

**Application
Narrative
Cash Transmittal
Pre-Application
Pre-App Narrative
Pre-App Cash Transmittal
Project Data Sheet**



172A
9/21

Project Application

Project Number: - PA -

Case Number: 10 - GP - 2011

Date: 9/21/2012

Staff Signature required PRIOR to submittal

This Document Constitutes A Public Disclosure Under ARS Section 39-121, Inspection of Public Records

Applicant to Complete Section Below

- Case Type:
- | | | |
|---|---|--|
| <input type="checkbox"/> Abandonment (AB) | <input type="checkbox"/> Master Plan Map (MP) | <input type="checkbox"/> Rezoning (ZN) |
| <input type="checkbox"/> Changes to a Recorded Plat (PC) | <input type="checkbox"/> Master Sign Program (MS) | <input type="checkbox"/> Text Amendment (TA) |
| <input type="checkbox"/> Change to Existing Lots (PC) | <input type="checkbox"/> Minor Subdivision (MD) | <input type="checkbox"/> Use Permit (UP) |
| <input type="checkbox"/> Development Review (DR) | <input type="checkbox"/> Preliminary Plat (PP) | <input type="checkbox"/> Variance (BA) |
| <input checked="" type="checkbox"/> General Plan Amendment (GP) | <input type="checkbox"/> Other: _____ | |

Project Name: SERENO CANYON SPA & RESORT

Project Address: SWC OF RANCHGATE ROAD & 125TH PLACE

Current Zoning District: R1-130 ESL Parcel Number(s): MULTIPLE. SEE ATTACHED Quarter Section: 46-57.58 & 45-57.58

Request: NON-MAJOR GENERAL PLAN AMENDMENT OF 132 ACRES FROM RURAL NEIGHBORHOODS TO RESORTS/TOURISM.

The property owner shall designate an agent for the project. This person (the applicant) shall attend pre-application conferences and public hearings, will receive the agenda, recommendations, and case reports, and will communicate all case information to other parties as required. All contact for this project will be made through the applicant listed below.

Owner: HUGH SMEED
 Company: MCDOWELL MOUNTAIN BACK BOWL LLC
 Phone: _____ Fax: _____
 E-mail: _____
 Address: 1751A W. DIEHL RD NAPERVILLE, IL 60563

Developer: MARVIN BAILEY
 Company: CROWN COMMUNITY DEVELOPMENT
 Phone: _____ Fax: _____
 E-mail: _____
 Address: 1751A W. DIEHL RD NAPERVILLE, IL 60563

Architect: _____
 Company: _____
 Phone: _____ Fax: _____
 E-mail: _____
 Address: _____

Engineer: (MULTIPLE)
 Company: LVA URBAN DESIGN STUDIO LLC
 Phone: 480-994-0994 Fax: _____
 E-mail: _____
 Address: 120 S. ASH AVE. TEMPE, AZ 85281

Applicant Contact: STEVEN VOSS
 Applicant E-mail: sjvoss@lvadesign.com
 Applicant Address: 120 S. ASH AVE. TEMPE, AZ 85281

Phone: 480-994-0994
 Fax: _____

Owner Signature _____

Applicant Signature [Signature]

OFFICIAL USE ONLY

Staff Signature: [Signature] E-mail: _____@ScottsdaleAZ.gov 480-312-_____

This application needs a: New Project Number or Old Project Number: _____ Date: 9/21/2012

Planning & Development Services Department

7447 E. Indian School Road, Suite 100, Scottsdale, AZ 85251 • Phone: 480-312-7000 • Fax: 480-312-7088

The Sereno Canyon Spa & Resort

Location: Ranch Gate Road and 125th Place

Non-Major General Plan Amendment & Rezoning Project Narrative

Request for a Non- Major General Plan Amendment
from Rural Neighborhoods to Resort/Tourism
and
Rezoning from R1-130 ESL to R-4R ESL

#800-PA-2011

Prepared for:
Crown Community Development

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I. Project Introduction

Summary of Request

The request is for a non - major General Plan Amendment (“GPA”) from the Rural Neighborhoods land use category to the Resort/Tourism land use category utilizing the “Resort Star” designation identified in the 2001 General Plan on approximately 350 +/- gross acres located at the southwest corner of Ranch Gate Road & 125th Place (the “Property”). The density proposed will not exceed the one dwelling unit/acre with 350 residential units and/or resort keys on 350 +/- acres.

The companion rezoning request is to modify the existing R1-130 ESL (Single Family Residential – approved 0.37 dwelling units per acre, Environmentally Sensitive Lands) to R-4R ESL (Resort/Townhouse Residential, Environmentally Sensitive Lands) on approximately 222 +/- gross acres located within the central portion (interior portion) of the Resort/Tourism land use area identified above. The existing lots on the west and west sides of the property will not be changed.

The Property is located along the northeast slope of the McDowell Sonoran Preserve in North Scottsdale. The Property is situated between the Pinnacle Peak Road and Happy Valley Road alignments west of 128th Street. The site is surrounded primarily by undeveloped residentially zoned properties, except to the west where several suburban residential communities exist. The majority of the southern Property edge is adjacent to the McDowell Sonoran Preserve and the Property shares its northern boundary with Arizona State Land.

The purpose of the request is to create a premier Spa & Resort community with a range of residential resort building types consistent with Resort/Tourism land use designation and the goals and policies set forth in the City of Scottsdale’s General Plan. The Sereno Canyon Spa & Resort (“Sereno Canyon”) represents a unique opportunity to implement the recommendations of the General Plan, by utilizing the Resort Star designation identified on the Land Use Map to allow for the creation of a distinctive resort in North Scottsdale that will rival some of the state’s most exclusive resorts such as Enchantment Resort in Sedona, The Sanctuary in Paradise Valley and The Boulders in North Scottsdale.

Vision of Project

The Sereno Canyon Spa & Resort will create a premiere resort community that is recognized as a top regional destination on par with other exemplary resort community properties throughout the State such as the Enchantment Resort in Sedona and The Sanctuary Resort in Paradise Valley. The resort will capture the essence of its unique Upper Sonoran Desert setting by emphasizing a strong relationship with the adjacent McDowell Sonoran Preserve, adhere to a sensitive development approach to protect the natural assets of the property, and showcase the spectacular views that extend away from the Property in nearly every direction. These objectives will be met in a manner that

protects surrounding neighborhoods and further promotes economic vitality within the City.

Developer/Owner Background

Founded in 1919 as a family-owned building material business, The Henry Crown Companies grew to become one of the nation's largest privately held business organizations and a major force in land development throughout the United States. The organization's diverse interests range from large-scale office buildings such as Rockefeller Center in New York City, to Aspen Ski Company and the Ojai Resort in Ojai California. Additionally, the Crown family holds significant stock positions and board memberships in General Dynamics, JP Morgan Chase, Sara Lee, and Hilton Hotels, as well as investment holdings in the New York Yankees and Chicago Bulls. These substantial financial resources, coupled with the flexibility of private ownership, provide the ideal backing for Crown Community Development.

Crown Community Development was founded in 1973 to invest in, and later to manage, a successful 3,500-acre master planned community in Aurora, Illinois boasting a variety of outstanding recreational attractions and residential lifestyle opportunities. The success of the Aurora property provided a cornerstone for Aurora's emergence as one of the nation's premier areas to live and work. It also provided Crown Community Development with a singular perspective on the mission and mechanics of master planning, which has led to significant participation in major developments from Florida's Gulf Coast to Chicago's North Shore. More importantly, it has allowed the company to evolve and perfect one of the most thorough and effective approaches to community master planning in the country today.

Crown's development mission is to envision and create memorable communities of high quality that meld naturally into their surroundings and generate long-term value for landowners, municipalities, residents and neighbors. Fulfillment of that mission requires substantial financial resources, exhaustive research capabilities, extraordinary patience and perseverance. It also calls for expertise and sensitivity in a wide range of disciplines, from municipal planning and community design, to architectural and building processes, to land management and environmental systems. Above all, it demands vision; the ability to simultaneously see, address, and balance the immediate concerns of today with the long-term community needs of tomorrow.

II. Existing Conditions

Existing Land Use/ Site Improvements

A majority of the Sereno Canyon community was platted in 2007-08, leading to the construction of extensive on and off-site improvements. The off-site improvements associated with the community Phase 1 improvements included the construction of a portion of 118th Street, the construction of Ranch Gate Road, a sewer lift station and force main, and a water booster pump station. While no residences have been constructed within the community, existing on-site infrastructure improvements include local streets,

water, sewer, drainage culverts and detention areas, landscaping in community areas and the project guardhouse and entry gate at Ranch Gate Road. A secondary entry gate at Alameda Road along the western boundary of the community has also been constructed. This secondary entry is proposed to be changed to "EXIT ONLY" under the new plan to significantly limit traffic. The rough grading of the local streets improvements for future plans of the community have also been completed. With the exception of these noted infrastructure improvements, no grading for future homesites or community amenities has been conducted, leaving the site in a largely undisturbed condition.

Environmental Features

The diversity of natural features on the property contributes to the unique character of the Property and underscores the complimentary relationship with the proposed development plan. The internationally recognized flora and fauna of the Sonoran Desert, coupled with the breathtaking views from all corners of the Property, make this a truly unique opportunity to create lasting experiences for both residents and visitors.

Topography and Slope Analysis

The Sereno Canyon property sits on the lower slope of the McDowell Mountains with the highest elevations along the southern edge of the Property and the lowest elevations near the northeast corner. The Property is also located along the top of a subtle drainage boundary for the Verde River (to the east) and the Rawhide Wash drainage (to the west). This boundary affords the property unique viewsheds to many of the region's mountains, dramatic city lights and spectacular sunrises.

A slope analysis for the Property is provided to describe the topographic character of the Property. The findings of the analysis have been used to determine the amount of open space required on the Property. The initial analysis of the property indicates that an overall Natural Area Open Space (NAOS) requirement may not be less than 147.6 acres, or 42% of the overall property

The Property is located almost entirely within the Upper Desert Landform as defined by Scottsdale's ESL mapping. Two small pockets of Hillside Landform are present along the western edge of the community and will remain undisturbed natural area.

Cultural Sites

The Property contains several small archaeological sites concentrated around and within the site's largest boulder outcroppings. These sites were utilized by prehistoric peoples as temporary campsites during hunting expeditions or seasonal migrations, using the protection of the property's boulder features to provide shelter from the elements. Although mitigation (removal) would be allowed these sites have been field walked and documented, and have subsequently been placed within protective easements to ensure the preservation of a potential artifacts.

Boulder Elements

One of the unique natural elements found within the project is the presence of large boulder features. These boulders contribute to the rugged natural character of the Property and promote the intrinsic relationship between developed land uses and the site's natural setting. Several significant boulder outcroppings were identified in previous planning efforts for protection and preservation.

Viewsheds

The Property maintains stunning views to several local and regionally recognized geographic landmarks including the McDowell Mountains, Troon Mountain, Brown Mountain, Bartlett Lake Dam, the Verde River, the Mazatals, Four Peaks and the Superstition Mountains. Special landmarks visible from the site include Tom's Thumb and Weaver's Needle. These exceptional views highlight the unique nature of the Property and promote its suitability as both an exceptional community and as a premiere hospitality destination for visitors.

Drainage Patterns

The Property sits squarely atop the geographical divide between the Verde River and Indian Bend Wash watersheds, defining the natural drainage character of the site.

With nearly all of the on-site washes originating within the Property, very few of the discharge rates exceed 50 cfs, a City benchmark that triggers additional layers of protection. However, Sereno recognizes the value of these washes for both habitat and stormwater conveyance.

Vegetation

Plant materials found on the Property are typical of both Lower Sonoran and Upper Sonoran biomes. Vegetation on the Property tends to be concentrated near perennial watercourse, such as the many small washes that extend throughout the Property.

In the summer of 1998, portions of the desert of Northeast Scottsdale were devastated by a lightning caused wildfire that swept through the area, decimating the existing vegetation. Although many species have demonstrated extreme resilience in a decade of drought, the density of mature vegetation remains very low across a majority of the Property.

III. Development Plan

The Sereno Canyon Spa & Resort will be a premiere resort community emphasizing strong relationships with the McDowell Sonoran Preserve, providing a diverse residential and integrated resort component. Sereno Canyon is proposed as a 350 unit community with a maximum overall density of one unit per acre including resort units. The resort estate lots located along most of the project's perimeter will maintain the existing R1-130 ESL zoning at an approved density of approximately one home per three acres. This

commitment to lower density on the perimeter will match, or be lower than, existing zoning on adjacent properties, and will maintain the same natural area open space areas and development envelopes previously identified for these lots. Building heights for all residential units will be limited to the 24 foot maximum required by the Environmentally Sensitive Lands Ordinance.

