

# **ZONING AMENDMENT NARRATIVE**

(Case 5-ZN-2015 #2)



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#### PROJECT DESCRIPTION

This amendment is being submitted on behalf of Fairmont Scottsdale Princess Resort ("Resort" or "Princess" or the "Applicant") to amend the existing Development Plan and allow for improvements to the Resort to remain competitive within the marketplace. The Resort property is located at 7575 East Princess Drive.

Specifically, the Resort plans to enhance and expand the existing Conference Facilities and provide a new Conference Building which will house an additional 35,000 square foot ballroom including 10 breakout meeting rooms that will bracket wrapping the new Event Lawn area; replace the temporary Event Tent on the western boundary with a new 155 room Guest wing with underground parking and storage; add a new Michael Mina high-end Italian themed restaurant; and build an indoor/outdoor coffee Roasterie. These enhancements will elevate the overall experience of this AAA Five Diamond resort which is one of Scottsdale's most reputable vacation and corporate destinations.

# 1) Conference Center Expansion

The Princess Resort is both a world-renowned vacation destination for families wishing to enjoy our great City as well as a highly desired business convention destination. With increased demand from business guests, this amendment will allow for additional 10,000 square feet of meeting rooms as well as a new 25,000 square foot ballroom. Both of these improvements will be single story and wrap the relocated 40,000 square foot Event Lawn on the northern boundary of the Resort.

Vehicular access to the site will be via the existing entrance off Princess Drive and pedestrian access will be by extension of the existing pedestrian pathways. Because most guests will arrive through the pedestrian pathways the landscape design includes carefully considered improvement. The pathways will connect from Hacienda Way at the main entrance to the Sunset Village area of the resort, across the north face of the existing Palomino Conference center and onto the pedestrian paths east of the existing Princess Conference Center.

Approximately 234 standard spaces and 10 accessible spaces will be provided adjacent to the facility with all other parking provided in the proposed parking structure across Princess Drive. The site design incorporates areas for ride share and charter bus services within the project footprint. The building design is an extension of the Palomino conference center in both detail and material consisting of stucco and glass finishes with a mixture of mission tile and flat roofs. The building structure is a combination of load bearing concrete masonry and steel and is a fully sprinklered building of Type 1B construction.

The project will provide two new loading dock berths while trash service is directed to the existing Palomino dock area via internal circulation.

Mechanical and Electrical support equipment are located on the roof or within closets of the buildings, and any roof mounted equipment will be screened by parapet or other screening system matching the equipment's height.

# 2) New Guest wing

As mentioned above, this amendment will allow for a new Guest wing to be established on the southeast corner of Cottage Terrace Lane and Hacienda Way. This new building will also provide 57 underground parking spaces with much needed storage space. The architectural design and character of the new 4-story addition will match the existing resort. Lush landscaping will be provided to beautify the property as well as screen the west elevation from neighboring properties. In order to accommodate the 4-story building, this amendment requests a height increase from 36 feet to 48 feet including mechanical equipment.

In 2015 there was an amendment (Case 5-ZN-2015) that was approved and allowed for the following:

#### Breakdown of rooms:

Casitas	119
Gold Villas	69
Guest Rooms	461
I-Wing Guest Rooms	102
Sunset Villas/ Bungalows*	43
Total Room Count:	794
Proposed 2023 Guest Wing	155
Total New Room Count:	949

<sup>\*</sup>The Resort is currently processing a Design Review application (3-DR-2015#2) for the construction of the previously approved 43 Sunset Villas/Bungalows on the existing Event Lawn.

This amendment to the Development Plan will add 155 rooms to the property which brings the new total room count to 949.

## 3) New High-End Restaurant and Roasterie

#### Restaurant:

This application proposes to add a new high-end Michael Mina Italian Restaurant for the Fairmont Princess guests as well as surrounding neighbors and the general public. The food, design and atmosphere should allow this to be a real destination and amongst the finest restaurants in the Valley. It will be located on the northwest corner of the existing resort property at the intersection of E. Princess Boulevard and N. Cottage Terrace Drive which is currently being used as a storage/staging area. The concept for the restaurant is an Italian farmhouse re-envisioned in a modern way for the Arizona desert landscape. A series of smaller buildings that are linked together by exterior trellises and connecting hallways help to give the impression that the "farmhouse" was built over many generations and expanded as-needed.

The restaurant will be situated in an orchard of trees with the focus being the central outdoor courtyard around which everything is organized. The buildings total approximately 10,000 square feet of interior space with a rooftop terrace of 1,600 square feet and an additional 4,800 square feet of outdoor dining contained in the central courtyard and south side of the main dining building.

