Narcisse Champagne & Tea Lounge BAR AND LIVE ENTERTAINMENT USE PERMITS PROJECT NARRATIVE

October 1, 2010

Narcisse Champagne & Tea Lounge is a restaurant and lounge new to the Valley that is coming to the Scottsdale Quarter mixed-use project on Scottsdale Road between Butherus and Greenway Hayden. Narcisse Champagne & Tea Lounge is requesting approval of both bar and live entertainment use permits at its proposed location in the Phase One Building F at the southeast corner of 72 Place.

Narcisse Champagne & Tea Lounge innovative dining and entertainment concept attracts clientele in their 30's, and older, who enjoy an evening out but are looking for a more sophisticated ambiance rather than the usual loud bar scene. Narcisse features highly-acclaimed cuisine, a massive library of champagnes, along with signature champagne/cocktails and live entertainment during tea time in the contemporary lite "adult" music genre. A mix of DJ offerings to compliment the dinner hour ambience is intended to be played at a reasonable volume for listening, dancing and conversation.

Scottsdale Quarter currently provides more than 2,400 parking spaces for its office, retail, restaurant, bar/nightclub, theater, and other commercial tenants. Over 1,180 of these spaces are located in a parking structure which, in turn, is located directly north of the of the Narcisse space, in building E. The current parking supply, which will grow to 3,200 spaces upon completion of Scottsdale Quarter Phase 3, more than satisfies the City of Scottsdale's "1 space per 300 square feet" parking requirement for mixed use commercial centers. As is typical for mixed use centers, these are "shared" spaces, meaning that each space is available, on a first come, first serve basis, for use by any and all tenants, patrons, and visitors of Scottsdale Quarter. This is a very efficient and effective way to provide parking in a development like Scottsdale Quarter, where the parking demand peaking characteristics of the tenants vary significantly by time of day. With specific regard to Narcisse, because many of the businesses within Scottsdale Quarter are winding down or closing before Scottsdale Quarter's fine dining, theater, and bar/nightclub establishments are at their busiest, there should be an abundance of parking spaces available by the time the nighttime oriented uses like Narcisse begin generating peak parking demands.

The Scottsdale Quarter is a master planned high-end, mixed-use, regional urban district with places for people to live, work and play. Narcisse Champagne & Tea Lounge is exactly the type of restaurant

entertainment use envisioned as part of the Scottsdale Quarter "play" mix. Scottsdale Quarter residents, along with those in the Kierland development across Scottsdale Road, will be the kind of clientele targeted by Narcisse Champagne & Tea Lounge. At full build out the 1.2 million square foot Scottsdale Quarter development will include over 430,000 square feet of retail, restaurant, bar and entertainment uses, including Narcisse Champagne and Tea Lounge. These uses will be complemented by approximately 158,000 square feet of office use, as well as multi-family residential dwellings, and a hotel. The Narcisse space is located on the second floor of Building F, above first floor retail and restaurant uses, and adjacent to a second story theater and restaurant.

Narcisse Champagne & Tea Lounge Live Entertainment Use Permits Meet all Ordinance Criteria

Satisfaction of Bar Use Permit Criteria

Sec. 1.403. [C.1] Bars, cocktail Lounge, and/or after hours establishments.

1. The use shall not disrupt existing balance of daytime and nighttime uses.

Narcisse Champagne & Tea Lounge will be located in the Scottsdale Quarter just off Scottsdale Road within the vicinity of the Scottsdale Airpark, in a commercial and industrial area with a mix of employment, shopping, dining and residential uses. The Scottsdale Quarter was designed to provide a balance of daytime and nighttime uses, including specifically "bar/nightclub" uses. The primary hours of operation for the proposed Narcisse Champagne & Tea Lounge bar and live entertainment use will be after normal retail and office hours and will thus not conflict with but rather augment daytime uses.

2. The use shall not disrupt pedestrian-oriented daytime activities.

Narcisse Champagne & Tea Lounge is expected to operate Monday through Sunday from 11:00 AM to 2:00 AM and will provide exactly the daytime — nighttime mix of activities envisioned for the Scottsdale Quarter and its residents. Narcisse Champagne & Tea Lounge adds an intended nighttime activity and takes advantage of the mix of uses and pedestrian orientation of the Scottsdale Quarter.

