WITHEY MORRIS PLC
ATTORNEYS AT LAW

PHONE: 602-230-0600
FAX: 602-212-1787

2525 E. Arizona Biltmore Circle, Suite A-212, Phoenix, AZ 85016

June 13, 2014

RECEIVED
JUN 13 2014

Eva Cutro, AICP
Community Development Director
6401 E Lincoln Dr.
Paradise Valley, 85253

Re: Withdrawal of Pre-Application for Ritz-Carlton Paradise Valley Project

Dear Ms. Cutro:

In light of the comments received from the Town Staff, Five Star Development decided not to proceed with the pre-application recently filed with the Town of Paradise Valley. At this time they will not pursue a revised special use permit for the Ritz-Carlton Paradise Valley project at the northeast corner of Lincoln and Mockingbird Drives.

The original Ritz-Carlton proposal was widely embraced by the community and was the beneficiary of an overwhelming public vote in 2008. Unfortunately, the changes in market conditions created by the economic downturn since that time make the previous proposal unfeasible from an economic standpoint. The applicant has not given up their vision for this important property and the many benefits it would have for the Town of Paradise Valley. However, it is clear at this time that the revised plans we've submitted to make the Ritz-Carlton a reality are not supported by some in the Town Council and Town Staff.

We are frankly somewhat surprised and disappointed at the lack of willingness to examine our revised proposal with a fresh perspective. The newly developed plan has extensive similarities to the plan overwhelmingly approved by voters in 2008, except along the Paradise Valley-Scottsdale border, where the site is bordered by and adjacent to tall, high-density development. The applicant simply requested to examine how best to address these areas in the future, as they are not critical to getting the construction of the Ritz-Carlton underway.

We've also seen the pace at which other development proposals have moved recently through the Town, and are wary of getting involved in an exceedingly drawn-out public process which could jeopardize the very prospect of the project being built.

We believe most agree that the Ritz-Carlton would be an important asset for the Town moving forward, both from its presence as a premier property and for the revenue it would generate to fund Town services. However, the longer the Town of Paradise Valley waits to come to the table with a proactive and positive approach to making this project a reality, the more likely it becomes the next Ritz-Carlton will be built in another nearby community. The Ritz would have no shortage of suitors should Marriott Corporation determine the Paradise Valley planning and

zoning process is too unwieldy and unpredictable to guarantee a positive result for everyone involved.

Five Star Development will examine its options for this signature property, and will make a determination in the coming months as to its long-term plans, if any, for development.

Very truly yours,

WITHEY MORRIS P.L.C.

By
Jason B. Morris

CC: Jerry Ayoub
Jim Bacon

JBM/wr

June 20, 2014

Jason B. Morris
Withey Morris PLC
2525 E. Arizona Biltmore Circle
Suite A-212
Phoenix, AZ 85016

Dear Jason:

Thanks for including me in your June 13 communication to our Community Development Director Eva Cutro. As you know, developing a review schedule for Five Star's current Special Use Permit (SUP) was one of the first things I did as Paradise Valley's Town Manager. While many of us had hoped to see the site develop in a way which is consistent with the current SUP, your letter makes it clear that will not happen.

Paradise Valley will have a new Mayor, new Town Council majority, and a new Town Manager next January. They may have different views than the current group of town officials. However, I do not know a current Town official who agrees with your characterization that the conceptual plan Town staff recently reviewed "has extensive similarities to the plan overwhelmingly approved by voters in 2008." In my view, the smaller resort and increased density shown on the latest conceptual plan would have difficulty being approved even if the property areas along the Town's eastern border were shown as open space. Similarly, I do not see any appetite on the Town's part for using "future development zones" as part of an SUP amendment application.

At least as concerning to me are your comments regarding the Town's SUP amendment process. We have had an extensive public process for many years because land use decisions being considered by the Town matter to our residents. Although Five Star's current SUP took 37 months, the average approval timeline for a significant SUP amendment request has remained fairly constant for a long time, ranging between 12 and 24 months.