Vehicular access will be mainly off of Princess Blvd onto an arrival drop-off lane. Guest and valet parking will be provided in the existing parking directly to the east of the restaurant. The design of the buildings are a modern take on an Italian farmhouse. The various buildings will each have a slightly different character to them, but share a similar material and color palette. Walls will be comprised of stacked stone, rammed earth, stucco, and wood accents. Large steel & glass windows and doors will open up the solid mass walls to give each building an indoor-outdoor feeling. Aluminum & wood trellises will provide shade along walkways and at building edges, as well as for the 2nd floor terrace dining. The outdoor courtyard will be flanked on 3 sides by buildings and anchored on the north by a long, linear rammed earth landscape wall with small water features trickling water into a long reflecting pool basin at the base of the wall. The courtyard will have decomposed gravel beneath an orchard of trees to help provide natural shade for outdoor dining in addition to making guests feel as if they have been transported to Italy.

Mechanical and electrical equipment will be located on the roof, screened from view where possible, and housed in dedicated rooms within the building. A new loading dock on the southwest corner will be provided for daily deliveries and the trash area will be screened from adjacent neighborhood views with a gate for access when needed.

## Coffee Roasterie:

Princess is proposing a new indoor/outdoor Coffee House or "Roasterie." It will be located at the heart of the existing resort property, nestled between the existing wellness & Spa, La Hacienda restaurant, and guest room towers. The nearest intersection to the proposed site is E. Hacienda Way and N. Cottage Terrace which will be in walking distance to neighboring Maravilla Community. The concept for the coffee house is a central oasis in the middle of the property where guests can get coffee or light bites for morning, afternoon, or night. The

buildings total approximately 4,500 square feet of interior space with a rooftop terrace of 1,200 square feet and an additional 4,800 square feet of outdoor dining dispersed around the ground level.

There will be no direct vehicular access to the Roasterie as it will be surrounded by existing resort buildings and is intended to be used primarily by guests staying on property or people attending conferences. The design of the building will be an unassuming square building with stucco walls around the back-of-house spaces, while the front of the building opens up with large, operable steel & glass window walls that have the ability to open up completely to the expansive outdoor wood deck with terraced secondary decks layered into native landscaping that provide patrons with small pockets of opportunities to enjoy your cup of Joe within nature. A roof terrace with casual seating and landscaped edges will provide an elevated experience to look over the event lawn to the west. A large aluminum and wood trellis reaches out over the deck to provide much needed shade from the desert sun. A water feature and small meandering stream will also add to the dynamic appearance of the landscape and provide guests with a location that acts as an oasis to get out of the desert heat whilst in the heart of the resort.

Mechanical equipment will be located on the roof and screened from view, and electrical equipment will be housed in closets within the building.

# TRAFFIC IMPACTS

With the Princess' continued approach to valet all guest vehicles and provide shuttle access to guest rooms from internal circulation, the neighboring properties will not experience any negative traffic impacts. The large majority of Princess guests (73%) do not have vehicles on the property as they arrive by transportation means other than private or rented vehicles. They utilize the hotel shuttle, taxis, ride-share, or similar transportation methods. Please see Traffic Impact Analysis submitted with this application. Approving the proposed improvements will not create any negative impacts within the surrounding area.

## **PARKING**

Scottsdale Princess has been in operation since 1987 and has historically never had any issues with guest parking. In fact, the Princess typically has a surplus of parking spaces on the property unless there is a special event.

In 2021 the city changed the parking calculation for resorts which now requires each individual use to have separate parking spaces. This is a much more regulatory code which was targeted towards downtown hotels. The new parking calculation does not consider resort operation, particularly a large resort such as Scottsdale Princess. The Princess Resort is unique in all aspects, specifically its size and its isolation. Once guests arrive on the property there is no reason to

leave. (The Resort is adding a new high-quality Italian restaurant to provide its hotel guests greater variety in on-property dining choices.) If guests do leave the resort they tend to utilize the resort's shuttle service or ride service companies such as Uber and Lyft. Very few guests have cars parked on the property (73% of guests historically do not park a vehicle on the property). For the reasons stated above, this application needs a parking reduction from the 2021 parking requirements.

As mentioned, the Princess Resort has been in operation at this location for 36 years. There has never been any parking difficulties, except perhaps the highly popular "Christmas at the Princess" signature event. For this, and similar events, the Princess modifies its parking practices to ensure the Resort has adequate parking to serve all of its guests. Importantly, because of its long history on this property, the Fairmont Princess is keenly aware of their parking needs to successfully operate this one-of-a-kind luxury resort. The proposed uses are the same as the existing and historic uses on the property and the Princess has operational data on each use.