The interior of the project will include a combination of residential and resort uses allowed under the proposed R-4R zoning. The resort villas are a single family detached product that will allow for private ownership but with the option of utilizing the services and amenities of the resort including the ability to be utilized by resort guests. The Sereno development plan proposes 102 Resort Villa units generally located as a buffer between the Resort Estate units and the Resort Casita Units.

The Resort Casitas are envisioned as a dual unit attached product intended to resemble a single unit with shared driveway and a close relationship with the resort including the ability to be utilized by resort guests, although the option of private ownership is maintained. The development plan proposes 108 Resort Casita units located adjacent to the resort parcel.

The Sereno Canyon Spa & Resort is the jewel of the project, intended as a premier destination for Scottsdale visitors, nationally and internationally. Emphasis during the design and construction of the Resort will focus on integration with the natural environment, prioritizing methods to preserve the natural characteristics of the site. The resort concept is for two primary buildings that will include public gathering space, a world class spa and associated resort amenities. The 96 proposed resort units will be sensitively distributed throughout the resort property and will be oriented to capture views to the Preserve and to the many distinct mountains and valleys that surround the site. Building heights for the resort will be reduced from 36 feet to a maximum of 29 feet to reduce the potential massing of the structure.

A network of existing and planned private roadways will serve the community with the primary entry maintained at Ranch Gate Road. A future access gate will be improved at 128th Street to allow for secondary access to the Sereno site. The existing Alameda Road entry gate along the western edge of the property is currently full access, but will be limited to egress and emergency access only to reduce traffic on existing streets. The proposed internal street network is generally consistent with alignments approved with the previous zoning and platting of the Property.

IV. Zoning Overview

The proposed Sereno Canyon residential resort community is located on 350+/- acres currently zoned R1-130 ESL. Approximately 330+/- acres of the Property was included in the 2005 zoning approval (1-ZN-2005) and subsequent 2008 final plat approval (22-PP-2005) that included 122 residential lots. The remaining 20 acres included in this GPA application were not included in the original zoning case and remain unchanged from the

existing R1-130 ESL zoning designation. Entitlements on the overall Property currently allow up to 128 dwelling units at an average density of .38 dwelling units per acre.

In conjunction with the non-major GPA, the establishment of the Sereno Canyon Spa & Resort will require a rezoning of a portion of the Property from the existing R1-130 ESL to R-4R ESL. The rezoning request will not include all of the Sereno Canyon project area (350+/- acres), but instead will be limited to the central 222 +/- acres of the site. The remaining R1-130 ESL area (128 +/- acres), on the east and west boundaries of Sereno Canyon, will develop as originally approved at a density of one dwelling unit per three acres (0.37 du/ac). The rezoning request to modify the existing R1-130 ESL district to the R-4R ESL district will allow for a combination of resort and residential product types consistent with specialty resort communities identified in the General Plan for this area of North Scottsdale.

V. General Plan Overview

General Plan - Four Dominant Themes:

As part of the community visioning process to establish the current 2001 General Plan, the community and City Council established four Dominant Themes reflecting “Scottsdale’s special qualities and the foundation for Scottsdale’s long-term vitality.” The four Dominant Themes identified in the General Plan are listed below and establish a foundation for the 2001 General Plan:

***Sonoran Desert:** Our growth and development should proceed with clear awareness of the impact on our rare and beautiful environment.*

***Resort Community:** Tourism and the constant influx of people from all over the world strongly affects our way of life as well as our economy.*

***Arts & Culture:** Scottsdale’s cultural assets are an integral part of the community a basis for further development.*

***Health & Research:** Scottsdale has a culture of wellness and an optimistic spirit of innovation. Health, biotechnology, computer, and other high-tech businesses are a natural fit for the growing diversity of our community.*

The non-major General Plan Amendment and rezoning request pursuant to this application respects the themes identified above. The proposal is for a resort community with a focus on experiential tourism and health and wellness that celebrates the Sonoran Desert through context appropriate sustainable architecture, sensitive low-density site design, and connectivity to the McDowell Sonoran Preserve. Bringing tourism to the foot of Scottsdale’s trophy preserve will enhance the economy for long term vitality and compliment its special qualities.

General Plan - Six Guiding Principles:

This request is for a non-major General Plan Amendment to the land use category and map contained in the Land Use element of the General Plan. Per the City's 2001 General Plan, six Guiding Principles articulate how the appropriateness of a land use change to the General Plan is to be analyzed. These six Guiding Principles are as follows:

- 1. Value Scottsdale's Unique Lifestyle & Character***
- 2. Support Economic Vitality***
- 3. Enhance Neighborhoods***
- 4. Preserve Meaningful Open Space***
- 5. Seek Sustainability***
- 6. Advance Transportation***

Further, there are twelve "Elements" or sections of the General Plan containing the City's policies on the following sub-categories: 1) character and design, 2) land use, 3) economic vitality, 4) community involvement, 5) housing, 6) neighborhoods, 7) open space and recreation, 8) preservation and environmental planning, 9) cost of development, 10) growth areas, 11) public services and facilities and 12) community mobility. These Elements further breakdown the "goals and approaches" established in each chapter. The following section will provide a detailed description of how this request and proposed development satisfies, and is emblematic of, the Guiding Principles found within the City's General Plan.

The current 2001 General Plan land use designation for the site is Rural Neighborhoods. This category includes areas of relatively large lot single-family neighborhoods with densities averaging one house per one acre. The emphasis on preserving natural area open space and native desert vegetation contributes to the rural desert character of these areas. Due to a range of environmental features (ie: washes, boulder features, and native vegetation) typically found in the Rural Neighborhoods land use designation, preservation of these natural features is often achieved through clustering development and setting aside larger connective open space corridors.

The Resort/Tourism category is designed for a variety of resort concepts including free standing resorts, resort communities and master planned developments. When resorts are located in lower density areas, like the subject site, preservation of the desert character and environmental features is strongly encouraged, much like the Rural Neighborhoods land use designation. Placing resort uses next to meaningful open space areas provides a key amenity.

Sereno Canyon Spa & Resort intends to respect both the Rural Neighborhoods and Resort/Tourism land use designation by maintaining the one unit per one acre density

(350 units on 350 +/- acres), preserving natural open space and environmental features by clustering development, and upholding the unique rural character and beauty of the Sonoran Desert.

VI. The Guiding Principles/Elements of the General Plan

The General Plan sets forth a collection of goals and approaches intended to integrate the Guiding Principles into the planning process to provide a framework for proposed development. These goals and approaches are, however, not intended to be static or inflexible and the General Plan clearly recognizes this by stating: "The General Plan is designed to be a broad, flexible document that changes as the community needs, conditions and direction change." It is with this inherent flexibility in mind that the proposed non-major GPA not only meets but exceeds the goals and approaches established in the for the City in the General Plan.

This request is for a non-major General Plan Amendment to the land use category and map contained in the Land Use Element of the General Plan. As previously stated, the six Guiding Principles and twelve Elements (sub-categories of the Guiding Principles) articulate, via goals and approaches, how the appropriateness of a land use change to the General Plan is to be qualified. The following sections of the Project Narrative describes how the application and proposed development of the Property satisfies the Guiding Principles within the General Plan.

A. Guiding Principle: Character & Lifestyle

i. Character and Design Element

The Character and Design Element states that "Development should respect and enhance the unique climate, topography, vegetation and historical context of Scottsdale's Sonoran desert environment, all of which are considered amenities that help sustain our community and its quality of life." The City has established a set of design principles, known as the Scottsdale's Sensitive Design Principles, to reinforce the quality of design in the community.

The design and development character of the Sereno Canyon Spa & Resort Community will be rooted in the same principles that the City has described here. The experiential resort theme celebrates the character and beauty of the Sonoran Desert environment. Visitors to the resort and residents of the community will choose Sereno Canyon because of its relationship with the nearby Preserve and the rugged landscape found throughout the property.

The following Sensitive Design Principles are fundamental to the design and development of the Property.

- 1. The design character of any area should be enhanced and strengthened by new development.***

Response: Sereno Canyon's built environment will consider the unique qualities and character of the surrounding Sonoran Desert context and incorporate those qualities in its design.

2. ***Development, through appropriate siting and orientation of buildings, should recognize and preserve established major vistas, as well as protect natural features.***

Response: The development of Sereno Canyon will have a strong emphasis on maintaining major vista corridors and protecting natural features. The Property has a natural rolling terrain, containing numerous boulder elements that will be protected in conformance with the Environmentally Sensitive Lands Ordinance.

3. ***Development should be sensitive to existing topography and landscaping.***

Response: Sereno Canyon will respond to the unique terrain and native vegetation of the site by blending with the natural topography of the land while minimizing disturbances to the natural environment and upholding the objectives of the Environmentally Sensitive Lands Ordinance.

4. ***Development should protect the character of the Sonoran Desert by preserving and restoring natural habitats and ecological processes.***

Response: By clustering development and maintaining large open space corridors, natural habitats will be preserved and protected.

5. ***The design of the public realm, including streetscapes, parks, plazas and civic amenities, is an opportunity to provide identity to the community and to convey its design expectations.***

Response: The internal streetscapes will provide continuity through use of cohesive native landscaping and design elements established in the development plan for Sereno Canyon. Additionally a key element to the design and development of this Property is the adjacency to the McDowell Sonoran Preserve and accessibility to the Tom's Thumb Trailhead. Exterior streetscapes on 128th street provide enhanced scenic corridor setbacks.

6. ***Developments should integrate alternative modes of transportation, including bicycles and bus access, within the pedestrian network that encourage social contact and interaction within the community.***

Response: Sereno Canyon is adjacent to the McDowell Sonoran Preserve and is within proximity to the Tom's Thumb Trailhead at the terminus of 128th Street. A multi-use trail network is planned to extend through the Sereno Canyon resort community, providing connectivity to these distinctive North Scottsdale amenities including public tract access through the site for the adjacent neighbors. Resort visitors will be able to avail themselves of on-site to off-site transportation services.

7. ***Development should show consideration for the pedestrian by providing landscaping and shading elements as well as inviting access connections to adjacent developments.***

Response: The Sereno Canyon development will incorporate design elements that respect human-scale, providing shade and shelter through building, site and landscape design.

8. ***Buildings should be designed with a logical hierarchy of masses.***

Response: The building character planned for Sereno Canyon will embody a low-density, rural residential scale, environmentally sensitive development in balance with the surrounding environment and desert setting of the Property.

9. ***The design of the built environment should respond to the desert environment.***

Response: Inspired by the native Sonoran Desert context, Sereno Canyon will utilize an indigenous material palette with a variety of textures and natural finishes, incorporate architectural elements that provide solar shading and overhangs, and celebrate the climate by providing abundant outdoor living spaces within the built environment.

10. ***Developments should strive to incorporate sustainable and healthy building practices and products.***

Response: Sustainable strategies and building techniques, which minimize environmental impact and reduce energy consumption, will be emphasized.

11. ***Landscape design should respond to the desert environment by utilizing a variety of mature landscape materials indigenous to the arid region.***

Response: The Sonoran Desert character will be upheld through the careful selection of planting materials in terms of scale, density, and arrangement.

12. ***Site design should incorporate techniques for efficient water use by providing desert adapted landscaping and preserving native plants.***

Response: Sereno Canyon will implement a low-water use plant palette that is evocative of native desert landscaping and preserve existing vegetation found on site.

13. ***The extent and quality of lighting should be integrally designed as part of the built environment.***

Response: Lighting will be designed in a manner that is respectful of the surrounding rural context and the City's dark-sky policy. Additional restrictions will be placed on the resort to eliminate pole lighting wherever not required by ordinance.

14. ***Signage should consider the distinctive qualities and character of the surrounding context in terms of size, color, location and illumination.***

Response: Signage themes and project identification will be low-scale and appropriate for the area, and will emulate the architectural character established for Sereno Canyon.

In addition to the character and design factors discussed above, this non-major GPA is consistent with the following goals and approaches contained within the Character and Design Element:

General Plan, Page 43

Determine the appropriateness of all development in terms of community goals surrounding area character and the specific context of the surrounding neighborhood.