The suggestion that it is the Town's responsibility to "come to the table with a proactive and positive approach to make this project a reality" ignores the fact that the Town is very satisfied with the vision in Five Star's current SUP. In

6401 East Lincoln Drive
Paradise Valley, Arizona
85253-4328

480-948-7411
480-951-3715 Fax
480-483-1811 TDD

fact, the Town's current General Plan aligns very well with Five Star's current SUP. I find it meaningful that the Town's General Plan and Five Star's current SUP both had great support by Town voters. Having worked with Five Star to develop the currently approved SUP, the Town would prefer to have them find a way to implement it. Since they have concluded that it is "unfeasible from an economic standpoint," I would suggest that Five Star should be proactive about developing an SUP alternative which addresses the Town's interest in having a resort and low density residential uses on the site.

Sincerely,

James C. Bacon, Jr.
Town Manager

JCB/nm
cc: Eva Cutro, Community Development Director
Jerry Ayoub, Five Star Development

May 14, 2014

George Burton
Planner
Town of Paradise Valley
6401 E Lincoln Drive
Paradise Valley, AZ 85253

Jason Morris
Withey Morris PLC
2525 E. Arizona Biltmore Circle, Suite A-212
Phoenix, AZ 85253

RE: Pre-Application review for Ritz Carlton new development plan

Dear Mr. Morris:

Your pre-application for the new development plan was reviewed by staff and generated the following comments:

1. The Town typically does not create development standards without a site plan and may not wish to develop general regulatory standards for this property. The plans should include the location of structures, setbacks, elevation plans showing heights, square footage limits per lot, maximum number of stories, grading and drainage plans, parking and traffic analysis, etc.
2. The scope of the improvements appears to increase the density of the site. The slight reduction in the number of homes is offset by limiting the development to areas A –D.
3. Access:
    a. Area B1 appears to be a stand-alone subdivision since it has no connection to the resort. Identify how Area B1 will connect to the resort.
    b. Identify how Areas F and G connect to the resort.
4. Area B1:
    a. The illustrative master plan shows 13 lots and the narrative SUP Overview table shows 28 residential units. Please clarify how 28 single family residences will be placed on 13 lots.
5. Area B2:
    a. The illustrative master plan shows 60 lots and the narrative SUP Overview table shows 57 residential units. Please clarify.
6. Area C:
    a. Clarify the use of Area C. It is not clear why an open space area has a height limit of 28'.
    b. It appears that you are proposing to add a roadway that connects Area C to Mockingbird Lane. Please note that this was discussed and not approved under the existing special use permit.

7. Area D:
    a. The illustrative master plan shows 57 lots and the narrative SUP Overview table shows 56 residential units. Please clarify.
8. Area E:
    a. Identify what a Resort Villa is (i.e. single family residence, guest room, etc.).
9. Area F and Area G:
    a. Please identify what the mixed use consists of. Please note that a mixed use may be inconsistent with the current Special Use Permit and Land Use designation (a change in land use may require a general plan amendment).
10. It appears that the primary access is changing from Lincoln Drive to Scottsdale Road. Please verify if this is correct.

If you have any questions, or would like to schedule a meeting, please contact me at (480) 348-3525.

Sincerely,

George Burton
Planner

Eva Cutro

From: Jim Bacon
Sent: Wednesday, May 14, 2014 3:09 PM
To: Eva Cutro
Subject: FW: Ritz Carlton Pre-Application
Attachments: Ritz PreApp 051414.pdf

The letter is very disappointing. Based on our discussions, I expected it to contain more points and make all of them stronger.

From: Andrew Miller
Sent: Wednesday, May 14, 2014 1:33 PM
To: Mayor Scott LeMarr; Jim Bacon; Council Member Trueblood; Council Member Schweiker; Council Member Sherf; Council Member Dembow; Vice Mayor Collins
Subject: FW: Ritz Carlton Pre-Application

Mayor and Council:

Mayor LeMarr asked for a copy of the staff response to the recent pre-app submitted by Five Star Development on the Ritz-Carlton parcel. That response is attached. Please note that both the pre-app and the staff response letter are a public record—in case anyone asks you for a copy of them. Please contact me if you have any questions. Thanks.

