Ordinance Number 602. Councilmember Schweiker seconded the motion which passed by a vote of 7-0.

Consideration of The Ritz-Carlton, Paradise Valley Special Use Permit Amendment and Preliminary Plat

Vice Mayor LeMarr stated that Five Star Development recently suggested that he may have conflict of interest in this matter. In response, he requested an opinion from the Town Attorney. Mr. Miller, in consultation with Deputy Town Attorney Steven Zraick, who was previously employed by the Arizona Attorney General's Office, and David Merkel, general counsel for the Arizona League of Cities and Towns, opined that no conflict of interest exists. He further stated that his company would not receive any financial benefit should the Five Star Development application be approved or denied.

Ms. Cutro stated that the applicant, Five Star Development / The Ritz-Carlton, requests a major amendment to the existing Special Use Permit for the property located at 7000 E. Lincoln Drive. The property was annexed in to the Town in 1964. In 1987, the Town Council granted a Special Use Permit and re-zoning for Sun Valley Resort; a mix of resort units, residential lots, and a golf course. The SUP allowed for up to 500 resort keys, 39 R-43 cluster plan lots, and a golf course. Although an entrance circle on Indian Bend Road was constructed, no further development occurred.

In 2005, The Ritz-Carlton took over the property and submitted an application for a major Special Use Permit amendment. Staff and the Planning Commission held meetings on the

project for two years. On December 18, 2007, the Planning Commission unanimously recommended to the Town Council approval of the application which includes the following elements:

- A resort hotel with 225 rooms, spa, restaurants, and meeting space.
- 100 resort patio homes
- 46 luxury detached residential homes on 21,000 square foot lots
- 15 one-acre home lots
- Site improvements including parking, landscaping, and lighting

Ms. Cutro stated that the application as recommended by the Planning Commission is consistent with the Town's General Plan and is in compliance with the Section 1102.4.C of the Town's Zoning Ordinance.

She summarized that the resort hotel will be comprised of 225 rooms located in the center of the property on approximately 25 acres. The total interior square footage of the resort is 294,393 with exterior overhangs, terraces, loggias and courtyard comprising an additional 171,695 square feet for a total of 466,088 square feet. The main lodge building will have roof lines ranging in height from 20' to 33' with one ornamental tower element reaching a height of 39'.

The 225 resort casitas are spread throughout the site in one and two-story configurations. The one-story casitas are approximately 18' high and the two-story casitas are proposed at 28' high with chimneys exceeding this maximum height.

She said there are three types of resort residential components proposed. The one-acre estate custom lots will be located along Mockingbird Lane and Lincoln Drive. All heights and setbacks will be identical to R-43 residential standards and heights will be measured from lowest natural grade. The homes on the perimeter of the property are limited to one-story. Additional setbacks are provided along the rights of way from 60-75' to be used as a landscape buffer. The floor area ratio is limited to 25%.

The luxury detached residences are planned along the Lincoln Drive entrance on lots averaging 21,000 square feet. The front and rear setbacks are 35', side yard setbacks are 15' and heights are limited to 18' measured from finished grade. The average floor area ratio is proposed at 30%.

The resort patio homes will be paired side by side and be located on the easternmost portion of Indian Bend Road across from the Scottsdale Plaza Resort. The one-story patio homes will be limited to 18' in height and the two-story units will be limited to 28' in height. All patio homes along the perimeter of the site are limited to one-story. The patio homes will be privately owned but may be added to the resort's rental pool.

The total lot coverage for the entire 105 acre site is estimated at 24.15%. Desert landscape themes are proposed along the perimeter of the site, as well as throughout the interior.

She said surface parking will be located on the eastern portion of the site and total approximately 511 spaces. A detailed traffic impact analysis was completed in November 2007 and concluded that traffic impact from the resort will be minimal. However, a traffic signal is proposed at the main entrance on Lincoln Drive and deceleration/turning lanes will be constructed on Lincoln Drive at the main entrance and at the intersection of Lincoln Drive and Mockingbird Lane.