Response: The Character and Types Map of the General Plan designates the Property as a Rural/Rural Desert Character Type. The General Plan identifies the Rural/Rural Desert Character type as containing relatively low-density, "generally one house per acre" (1du/ac) and large lot development, including horse privilege neighborhoods and low-density resorts. These districts provide a rural lifestyle that includes preservation of the desert character. Special care should be taken to preserve the natural character of the land and natural drainage corridors. The impacts of development on desert preservation should be minimized through clustering, preserving washes, and the use of natural buffers along the perimeter of the site.

The proposed land use amendment from Rural Neighborhoods to Resort/Tourism is consistent and compatible with the Rural/Rural Desert Character Type. The Sereno Canyon Spa & Resort will develop in a manner that is appropriate to its unique context

and is sensitive to existing adjacent land use by implementing clustered development within the resort villas, resort casitas and main resort areas. Additionally, the east and west perimeter of the Property will maintain the currently platted R1-130 estate lots to provide a buffer and transition area from the resort community to the surrounding single-family residential.

The Property is within the Dynamite Foothills Character Area. Character Areas are sets of neighborhoods that share the same overall character type and often have other unifying elements that distinguish the area. One of the key components of the Dynamite Foothills Character Area Plan (Goal 2, Strategy 3) is that resorts which are encouraged, provide structures that maintain a rural-southwestern quality, maintain a low profile, and preserve meaningful desert open space. Specialty resorts (such as Sereno Canyon) surrounded by significant open space areas which embrace the desert setting and overall theme of the Dynamite Foothills are appropriate.

Review the design of all development proposals to foster quality design that enhances Scottsdale as a unique southwestern desert community.

Response: The design envisioned for the Property will respect the unique climate, topography, vegetation and historical context of the local desert environment to help sustain our community and quality of life and represent the rural and southwestern character and design quality typically associated with this area. Additionally, the applicant's approach to the proposed development is in harmony with the vision and framework of the Dynamite Foothills Character Area.

Identify Scottsdale's historic, archeological and cultural resources, promote an awareness of them for future generations, and support their preservation and conservation.

Response: The Property contains several small archeological sites. These sites were utilized by prehistoric peoples as temporary campsites during hunting expeditions or seasonal migrations, using boulder features to provide shelter from the elements. These sites have been field walked and documented, and will subsequently be placed within protective easements to ensure that and remaining materials are preserved. They may also become an education opportunity for resort guests.

Recognize the value and visual significance that landscaping has upon the character of the community and maintain standards that result in substantial material landscaping that reinforce the character of the City.

Response: The development plan proposal promotes a rich desert landscape palette as part of the overall site planning concept which will enhance the surrounding rural desert character, minimize building mass, and naturally integrate with adjacent properties. The applicant is committed to creating a specialty resort environment with architectural and landscape treatments that are distinctive and compliment the Sonoran Desert. The vision for the Property celebrates the unique characteristics of the region while promoting a serene, peaceful, and inspiring resort experience. With all landscape design initiatives,

sustainable practices such as water conservation and the protection/ relocation of mature plant material will be prioritized.

Encourage sensitive outdoor lighting that reflects the needs and character of different parts of the City.

Response: Lighting will be designed in an appropriate manner and respectful of the surrounding single family residential development, minimizing glare and compliant with the City's dark-sky policy consistent with the Dynamite Foothills Character Plan. Further, lighting levels and fixture placement will be similar to typical rural residential homes in North Scottsdale. Unique lighting standards will be selected to coincide with the high quality design of the overall project. As well, stricter controls will be placed on pole lighting for the resort unless required by code, by providing "bollard" lighting.

ii. Land Use Element

The Land Use Element section of the Character and Lifestyle Guiding Principle embraces the concept that land uses complement each other visually, aesthetically, socially, and economically, and to void conflicting, damaging or otherwise unwanted land uses from compromising the overall character of a site, a neighborhood, or the community.

The General Plan states that the Rural Neighborhoods land use designation includes areas of relatively large lot single-family neighborhoods with densities averaging one house per one acre. Due to a range of environmental features typically found in the Rural Neighborhoods land use designation, preservation of these natural features is often achieved through clustering development and setting aside larger connective open space corridors. With the proposed Resort/Tourism land use designation, the applicant intends to follow the same guidelines set forth in the Rural Neighborhoods designation by maintaining an average of one dwelling unit per acre and preserving meaningful open space through a clustered development approach.

This non-major GPA is consistent with the following goals and approaches contained within the Land Use Element:

General Plan, Page 65

Encourage the transition of land uses for more intense, regional and Citywide activity areas to less intense activity areas within local neighborhoods.

Response: The surrounding mix of land uses in the nearby area includes master planned communities such as Troon and Troon North and smaller residential subdivisions such as Sonoran Crest and Boulder Mountain Estates, to name a few, with a variety of suburban and rural residential lot sizes ranging from approximately 10,000 s.f. to over one acre. Although higher density developments associated with the Troon developments exist to the west, zoning districts within one-half mile of the Property boundary include R1-130 ESL, R1-70 ESL, R1-43 ESL and R1-18 ESL, with overall densities averaging near one

dwelling unit per acre. The proposed resort concept will include a range of project development types including resort estate lots, resort villas, resort casitas and the main resort with an overall maximum density of one dwelling unit per acre on the 350+/- acre resort site.

Maintain a balance of the land uses that support a high quality of life, a diverse mixture of housing and leisure opportunities and the economic base needed to secure resources to support the community.

Response: In terms of maintaining a high quality of life, locating a specialty resort in a desert setting is an obvious fit. Maintaining a Citywide balance of land uses is an important planning goal that stimulates the economic base of Scottsdale. Sereno Canyon will provide a wider array of housing options and leisure amenities to the community and generate additional regional appeal and tourism.

Developed land use patterns that are compatible with and support a variety of mobility opportunities/choices and service provisions.

Response: The surrounding mix of land uses in the immediate area include master planned communities and smaller residential subdivision both with a variety of densities, large undeveloped tracts of land and the McDowell Sonoran Preserve. The numerous resort amenities provided at Sereno Canyon will include a trail system providing connectivity to the Tom's Thumb Trailhead and the McDowell Sonoran Preserve in keeping with the health and wellness concept of the resort. The McDowell Sonoran Preserve is a one of a kind recreational amenity that includes over 17,000 acres of Upper Sonoran Desert and a vast network of trails, diverse wildlife habitat and majestic vista corridors enjoyed by the residents and visitors of Scottsdale.

Sensitively integrate land uses into the surrounding physical and natural environments, the neighborhood setting and the neighborhood itself.

Response: The Resort Star designation identified in the General Plan and on the Land Use Map indicates a need for resort land uses in the area. Considering the range of residential densities and context of the built environment in the nearby vicinity, this exclusive southwestern, environmentally sensitive, specialty resort opportunity is an excellent land use for the site, with an average density of one dwelling unit per one acre. Additionally, the proposal meets the goal of incorporating appropriate land use transitions to better integrate into surrounding neighborhoods by clustering the resort villas, resort casitas and main resort inward and buffering the Property with estate lots on the east and west sides. Further, the proposed GPA will enhance the quality of life for community members by providing a unique resort opportunity. The neighborhood sensitive development proposed for this project all contribute towards an appropriate transition with respect to existing development pattern, intensity and character.

B. Guiding Principle: Economic Vitality

i. Economic Vitality Element

The Economic Vitality Guiding Principle is intended to secure Scottsdale's future as a desirable place to live, work, play and visit based on the foundation of a dynamic, diversified and growing economic base that complements the community. As highlighted throughout the General Plan, the Economic Vitality Element focuses on tourism playing "an integral part of Scottsdale's identity while and it serves as the community's key economic engine, therefore its essential to the community to provide and preserve appropriate natural, social and cultural environments and guest services that maintain and enhance the tourism experience." It goes further to say that "the preservation and enhancement of Scottsdale's tourism market is unequivocally critical to the continued economic health of the City."

Applied Economics Report Update

In October 2011, Applied Economics prepared the General Plan Economic Analysis: Development Forecast Update for the City of Scottsdale. The purpose of the study was to project levels of population and employment growth through the year 2030 based on market demand, and the competitive position of Scottsdale for certain types of development.

The study characterized the northern subarea (that portion of the City north of Deer Valley Road) with very low-density, high-end residential and resort-style development. The north subarea contains significant areas of vacant land with much of the land being held by the State Land Department and designated for desert preserve lands. The study goes further to say that although the economic downturn has affected the travel industry, travel experts indicate strong growth at both ends of the hotel/resort scale, with very inexpensive motels and super-luxury resorts dominating the marketplace. "This polarization, combined with trends toward 'experience tourism', the combining of work and leisure travel, and the increase in people traveling for health care reasons, all bode well for the future of the tourism industry in Scottsdale even if the size of the market is likely to be smaller than previously expected."

The study indicates that the hotel and resort industry in Scottsdale is projected to grow by roughly 30% with employment numbers increasing from approximately 15,000 to 20,000 employees over the next 20 years. These development and employment projections result in the number of hotel and resort rooms increasing from about 9,500 rooms today to nearly 12,000 rooms by 2030. The study forecasts the absorption of approximately 410 acres over the next 20 years for hotel/resort development, with the central and north subareas capturing the majority of the increase. It is projected that the north subarea will consume a larger number of resort acres as a function of the low intensity full-service luxury resort development and resort experience destinations expected to occur in this subarea, with far fewer rooms per acre.

This non-major GPA is consistent with the following goals and approaches contained within the Economic Vitality Element:

Sustain and strengthen Scottsdale's position as a premier international and national tourism destination and resort community.

Response: Sereno Canyon represents a unique opportunity to implement the recommendations of the General Plan by utilizing the Resort Star designation to allow for the creation of a new and distinctive resort property in North Scottsdale. This resort opportunity will rival some of the State's best known specialty resorts and strengthen Scottsdale's position as a premier international and national tourism destination. The General Plan highlights the concept of preserving Scottsdale's natural environments to enhance the tourism experience. This low-density resort will focus on preservation of the natural desert through clustered site design, native landscaping and contemporary-architectural character while promoting health and wellness to its future residents and patrons. Sereno Canyon will include four main project development types including the main resort, resort casitas, resort villas and resort estate lots, all providing a range of residential living options and resort lifestyle opportunities.

C. Guiding Principle: Neighborhoods

i. Community Involvement Element

Public participation is an important component of successful planning and community building and decision making. Scottsdale prides itself as a community that encourages citizen involvement and public participation. The development team for Sereno Canyon has begun neighborhood outreach efforts through individual meetings with key stakeholders and City Staff. These efforts will be ongoing throughout the process to ensure the community is aware of the proposed development and encourage meaningful dialogue with the community. Additionally, a public open house meeting will be held and citizens will be notified and encouraged to attend to gather details about the proposed specialty resort. A complete Citizen Outreach Report will be provided with this application documenting the outreach efforts and community feedback.

ii. Housing Element

Scottsdale has historically been a community that embraces a variety of housing opportunities to enhance the character, diversity, and vitality of the City, as well as respect and conserve the Sonoran Desert. Scottsdale encourages housing options that provide a wide range of opportunities for people and will provide sustainable, environmentally sensitive qualities that blend with the City's natural surroundings.

This non-major GPA is consistent with the following goals and approaches contained within the Housing Element:

Seek a variety of housing options that blend with the character of the surrounding community.

Response: The development plan identifies four main development types including the main resort located on the southern edge of the project, resort casitas which will consolidate two units on a shared property, resort villas which may be large lot single family residential properties with densities averaging less than one dwelling unit per acre and lastly resort estate lots along the east and west perimeter consistent with the previously approved R1-130 zoning. These development types will provide a range of housing and guest facilities to enhance Scottsdale's tourism destination character and provide housing options to the community. The proposed low profile, residential scale architecture and environmentally sensitive building techniques, along with site design will ensure that Sereno Canyon will be in harmony with the surrounding community character.

iii. Neighborhood Element

The Neighborhood section of the General Plan focuses on Scottsdale's vision to preserve, reinforce, and where appropriate, revitalize the characteristics and stability of neighborhoods. This is accomplished by making sure that neighborhoods are in harmony with their existing character and defining features. Particular attention is paid to the unique character and special qualities of each individual neighborhood within the City.

The Neighborhood Guiding Principle of the General Plan identifies several goals and approaches intended to ensure that Scottsdale is a desirable place to live, work and visit and, in conjunction with a stable economic base, the General Plan recognizes that neighborhood viability and sustainability is as equally important as a strong economic foundation.

