

RESOLUTION NO. 2011-10

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, APPROVING A SECOND AMENDMENT TO DEVELOPMENT AGREEMENT WITH PACIFIC FH RESORT, LLC.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS as follows:

SECTION 1. The Second Amendment to Development Agreement (Fountain Hills Resort) by and between Pacific FH Resort, LLC, as successor in interest to FH Resort Developers L.L.C., and the Town of Fountain Hills (the "Second Amendment") is hereby approved in the form attached hereto as Exhibit A and incorporated herein by reference.

SECTION 2. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to cause the execution of the Second Amendment and to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED BY the Mayor and Council of the Town of Fountain Hills, March 17, 2011.

FOR THE TOWN OF FOUNTAIN HILLS:

ATTESTED TO:



Jay T. Schlum, Mayor



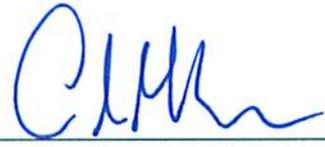
Bevelyn J. Bender, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:



Richard L. Davis, Town Manager



Andrew J. McGuire, Town Attorney

**EXHIBIT A
TO
RESOLUTION NO. 2011-10**

[Second Amendment to Development Agreement Fountain Hills Resort]

See following pages.

**SECOND AMENDMENT
TO
DEVELOPMENT AGREEMENT
(Fountain Hills Resort)**

THIS SECOND AMENDMENT TO DEVELOPMENT AGREEMENT (this "Second Amendment") is made as of February 17, 2011 (the "Effective Date"), by and between the Town of Fountain Hills, an Arizona municipal corporation (the "Town") and Pacific FH Resort, LLC, an Arizona limited liability company ("Pacific FH"), as successor in interest to FH Resort Developers, L.L.C., an Arizona limited liability company ("FH Resort"). The Town and Pacific FH are referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

A. The Town and Fountain Vista Properties, LLC, an Arizona limited liability company ("Fountain Vista"), are Parties to that certain Development Agreement dated March 3, 2003 and recorded at Document Number 2003-0365140 in the Maricopa County Recorder's Office (the "Original Development Agreement"), as amended by that First Amendment to Development Agreement dated June 7, 2007, by and between the Town and Fountain Vista's successor-in-interest, FH Resort ("FH Resort"), which was authorized by the Town Council by Resolution No. 2007-04 and recorded at Document Number 2007-0699965 in the Maricopa County Recorder's Office (the "First Amendment"). The Original Development Agreement and the First Amendment are hereinafter referred to together as the "Development Agreement."

B. The Development Agreement governs the development of the property legally described on Exhibit 1A attached hereto and incorporated herein by this reference (the "Property").

C. Pacific FH has succeeded to the interest of FH Resort in and to the Property as well as its interest in the Development Agreement pursuant to that certain Trustee's Deed Upon Sale by and between FH Resort, as Trustor, and Pacific Coach, Inc., an Arizona corporation ("Pacific Coach"), as Grantee, dated October 29, 2008 and recorded at Document Number 2008-0935968 in the Maricopa County Recorder's Office and that certain Special Warranty Deed dated October 29, 2008 by and between Pacific Coach, as Grantor, and Pacific FH, as Grantee, and recorded at Document Number 2008-1042953 in the Maricopa County Recorder's Office, true and correct copies of which documents are attached hereto as Exhibit 2A and incorporated herein by this reference. All references to the "Owner" in the Development Agreement hereinafter refer to Pacific FH.

D. The Town and Pacific FH desire to amend certain portions of the Development Agreement on the terms and conditions set forth below.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the promises and covenants set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Town and Pacific FH agree to amend the Development Agreement as follows:

1. R-4 Zoning Designation. The phrase "eliminating all R-4 zoning category uses from the Property" in Recital E of the First Amendment shall be deleted and replaced with the phrase "eliminating the R-4 zoning designation for the Property."

2. Commencement of Construction Deadline. Section 10 of the Development Agreement is hereby amended to provide that the Owner shall commence construction with respect to the Resort as soon as market conditions permit and market demand supports such construction, but in no event later than the date that is five (5) years following the Effective Date of this Second Amendment.

3. Roadway Improvements: Traffic Signal. The Town and Owner agree that the Owner's obligations to (a) complete any off-site roadway improvements and utility improvements and (b) install a traffic signal at the location shown on Exhibit 3 to the First Amendment at a time and in a manner acceptable to the Town Engineer, shall be required to be completed not earlier than the date on which the first permit is issued for construction on the Property.

4. Architectural Approvals. Section 12 of the First Amendment is hereby deleted in its entirety and replaced with the architectural requirements set forth in this Section 4. In addition to the requirements of Chapter 19 of the Town's Zoning Ordinance and as soon as practicable following approval of this Second Amendment, the Owner shall submit to the Town for its approval such elevation drawings and architectural renderings deemed desirable by the Town, showing all of the building design characteristics for the Resort, including but not limited to, colors, architectural treatments and details, building massing and composition, building orientation, signage, monumentation, and surface treatments for exposed retaining walls.