Andrew Miller
Town Attorney
Paradise Valley
6401 E. Lincoln Drive
Paradise Valley, AZ 85253
(480) 348-3691
amiller@paradisevalleyaz.gov

From: Eva Cutro
Sent: Wednesday, May 14, 2014 11:30 AM
To: Andrew Miller
Subject: FW: Ritz Carlton Pre-Application

Please forward to Council

From: George Burton
Sent: Wednesday, May 14, 2014 10:43 AM
To: jason@witheymorris.com
Cc: Eva Cutro
Subject: Ritz Carlton Pre-Application

Jason,

Please reference the attached review letter. If you have any questions, please contact me at 480-348-3525 or Eva Cutro at 480-348-3522.

Best Regards,
George Burton
Town of Paradise Valley
Planner
480-348-3525
480-951-3715 Fax
gburton@paradisevalleyaz.gov

Memorandum

TO: **Eva Cutro, Community Development Director**
Paul Michaud, Senior Planner
Jim Shano, Town Engineer
Andrew Miller, Town Attorney
Jim Bacon, Town Manager
Bob Lee, Building Safety Manager

DATE: **May 1, 2014**

FROM: **George Burton, Planner**

SUBJECT: SUP Amendment Pre-Application Review, Ritz Carlton Resort, Northeast Corner of Lincoln and Mockingbird

Five Star Development submitted pre-application with proposed changes to the site plan. The Ritz Carlton SUP was approved by the Town Council in 2008. The following is a comparative summary of the current SUP and the proposed improvements:

2008 Ritz SUP	**2014 Proposed ASUP**
▪ 225 Hotel Rooms	▪ 170 Hotel Guest Casitas
▪ 100 Resort Patio Homes	▪ 80 Resort Villas
▪ 46 Homes on ½ acre lots	▪ 141 Homes
▪ 15 Homes on 1 acre lots	▪ East 23 acres TBD for future ASUP

Please review the following case material and provide any comments to me no later than Wednesday, May 7, 2014.

RECEIVED
APR 30 2014

TOWN OF PARADISE VALLEY, ARIZONA
PRE-APPLICATION

SUBMITTAL REQUIREMENTS:

_____ Application, completely filled out
_____ (7) copies of Site Plan or ALTA Survey *
_____ (7) copies of Narrative
_____ (7) copies of Elevations / Details
_____ (7) copies of square footage table showing existing and proposed total square footage
_____ (7) copies of height chart for all new and existing buildings
_____ (7) copies of setback plan for all buildings along the perimeter of the property
_____ (7) copies of parking plan showing approximate location of all parking areas, and other documentation as applicable *

* **All plans shall be folded to approximately 8.5 by 11-inch in size.**

The Town will keep all Pre-application material for not more than 6 months from receipt of Pre-application submittal. A new Pre-application shall be filed with the Town (1) should the applicant not apply for the appropriate application process after completion of the Pre-application process within the above 6-month period or (2) other extenuating factors as determined by the Planning & Building Director that may affect the project.

Project Name: The Ritz-Carlton, Paradise Valley Special Use Permit Amendment

Address or Location: Generally located at the southwest corner of Indian Bend and Scottsdale Roads.

Size of Parcel +/- 105 acres **Maricopa Tax Parcel Number** _____

PROPERTY OWNER:

Name: Five Star Development Communities LLC and Five Star Development Resort Communities LLC **Phone:** (480) 657-7827

Address: 6720 North Scottsdale Road, Suite 130 **Fax:** ( )

Scottsdale, Arizona 85253 **Signature:** _____

APPLICANT:

Name: Withey Morris PLC **Phone:** (602) 230-0600

Address: 2525 East Arizona Biltmore Circle, Suite A-212 **Fax:** (602) 212-1787

Phoenix, Arizona 85016 **Signature:** J. Morris

CONTACT PERSON (Please print): Jason B. Morris

FOR DEPARTMENTAL USE ONLY

Pre-App.#: _____ Submittal Date: _____

Staff Review Date: _____ Pre-App Meeting Date: _____

jason@witheymorris.com

On April 10, 2008, the Paradise Valley Town Council approved a Special Use Permit ("SUP") to allow the development of a new Ritz-Carlton resort and associated residential properties on the approximate 105 acres generally located at the southwest corner of Indian Bend and Scottsdale Roads (Ordinance No. 603). The original development proposal for the Ritz-Carlton underwent thorough review and was vetted and supported by both Town of Paradise Valley residents and officials. Despite initial plans to begin development shortly after approval, these plans were delayed by the economic downtown. With the economy now recovering, project developer Five Star Development is poised to move forward with a thoughtfully refined development plan for the Ritz-Carlton resort and residential properties that responds to the realities of a new economic landscape. This pre-application submittal provides a broad overview of the new development plan and sets forth a proposed framework for the amended SUP application.