This non-major GPA is consistent with the following goals and approaches contained within the Neighborhood Element:

General Plan, Page 105

Preserve and enhance the unique sense of neighborhood found in diverse areas of Scottsdale through neighborhood conservation.

Response: The proposed development is particularly adept at satisfying this goal and approach as the General Plan encourages new resort/tourism development efforts within North Scottsdale utilizing context appropriate development strategies and design techniques. Additionally, developing this site as a low-density residential resort will encourage sensitive design and sustainability thereby melding the goals and strategies set forth in the Dynamite Foothills Character Plan and the Environmentally Sensitive Lands Ordinance. Sereno Canyon will promote open space linkages, contemporary-southwestern building elements and maintain a desert community distinguishable from other parts of Scottsdale and the metropolitan area. The sense of neighborhood will be strengthened by the provision of interconnecting public trails.

D. Guiding Principle: Open Space

i. Open Space and Recreation Element

The Open Space and Recreation Guiding Principle found within the General Plan specifically addresses the significance of the McDowell Sonoran Preserve, natural and urban open spaces and recreational opportunities. A well managed system that provides active and passive open space/recreational opportunities is considered an indispensable community feature. Maintaining connected open space corridors, such as trail systems, wildlife and wash corridors, and continuous visual and functional linkages within and between local neighborhoods, reinforces the regional open space network.

This non-major GPA is consistent with the following goals and approaches contained within the Open Space and Recreation Element:

General Plan, Page 113

Protect and improve the quality of Scottsdale's natural and urban environments as defined in the quality and quantity of its open space.

Response: The Property contains abundant natural elements in the context of the surrounding environment and will provide ample opportunity for people to experience and enjoy the native Sonoran Desert through the preservation of vista corridors, natural washes, natural topography, boulders and rock outcroppings and native vegetation. Preserving these amenities will contribute to an interconnectivity and relationship with the surrounding neighborhood, provide opportunities for trail connectivity, enhance view corridors, maintain wildlife corridors, and respect the special characteristics of the Sonoran Desert. The proposed development complies with the City's Environmentally Sensitive Lands Ordinance requirements.

Manage a comprehensive open space program that is responsive to public need, delivers high quality customer service, and exemplifies the City's commitment to leadership in environmental affairs.

Response: In the context of Sereno Canyon's development plan and preservation of natural area open space as highlighted above, the goal of providing a comprehensive open space program that is responsive to the greater public need is upheld. Further, the open space network preserved through this development strengthens the City's desire to promote environmental sensitivity and trail connectivity, especially in North Scottsdale.

ii. Preservation and Environmental Planning Element

The preservation of our community relies on a built environment that is sustainable and in harmony with the natural environment. There are several ways to accomplish this goal which include, but are not limited to, encouraging green building standards and environmentally sensitive design philosophies, and maintaining meaningful, connective open space. The overarching theme is to bring a close and supportive relationship between natural resources, environmental quality and the economy of the area.

Further, the Preservation and Environmental Planning Element states that the vision behind preserving the McDowell Sonoran Preserve was to create an integrated desert open space system consisting of mountains, desert, and connective open space corridors that maintain scenic views, preserve natural wildlife habitats, protect archeological resources and provide public access for passive outdoor recreational opportunities for the residents and visitors of Scottsdale.

This non-major GPA is consistent with the following goals and approaches contained within the Preservation and Environmental Planning Element:

General Plan, Page 132

Enhance the quality of life in Scottsdale by safeguarding the natural environment.

Response: The development plan will retain Scottsdale's image and heritage of the Sonoran Desert through clustered site planning, exemplary environmental building design, and native landscape planning considerations. As previously mentioned new development will preserve native vegetation, wildlife habitats, natural resources, scenic views, and the overall aesthetic values inherent to Scottsdale and the visions established for the McDowell Sonoran Preserve.

Reduce energy consumption and promote energy conservation.

Response: The development program will focus on utilizing sustainable, climate sensitive building techniques (overhangs, recessed windows, shade elements, thick walls, insulation) for building cooling and heating systems, implementing solar energy opportunities, utilizing landscaping that contributes to energy conservation, providing alternative hardscape surfaces, and implementing natural and man-made shading elements for parking and pedestrian areas commensurate with building techniques indigenous to the Sonoran Desert, which contribute towards reducing the heat island effect.

Encourage environmentally sound "green building" alternatives that support sustainable desert living.

Response: The proposed development will incorporate resource and energy efficient materials and design methods for new building construction. The development program will focus on green building techniques by utilizing natural properties and low impact building materials, implementing solar energy opportunities, protecting and enhancing

the natural features of the site, and evaluating water harvesting techniques all of which contribute to an environmentally sound and sustainable built environment.

E. Guiding Principle: Sustainability

The issue of sustainability is addressed within three chapters of the General Plan that include 1) cost of development; 2) growth areas; and 3) public services and facilities. These chapters and the discussion of “sustainability”, for the purposes of the General Plan discussion, relates more to effective management of Scottsdale’s finite and renewable environmental, economic, social, and technological resources to ensure that they serve future needs.

The City has long held the philosophy that new development should “pay for itself” and not burden existing residents and property owners with the provision of infrastructure and public services and facilities. Through the zoning and development review process the City can evaluate appropriate dedications, development fees and infrastructure provisions associated with the proposed resort development.

F. Guiding Principle: Transportation

i. Community Mobility Element

The Community Mobility Element relates to protecting the function and form of regional air and land corridors and protecting the physical integrity of regional networks to reduce the number, length and frequency of automobile trips. Additionally, this section of the General Plan seeks to prioritize regional connections to safely and efficiently move people and goods beyond City boundaries, to relieve traffic congestion, to optimize mobility, maintain Scottsdale’s aesthetics, emphasize live, work and play opportunities, and to protect neighborhoods from the potential negative impact of regional and Citywide networks. Finally, the General Plan recognizes that there is diversity throughout neighborhoods and that each neighborhood may, in fact, have different mobility needs.

This non-major GPA is consistent with the following goals and approaches contained within the Community Mobility Element:

General Plan, Page 177

Protect the physical integrity of regional networks to help reduce the number, length, and frequency of automobile trips, to improve air quality, reduce traffic congestion, and enhance quality of life and the environment.

Response: Sereno Canyon will be a destination resort providing an integrated resort concept offering a full range of amenities to its residents and visitors including restaurants, a full service spa, a variety of resort rooms and lodging experiences, and a multi-use trail network. The Property has direct adjacency to the McDowell Sonoran Preserve and with its focus on health and wellness, visitors and residents will be

encouraged to walk, hike, run, and bike on the trail system and enjoy the beauty of the natural Sonoran Desert setting. Resort guest will be able to utilize resort transportation services.

Maintain Scottsdale's high aesthetic values and environmental standards in the city's transportation system.

Response: The perimeter and internal streetscapes will provide continuity through use of cohesive native landscaping and design elements established in the development plan for Sereno Canyon and will uphold the aesthetic values and environmental standards of Scottsdale. Primary access to the site will be from the north end of the Property via Ranch Gate Road. Alameda Road will be restricted to exit only to minimize vehicular trips through the adjacent neighborhood. The internal streets are currently planned to remain as platted under the previous Serena Canyon subdivision approved in 2008.

VII. Environmentally Sensitive Lands Ordinance

The City of Scottsdale's Environmentally Sensitive Lands Ordinance (ESLO) is a zoning overlay district adopted by the City Council in 1991, and amended periodically over the last two decades, to provide additional environmental protections for lands north of the Central Arizona Project canal encompassing approximately 134 square miles. The Ordinance provides requirements for the protection of these environmentally sensitive lands by ensuring the dedication of natural area open space, preserving natural elements, and requiring sensitive development of land uses within the desert setting. By adopting these standards, the City is able to better balance the preservation of the unique desert character with appropriate land use improvements.

To better define the objectives of ESL, the Ordinance contains twelve general statements that are provided below. These statements include responses that illustrate how the Sereno project conforms to the Ordinance's objectives.

A. Protect people and property from hazardous conditions characteristic of environmentally sensitive lands and their development. Such hazards include rockfalls, rolling boulders, other unstable slopes, flooding, flood-related mud slides, subsidence, erosion, and sedimentation.

Response: Extensive site planning and platting efforts previously completed on the Property evaluated the site's most sensitive or potentially hazardous conditions. Environmental features that may pose a hazard or are simply unsuitable for development have been identified for protection and preservation through restrictive setback easements and designation within tracts to remove these elements from private lots. In accordance with ESLO objectives, Sereno Canyon will seek to limit interference or disturbance to significant environmental features.

B. Protect and preserve significant natural and visual resources. Such resources include, but are not limited to, major boulder outcrops and large boulders, major ridges and peaks, prime wildlife habitat and corridors, unique vegetation specimens, significant washes, and significant riparian habitats.

Response: Through a long and consistent history of site planning on the Property, design has always evaluated the site's environmental and topographic elements prior to establishing the alignments of roadways and the extent of construction envelopes. To lose sight of the unique environmental features that make this Property special would be to diminish the value of the project. Therefore, preservation of the Property's distinctive Sonoran Desert environment character is essential.

C. Protect renewable and nonrenewable resources such as water quality, air quality, soils, and natural vegetation from incompatible land uses.

Response: Sereno Canyon will be developed in a manner that seeks to balance the impacts of development with the preservation and enhancement of resources found within and adjacent to the site. Extensive efforts will be made to institute low impact development practices, enhance the distribution of native vegetation for aesthetic, stabilization and habitat benefit, and ensure that stormwater runoff does not promote adverse conditions within or outside of the community.

D. Minimize the public costs of providing public services and facilities in ESL areas such as streets, water, sewer, emergency services, sanitation services, parks, and recreation. Costs associated with the design and development of infrastructure in environmentally sensitive areas can be higher than costs in other areas of the city due to the unique and fragile nature of such lands.

Response: The applicant has demonstrated a long history of infrastructure development that benefits both the property and the community. These improvements have been constructed in a manner that does not adversely impact the sensitive environmental context of the area.

E. Conserve the character of the natural desert landscape. Guide the location and distribution of meaningful on-lot and common tract open space and protect sensitive environmental features to sustain the unique desert character found in ESL areas.

Response: The vision for Sereno Canyon has long been that the natural environment is the Property's most significant asset. A carefully crafted balance between meaningful open space and sensitive development will result in a sustainable resort-oriented community that will be recognized as the standard for sensitive development.

F. Recognize and conserve the economic, educational, recreational, historic, archaeological, and other cultural assets of the environment that provide amenities and services for residents and visitors.

Response: Rather than degrade the natural environment, the project intends to enhance awareness, education and access to desert areas. The resort will bring new residents and visitors to the front door of the McDowell Sonoran Preserve to celebrate the same objectives that led to the creation and adoption of ESLO and the McDowell Sonoran Preserve.

F. Assure that decisions regarding development in environmentally sensitive areas are based on complete and accurate information about the environmental conditions including drainage features and probable development impacts.

Response: Prior to establishing a program for land use and site improvements, a comprehensive assessment of City and local policy and mapping resources was conducted. By compiling this data and integrating it with detailed aerial photography, topographic mapping and an on-site evaluation of existing conditions, the applicant was able to develop a plan that ensures that the best design practices are implemented. This process results in a responsible approach to site development in ESLO areas, and reflects the meticulous forethought that has been incorporated into this development proposal.

G. Minimize the impacts of development by controlling the location, intensity, pattern, design, construction techniques, and materials of development and construction.

Response: The success of quality communities is the result of design and building practices that seek out the unique aspects of the Property and allow future residents and visitor to enjoy the natural desert environment. Sereno Canyon will be designed in a manner that embraces the unique North Scottsdale rural lifestyle through clustered site planning techniques, preservation of meaningful open space areas and implementation of multi-use trail connections.

I. Retain the visual character of the natural landscape to the greatest extent feasible by regulating building mass, location, colors, and materials; grading location, design and treatment; and landscaping design and materials.

Response: Sereno Canyon is intended to represent an extension of the unique Sonoran Desert environment in which it is located. Guests and residents of the resort will seek to experience the serenity and natural beauty of the desert. The resort will develop a comprehensive program of design guidelines that will promote the integration of natural materials and form into the structural and aesthetic components of the project. Graded areas within the Property have been carefully evaluated to blend within the existing topography and reduce the overall amount of impact.

J. Maintain significant open spaces which provide view corridors and land use buffers, protect landmarks and large boulders, and prime wash habitats, by preserving these features in their natural state to maintain the city's unique desert setting.