An interesting fact is that large portions of the buildings that contain the ballroom, conference rooms, and meeting rooms are inaccessible to the general public and/or guests. These areas include foyer, pre-function, back-of-house, and service. These non-public areas do not generate a need for parking spaces. Recent, pre-covid records reveal that a very large percentage (92%) of the Princess Resort ballroom, conference room, and meeting room attendees/users are Princess hotel guests. Therefore, the Princess knows that only a minimal percentage of the new ballroom and meeting room attendees will require a parking space; beyond those needed for the hotel guests. One of the dominant reasons for the expansion is that the Resort has discovered that there is not enough conference and ballroom space to serve the existing hotel guest room number. These data have been provided by Resort Management and is documented in the attached Parking Report.

In 2015 the City of Scottsdale approved a parking reduction of 20% for the Princess Resort, under the previous less-restrictive parking code, which allowed the Resort to operate with 1,638 parking spaces on the property. They have been operating with no issues with the current number of spaces for 8 years. In fact, a surplus of parking on a daily basis is revealed on historic aerial images included in the revised August 2023 Parking Report. According to the revised Parking Analysis and Recommendation included with this application, the new improvements will trigger the need for an additional 162 parking spaces for a grand total of 1,800 recommended spaces to continue the Resort's flawless operation. The Princess is actually providing 1,861 spaces which is more than the recommended number of spaces. This is a reduction request of 43% of the parking required under current code, which is justified by the Princess' historical operational and parking data formally provided in the August 2023 Parking Report.

Again, the Princess has been operating for the past 36 years and is very aware of their own parking needs. They have been operating for nearly a decade with essentially a 20% reduction of parking spaces required under current code with no issues. In fact, the Princess is rarely utilizing all existing parking spaces except during special events such as "Christmas at the Princess". During special events the Resort utilizes nearby dealership parking for employee overflow, enhanced valet services, and similar techniques, to accommodate atypical parking needs. Princess Management, along with locally-experienced traffic engineer, Paul Basha, strongly believe that approving the requested 43% reduction in parking spaces will have no negative impact on the Princess operation and no negative impact on the surrounding residential community.

The only resort in the city of Scottsdale similar to the Princess, in terms of luxury, amenities, and isolated location is the Four Seasons Resort west of Alma School Road and south of Dynamite Blvd. Four Seasons currently operates with a 41% parking reduction from the current 2021 code requirements.

The Princess will provide on-surface parking in the front of the new conference center/ballroom, employee parking lot, and East parking lot. Princess is currently processing a Design Review application to replace the existing 474 surface parking spaces in the Valet parking lot with a new multi-level parking garage. The new parking garage along with the existing surface parking is sufficient to accommodate the parking needed for the existing Resort plus the proposed improvements: 949 total rooms, conference center expansion and new restaurant. The revised Parking Report recommends 1,800 parking spaces and this request yields 1,861 parking spaces which exceeds the recommended amount.

Please see Parking Report and Parking Plan submitted with this application for a detailed breakdown of the parking analysis, actual historical operational data, and determination to support this parking reduction request of 43% from current code as shown in the Parking Table below.

PRINCESS EXISTING AND PROPOSED USES AND BUILDING AREAS, AND REQUIRED AND RECOMMENDED PARKING							
		AREA		PARKING			
PROPERTY USE	ZONING CATEGORY	SQUARE FEET	RATE	SPACES			
EXISTING Hotel Rooms	Hotel	751 rooms	1 space-per-room	751			
EXISTING Bourbon	Restaurant	7,328	1 space-per-120- square-feet	62			
EXISTING IAK	Restaurant	8,426	1 space-per-120- square-feet	71			

EXISTING Hacienda	Restaurant	4,753	1 space-per-120- square-feet	40			
EXISTING Spa	Spa	33,500	1 space-per-400- square-feet	84			
EXISTING Conference	Meeting	55,415	1 space-per-50- square-feet	1,109			
NEW Hotel Rooms	Hotel	198 rooms	1 space-per-room	198			
NEW Italian	Restaurant Interior	10,000	1 space-per-120- square-feet	84			
NEW Italian	Restaurant Patio	6,500	1 space-per-350- square-feet	18			
NEW Roasterie	Restaurant Interior	5,444	1 space-per-120- square-feet	46			
NEW Roasterie	Restaurant Patio	2,550	1 space-per-350- square-feet	7			
NEW Conference	Meeting	35,000	1 space-per-50- square-feet	700			
TOTAL REQUIRED (UNDER EXISTING CODE) PARKING SPACES EXISTING PLUS EXPANSION							
TOTAL RECOMMENDED PARKING SPACES:							
REDUCTION OF REQUIRED TO RECOMMENDED PARKING							

# **COMPLIANCE WITH ZONING ORDINANCE**

# **SECTION 5.2104 PLANNED COMMUNITY (PC)**

Section 5.2104 of the City of Scottsdale's Zoning Code outlines the criteria that must be met for the Planning Commission and City Council to approve or amend the PC district.