- If the site is located within the downtown overlay district then: Not applicable.
- 4. If the use is located within five hundred (500) feet of a residential use or district then:
 - a. The use shall not adversely impact residential uses.
 - b. The use shall provide methods of buffering residential uses.

The Scottsdale Quarter will ultimately include residential units along with a hotel, in Phase Three. These units are wellseparated from Narcisse Champagne & Tea Lounge and buffered by commercial buildings between Champagne & Tea Lounge and the planned residential units. Although the Narcisse Champagne & Tea Lounge entry, east and south patio are within five hundred (500) feet from the proposed condominiums, they are oriented facing away from these residential uses. Narcisse Champagne & Tea Lounge has installed an acoustic floor and has insulated the exterior walls for sound to reduce any adverse effects to the surrounding neighbors. Residents who come to live in the Scottsdale Quarter will be choosing that location knowing its mixed-use context and wanting the urban life-style, dining and nightlife it affords. Narcisse Champagne & Tea Lounge is being designed to be a good neighbor to Scottsdale Quarter residents and to mitigate any potential adverse impacts. The closest other residential uses are located over 1,600 feet away to the northwest, at the Mark Taylor luxury apartment community located at 71st Street and Kierland Boulevard (City of Phoenix); the next closest residences are near 71st' Street and Acoma Drive (City of Phoenix). Any noise emanating from the site will be mitigated by building design and buffered by the distance separation as well as the retail and commerce park development located at the northwest and southwest corners of Scottsdale Road and Greenway.

5. An active management and security plan shall be created, approved, implemented, maintained, and enforced for the business.

The Security, Maintenance and Operations Plan has been submitted and approved by Detective John Miller of the Scottsdale Police Department.

6. The applicant shall provide, with the application for a conditional use permit, a written exterior refuse control plan which must be approved by the planning and development department staff as complying with the written guidelines of the department.

The Security, Maintenance and Operations Plan, with Plan of Operation and Service Areas Plan Addenda, which includes exterior refuse control, is being submitted as part of the application as required. The site plan shows a designated Trash Compactor for Building F and Narcisse Champagne & Tea Lounge use at ground level within the building.

Building F SITE plan

7. The applicant shall demonstrate how noise and light generated by the use shall be mitigated.

There will not be any amplification equipment proposed to be installed in the outdoor patio area, which is located now only on the east and south internal to the Scottsdale Quarter project. Narcisse Champagne & Tea Lounge is surrounded on all sides by the rest of the Scottsdale Quarter mixed-use development. To the north of Champagne Lounge & Tea Room is IPIC Movie Theater. To the east are retail tenants and a series of buildings within Scottsdale Quarter, including proposed condominiums on the eastern perimeter of the project several hundred feet away. Then across the street farther to the east are office/industrial buildings. To the south across Butherus are additional office/industrial buildings. To the west are Scottsdale Quarter commercial retail/office buildings, Scottsdale Road and the Kierland mixedwith additional use development shopping/dining/entertainment uses. In this context the sound levels associated with Narcisse Champagne & Tea Lounge are consistent with the context and character of the area, particularly since Narcisse Champagne & Tea Lounge is generally operating when the office/industrial buildings to the south of Butherus and across the street from Scottsdale Quarter to the east would be closed. Narcisse Champagne & Tea Lounge is not in the middle of a quiet residential neighborhood but rather in the middle of a mixed-use area planned to include employment, retail, dining and entertainment uses.

The Master Lighting Plan for the Scottsdale Quarter, including Building F and the Narcisse Champagne & Tea Lounge space, was approved by the DRB as Case No. 10-DR-2007#2, on June 5, 2008. The Master Lighting Plan also complies with Sec. 7.600 of the Zoning Ordinance and provides adequate security lighting to provide for public safety under the City's Policy for Exterior and Site Lighting Design Principles. The landlord's lighting consultant has confirmed that the combination of building and pole light levels approved in the Scottsdale Quarter Master Lighting Plan meets the City's minimum requirements.