Response: The significant natural features found within the Property along with remarkable scenic viewsheds represent the site's most valuable assets. These significant features will be protected to ensure that all visitors and residents share a mutual benefit. Natural vegetation within protected areas will be treated with the same care and preservation methods to maintain the community's natural desert appeal and protect natural wash and wildlife habitat corridors.

K. Protect environmentally sensitive lands, while also recognizing the legitimate expectations of property owners and the city's overall economic goals.

Response: Site planning of the Property took special care to inventory and evaluate the natural context of the site. The most sensitive portions of the Property were designated as preservation areas within commonly held tracts or natural area open space easements. With these protections in mind, it was equally important to strike the appropriate balance between preservation area and development area. The boundary between these areas is intended to be seamless and ensures that the distinction between improved areas and natural areas is subtle.

The designation of the specialty resort use on the Property is an effective means by which to raise awareness of the significance and importance of Scottsdale's preserve lands, by inviting visitors and Scottsdale residents to share passive and active experiences that allows for each person to appreciate the value of the immense McDowell Sonoran Preserve. This resort opportunity will rival some of the State's most well-known specialty resorts and strengthen Scottsdale's position as a premier international and national tourism destination, which is a fundamental goal of the General Plan.

L. Encourage innovative planning, design, and construction techniques for development in environmentally sensitive areas.

Response: The development plan for Sereno Canyon will retain Scottsdale's image and heritage of the Sonoran Desert through clustered site planning, exemplary environmentally sensitive building design, and native landscape planning considerations. New development will preserve native vegetation, wildlife habitats, natural resources, scenic views, and the overall aesthetic values inherent to Scottsdale and the visions established for the McDowell Sonoran Preserve.

VIII. Dynamite Foothills Character Area Plan

Scottsdale's many character areas are established to recognize unique environmental and community attributes found throughout the City. The Dynamite Foothills Character Area Plan ("DFCAP") was the result of an extensive localized planning effort in 2000 to identify and promote the character of the area generally east of the 112th Street alignment to the eastern edge of the City boundary, and extending several miles north and south of Dynamite Road.

The DFCAP identifies several goals and strategies for future development character, focused on preservation of the area's rural desert character, recognition of the unique topographic diversity and the promotion of open space with particular emphasis on supporting efforts to establish the McDowell Sonoran Preserve.

The Plan is administered as City policy with associated guidelines, but is not intended to specifically regulate or control individual properties – only to make recommendations in the interest of promoting three main goals. The three primary goals of the DFCAP are discussed below. The applicant intends to support and comply with the recommendations of the DFCAP and the plan's goals and strategies share a strong correlation with the Sereno Canyon development plan.

GOAL 1: Preserve the existing Rural Desert character for the Dynamite Foothills which will result in a unique desert community distinguished from other parts of Scottsdale and the Valley.

Response: The Sereno Canyon development team recognizes the unique character of the Dynamite Foothills and Scottsdale's ESLO land and as result has given thoughtful consideration to the placement and relationship of this low-density resort within the existing desert environment. As part of the planning process for Sereno Canyon, the applicant evaluated the locations of natural washes, boulder feature, viewsheds, areas of concentrated vegetation, the location of surrounding homesites and existing zoning patterns within the area. It was determined that by clustering development, which works to protect sensitive environmental features and open space corridors, the preservation and protection goals of the DFCAP are being achieved. Sereno Canyon is adjacent to the McDowell Sonoran Preserve and within close proximity to the Tom's Thumb Trailhead at the terminus of 128th Street. A multi-use trail network is planned for the Sereno Canyon resort community which will provide connectivity to these distinctive North Scottsdale amenities.

GOAL 2: Recognize the topographic diversity of the Dynamite Foothills area and provide guidelines for balancing the relationship of different types of development to the unique environmental nature of the area.

Response: Sereno Canyon has created a development plan which includes a framework for residential resort development and incorporates techniques for site planning and context appropriate building design, preservation of open space, trail connectivity and native desert landscaping guidelines. The DFCAP highlights the consideration for different types of development including resorts within the character area provided they promote a rural-southwestern feel, maintain a low profile and preserve meaningful open space. It goes further to say that these specialty resorts shall be surrounded by open space to embrace the desert environs. The protection of these features will be achieved through clustered development separated by a series of natural areas open space

easements. This approach balances the relationship between different types of development while preserving the unique environmental qualities of the character area.

GOAL 3: Promote open space in accordance with the CityShape 2020 Guiding Principles and the recommendations of the Desert Preservation Task Force, and support the efforts of the McDowell Sonoran Preserve Commission to provide open space.

Response: The Sereno Canyon project recognizes the economic and intrinsic value of the natural desert and the role that it plays in promoting the experience that many residents and visitors seek in Arizona. The project is committed to a comprehensive open space program in excess of the City's minimum requirements and has imposed policies that protect and preserve its natural features through the placement of clustered development and environmentally sensitive site planning. The dedication of natural area open space for the benefit of the community and adjacent communities was a primary consideration when first identifying key site planning objectives. Among the number of resort amenities provided at Sereno Canyon, a multi-use trail system providing connectivity to McDowell Sonoran Preserve and Tom's Thumb Trailhead is planned to enhance the health and wellness concept of the resort. The McDowell Sonoran Preserve is a one of a kind recreational amenity that includes over 17,000 acres of Upper Sonoran Desert and includes a vast network of trails, diverse wildlife habitat and majestic vista corridors enjoyed by the residents and visitors of Scottsdale.

IX. Conclusion

The proposal is for a premier Spa & Resort community with a focus on health and wellness that celebrates the Sonoran Desert through context appropriate sustainable architecture, sensitive low-density site design, and connectivity to the McDowell Sonoran Preserve.

This application, which seeks to change the General Plan designation of the Property from Rural Neighborhoods to Resort/Tourism, by utilizing the Resort Star designation, represents a unique opportunity to implement the recommendations of the General Plan to allow for the creation of a new and distinctive resort in North Scottsdale. Additionally, a companion rezoning application for the central 222+/- acre portion of the site from R1-130 ESL to R-4R ESL will allow for creative environmentally sensitive design techniques on this unique site. Although the R-4R zoning category allows for significantly higher densities (7.55 dwelling units/ gross acre for residential 10.62 guest rooms/gross acre for resort), than what is being proposed the applicant is self-imposing a maximum average density of one dwelling unit per one acre on the entire 350 +/- acre resort site, thereby preserving the intent of the existing Rural Neighborhoods land use character.

The community benefits identified throughout this document focus around three primary themes: providing economic benefits to Scottsdale, creating new residential resort

lifestyle opportunities, and preserving environmentally sensitive lands. This resort opportunity will rival some of the State's best known specialty resorts and strengthen Scottsdale's position as a premier international and national tourism destination. The General Plan highlights the concept of preserving Scottsdale's natural environments to enhance the tourism experience. This low-density resort will focus on preservation of the natural desert through clustered site design, native landscaping and contemporary-southwestern architectural character while promoting health and wellness to its future residents and visitors. Sereno Canyon will include four main project development types including the main resort, resort casitas, resort villas and resort estate lots providing a range of residential living concepts and resort lifestyle opportunities. The proposed trail network planned for Sereno Canyon will be an effective means by which to raise awareness of the significance and importance of Scottsdale's Preserve lands, by inviting visitors and residents to share passive and active experiences that allows for each person to uniquely appreciate the value and beauty of the vast McDowell Sonoran Preserve.



CITIZEN REVIEW PLAN
Sereno Canyon Spa & Resort
December 14, 2011

Overview

This citizen review plan is being performed in association with applications for rezoning of a part of an approximately 350 acre site located just west of 128th Street on Ranch Gate Road. This project will add value to the surrounding neighbors as it allows for Resort rooms, Casitas, Villas and Estate homes that are contiguous with Scottsdale's McDowell Sonoran Preserve. As part of the request, this plan has been drafted and will be ongoing throughout the process.

The entire project team is sensitive to the importance of neighborhood involvement and creating a relationship with property owners, residents, business owners, homeowners associations, and other interested parties. Communication with these parties will be ongoing throughout the process. Work on compiling stakeholders and preparing for the neighborhood outreach began prior to the application filing and will continue throughout the process. Communication with impacted and interested parties may take place with verbal, written, electronic, and door-to-door contact.

Community Involvement

Surrounding property owners, HOA's and other interested parties will be noticed via first class mail regarding the project. The distribution of this notification will meet the City's requirements as specified in the Citizen Review Checklist. This notification will contain information about the project, a site plan, and contact information to receive additional information as well as the opportunity to give feedback. The notification will also contain information regarding a neighborhood Open House that will take place in early January for anyone who wishes to learn more about the project. The site and time will be posted with the Early Notification Sign at least ten days prior to any open house.

In addition, neighbors will be informed about the project by door-to-door contact and small one-on-one meetings. These communications will continue throughout the approval process.

Members of the outreach team will be available to meet with any neighbors who wish to discuss the project. Additionally, they will be contactable via telephone to answer any questions relating to the project.

A vital part of the outreach process is to allow people to express their input and understand issues and attempt to address them in a professional and timely matter. As previously stated the entire team realizes the importance of the neighborhood involvement process and is committed to communication and outreach for the project.

SERENO RESORT

Narrative for Project Pre-Application

Purpose of Request: To seek a Non-Major General Plan Amendment of approximately 350 acres within the existing Sereno Canyon property from the General Plan Rural Neighborhoods to a General Plan Resort/Tourism Land Use designation. The existing General Plan Rural Neighborhoods land use designation allows typical densities of 1 unit per acre.

Proposed Land Use: A Conceptual Land Use Plan exhibit has been submitted with this preliminary application. The Plan identifies the general location and number of units proposed for each land use type within the project. Overall development density will not exceed 1 dwelling unit per acre (gross) which is consistent with the existing Rural Residential designation on the City's adopted General Plan. The proposed resort use is also consistent with the "floating" resort designation as shown on the General Plan Land Use exhibit (rev.2010).

Circulation: This application does not propose any modifications to the proposed on-site or off-site circulation network with the exception of further limiting vehicular access through the Alameda Road entry on the western edge of the property. An update to the previously approved traffic study will be submitted in association with the rezoning application.

Drainage: The preliminary drainage master plan will be updated and submitted to the City in accordance with current policies and standards.

Existing Site Improvements: Off-site and some on-site roadway and infrastructure improvements have been constructed including:

- 118th Street – Happy Valley Road to Jomax
- Ranch Gate Road – 118th Street to 128th Street
- Booster Pump station on Alameda Road
- Sewer Lift Station at 128th Street and Ranch Gate Road
- Phase 1 (on-site) water, sewer and local streets
- Ranch Gate Entry Gate

Target Date To Begin Construction:
Not determined.





City of Scottsdale Cash Transmittal

89006

Received From :

LVA URBAN DESIGN STUDIO LLC
 120 S ASH AVE
 TEMPE, AZ 85281
 480-994-0994

Bill To :

LVA URBAN DESIGN STUDIO LLC
 120 S ASH AVE
 TEMPE, AZ 85281
 480-994-0994

Reference #	800-PA-2011	Issued Date	12/16/2011
Address	Swc Of Ranchgate Rd & 125Th Pl	Paid Date	
Subdivision		Payment Type	CHECK
Marketing Name		Cost Center	
MCR		County	No
APN		Gross Lot Area	0
Owner Information		NAOS Lot Area	0
MCDOWELL MOUNTAIN BACK BOWL LLC		Net Lot Area	
1751A DIEHL RD		Number of Units	1
NAPPERVILLE, IL 60563		Density	
630-851-5490			

Code	Description	Additional	Qty	Amount	Account Number
3166	STAFF APPROVAL (MINOR-CASE)		1	\$87.00	100-21300-44221

SIGNED BY ALEX STEADMAN ON 12/16/2011

Total Amount \$87.00

(When a credit card is used as payment I agree to pay the above total amount according to the Card Issuer Agreement.)

TO HAVE WATER METER SET - CALL 480-312-5650 AND REFER TO TRANSMITTAL # 89006

162N 2011 106P 2011



Project Pre-Application Questionnaire

The purpose of the Pre-Application process and this questionnaire is to provide preliminary information to the City's Planning Department on your proposed development project. This information and a Pre-Application meeting facilitate discussion on the development review process and related issues most likely applicable to your development project.