2008 Ritz-Carlton Approved SUP

The original Ritz-Carlton development plan included a 225-room resort hotel with associated spa, restaurant and meeting space facilities, 100 resort patio homes, 46 luxury detached residential homes on approximately half-acre lots, and 15 residential homes on one-acre lots (see **2008 Ritz-Carlton Site Plan**). The plan thoughtfully responded to neighboring land uses through sensitive land planning and buffering.

2014 Proposed Ritz-Carlton SUP

The amended Ritz-Carlton development plan includes this same site planning sensitivity (see **2014 Proposed Ritz-Carlton Site Plan**). A more intimate hotel experience is proposed with 170 larger guest casitas as part of the hotel property accompanied by 80 Ritz-Carlton resort villas located along the immediate eastern edge of the hotel. The plan also includes a reduction in the total number of residential homes from 161 to 141, each proposed as single-family detached luxury residences. The approximate 23 acres at the project's eastern boundary is being reserved for future development. The future development form for these 23-acres will be established within the amended SUP through regulatory development standards, although a specific development proposal will be submitted to the Town for review at a future date in response to the market. It is envisioned these parcels will be a higher density buffer to the more intense uses located further east along Scottsdale Road. Specific development minimum standards will be included in the amended SUP with a procedural guideline for future development of those sites.

The following is a more detailed overview of the proposed 2014 Amended SUP.