The Planning Commission held eighteen meetings on the application and voted to recommend approval to the Council on December 18, 2007, subject to 30 stipulations. The Town Council held six meetings on the project to discuss the remaining concerns.

She summarized the modifications to the plan resulting from the Council Work Study Sessions:

- The entrance on Indian Bend Road was moved to the east
- Amended the cross section of Indian Bend Road
- Limited perimeter estate lots to one-story in height
- Estate lot heights will be measured from lowest natural grade
- Limited estate lots to 25% FAR
- Increased setback on lot 47 to 100'
- Increased Lot 47 accessory structures setbacks
- Increased Lincoln Drive wall setback to 40' from back of curb
- Reconfigured lots 1-8 to allow for increased setback
- Revised circulation in the patio home area to allow for a 20' wide decomposed granite access for emergency vehicles

David Schmid, Vice President for Development, Five Star Development Resort Communities, addressed the Council on behalf of the applicant. He stated that Five Star Develop has attempted to accommodate as many of the requests of the Commission, Council, and neighbors as possible. The site plan was modified 150 times since 2006 and the SUP application resubmitted four times. Mr. Schmid thanked all the stakeholders.

Planning Commissioner Dolf Strom reported that Planning Commission concentrated the most on what residents and visitors would see driving along Lincoln Drive and Mockingbird Lane. They tried to make the perimeter look as much like an R-43 development as possible. The Commission also spent much time on the lighting plan and the landscaping plan.

Mayor Winkler opened the public hearing.

Resident Paul Bowers spoke in favor the project. He said it will bring great amenities to the Town.

Valerie Crosby did not speak but favored the project.

Scottsdale resident T.J. Degar did not speak but favored the project.

Resident Jeff Stone, President of Summit Builders, said his company will be the general contractor on the project. He spoke in favor the resort.

Resident Marino Godi did not speak.

Resident Neal Tyner spoke in favor of the project and spoke in opposition to the possible referendum.

Resident Terry Mandy said he was attracted to Paradise Valley for its low density residential. He spoke in opposition to the projects high density residential.

Resident Paul Butzler stated that the planning commission got it right this time. The Ritz should not be treated differently from other local resorts with residential

Stephen H. Mudge Vice President for Marriott and The Ritz-Carlton, thanked the Council for the extensive public process and for their consideration.

Resident Adam Mays spoke in favor of the project. He said it would make a contribution to the Town.

James Otto, resident and president of the Citizens Forum, said the Forum supports low density development and believed that this project is low density. The majority of the Forum members supports the project.

Realtor Michelle Kenny spoke in favor of the project.

Resident Clay Coady spoke in favor of the project. He said it will improve the value of properties in the neighborhood and the Town.

Resident Frank Leonesio spoke in favor of the project. He said it is a thoughtful plan and will meet the needs of the community.

Resident Christine Larkin spoke in opposition to the project. She was concerned that the project did not have enough open space.

Resident Paul Dembow spoke in favor of the project. He thanked the Planning Commission and Council for their hard work. He said the development will improve the quality of the Town.

Resident Jack Wilson, representing a committee from St. Barnabas Church stated his appreciation for Five Star Development's willingness to work with the Church during the design phase. He stated that the Church looks forward to project and working with their new neighbors.

Resident Tina Dang did not speak

Gilbert residents Dwayne Thomas Dean and Tammy Dean spoke in favor of the project and looked forward to utilizing the resort.

Resident Rick Adams spoke in opposition to the high density residential. He said there should be no more than one residence per acre.

Resident Geneva Spigner spoke in opposition to the project because of the possible detrimental impact high density development would have property values.

Maria Ruttle did not speak but was in favor of the project.

Curt Ruttle did not speak but was in favor of the project.

Jon Underwood resident, and a member of St Barnabas church said he was impressed with how Five Star development addressed the concerns of the Church and the neighbors.

Richard & Mary Finley did not speak.