Pre-Application Process

Most development proposals are required to go through one or more application and/or entitlement processes, some of which involve public hearings. To process your pre-application and to enable your meeting to be productive, the attached forms and all required materials must be provided. At the pre-application meeting, city staff will highlight areas where you may need to pay particular attention, and which, if any, public hearing process(es) you will be required to go through. More information can be found at www.scottsdaleaz.gov/BldgResources/DevProcess

Completed pre-application application forms, all required materials and fees should be submitted in person to the One-Stop-Shop located at 7447 E. Indian School Road. Make checks payable to "City of Scottsdale."

After the pre-application packet has been accepted, the request is routed for assignment and scheduling. A staff member will contact you to schedule a pre-application meeting with staff.

Submittal Date: 12-16-11 Project No.: 800 -PA- 2011

Project Name: SERENO CANYON SPA & RESORT Parcel No(s): MULTIPLE - SEE ATTACHED MAP
Address: SWC OF RANCHGATE ROAD & 125TH PLACE Quarter Section(s): 46-57,58,45-57,58

Property Details:

Single-Family Residential Multi-Family Residential Commercial Industrial Other
Site Data: 350 AC. Current Zoning: R1-130 ESL Current Use(s): VACANT

Has a 'Notice of Compliance' been issued? No Yes If yes, provide a copy with this submittal

Application Type:

Abandonment (AB) In-Lieu Parking Request (IP) Rezoning (ZN)
 Development Review (DR) Master Plan (MP) Text Amendment (TA)
 ESLO Hardship Exemption (HE) Master Sign Program (MS) Use Permit (UP)
 ESLO Wash Modification (WM) Notice of Compliance Variance (BA)
 General Plan Amendment (GP) (Non-Major) Preliminary Plat Subdivision (PP) Other _____

Owner: HUGH SMEED
Company: MCDOWELL MOUNTAIN BACK BOWL LLC
Address: 1751A W. DIEHL RD NAPERVILLE, IL 60563
Phone: [REDACTED] Fax: -
E-mail: [REDACTED]

Applicant: STEVEN VOSS
Company: LVA URBAN DESIGN STUDIO LLC
Address: 120 S. ASH AVE, TEMPE AZ 85281
Phone: 480-994-0994 Fax: -
E-mail: sjvoss@lvadesign.com

Signature (circle one): [Signature] Owner [Signature] Applicant [Signature] Date: 12-16-11

Planning, Neighborhood & Transportation Division
7447 E Indian School Road Ste 105, Scottsdale, AZ 85251 • Phone: 480-312-7000 • Fax: 480-312-7088

██████████
██████████



Project Pre-Application Questionnaire

Submittal Date: _____ Project No.: _____ -PA- _____

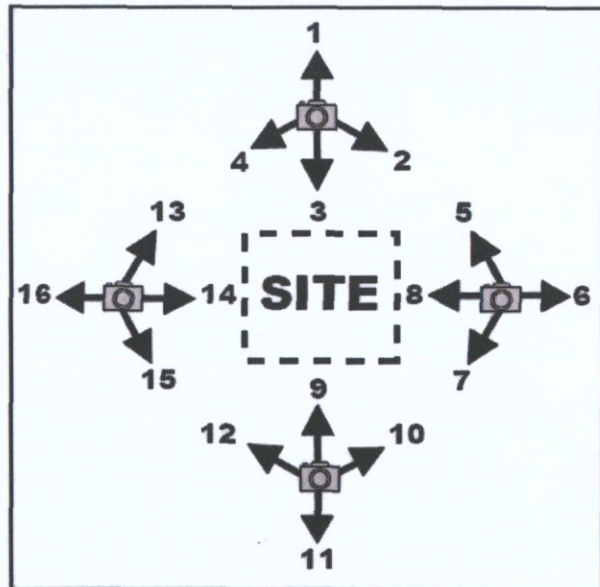
Please Note: All projects require a legally-assigned address; if an address is not currently assigned to your project, please submit a site plan to Records Division staff to obtain one. **This may take up to 5 days.** The Address Request form is available on-line at www.scottsdaleaz.gov/bldgresources/records.

All items listed below must be submitted to constitute a complete submittal.

Submittal Requirements:

- 1. Completed Project Pre-Application Questionnaire & Fee** _____
(Fees subject to change every July)
- 2. Records Packet Fee** _____
The Records Packet Fee will be processed by staff. The applicant need not visit the Records desk to obtain the packet.
(Fees subject to change every July)
- 3. Conceptual Drawing(s)** – One (1) copy of conceptual site plan, plot plan, or schematic drawing representing your request (not required for Abandonments). If requesting Development Review Board approval, include elevations showing architectural character.
(24" x 36", 11" x 17", or 8.5" x 11" paper sizes only)
- 4. Project Narrative** – Attach a detailed descriptive narrative of the site layout that includes the following information:
 - Purpose of this request
 - Describe any and all pertinent information related to the request including, but not limited to, site circulation, parking and design, drainage, architecture, proposed land use, and lot design.
 - Any improvements and uses that currently exist on the property or on neighboring properties.
 - Explain how your proposal is compatible with the surrounding area.
 - Describe any unusual characteristics that may restrict or affect your development.
 - Targeted date to begin construction.

- 5. Site / Context Photographs**
Provide color photographs showing the site and the surrounding buildings/properties in order to provide city staff with a visual impression of the current site conditions. Use the guidelines below for photos.
 - Photos are to be taken looking in towards the project site and adjacent to the site.
 - Photos should show adjacent improvements and existing on-site conditions.
 - Refer to photograph number and direction of view.
 - If your site is greater than 500 ft. in length, also take the photo locations shown in the dashed lines.
 - Do not mount photos on large poster boards, cork boards, etc.



FOR ADMINISTRATIVE USE ONLY

A Pre-application meeting with Planning Staff has already occurred with _____. Date: _____

Planning, Neighborhood & Transportation Division

7447 E Indian School Road Ste 105, Scottsdale, AZ 85251 • Phone: 480-312-7000 • Fax: 480-312-7088

SERENO CANYON SPA & RESORT PROJECT NARRATIVE

Introduction

The Sereno Canyon property consists of 350 acres situated along the northeast slope of the McDowell Sonoran Preserve in North Scottsdale. The property is located south of Ranch Gate Road situated between the Pinnacle Peak Road and Happy Valley Road alignments west of 128th Street. The Sereno Canyon property was originally zoned and master planned under case #1-ZN-2005.

This application requests a Non-Major General Plan Amendment on 132 acres and a rezoning on approximately 227 acres to accommodate a proposed low-intensity resort community. The General Plan Amendment request is to modify the existing "Rural Residential" designation to "Resort Tourism" in the southeast portion of the property. Concurrently, a rezoning request would modify the zoning on a portion of the overall property to a combination of R1-43 ESL and R-4R. The specifics of these requests and the development concept are detailed in subsequent sections of this narrative.

Existing Conditions

Site Context

The site is generally surrounded by undeveloped properties, except to the west where several suburban residential communities exist. The majority of the southern property edge lies adjacent to the McDowell Sonoran Preserve and the property shares its northern boundary with a section of undeveloped Arizona State Land.

Site Access

The primary access to the property is located along Ranch Gate Road on the community's northern edge. A secondary access point located at the eastern terminus of Alameda Road also serves the property and is proposed to be restricted to exit only. The City has recently installed temporary pavement between Ranch Gate Road and the Preserve boundary, but no property access from 128th Street is currently available.

Existing Land Use/ Site Improvements

A majority of the Sereno Canyon community was platted in 2007-08, leading to the construction of extensive off-site infrastructure and limited on-site improvements. The off-site improvements associated with the Sereno's Phase 1 improvements included the construction of a portion of 118th Street, the construction of Ranch Gate Road, a sewer lift station and force main, and a water booster pump station. While no residences have

been constructed within the community, existing on-site infrastructure improvements include local streets, water, sewer, drainage culverts and detention areas, landscaping in community areas, and the project guardhouse and entry gate at Ranch Gate Road. A secondary entry gate at Alameda Road along the western boundary of the community has also been constructed. This secondary entry is proposed to be changed to "EMERGENCY ACCESS ONLY" under the new plan to eliminate traffic through this existing gate. The rough grading of the local streets improvements for future phases of the community have also been completed. With the exception of these noted infrastructure improvements, no grading for future homesites or community amenities has been conducted, leaving the site in a largely undisturbed condition.

Existing General Plan Land Use

The current 2001 Scottsdale General Plan identifies the entire Sereno property as a Rural Neighborhood land use category with small facets of Natural Open Space that recognize some of the unique natural features found within the property. The Rural Neighborhoods land use category is intended to promote residential uses of one house per one acre and with a development character that promotes the preservation of natural features that are common to the landscape of North Scottsdale. South of the Sereno property, the General Plan highlights the designation of the McDowell Sonoran Preserve, illustrating a green overlay reflecting properties in preserve status as of 2003. These City owned Preserve lands have expanded significantly, consistent with the identified Preserve boundary.

The City of Scottsdale has also contemplated resort and tourism uses in this area of the city, realizing an opportunity to pair the unique desert character with a broadening of the tourism industry realizing substantial economic benefits. The resort "asterisk" (orange) has been designated here since the 1980's on the City's General Plan indicating that Resort/Tourism uses are suitable for this area. The General Plan notes that "resort uses are often places next to open spaces as a key amenity" and suggests that such uses "can be part of a resort community or master planned development".

A vision for resort uses adjacent to the Preserve has been documented in the City's General Plan for over two decades by way of a "floating" Resorts/Tourism designation on the Conceptual Land Use Map. The City opted to maintain an unspecified resort location until a use(s) could be specifically located through a Non-Major General Plan Amendment process. The "floating" resort designation does not specifically suggest

thresholds for minimum or maximum size or amenity types associated with these uses.

Existing Zoning

The property is currently zoned as Single Family Residential R1-130 ESL. Approximately 330 acres of the property was included in the 2007 zoning approval (1-ZN-2007) of a preliminary site plan and density incentive (DI) for an increase in the overall density. An additional 20 acres was later added into the Sereno Canyon property without amending the existing R1-130 ESL zoning. Entitlements on the overall property allow for up to 128 dwelling units at an maximum density of 0.37 units per acre.

Site Conditions

Environmental Features

The diversity of natural features on the property contributes to the unique character of the property and underscores the complimentary relationship with the proposed development plan. The internationally recognized flora and fauna of the Sonoran Desert, coupled with the breathtaking views from all corners of the property, make this a truly unique opportunity to create lasting experiences for both residents and visitors.

Topography and Slope Analysis

The Sereno Canyon property sits on the lower slope of the McDowell Mountains with the highest elevations along the southern edge of the property and the lowest elevations near the northeast corner. The property is also located along the top of a subtle drainage boundary for the Verde River (to the east) and the Rawhide Wash drainage (to the west). This boundary affords the property unique viewsheds to many of the region's mountains, dramatic city lights and spectacular sunrises.

A slope analysis for the property is provided to describe the topographic character of the property. The findings of the analysis have been used to determine the amount of open space required on the property. The initial analysis of the property indicates that an overall Natural Area Open Space (NAOS) requirement may not be less than 176 acres, or 50% of the overall property.

The property is located almost entirely within the Upper Desert Landform as defined by Scottsdale's ESL mapping. Two small pockets of Hillside Landform are present along the western edge of the community and will remain undisturbed natural area.

Cultural Sites

The property contains several minor archaeological sites that have been mapped and are concentrated around and within the site's largest boulder outcroppings. Although mitigation (removal) would be allowed, these sites have been field walked and documented and have subsequently been placed within protective easements to ensure the preservation of a potential artifacts.

Boulder Elements

One of the most distinctive and awe inspiring natural elements found within the project are the many large boulder features that project from various prominences within the property. These boulders capture one's attention from nearly every corner of the property and contribute to the rugged natural character of the property. The largest and most prominent of the on-site boulder outcroppings were identified in previous planning efforts for protection and preservation, consistent with the requirements of the Environmentally Sensitive Lands Ordinance.

Drainage Patterns

The property sits squarely atop the broad geographical divide between the Verde River and Indian Bend Wash watersheds, defining the natural drainage character of the site. Site planning has been sensitive to the preservation of the property's numerous small washes, limiting impact or disturbance to these sensitive natural areas.

With nearly all of the on-site washes originating within the property, very few of the discharge rates exceed 50 cfs, a City benchmark that triggers additional layers of review. However, Sereno recognizes the value of these washes for both habitat and stormwater conveyance.