A. That the development proposed is in substantial harmony with the General Plan and can be coordinated with existing and planned development of the surrounding area.

Response: The proposed improvements will enhance the luxury experience of Scottsdale's Princess Resort while remaining within the existing resort footprint. Furthermore, the conference room expansion and the new guest room wing will be designed in harmony with the existing resort buildings in order to blend effortlessly. The new Italian restaurant will have a feel and look of the "old country" that will also blend with the resort property. All development meets the approved Scottsdale Princess Design Guidelines in the CC&Rs

- and this application has the full support of the Princess Community Association as well as surrounding neighbors.
- B. That the streets and thoroughfares proposed are suitable and adequate to serve the proposed uses and the anticipated traffic which will be generated thereby.
  - Response: The Princess Resort had a thorough traffic a parking analysis prepared by a local expert in Scottsdale traffic matters. The analysis concluded that there will be no negative impacts to the existing roadways or traffic patterns as a result of this application.
- C. The Planning Commission and City Council shall further find that the facts submitted with this application and presented at the hearing establish beyond reasonable doubt that in the case of proposed commercial, education, cultural, recreational and other nonresidential uses that such development will be appropriate in area, location, and overall planning to the purpose intended; and that such development will be in harmony with the character of the surrounding areas.

Response: The proposed improvements are absolutely in harmony with the character of the surrounding area. During the community outreach our team was able to visit with neighbors in the immediate area both to the east and west of the Princess and were quite pleased to hear support for the resort. This application is being submitted as a result of market demand which is wonderful to have high demand since the recent pandemic. The surrounding owners and neighbors fully embrace and appreciate the reputation of the Princess and support its continued success. The improvements were discussed in full detail with surrounding neighbors as well as the reasonings behind the need for improvements. This amendment to the development plan is harmonious with the character of the surrounding area and benefits the Resort, city of Scottsdale, and surrounding community.

### COMPLIANCE WITH CITY OF SCOTTSDALE'S 2035 GENERAL PLAN

This request is in compliance with the City's 2035 General Plan goals and objectives. The vision of Scottsdale is to continue to be an exceptional Sonoran Desert experience and premier international destination and the General Plan helps to guide that vision.

#### CHARACTER AND DESIGN ELEMENT

Goal CD1: Determine development appropriateness

Response: This application carefully considers many of the policies listed within this Goal by designing improvements and buildings with neighboring uses in mind. These improvements will relocate the Event Lawn further away from neighbors to the west by centralizing the lawn to be more useful for the improved conference center. Furthermore, this amendment will replace the existing equipment storage located on the corner of Princess and Cottage Terrace Lane with a world-class Italian restaurant that will transport hotel and non-hotel guests to a new country through design and architectural elements.

Goal CD3: Foster quality design

Response: Fairmont Scottsdale Princess Resort is already established as a premier resort destination in the City of Scottsdale. The existing resort is sprawled across acres of property bounded on the south by the infamous TPC Golf Course and Arizona State Land on the north. The resort itself is located between Scottsdale Road and Hayden Road with vacant state land property immediately north. Improving the grounds of the resort is absolutely appropriate and necessary from time to time to keep the resort up-to-date and competitive with other resorts in nearby jurisdictions. Like the City of Scottdale, the Princess Resort has an impeccable reputation for being world-class destination; thus, the quality of design for the new buildings and restaurants are of the highest architectural standard. In fact, the Princess has hired several of the leading hospitality architectural firms in the country to lead the design efforts for this amendment.

# Goal CD6: Minimize light and noise pollution

Response: As mentioned above, this amendment is relocating the existing Event Lawn further away from immediate neighbors and internalizing. This will reduce light and noise emissions from the Princess Resort and has been well received by the neighboring community.

