

Rezoning Request Narrative
for
Silverstone at Pinnacle Peak
SEC Scottsdale Road & Pinnacle Peak Road

City of Scottsdale
Rezoning Case #177-PA-2005

I. Overview of Request

RHVT Limited Partnership (“RHVT”) owns the approximate 160 acre property (the “Property”) located at the southeast corner of the intersection of Scottsdale Road & Pinnacle Peak Road. RHVT is proposing a master-planned project (the “Project”) to be named “Silverstone at Pinnacle Peak” (“Silverstone”). RHVT is hereby requesting to rezone the Property from its current (W-P) Western Theme Park District to (P-C) Planned Community District with underlying (C-2) Central Business District and (R-5) Multiple-Family Residential District uses and development standards.

RHVT proposes a master plan for the Property that includes a mix of uses integrated into a well designed blend of employment, office, retail and multigenerational residential uses. The proposed Project is based upon a live-work-play environment concept that provides a “sense of place” and encourages pedestrian activities and human interaction in a high quality of life atmosphere.

II. Property History & Physical Characteristics

The current use of the Property as a western theme park known as “Rawhide” dates back to 1970. For over thirty years Rawhide has entertained visitors using its faux Old West environment, with activities such as stagecoach rides, gunfights, fireworks, trailrides and campfire-style cookouts. It is reported that Rawhide saw as many as 800,000 visitors per year in its heyday. However, as homes and other development have neared Rawhide over its lifetime, maintaining this Old West theme has become increasingly difficult. That, combined with the Rawhide owner’s knowledge of the intense retail development planned just west of Scottsdale Road in Phoenix, supports their recent announcement to relocate Rawhide to a more secluded area on the Gila River Indian Reservation.

The Property is sparsely vegetated as the Rawhide operation uses over two-thirds of the Property, which includes the use of a substantial amount of the less disturbed desert-like areas for its trailsystem and campfire & cookout areas. The Property slopes gently (less than 3%) from northeast to southwest. What vegetation that does exist consists of typical desert plant materials typically found in this region.

III The Proposed Project - Silverstone At Pinnacle Peak

RHVT's proposal for Silverstone includes a mix of activities that suggests a true "live-work-play" environment. Uses proposed for Silverstone at Pinnacle Peak include neighborhood retail, office and multigenerational residential, with each of the various components within the Project appropriately sub-named (i.e. Silverstone Marketplace, Silverstone Village, Silverstone Commons). The master plan features a pedestrian pathway system including appropriately spaced shade structures to promote alternatives to driving, planned open spaces designed in park-like settings, and the creation of the Scenic Corridor along Scottsdale Road. A Master Circulation Plan provides inter-connectivity between the uses within the Project to reduce vehicular traffic distances and promote alternative modes of transportation. Project gateway entry features and various common building materials are also proposed to provide an interaction between the various uses within the Project.

The Project team assembled by RHVT envisions creating a "sense of place" within the Project that encourages pedestrian activities and human interaction. RHVT believes Silverstone demonstrates that its uses are appropriate for the area, and that it will sustain desirability and stability in harmony with the character and quality of the Pinnacle Peak area.

IV Project Location, Surrounding Uses & Zoning

Silverstone is located at the southeast corner of the intersection of Scottsdale Road and Pinnacle Peak Road along the geographic north-south centerline of the City. It is essentially a one-half mile square tract of property, with prominent frontage on Scottsdale Road. This area of the City continues to enjoy the highest quality commercial and residential development in the metropolitan area.

Silverstone is surrounded by a wide variety of existing and approved uses:

<u>Direction</u>	<u>Uses</u>	<u>Zoning</u>
<u>From Property</u>		
North	Retail, Office	C-2, C-O
East	Retail, Office, Residential	C-1, C-O, R-4
South	Industrial, Commercial	C-3, C-2, I-1, S-S
West	Retail	C-2 (Phoenix)

It is important to note the existing industrial and heavy commercial uses directly south of the Property, and the "Big Box" retail planned west of the Property in the City of Phoenix. Accordingly, Silverstone was designed with the knowledge of the above by providing the proper transitioning of uses and adequate visual buffers. Also, it should be noted that, contrary to the perception of some of the public, only about 900 feet of the Property abuts the homes that are located at the southeast corner of the Property across Miller Road. Otherwise, the Project is not adjacent to any existing homes.