Viewsheds

Exceptional views from the site highlight the unique character of the property and promote its suitability as both an exceptional community and as a premiere hospitality destination for visitors. The property maintains stunning views to several local and regionally recognized geographic landmarks including the McDowell Mountains, Troon Mountain, Brown Mountain, Bartlett Lake, the Verde River, Verde Valley, the Mazatals, Four Peaks, Pinnacle Peak and the Superstition Mountains. Special landmarks visible from the site include Tom's Thumb and Weaver's Needle.

Vegetation

Plant materials found on the property are typical of both Lower Sonoran and Upper Sonoran biomes. In general, on-site vegetation is

concentrated near perennial watercourse, such as the many small washes that extend throughout the property.

The property was subject to a regional lightning-caused wildlands burn in the mid-1990s that decimated much of the native vegetation and habitat on the property. While recent years have witnessed the reestablishment of vegetation and resilience despite a decade of prolonged drought, much of this vegetation represents only the first or second generation of successional varieties, typically found in recovering burn areas. Typical species include grasses and shrubs which in time will help to foster a larger diversity of native trees and cactus in densities typical of the Upper Sonoran Desert.

The McDowell Sonoran Preserve

For over a decade the expansion of the McDowell Sonoran Preserve has been a celebrated investment by Scottsdale's residents in their community. Today, the expanse of the Preserve extends across over 17,000 acres protecting Scottsdale's soaring mountain summits and desert lands. These protected lands are treasured by the citizens of Scottsdale, and by the tens of thousands of visitors that come to the City each year to experience the unique and stark natural beauty of the Sonoran Desert. The Preserve serves as a magnet to attract these visitors who come seeking both active and passive experiences associated with the desert.

Public & Community Trail Amenities Plan

City of Scottsdale Trails Master Plan

The City Trail System Master Plan highlights the alignments of two proposed trail segments relative to the Sereno property. A secondary trail alignment is proposed along the 128th Street alignment north from the Tom's Thumb Trailhead, and an additional segment that extends west from the trailhead along the Paraiso Road alignment.

Tom's Thumb Trailhead

The Tom's Thumb Trailhead, located less than a half mile from the resort property, is on schedule to complete construction in late 2012. Trailhead facilities will include low impact parking areas, shade structures and access points for the many miles of trails that have been established within the Preserve. When completed, the trailhead will represent an additional public jewel for the treasured McDowell Sonoran Preserve and represents an additional opportunity to instill value in the Preserve.

On-Site Segments

The original zoning case associated with the Sereno Canyon property included a segment of public trail that would extend from the Alameda Road entry on the property's western edge, to the future project entry on 128th Street on the property's eastern edge. This alignment ensures that existing neighborhoods are ultimately connected to the Preserve trailhead and the network of planned and existing trail alignments.

On-Site & Off-Site Infrastructure

Constructed streets within the project are currently private and have been thoughtfully aligned to minimize the disturbance on the property and avoid the most sensitive areas. Primary access to the property is from the Ranch Gate Road entry at the northern edge of the community. A full access gate at the existing Alameda Road entry is located along the site's western edge and serves as an alternative access point to the property. An additional access point has been approved for 128th Street, but would not be constructed until future phases of the community are improved.

Prior to beginning the construction of on-site improvements within the Sereno Canyon property, Crown was required to extend approximately 3,300 feet of 118th Street to complete an existing roadway gap in the 118th Street alignment. Off-site improvements also included the construction of Ranch Gate Road between 118th Street and 128th Street, for a distance of approximately 7,000 feet.

Major water and sewer infrastructure has been constructed off-site and within portions of the current development. A water booster pump station was constructed during the initial phases of the Sereno development at the eastern terminus of Alameda Road. Off-site wastewater infrastructure improvements by Sereno included the construction of a sewer lift station near the intersection of 128th Street and Ranch Gate Road and a force main and gravity line within Ranch Gate Road. These improvements are intended to serve Sereno Canyon and neighboring communities by providing opportunities for future capacity scaling. On-site water and sewer improvements for Phase 1 were installed within the existing street network. Taps have been extended to adjacent properties to serve residences within future adjoining communities.

Development Concept

Non-Major General Plan Amendment Overview

The request is for a non-major General Plan Amendment ("GPA") on approximately 132 +/- gross acres in the southeast portion of the Sereno Property. The amendment area will be limited to the area defined by the Spa & Resort and the immediately adjacent portions of the project that will be linked to the resort via mutual services. The proposed amendment area seeks to amend the current general Plan designation from Rural Neighborhood to the Resort/Tourism land use category utilizing the "Resort Star" designation identified in the 2001 General Plan.

The portions of the Sereno community not included in the amendment request will remain within the general density ranges supported by the Rural Neighborhoods designation by not exceeding one dwelling unit/acre.

The GPA request is supported by the Goals and Policies identified in the current General Plan document. A detailed analysis is provided in Chapter 3 of the Sereno Canyon Spa & Resort Project Booklet.

Re-Zoning Overview

In conjunction with the non-major GPA, the establishment of the Spa & Resort will require a request for rezoning of a portion of the Property from the existing R1-130 ESL to a combination of R1-43 ESL and R-4R ESL. Approximately 123 acres of the existing R1-130 ESL zoning on the property will not be modified and will remain in its current large-lot configuration at an overall density (0.36 du/ac) less than the original approval or approximately 1 dwelling unit per 2.8 acres. The R1-130 ESL zoning is consistent with surrounding zoning patterns.

The rezoning request is generally limited to the southern and eastern portions of the Sereno Community and is not contiguous to areas with existing homes. The rezoning area will include approximately 228 acres as illustrated on the "Proposed Zoning" exhibit. The rezoning request to modify the existing R1-130 ESL district to the R1-43 ESL and R-4R ESL districts will allow for a combination of resort and residential product types consistent with specialty resort communities identified in the General Plan for this area of North Scottsdale.

Project Land Use

The development plan carefully integrates the proposed improvements with the natural environment. The same sensitive development practices that were implemented during the initial development phases of the project will be carried forward into future phases. Large, contiguous and

meaningful open space areas will extend through carefully selected development envelopes. The community will include a diverse mixture of resort and residential uses that will promote opportunities for residents and resort users to experience the Sonoran Desert in a natural context, reflecting consistency with character plans adopted by the City and providing convenient and managed trail access to the City's expansive Preserve lands and. Providing such direct accessibility to the Preserve through the Tom's Thumb Trailhead area for tourism and recreation is a unique opportunity, one not found in any other Scottsdale resort property.

The interior of the project will include an integrated resort and residential community concept pursuant to the proposed zoning. The western edge and north-central core of the property will remain as large Estate lots, maintaining the existing R1-130 ESL low density zoning. Transitioning from the R1-130 areas to the interior of the project, R1-43 zoning will provide additional rural-density single family development at approximately .6 dwelling units per acre. The southeastern portion of the community will host the Resort & Spa surrounded by a range of dwelling unit types that support an integrated resort community concept. Overall, development densities within Sereno Canyon will be much lower than those found in traditional resort communities and provide a diverse range of dwelling unit types including very low density Estate homes. This diversity reinforces the project's emphasis on open space protection and preservation and consistency with the intent of both the City's General Plan and the Dynamite Foothills Character Area Plan. Both documents serve as guides for the intended development character for this region of Scottsdale and have been referenced extensively to ensure conformance. In addition, the Environmentally Sensitive Lands Ordinance (ESLO) has been a guide for best development practices on sensitive lands such as Sereno. In addition to meeting the objectives of the ESL Ordinance and development standards, many of Sereno's own standards will exceed requirements of ESLO.

The following sections describe the general development character of the four proposed land use types within the Sereno Canyon Spa & Resort Community. The product types proposed as the Estates, Villas, Resort Townhomes and Resort Casitas are characterized as dwelling units and not resort units or "keys" although these residences may avail themselves of the services of the Resort & Spa.

Resort Core

The Resort Core of the Sereno Canyon Community is an enclave within the project consisting of approximately 132 acres. This area is comprised of multiple private ownership housing types that

cumulatively support and integrate with the Spa & Resort element. The diversity of dwelling unit types inside of the Resort Core are typical of those found within other resort communities that share a close relationship between the resort proper and a resort community by allowing owners the option of including the units for use by the Spa & Resort guests. Owners may also choose to not make these units available to resort guests and instead utilize services offered by the resort such as concierge and housekeeping services as a community amenity. This relationship between dwelling units and the resort reinforces the concept of a true resort community and will ensure a vibrant and attractive lifestyle experience for both guests and property owners.

Spa & Resort

The Spa & Resort is the jewel of the Sereno community, intended as a premier destination for national and international visitors to Scottsdale. The resort itself will be low-impact, intending for the architecture to be an example of thoughtful quality, but understated so as not to be out of context or scale with the natural beauty of the property. Also proposed is a revitalizing spa of similarly understated character, but intended to rival the most recognized names in the industry. To further compliment the relationship between the resort and open space, the resort property will be located at the southern edge of the Sereno Canyon property, along the boundary of the McDowell Sonoran Preserve. The primary resort and spa buildings will be thoughtfully situated down-slope from prominent ridges and hillsides to reduce the visibility of these buildings from off-site communities, whereby protecting existing viewsheds and promoting the sensitive environmental integration and orientation of the resort.

The resort property is comprised of 29 acres located near the southeast corner of the Sereno Canyon property. The resort development concept will include 100 rooms, a public spa and restaurant facilities, and private exercise, experiential/educational and meeting spaces for resort guest. The rooms are accessed by walking and electric carts, reducing the impact of vehicles and roadways throughout the site. Parking will be kept separate from the room and facility areas to maximize the "experience" of the stay for each guest.

Emphasis during the design and construction of the resort will focus on integration with the natural environment, prioritizing methods to preserve the natural characteristics of the site and utilize native elements from the property in its construction. To further ensure this integration, the resort and spa facilities will not be located on the upper hillsides within the property, whereby reducing visual impacts to and from adjacent properties. The resort concept includes a small cluster of amenity and support facilities to provide limited meeting, gathering and reception space, a world class spa and restaurant amenities. Each of the proposed resort units will be thoughtfully located and oriented to protect sensitive environmental features and capture views to the Preserve and to the many distinct mountains and valleys that surround the site. Maximum building heights for the Spa & Resort component of the community will be reduced from 36 feet to a maximum of 29 feet to minimize the massing of the site improvements.

Resort Townhomes

The Resort Townhomes are envisioned as an extension of the resort property with larger square footage and with the option of private ownership. The envisioned character of these units would combine two or more dwelling units within a single structure and will typically share a common wall providing the appearance of a single family home. Resort Townhomes will share a close relationship with the resort and may be wholly or partially managed as a component of the resort property with services available for guest use. Alternatively, some units may be privately owned with access to the resort amenities and services. Resort Townhomes will be located proximate to the Spa & Resort area with building heights limited to 24 feet from existing grade per the ESL Ordinance. In instances where the Resort Townhome units abut a lower density zoning district, a 100 foot single-story restriction buffer will be enforced per the requirements of the R4-R zoning district.

Resort Casitas

The Resort Casitas are envisioned as a single-family detached housing product with lot sizes that will range in size between those found within traditional neighborhoods including lots that are greater than one-half acre, with envelopes that are either contiguous with those on adjacent lots or envelopes

limited to a single lot. In either case, envelopes will be sized and located to reflect sensitivity to natural and topographic conditions.

Units may be a combination of custom, semi-custom and production product. Because of their proximity and relationship with the resort property, the units will allow for private ownership or the option of association with the resort for available services and amenities including the ability to be occupied by resort guest. In areas where the Villa dwelling units abut the R1-130 zoning district (Estates), a 100 foot single-story restriction buffer will be enforced per the requirements of the R-4R zoning district including a maximum building height of 24 feet for all residences.

Villas

Villas will be generally established as large-lot single family homes with lot sizes typically averaging one home per 1.5 acres (0.7 DU/Ac) and serving as a transitional density housing type between the larger Estate lots and the product types established within the Resort Core. All Villa lots will be zoned as R1-43 ESL and subject to the zoning development standards of that district. The lots are located in the northern portions of the property where the overall development densities are reduced.

Villa dwelling units will be carefully situated within defined development envelopes to ensure that the most sensitive portions of the property are protected with natural area open space easements. Building heights will be limited to the 24-foot maximum allowed by the Environmentally Sensitive Lands Ordinance.

Estates

The Estate lots located along the project's west perimeter and northern core will maintain the existing R1-130 ESL zoning at an already approved density of approximately one home per 2.8 acres (0.36 DU/Ac). These lots maintain large proportions of natural open space to provide buffering and compliment densities in adjacent communities. A majority of these lots are currently platted and will not be modified from their existing configuration. Estate homesites will contain large custom homes within pre-established development envelopes to ensure that the most environmentally sensitive portion of each lot is protected. Building heights within the Estate area will be limited to 24 feet from existing grade per the ESL Ordinance.