#### LAND USE ELEMENT

#### Goal LU1: Enhance economic viability and character

Response: The Princess Resort exudes economic viability and benefits for the City of Scottsdale. It can be stated that the Princess is the top resort destination within the city that supports the city's tourism business but also provides accommodations and events for local and nearby residents. This request will only add to the level of character and quality of the area. Princess Resort promotes world-class quality in every aspect of the property and this application will only enhance the Princess experience by replacing surface parking with an indoor parking structure, relocating and renovating the Event Lawn, adding much-needed hotel rooms and conference center expansion, and adding a five star Italian restaurant experience to the grounds.

#### Goal LU3: Maintain a balance of land uses

Response: These improvements to the Princess resort maintain a balance of land uses by incorporating a plethora of accommodations for guests and visitors. The property provides travel accommodations with an abundance of onsite amenities for both business and pleasure. Guests can enjoy a number of restaurants on the property as well as a new centralized Roasterie. The new additions offer something for everyone – there is no reason to leave the resort property.

Goal LU6: Improve economic well-being

Response: Arizona boasts numerous world-class resort properties and some of them are located in other nearby cities. The Princess Resort is at the top of the "best places to stay" list; however, the proposed improvements are necessary and justified to maintain and even elevate the Princess' impeccable reputation in this highly competitive hospitality market.

#### COMPLIANCE WITH GREATER AIRPARK CHARACTER PLAN

The City of Scottsdale uses Character Area Plans to provide development policy and direction specific to certain areas of the city. Character Plans are components that focus on General Plan long range goals. Scottsdale Princess Resort is located within the Greater Airpark Character Plan ("GACP") which includes all properties north of the CAP canal.

The GACP appropriately designates the Princess property as "Regional Tourism" (RT). Regional Tourism encourages the enhancement of major event facilities within the city of Scottsdale such as WestWorld. RT provides development flexibility when appropriate for tourist accommodations like Scottsdale Princess Resort. There is no other resort in Scottsdale like Princess Resort. Approval of this application and the proposed improvements to the resort property is justified based on the Resort's uniqueness and historic 36 year operation.

GOAL LU1: Maintain and expand the GACP's role as a national and international economic destination through appropriate land uses, development and revitalization.

Policy LU1.1 – Maintain and expand the diversity of land uses in the Greater Airpark.

Policy LU1.2 – Support a mix of uses that promote sense of community and economic efficiency, such as clustering supportive uses.

Policy LU1.4 – Encourage redevelopment of underutilized land to more productive uses.

Response: This amendment proposes much-needed improvements to the Princess Resort grounds. The resort has been operating for 36 years and has built a global reputation as a top luxury resort in the city of Scottsdale as well as in Arizona. Approving this amendment will allow the Princess to revitalize the site by relocating and enhancing the Event Lawn, adding new accommodations and more conference meeting space, and transforming a vacant parcel into a five-star Italian restaurant. All of these proposed improvements will provide support to the resort, encourage the redevelopment of underutilized land to more productive use, and keep the Princess at the top of the list in this highly competitive market.

#### **COMMUNITY INVOLVEMENT**

Community Involvement has always been and is still extremely important to Scottsdale Princess as they take great pride in being good neighbors and partners in the community. The resort is located in between Maravilla Community to the west, Holiday Inn Club to the east and Crown Point Estates to the southeast. Resort Management reached out to all of their neighboring properties to inform them of the proposed improvements to the resort. In fact, the Applicant team held an Open House meeting at the Princess on January 18, 2023 to present the improvements to a room full of neighbors. Nineteen neighbors attended the meeting to learn about the proposed enhancements to the Resort. The improvements were met with much excitement by all the neighbors as they understand that the continued success of the Princess Resort equates to the success for the entire community. Neighbors also acknowledged that these improvements are necessary for the Princess to remain a luxury hospitality leader amongst other competitive resorts in nearby jurisdictions. Letters in support along with email communication are provided in the updated Citizen Participation Report.

#### **SUMMARY**

The Princess has always set a standard of excellence and provided meaningful contribution to Scottsdale's glowing reputation as a luxury vacation and corporate destination. While the Resort attracts visitors (families, business professionals, and celebrities) from around the world, they have also always remained engaged and special to local residents — from their award-winning restaurants to their annual "Christmas at the Princess," the Princess is a real local tradition. This amendment and the resulting enhancements will allow the Princess to continue to be ranked on the list of luxury resorts in the world and remain competitive with both business and tourist travel in and around the Valley. This application respectfully requests approval of the following:

- 1) Amend the Development Plan to include a new ballroom, conference rooms, new Guest wing (155 rooms), new five-star Italian restaurant, and internal Roasterie;
- 2) Amend the maximum height from 36 feet to 48 feet;
- 3) Parking to require 162 additional spaces for a total of 1,800 space recommended.