This region of the Valley has primarily experienced residential development since the late 1970's, with only sparse development north of the Central Arizona Project ("CAP") canal until the 1980's, when development began to include several residential subdivisions. In the 1990's the area saw the beginning of several large master planned communities including Grayhawk, McDowell Mountain Ranch and DC Ranch in Scottsdale, and Tatum Ranch and Desert Ridge in Phoenix. This new residential growth has triggered the need for new commercial development to service the robust residential growth. Intense commercial development has occurred along Scottsdale Road just south of the Loop 101. The Loop 101 provides a much needed transportation link by providing access to more intense development along Scottsdale Road without the need to enter residential neighborhoods. With adequate upgrades, Scottsdale Road can continue to be an excellent artery to the 101 with *minimal impact on residential areas*.

V Neighborhood & School System Impacts

The basis for the placement of uses within the Project was determined by paying careful attention to its immediate surroundings. For example, as mentioned in Section IV, notwithstanding the small amount of homes that are contiguous with the Property (east of Miller Road), an enhanced landscape buffer is proposed where those homes are contiguous to the Project. In all instances, no uses within the Project create a negative or otherwise undesirable land use impact on land uses that border the Project (across each street).

Silverstone is located within the Paradise Valley Unified School District (the "School District"). A maximum of 1,423 dwelling units are proposed for Silverstone. However, a senior living project has been contemplated for the Project that would reduce the overall impact on the School District by over 35%. Notwithstanding the senior living component, given the anticipated buyer-profile of the residential product mix planned within the Project, it is anticipated that student generation rates will be low and will not adversely impact the School District. Silverstone will significantly increase assessed property valuations within the School District. Importantly, the planned intergenerational village concept will be a boon for both the nearby elementary school and the proposed senior living community with cross-generational educational and volunteer opportunities.

VI Neighborhood Involvement & Community Outreach

In connection with the associated application to amend the General Plan, extensive outreach was conducted as part of RHVT's rezoning pre-application efforts. A neighborhood involvement and community outreach effort is underway to present the Project to interested parties. RHVT and its entire Project team is sensitive to the importance of neighborhood involvement and creating a relationship with property owners, residents, business owners, homeowner's associations and other interested parties. Communication with these parties is ongoing throughout the process using an "open door" policy. Efforts in reaching all stakeholders (using verbal, written, electronic and door-to-door contact methods) began prior to the application filings and will continue throughout the entire process.

Detailed contacts included, but were not limited to representatives of the following stakeholders

Coalition of Pinnacle Peak
Greater Pinnacle Peak Homeowners' Association
Bella Vista Homeowners' Association
Los Portones Homeowners' Association
Village at Sonoran Hills Homeowners' Association
The Premiere at Pinnacle Peak Homeowners' Association
Grayhawk Community Association
Paradise Valley School District
Desert Shadows Middle School
Friend of the Scenic Corridor
Scottsdale Healthcare
Giant Industries, Inc

Additionally, in relation to the proposed General Plan Amendment, door-to-door outreach was conducted to all home and property owners within 750 feet of the boundaries of the Property. These same surrounding property owners will receive information via first class mail regarding this rezoning application. The mailpieces will contain information regarding the Project in detail, notice of scheduled public meetings and contact details to obtain additional information, updates and feedback. Interested parties that have been contacted regarding the General Plan Amendment will be contacted again with information pertaining to the rezoning of the Project.

RHVT and its Project team recognizes that a vital component of the outreach process is to allow people to express their thoughts and that each and every person must receive a response in a professional and timely manner. The entire Project team realizes the importance of this process and remains committed to communication and outreach for the Project.

VII Public Transportation Systems

Public transportation systems are critical to the Project as well as the surrounding area. New development will necessitate the review of the existing roadway system. Improvements to the existing public roadways are anticipated. The Property is bound on all sides by streets classified on the City's Street Classification Map as follows:

<u>Street</u>	<u>Classification</u>
Scottsdale Road	Major Arterial
Pinnacle Peak Road	Minor Arterial
Miller Road	Minor Arterial
Williams Road	Major Collector

The Loop 101 is located just 2¼ miles south of the Property.

A two-part Traffic Impact and Mitigation Analysis is being prepared to assess the impact of the proposed Project and make recommendations for street improvements, access points and driveways, traffic signal warrants and transit planning. A preliminary trip generation analysis has determined that more than half of the trips generated by the Project will originate from the south, (primarily traveling to the Loop 101 using Scottsdale Road) while approximately one-third of the trips will be generated from the west (Phoenix) using Pinnacle Peak Road. Given the regional land use pattern of the greater Pinnacle Peak sub-area, this is to be expected. Accordingly, higher trip generating uses like the commercial office, retail and municipal components of the Project have been proposed on the westernmost side of the Project to encourage the use of Scottsdale Road and the Loop 101. The mixed use and multigenerational nature of the Project should reduce the impact on the street system by providing goods and services within the Project to serve its residents and visitors, where they can use alternate modes of transportation (walk or bike, for example).