Open Space Plan

Natural area open space is the primary amenity on the site, reflecting a diversity of vegetation, minor washes and dramatic boulder outcroppings. All residential dwelling units will be developed in conformance with ESL requirements and defined by construction envelopes. Natural areas outside of these defined construction envelopes will be monitored against encroachment throughout the development of the property and protected through a series of legally enforceable measures including the dedication of NAOS easements and protective assurances in the CC&Rs.

Using techniques defined by the Environmentally Sensitive Lands Ordinance, the base open space requirement on the property is determined to be 147 acres, or 42% of the site. This application proposes to provide 28.4 acres in excess of the NAOS requirement for an overall minimum open space area of 176 acres. A portion of this increase is to specifically meet the requirements of elevated open space within the R1-130 area. Approximately 66% of the land area (81 acres) within the R1-130 area will be maintained as NAOS, which exceeds the 62% requirement under the existing condition. Other portions of the property will meet or exceed the ESL open space requirement. The application of significant open space on the property edges is consistent with previous site plan approvals and provides significant natural buffers to adjacent communities and Preserve areas.

The primary open space areas within the property are intended to be contiguous, allowing for uniformity of natural areas and maintenance of wildlife and drainage corridors. Larger open space areas are concentrated around dominant boulder outcroppings, hillside areas and significant washes.

On-site retention basins will be a component of the natural area open space. In general, basin areas will not be graded, but instead utilize the existing topography with limited constructed earthen weirs at the outlet end, to pond up water in accordance with the City's drainage ordinance. The limited footprint of the earthen weir improvements (and any other disturbance) will be identified as revegetated NAOS, with the remainder of the undisturbed basin area being classified as undisturbed NAOS. A majority of the on-site basins will be located along the project perimeter with a significant proportion already in place within the completed Phase 1 area, or in ponding areas created by project roadways.

Due to the preliminary nature of the Master Drainage Report associated with this application, the area extents of these weir improvements (to be calculated as revegetated NAOS) are undetermined. However, the applicant is committed to conforming to the ESL requirement to classify no more than 30% of the overall NAOS dedication as revegetated NAOS. The applicant will also seek NAOS credit in areas where historic jeep trails and scarring will be revegetated.

On-Site Roadways

A network of existing and planned private roadways will serve the community with the primary entry maintained at Ranch Gate Road. Establishing the Ranch Gate entry as the primary access point to the community benefits adjacent communities by reducing or eliminating traffic to other existing and proposed access points. All internal streets will remain private. The existing Alameda Road entry gate along the western edge of the property is currently full access and was originally constructed with the intent that it would serve as the primary ingress and egress to the community. The applicant has worked extensively with adjacent residents to address traffic concerns on Alameda Road. As a result of these discussions, the proposed development plan proposes to eliminate all non-emergency access through this gate. The existing gate structure and entry improvements on Alameda Road will remain in place to only allow access by emergency vehicles.

During future phases of the project, a full-access gate will be constructed on 128th Street to allow for secondary access to the Sereno site and may serve as the primary ingress & egress for resort guests. The proposed internal street network is generally consistent with alignments approved with the previous zoning and platting of the property although some adjustments may be necessary to accommodate the proposed land use changes.

Buffer Zone Plan

To ensure that the low density context of the Sereno property is consistent with adjacent properties, the size of all perimeter lots within the project will be maintained as currently approved on the west boundary. In most cases, this density is equal to or significantly less than that of neighboring properties. These commitments to ensure beneficial setbacks and deep natural area open space buffers demonstrate the applicant's commitment to creating a balanced and sensitive low-density community that minimizes impacts to adjacent existing neighborhoods. The dedication of a Buffer Corridor setback along the project's 128th Street frontage will provide additional screening of the property from the perimeter and enhance the gateway experience for trailhead users.

Along the southern perimeter of the project where Sereno Canyon abuts the McDowell Sonoran Preserve, the project will maintain a minimum open space setback of 50 feet to this boundary. This setback will apply to all land use types and zoning categories proposed by the development plan including Estates, Villas, Resort Casitas, Resort Townhomes and the Spa & Resort parcels. This setback area will be dedicated within a Natural Area Open Space easement. Trails will be allowed within this setback

Viewshed Projections & Protection

The Sereno community recognizes the sensitivity of its location and is committed to defining design standards that will ensure that the integration of improvements will exceed typical requirements for the blending, screening and massing of buildings.

Community Trails

Sereno Canyon is committed to integrating its nature-oriented residential lifestyle and resort setting within its unique environment. An interconnected network of community and public trails will reduce reliance on vehicular transportation to Preserve access areas whereby promoting the use of these amenities to link to off-site public trails and explore the scenic beauty within and surrounding the property. Equally important, public trail improvements associated with the Sereno community create vital trail linkages between existing communities to the west of Sereno with the Tom's Thumb trailhead improvements. As the Trailhead is situated only a few hundred yards from the Sereno property, the association between the resort and Preserve as a recreational opportunity is important. Consistent with the City's objectives of focused and managed access to the Preserve, the Sereno property is not seeking to establish exclusive ingress and egress points along the Preserve boundary. All Preserve access from the property will be through the Tom's Thumb Trailhead tying into the broad network of established trails throughout the Preserve.

Approximately 5 miles of public and private trail improvements will be constructed with forethought to extend trail network connectivity, neighborhood and environmental sensitivity, alignment efficiency and desert protection. Trail alignments will generally parallel internal streets and will be constructed to follow the natural contouring of the property. Trail surfaces will utilize natural materials and be improved in a manner that utilizes natural surface materials with routings that diligently avoid existing vegetation, boulders and wash corridors.

Engineering Master Plans

The benefits of community master planning include the ability to appropriately plan for and define improvements associated with public infrastructure. A detailed analysis of both existing and proposed infrastructure was initially conducted in 2006 for the Sereno property, and has been updated to reflect the proposed changes in project land uses. These updates to the Drainage, Water, Wastewater and Traffic Master Plans will ensure that an adequate level of service is afforded to both the project and surrounding communities.

Drainage Master Plan

The Sereno Canyon project currently incorporates several natural wash corridors to convey both off-site and on-site storm water through the project site. Inline detention basins, strategically located at roadway crossings or project boundary locations control the storm water runoff from the site to match historic flow rates. Detention basins will sensitively integrate with the natural terrain to the greatest extent possible and will be revegetated to ensure functionality and reflect the natural aesthetic character of the property. Areas disturbed for detention and conveyance structures will be minimized so as to limit the overall amount of revegetated area to less than 30% of the overall site NAOS requirement.

Water Master Plan

To provide an adequate source of potable and fire suppression water for the Sereno Canyon project several off-site projects were completed and dedicated to the City of Scottsdale with the initial phases of development. These improvements included the design and construction of a new Zone 13 Water Booster Pump Station, a 16-inch waterline along 118th Street and a 12-inch waterline along Ranch Gate Road. These improvements were all sized to benefit the proposed development area bounded by approximately 118th Street and the proposed Preserve boundary north and east of Sereno Canyon. With the proposed rezoning of the Sereno Canyon site to include a resort and resort residential units, there will be an increase in the water demand by the property. The Master Water System Report for Sereno Canyon has been updated to reflect this demand increase and will result in increases to line size designations for future on-site segments.

Wastewater Master Plan

Wastewater generated from the Sereno Canyon project required the design and construction of several off-site projects, including a sewage pumping station and gravity sewer lines from the site to the sewage pumping station. The sewage pumping station was

designed taking into consideration the development of the sub-region between approximately 120th Street and the Preserve boundaries to the south and east of Sereno Canyon. With the proposed addition of the resort and residential wastewater generation for the project site will increase. The Master Wastewater System Report confirms that the existing infrastructure concept and existing infrastructure previously constructed by Sereno will provide adequate capacity for increased wastewater volume. The updated report includes an analysis of off-site and increased on-site impacts to the sewage pumping station.

Vehicular Circulation and Access Plan

Off-site vehicular traffic benefitted from the northern extension of 118th Street from Happy Valley Road, and the construction of Ranch Gate Road in 2007. These improvements (approximately 3 miles of regional roadway) were funded by Sereno Canyon after responding to community concerns from residents along Alameda Road about future traffic including those not related to Sereno Canyon.

A Traffic Impact and Mitigation Analysis (TIMA) has been prepared for the Sereno Canyon development and updates the original Circulation Master Plan prepared in 2006. The updated study evaluates the impacts of the revised land use and circulation pattern on the surrounding street network and outlines required improvements to achieve acceptable traffic operations. Per the City's TIMA requirements, the proposed level of trip generation is characteristic of a Category 3 development. The TIMA will include analysis of the AM and PM peak hour for the existing condition and for opening/build-out condition.

On-site circulation patterns are generally unchanged from the network proposed in the initial Circulation Master Plan (2006). Notable changes include the increase in contributing traffic volumes associated with the proposed density increase, and the closure of the Alameda Road access.

All roadways in the project will be private and have been thoughtfully aligned to minimize the disturbance of the property and protect the most sensitive areas. Primary access to the property will be maintained from the Ranch Gate Road entry at the northern edge of the community. An additional access gate from 128th Street will be constructed, and a limited access gate will

utilized at the existing Alameda Road entry along the site's western edge.

Homeowners Association Maintenance Responsibilities

The Sereno Canyon Homeowners Association will be the party responsible for the future maintenance of all private infrastructure, landscaping, open space, trails and internal roadways. It is likely that a separate association will be created to oversee the future Spa & Resort property and any residences associated with or managed by the resort. Public infrastructure and publicly dedicated property will be the responsibility of the City of Scottsdale unless otherwise noted.

Conclusion

The proposal is for a premier resort community with a focus on health and wellness that celebrates the Sonoran Desert through context appropriate sustainable architecture, sensitive low-density site design, and connectivity to the McDowell Sonoran Preserve.

This application, which seeks to amend the General Plan designation on a portion of the Property from Rural Neighborhoods to Resort/Tourism by utilizing the existing Resort Star designation, represents a unique opportunity to implement the recommendations of the General Plan to allow for the creation of a new and distinctive resort in North Scottsdale. Additionally, a companion rezoning application for a 227+/- acre portion of the site from R1-130 ESL to a combination of R1-43 ESL and R-4R ESL will allow for environmentally sensitive design techniques to be implemented in a resort community context. The applicant is self-imposing a maximum average density of slightly more than one dwelling unit per one acre on the overall 350 +/- acre resort community site, thereby maintaining the intent of the existing Rural Neighborhoods land use character and officially integrating the established Resort/Tourism designation.

The community benefits identified throughout this document focus around three primary themes: providing economic benefits to Scottsdale, creating new residential resort lifestyle opportunities, and preserving environmentally sensitive lands. This resort opportunity will rival the State's best known specialty resorts and strengthen Scottsdale's position as a premier international and national tourism destination. The General Plan highlights the concept of preserving Scottsdale's natural environments to enhance the tourism experience. This low-density resort will focus on preservation of the natural desert through clustered site design, native landscaping and contemporary-southwestern architectural character while promoting health and wellness to its future residents and visitors. Sereno Canyon will include five main project development types

including the main resort, resort casitas, resort townhomes, villa lots and estate lots providing a range of residential living concepts and resort lifestyle opportunities. The proposed trail network planned for Sereno Canyon will be an effective means by which to raise awareness of the significance and importance of Scottsdale's Preserve lands, by inviting visitors and residents to share passive and active experiences that allows for each person to uniquely appreciate the value and beauty of the vast McDowell Sonoran Preserve.

Project Benefits:

- Project uses and densities (slightly more than one dwelling unit per acre) are compatible with the General Plan and the Dynamite Foothills Character Area Plan. Not including resort rooms, residential densities within the Sereno Community are less than 1 dwelling unit per acre.
- Community master planning will ensure protection of sensitive environmental features and investment in public infrastructure.
- Major new tourism component, providing economic benefit and tax revenues for City and residents.
- A thematic, private sector complement to the adjoining McDowell Sonoran Preserve and new Tom's Thumb Trailhead.
- Adjacent communities are buffered with extensive open space and large lot complementary density.
- Community benefit of public trails, infrastructure and tourism dollars for Scottsdale.
- Tourism is brought to the foot of the McDowell Sonoran Preserve, the crown jewel of Scottsdale, as it has been shown on the General Plan for decades.