8. The applicant shall demonstrate that the use shall meet required parking and shall not exceed capacity for traffic in the area.

Narcisse Champagne and Tea Lounge will have shared use of Scottsdale Quarter's more than 2,400 on-site parking spaces, almost half of which are located within 200 feet of the Narcisse space, along North Street and in the Building E parking garage. The existing parking supply exceeds the City of Scottsdale's "1 space per 300 square feet of indoor floor area" (i.e. 3.33/1000) code parking requirement for a mixed use commercial center; the current overall "parking provided" ratio is closer to 1 space per 216 square feet, or 4.63/1000. Per the current master site plan, Scottsdale Quarter will have a total parking supply of 3,200 spaces upon full build-out of Phase 3. Excluding the 748 spaces that will be reserved for the residential and hotel components of the development, the shared parking supply will have grown to 2,452 spaces and the overall parking supply ratio for the mixed use commercial component will still exceed the City's minimum requirements.

While technically, the code parking requirement for Narcisse, as a tenant of the mixed use commercial center, is only 21 spaces (6,006 square feet at 1 space per 300 square feet), the reality is that many more than 21 spaces will be available for Narcisse when Narcisse needs them. This reality is a consequence of Scottsdale Quarter having a significant percentage of office and other daytime-oriented tenants, whose parking demand peaking characteristics complement those of nighttime-oriented tenants like Narcisse; the parking spaces that are "required by code" for the office and beauty school space within Scottsdale Quarter will become available for use in the late afternoon/early evening, as parking

demand for Narcisse and the other evening oriented restaurants, nightclubs, and theater starts to ramp up. This "sharing of spaces" phenomenon can be seen at other mixed use commercial centers in the area, where parking ratios are similar to that provided at Scottsdale Ouarter.

 After hours establishments must maintain a valid after hours establishment license.

No after hours use is proposed.

Satisfaction of Live Entertainment Use Permit Criteria

Sec. 1.403 J. Live entertainment.

- 1. The site plan shall demonstrate that:
- a. Buffering by a wall and/or landscaping will be provided in a manner which physically separates and restricts access from the establishment and its required parking area to residential districts.

The Scottsdale Quarter approved Project Master Site Plan demonstrates the required separation and buffering from residential uses within the Scottsdale Quarter. There are no residential districts in the vicinity of Narcisse Champagne and Tea Lounge.

b. All patron entrances will be well lit and clearly visible to patrons from the parking lot or a public street.

The Master Lighting Plan for the Scottsdale Quarter approved by the DRB in Case No. 10-DR-2007#2, on June 5, 2008, shows ample lighting of the entrance to Narcisse Champagne and Tea Lounge which is clearly visible from the adjacent streets and parking structure. The Scottsdale Quarter Master Lighting Plan approved in 10-DR-2007#2 provides two (2) building mounted shielded down lights at the Narcisse Champagne Lounge & Tea Lounge entry. The entry is further identified by glass entry doors and a

glass entry corner façade which provide additional illumination of the entry in accordance with Sec. 1.403.J.1.b's requirement of providing a well-lit and identifiable entry.

2. The applicant has provided written evidence that all sound resulting from business activities will be contained within the building, except where external speakers are permitted.

Narcisse Champagne & Tea Lounge has taken additional precautions to minimalize any impacts and acknowledges the land use context and acceptable noise levels in this mixed-use area in relatively close proximity to the airport and surrounded by commercial and Airpark uses. Narcisse Champagne & Tea Lounge has installed an acoustic floor and has insulated the exterior walls for sound. Furthermore, no amplification equipment is proposed to be installed in the outdoor patio area, which is located now only on the south and east internal to the Scottsdale Quarter project. Narcisse Champagne & Tea Lounge is surrounded on all sides by the rest of the Scottsdale Quarter mixed-use development. To the north of Narcisse Champagne & Tea Lounge is a parking structure and additional commercial retail/office buildings. To the east are another retail tenant and a series of buildings within Scottsdale Quarter, including condominiums on the eastern perimeter of the project several hundred feet away. Then across the street farther to the east are office/industrial buildings. To the south across Butherus are additional office/industrial buildings. To the west are Scottsdale Quarter commercial retail/office buildings, Scottsdale Road and the Kierland mixed-use development with additional shopping/dining/entertainment uses. In this context the sound levels associated with Narcisse Champagne & Tea Lounge are consistent with the context and character of the area, particularly since Narcisse Champagne & Tea Lounge is generally operating when the office/industrial buildings to the south of Butherus and across the street from Scottsdale Quarter to the east would be closed. Narcisse Champagne & Tea Lounge is not in the middle of a quiet residential neighborhood but rather in the middle of a mixed-use area planned to include employment, retail, dining and entertainment uses.