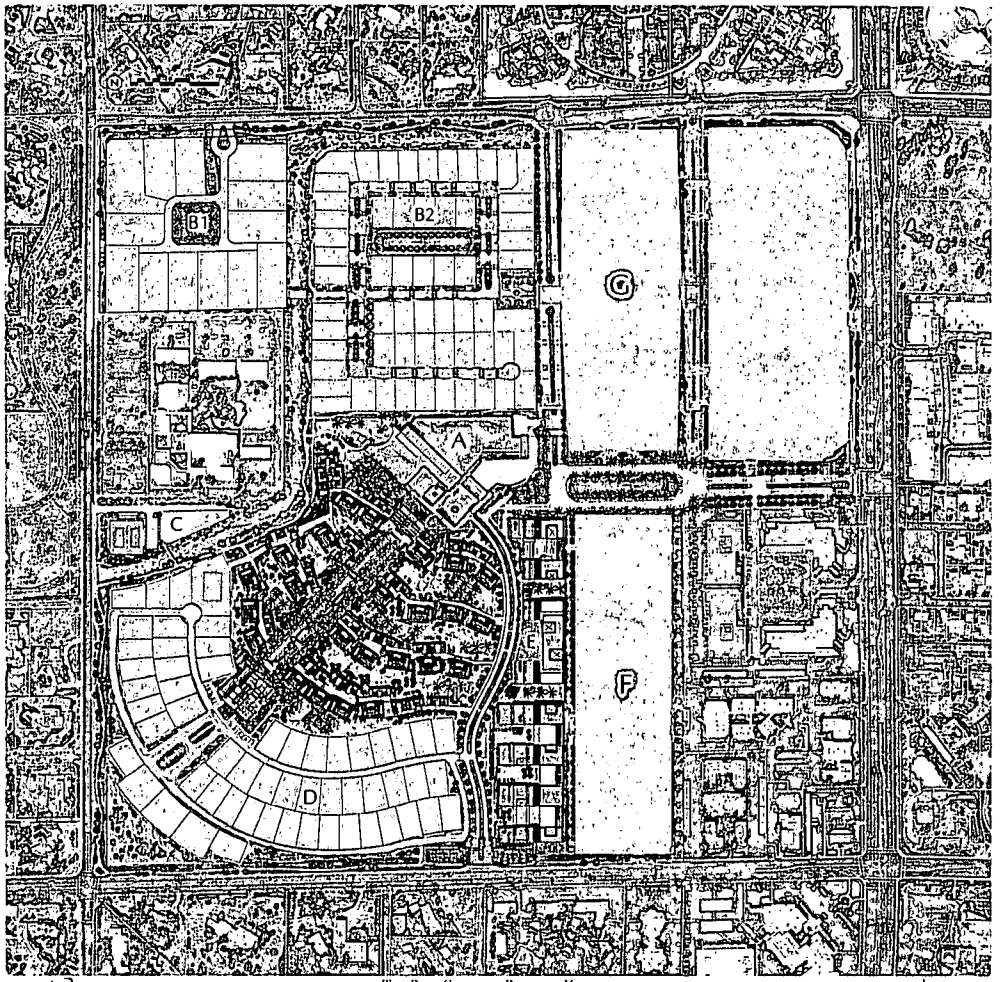
2014 Proposed SUP Overview

PARCEL	Land Use Product	Gross Acreage	Proposed Residential Units	Non-Residential Square Footage	Net Lot Coverage%	Maximum Height*
A	Resort/Hotel	23.7	170 hotel units	300,000	33%	36'
B1	Single Family Residential	9.5	28		42%	28'
B2	Single Family Residential	19.6	57		45%	28'
C	Park - Open Space	2.4				28'
D	Single Family Residential	18.9	56		41%	28'
E	Resort Villas	7.3	80		50%	28' and 36'
F	Future Mixed-Use	11.2	TBD		40%	36'
G	Future Mixed-Use	12.7	TBD	96,000	60%	36'

*All building heights to be measured from finished grade or natural grade depending upon use and grading needs.

Process and Timing

Five Star Development intends to submit and process the amended SUP application this summer and fall for approval by the end of year.



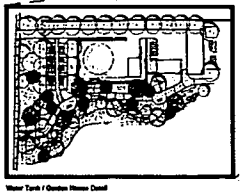
FIVE STAR DEVELOPMENT

The Ritz-Carlton, Paradise Valley
Hotel & Community
Illustrative Master Plan

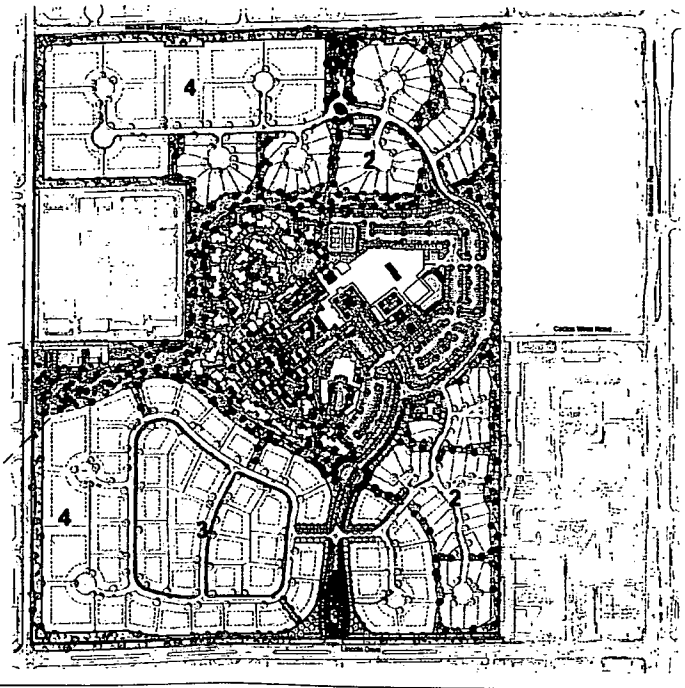
GREEY|PICKETT
April 30, 2014

Land Use Site Plan

1. Hotel
2. Resort Patio Homes
3. Luxury Detached Residences
4. One Acre Estate Lots



Water Tank / Golden Horse Detail



not to scale

The Ritz-Carlton, Paradise Valley
sup submittal
January 17, 2008

Land Use Site Plan