Calvin Dreyer spoke in favor of the project.

Resident F.O. Buck spoke in favor of the project. He said the developer has made a great effort to hide the density of the project.

Jumana Hadeed spoke in favor of the project. She said the project will generate hundreds of jobs during the construction and once the resort is operational.

Resident Edward Isaac spoke in favor the project. The project could have been denser and the Planning Commission did their diligence.

Munira Isaac did not speak.

Calvin Dreyer did not speak but supported the project.

Sandra Wilkins did not speak but was in support of the project.

Rosemary Baccash did not speak but was in favor of the project.

Gloria Baccash did not speak but was in favor of the project.

Claudia Sotomayor did not speak.

Paul Streich, resident and Citizens Forum member, spoke in favor of the project. He stated he was grateful that the plan improved over time. He suggested that any design or construction changes be brought back to the Planning Commission and not approved by a single person.

Resident Beverly Rutt spoke in opposition to the high density of the project.

Resident Diane Bearden spoke in favor of the project. She said she specifically bought a property near the resort because its proximity would increase her property values. She said she is happy to have the property in her front yard. This will be a good return on investment for her and for the Town.

Paradise Valley property owner and developer Michael Peloquin spoke in favor of the project. He said it will be good for the Town. He spoke in opposition to the referendum.

Tammy Underwood did not speak but was in support of the project.

Kevin Bradford did not speak.

Mayor Winkler closed the public hearing.

Jason Morris spoke on behalf of the applicant. He said the work that has been done during the Planning Commission and Council approval processes have made the project better. The project has been thoroughly vetted by the Town and all stipulations have been tied down.

Mr. Morris reminded the Council that this action is a change from one previously approved SUP to a new SUP. He provided the following comparison between the previous SUP and the proposed SUP.

| <u>Component</u> | <u>Spec. Resort</u> | <u>Ritz-Carlton</u> | <u>Difference</u> |
|---------------------|---------------------|---------------------|-------------------|
| Hotel | 500 Rooms | 225 Rooms | |
| Attached Residences | 0 | 100 | |
| | 500 | 325 | - 35% |
| Hotel SF | 452,381 | 329,841 | - 27% |
| Parking | 1,125 Spaces | 511 | - 57% |
| Golf Course | 9 Hole | 0 | - 100% |
| Coverage | 1,408,950 SF | 1,108,475 SF | - 21% |
| Density | 29% | 24% | - 17% |

Motion and vote – Councilmember Schweiker moved to adopt Ordinance Number 603. Councilmember Simpson seconded the motion.

| | |
|-------------------------|-----|
| Councilmember Clarke | aye |
| Councilmember Cooney | aye |
| Councilmember Hamway | aye |
| Vice Mayor LeMarr | aye |
| Councilmember Schweiker | aye |
| Councilmember Simpson | aye |
| Mayor Winkler | aye |

Motion and vote – Councilmember Simpson moved to approve the preliminary plat for The Ritz-Carlton, Paradise Valley. The motion was seconded by Councilmember Schweiker and passed by a vote of 7-0.

ACTION ITEMS

Adoption of Resolution Number 1164; Approval of a Development Agreement with Five Star Development Resort Communities, LLC for the Redevelopment of Real Property in the Vicinity of Lincoln Drive and Mockingbird Lane; and Abandonment of a Portion of Right of Way on Indian Bend Road

There was no discussion.

Motion and vote – Councilmember Clarke moved to Adopt Resolution Number 1164. Councilmember Simpson seconded the motion which passed by a vote of 7-0.

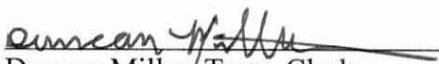
ADJOURNMENT

Motion and vote – Vice Mayor LeMarr moved to adjourn. Councilmember Clarke seconded the motion which passed unanimously.

Mayor Winkler adjourned the meeting at 9:26 p.m.



Ed Winkler, Mayor

ATTEST:

Duncan Miller, Town Clerk