3. The applicant has provided a written public safety plan which the city police and fire departments have approved as complying with the written guidelines of the Planning and Development Department.

The Security, Maintenance and Operations Plan designed

to satisfy this requirement has been submitted as part of this application.

4. The applicant has provided a written lighting plan which addresses exterior lighting on and surrounding the property, in accordance with section 7.600 of the zoning ordinance and with the public safety plan guidelines.

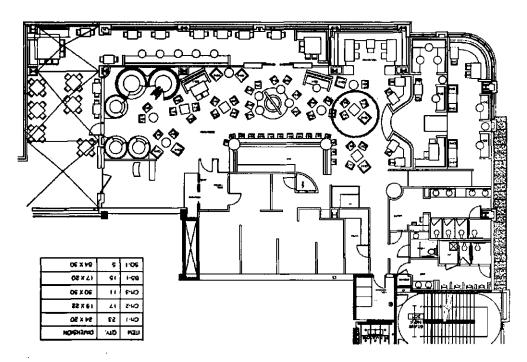
The Master Lighting Plan for the Scottsdale Quarter approved by the DRB in Case No. 10-DR-2007#2, on June 5, 2008, depicts the exterior lighting for Narcisse Champagne & Tea Lounge which complies with Ordinance and public safety plan requirements. The Master Lighting Plan also complies with Sec. 7.600 of the Zoning Ordinance and provides adequate security lighting to provide for public safety under the City's Policy for Exterior and Site Lighting Design Principles. The landlord's lighting consultant has confirmed that the combination of building and pole light levels approved in the Scottsdale Quarter Master Lighting Plan meets the City's minimum requirements.

5. The applicant shall provide a written exterior refuse control plan which must be approved by the Planning and Development Department staff as complying with the written guidelines of the department, prior to the issuance of a business license. The review will be conducted as provided in Section 1.305.

The Security, Maintenance and Operations Plan, which includes exterior refuse control, is being submitted as part of the application as required. The site plan shows a designated Trash Compactor Room for Building F and Narcisse Champagne & Tea Lounge use at ground level within the Building.

6. The applicant has provided a floor plan which identifies the areas for the primary use and for ancillary functions, which include but are not limited to patron dancing areas.

The floor plan with these areas identified is included in this application, including dancing areas(identified in circle below).



7. If access to the establishment is from a street other than one classified by the General Plan as minor collector or greater, or classified by the downtown General Plan as local street or greater, the applicant has provided a traffic analysis which complies with transportation planning department written guidelines. The plan shall demonstrate to the satisfaction of the transportation department that the level of service on all streets accessed by the use shall meet the standard set by the city.

A Traffic Impact and Mitigation Analysis (TIMA), addressing the potential traffic impacts of Scottsdale Quarter as a whole, was prepared by a City of Scottsdale selected TIMA consultant, back in 2005. The TIMA was approved by the City of Scottsdale as part of the rezoning process that resulted in Scottsdale Quarter's current development entitlements. The City-approved TIMA contemplated a mix of retail, restaurant, office, hotel, and residential uses that is generally consistent with the mix of existing and prospective future tenants that will ultimately occupy Scottsdale Quarter, including Narcisse. The City-approved TIMA states, among other things, that

"Overall, the (Scottsdale Quarter) development will not adversely impact the street system adjacent to the site."