VIII Economic & Fiscal Impact

Silverstone, as designed, will generate significant revenues to the City through recurring fiscal revenue sources such as taxes on real and personal property and privilege taxes on retail sales. Additionally, the Project will provide quality employment (both direct and indirect) through mainly its retail and office components. Additionally, the School District will benefit from increased assessed valuations from the Property.

IX Rawhide Wash

While named after Rawhide, only a small portion of the regional "Rawhide Wash" in relation to its overall size traverses the Property. Rawhide Wash consists of a regional stormwater drainage area that impacts several thousand acres of property in Scottsdale and Phoenix. In its present state, Rawhide Wash is not a fully controlled (channelized) wash, instead it consists of a large alluvial fan-type flow pattern (meaning shallow depths that tend to spread instead of rising) with only very short sections believed to be under proper control. This existing condition places businesses and residences within the 100 year floodplain, meaning they must build their structures above established floodplain levels and obtain floodplain insurance. Also, during rainfall, portions of Pinnacle Peak Road and Scottsdale Road become inundated by rising sheetflows, with the lower points along those roadways experiencing significant flooding, leaving debris in the roads once the sheetflows dissipate.

RHVT's proposed master plan design includes consideration given to the best possible design for its small segment of Rawhide Wash based upon a channelization concept similar to natural flow patterns. The new channel as proposed can serve as man-made extension of the desert similar to the re-vegetated Scenic Corridor. It will add Open Space where none exists today and provide for a system of public trails and paths. While this method also appears to be the preferred solution to flooding in Scottsdale and Pinnacle Peak Roads, it is realized there are downstream implications that involve other

stakeholders The City of Phoenix has an interest in the flows of Rawhide Wash as it relates to property west of Scottsdale Road It should be noted that any work in connection with Rawhide Wash is considered part of a “regional solution”, requiring the cooperation of the cities of Scottsdale and Phoenix, as well as the Arizona State Land Department

X Municipal Site

In order to create a more vibrant Village Center that encourages human interaction, and recognizing the potential need for a public library site in the general area, RHVT has agreed to provide a two to three acre site for municipal uses Permitted municipal uses and the City’s ability to use this site for such uses are set forth in the P-C District documents filed as part of this application

XI Market Feasibility

RHVT engaged Cornerstone Consulting Company (“Cornerstone”) and Cushman Wakefield Real Estate (“Cushman”) to perform a market assessment and to conduct the appropriate research to confirm whether or not the Project’s proposed product types would be successful within the proposed Project Cornerstone conducted detailed research regarding the retail and residential components of the Project Cushman investigated the office component of the Project Both Cornerstone’s and Cushman’s research indicated that Silverstone offers a strong development opportunity for all the proposed uses within the Project that is appropriate for this location within the North Scottsdale submarket

XII General Plan Conformity

A companion Major General Plan Amendment application has been filed in conjunction with this application An exhaustive review of the appropriateness of changing the Property’s current land use designation from Cultural/Institutional to Mixed-Use is contained therein

It is generally recognized by the City that the existing General Plan and zoning designations were placed retroactively on the Property as the Rawhide western theme park use pre-dated the City’s planning, and was annexed into the City from the County

Given the size, location and relationship of the Property in the region, coupled with the City’s planning policies and guidelines governing the area, the Mixed-Use land use designation is the most appropriate, as it implements many of the values, visions, goals and policies contained in the General Plan Correspondingly, the P-C district and the underlying zoning districts contemplated in this request best suit redevelopment of the Property by providing uses and densities appropriate for the area Silverstone will create a sense of place where the concept of “live-work-play” can become a reality The goals

will not only be realized, they will be exceeded by providing the high quality of life only a Scottsdale address can offer

In a letter from the City dated June 3, 2005, Project Coordination Manager Tim Curtis confirmed that the proposed change in the General Plan land use designation is appropriate

XIII Project Justification

The (P-C) Planned Community District zoning district is intended to guide development and to ensure the entire Project's overall cohesiveness according to a specific development plan versus an undesirable development plan consisting of fragmented free-standing uses that provide no sense of community. The P-C district proposed for Silverstone enhances the physical, social and economic value of the area by providing appropriate land uses in accordance with modern land planning principles and development techniques.

In terms of the land area of the Project, this request is the smallest P-C district permitted by City Ordinance. Customarily, P-C districts include greater land area and may include a broader diversity of land uses. Like the "Stacked 40's" project previously approved by the City, Silverstone integrates employment, residential and commercial uses. However, Silverstone does so in a less-intense environment. Additionally, the residential senior living component provides a multi-generational experience not otherwise deliberately planned in the City.