While the TIMA does not discuss bar uses specifically, based on the clientele that Narcisse is targeting, and the large percentage of Narcisse's public floor area that will be occupied by tables and seating, the peak hour trip generating potential of the proposed use of the Narcisse space is expected to be primarily a factor of the number of available seats, generally like that of most quality restaurants. As such, the trip generation potential of Narcisse and, in turn, the traffic impact of Narcisse is considered to have been covered in the already approved TIMA.

A separate traffic impact evaluation (letter), prepared by Kimley-Horn & Associates, Inc. has been included with this application.

8. If the Zoning Administrator determines that a study is necessary the applicant shall provide a parking study which complies with the written guidelines of the Planning and Development Department.

The Shared Parking Model Study, from the rezoning approval of the Scottsdale Quarter, and the Desman Shared Parking Analysis, from the DRB approval of the Scottsdale Quarter, meets or exceeds guidelines for this projects use.

9. The applicant has provided any additional information required by city staff in order to evaluate the impacts of the proposed use upon the area.

All required checklist items have been submitted.

- 10. The following operational standards must be met by the use throughout its operation:
 - a. All external doors shall be closed but not locked during business hours.
 - b. No external speakers will be permitted on the premises of a use permitted under this section, which is located within five hundred (500) feet of a residential district.
 - c. The applicant/operator shall comply with all plans approved as provided herein.

Acknowledged.

The proposed use permits also meet the general use permit criteria in Sec.1.401.

- A. That the granting of such conditional use permit will not be materially detrimental to the public health, safety or welfare. In reaching this conclusion, the Planning Commission and the City Council's consideration shall include, but not be limited to, the following factors:
 - 1. Damage or nuisance arising from noise, smoke, odor, dust, vibration or illumination.

Narcisse Champagne & Tea Lounge is located within a regional mixed-use district in a commercial and industrial area and has been designed to mitigate noise, lighting and other impacts of the use.

Narcisse Champagne & Tea Lounge has taken additional precautions to minimalize any impacts and acknowledges the land use context and acceptable noise levels in this mixeduse area in relatively close proximity to the airport and surrounded by commercial and Airpark uses. Narcisse Champagne & Tea Lounge has installed an acoustic floor and has insulated the exterior walls for sound. Furthermore, no amplification equipment is proposed to be installed in the outdoor patio area, which is located now only on the east and south internal to the Scottsdale Quarter project. Narcisse Champagne & Tea Lounge is surrounded on all sides the rest of the Scottsdale Ouarter mixed-use development. To the north of Narcisse Champagne & Tea Lounge is IPIC Movie Theater. To the east are retail tenants and a series of buildings within Scottsdale including condominiums on the perimeter of the project several hundred feet away. Then across the street farther to the east are office/industrial buildings. To the south across Butherus are additional office/industrial buildings. To the west are Scottsdale Quarter commercial retail/office buildings, Road and the Kierland Scottsdale mixed-use additional development with shopping/dining/entertainment uses. In this context the sound levels associated with Narcisse Champagne & Tea Lounge are consistent with the context and character of the area, particularly since Narcisse Champagne & Tea Lounge is generally operating when the office/industrial buildings to the south of Butherus and across the street from Scottsdale

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- A Pollution Control Device with a grease-guard as manufactured by Facilitec will be installed on the kitchen exhaust hood and used as part of odor control. The use will therefore not create any damage or nuisance arising from the listed impacts.
- 2. Impact on surrounding areas resulting from an unusual volume or character of traffic.

The Narcisse Champagne & Tea Lounge use was planned as part of the Scottsdale Quarter mix of uses, and the traffic impacts of all proposed uses were evaluated in the rezoning and DRB approvals. There are therefore no unusual or unanticipated traffic impacts from the use.

B. The characteristics of the proposed conditional use are reasonably compatible with the types of uses permitted in the surrounding areas.

The Narcisse Champagne & Tea Lounge use is an appropriate one in the Scottsdale Quarter mixed- use project and is compatible with the surrounding larger commercial area along this segment of Scottsdale Road.

C. The additional conditions specified in Section 1.403, as applicable. have been satisfied.

[See above verification of satisfaction of additional bar and live entertainment conditions.]