The proposed rezoning will change the existing land use designation from (W-P) Western Theme Park to (P-C) Planned Community District with underlying (C-2) Central Business District and (R-5) Multiple-Family Residential District development standards and uses. This change together with the proposed amended development standards within each relative zoning district is appropriate for the Property given the following:

- 1 The uses are consistent and compatible with adjacent and surrounding land uses
- 2 The request conforms to the City of Scottsdale General Plan [conformance assumes approval of current application to amend the General Plan]
- 3 The Project demonstrates that its uses are appropriate for the area, and that it will sustain desirability and stability in harmony with the character of the surrounding area
- 4 The proposed Project will serve to help preserve meaningful Open Space, implementation of the Scenic Corridor and provide a regional drainage solution using the Rawhide Wash alignment
- 5 The uses provide significant employment, economic and social benefit to the City

XIV Summary

This request to rezone the Property from (W-P) Western Theme Park to (P-C) Planned Community District with underlying (C-2) Central Business District and (R-5) Multiple-Family Residential District and amended development standards and uses to facilitate the development of a mixed use community is appropriate and merits strong support from the City of Scottsdale. The opportunity to master plan approximately 160 gross acres of property within the City ensures that adequate infrastructure, design character, land uses and amenities ultimately occupy this prominent intersection of Scottsdale and Pinnacle Peak Roads. Uses proposed for Silverstone at Pinnacle Peak include neighborhood retail, office and multigenerational residential. RHVT's proposal for Silverstone includes a mix of activities (uses) that suggests a true "live-work-play" intergenerational environment. The master plan features pedestrian linkages using paths and trails with spaced shade structures to promote alternatives to driving, planned open spaces designed in a park-like setting, and creation of the Scenic Corridor along the Project's Scottsdale Road frontage. Silverstone's goal is to create a "sense of place" that encourages pedestrian activities and human interaction.

The Project master plan provides harmonious buffers to the small amount of existing nearby residential, and provides the proper co-existence to all other uses contiguous with the Property. The intersection of Scottsdale and Pinnacle Peak Roads is anticipated to be an activity center with commercial land uses on all four corners. The residential density proposed in this request is less than the maximum allowed by Ordinance and is appropriate given the commercial and employment land uses concentrated at those intersections. Based on the mix of land uses existing or anticipated in the vicinity of the Property, it is incumbent that the residential component of the Project be appropriately planned and developed to ensure a sense of place and a high quality of life.

Given the location of the Property within the lower desert land form but not within the ESL overlay, careful composition of design, architecture, landscaping and site planning is intended to announce the gateway to Pinnacle Peak while respecting and integrating the natural desert environment and character into its fabric.

In conclusion, RHVT believes Silverstone at Pinnacle Peak demonstrates that the proposed uses for the Property are appropriate for the area, and that it will sustain desirability and stability in harmony with the character of the surrounding area.

LAND USE BUDGET SUMMARY

Parcel	Use	Total Acres (1)	Open Space	Residential Uses		Non Residential Uses		
				DU/A Range	Dwelling Unit Allocation (2) (5)	C-2 (3)	C-0 (3)	Other (4)
A	Municipal	3.24	0.65					25,000
B	Municipal	1.24	0.25				15,000	
C	Retail	12.47	2.00			95,000		
D	Office	12.42	2.00				165,000	
E	Residential	17.47	3.49	12-15	262 (7)			
F	Residential	21.82	4.36	8-10	186			
G	Residential	23.77	4.25	10-12	258			
H	Residential	34.26	6.85	8	270 (6)			
Wash	Regional Drainage/Park	11.32	11.32					
Park	Park	1.60	1.60					
Streets	Circulation	7.60						
Total Acres		147.21	36.77					
Total Dwelling Units					976			
Total Building Area						95,000	180,000	25,000

N B All areas are approximate

(1) Numbers are approximate due to parcel boundary shifts

(2) The total number of Residential Dwelling Units shall not exceed 976

(3) Individual Parcels may not exceed an F A R of 0.3

(4) Other uses include Municipal uses Parcel A's underlying zoning shall be R 5 Parcel B's underlying zoning shall be C O

(5) Transfer of Dwelling Units between parcels is permitted provided that the Maximum Dwelling Units does not exceed 976 units for the entire property and on a parcel-by parcel basis does not exceed the maximum DU/A's indicated under the DU/A Range column

(6) Dwelling Unit Allocation does not include the approximate 60 beds in the Care Facility and is capped at 270 Dwelling Units

(7) Up to one third of dwelling units may be Live/Work

Silverstone at Pinnacle Peak

10/4/2005