5. Parking Requirements. The Parties hereby acknowledge and agree that pursuant to the findings set forth in that certain Fountain Hills Conference Resort and Spa Parking Evaluation dated October 2006, which is attached hereto as Exhibit 3A and incorporated herein by reference (the "Parking Evaluation"), a total of 665 parking spaces will be required and will be sufficient to meet the parking requirements for the Property if developed as approved in the site plan for the Resort dated April 6, 2007 (the "Approved Site Plan"). The Parties specifically agree and understand that, in the event the Approved Site Plan is modified in any way that will affect parking requirements, the Parking Evaluation shall be updated to address any such changes. Upon completion of the updated Parking Evaluation, the Town Council shall determine, in its sole discretion, whether additional parking may be required. If the Town Council determines that such additional parking is required, such amended requirements shall become a condition of approval of the Resort as if fully set forth in this Second Amendment.

6. Effect of Amendment. Except as otherwise contained herein, the remaining terms and provisions of the Development Agreement shall remain in full force and effect and are otherwise hereby ratified and confirmed. All capitalized terms used in this Second Amendment shall have the meanings ascribed to them in the Development Agreement unless otherwise indicated herein. In the event of any conflict between the terms and conditions of this Second Amendment and the terms and conditions of the Development Agreement, the terms and conditions of this Second Amendment shall control, unless a contrary interpretation is required by a particular situation or circumstance.

7. **Entitlements.** Notwithstanding anything to the contrary set forth in the Development Agreement, in consideration of the substantial expenditures by the Owner and in consideration of the substantial sales, hotel bed and board taxes to be generated from the Property from the construction of the Resort and the subsequent operation of the Resort on the Property, the Town shall not initiate a rezoning of the Property for a period of five (5) years from the Effective Date of this Second Amendment provided that Owner, its successors and assigns, are not in breach of the Development Agreement and so long as they have not violated the terms and conditions of the Approvals. Entitlements granted by ordinance # 07-06, PD2005-3, and SU 2005-5 shall remain in full force and effect for the entire time period in which this Second Amendment is effective.

8. **Non-Default.** By executing this Second Amendment, Pacific FH, on behalf of itself and in its role as successor to FH Resorts and as Owner of the Property, affirmatively asserts that the Town is not currently in default, nor has been in default at any time prior to this Second Amendment, under any of the terms or conditions of the Development Agreement.

9. **Counterparts.** This Second Amendment may be executed in any number of counterparts, all of which together shall be deemed to constitute one instrument, and each of which shall be deemed an original. In addition, the Parties acknowledge and agree that facsimile signatures shall be deemed valid and binding, and thereafter, upon request of either Party, each Party agrees to deliver original signed copies of this Amendment to the other Party.

10. **Waiver of Claims Pursuant to ARIZ. REV. STAT. § 12-1134 et seq.** Pacific FH, on behalf of itself and all other parties having an interest in the Property, agrees and understands that the Town is entering into this Second Amendment in good faith and with the understanding that, if it acts consistently with the terms and conditions herein, it will not be subject to a claim for diminished value of the Property from Pacific FH or other parties having an interest in the Property. Pacific FH agrees and consents to all the conditions imposed by the Second Amendment, including all stipulations adopted by the Town Council, and by signing this Second Amendment hereby waives any and all claims, suits, damages, compensation and causes of action Pacific FH may have now or in the future under the provisions of ARIZ. REV. STAT. §§ 12-1134 through and including 12-1136, as amended (but specifically excluding any provisions included therein relating to eminent domain) and resulting solely from the development of the Property consistent with this Second Amendment, the First Amendment and the Original Agreement (including all stipulations adopted by the Town Council). Pacific FH acknowledges and agrees that the conditions imposed by this Second Amendment (including all stipulations adopted by the Town Council) or a denial of the Second Amendment would not result in a reduction of the fair market value of the Property as defined in ARIZ. REV. STAT. § 12-1136. Pacific FH acknowledges that this Second Amendment may be adopted with stipulations imposed by the Town Council, in its sole discretion, prior to approval of the Second Amendment. Pacific FH agrees and understands that its waiver of claims as set forth herein shall be deemed to extend to cover any changes to the Second Amendment and all stipulations thereto as approved by the Town Council unless, not later than 48 hours following such Town Council approvals, Pacific FH notifies the Town, in writing, of its disagreement with such stipulation(s). In the event that Pacific FH timely notifies the Town of such disagreement, Pacific FH shall not be deemed to have waived claims with respect to only the stipulations imposed or revised by the Town Council prior to approval of the Second Amendment; provided, however, that if Pacific FH does not submit a separate waiver of such claims, in a form acceptable to the Town, prior

to close of business on the fifth calendar day following approval of the Second Amendment, then the Town may, after proper notice and hearing, rescind the resolution adopting the Second Amendment, and if rescinded by the Town Council acting in its sole discretion, this waiver shall act as a bar to a claim for diminished value based upon the rescinded Second Amendment. The foregoing waiver of claims shall not be effective and shall be of no further force and effect with respect to the Second Amendment in the event the Town Council disapproves the Second Amendment.

11. Conflict of Interest. This Second Amendment may be cancelled pursuant to ARIZ. REV. STAT. § 38-511.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the day and year first written above.

“Owner”

PACIFIC FH RESORT, LLC,
an Arizona limited liability company

By: 
Name: Andrew M. Cohn.
Title: Vice President of Pacific Coast, Inc.

“Town”

TOWN OF FOUNTAIN HILLS,
an Arizona municipal corporation

By: 
Jay T. Schlum, Mayor

ATTEST:


Bevelyn J. Bender, Town Clerk

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On _____, 2011, before me, _____, a Notary Public in and for said State, personally appeared Jay T. Schlum, the Mayor of the Town of Fountain Hills, an Arizona municipal corporation, for and on behalf of the corporation.

WITNESS my hand and official seal.

Notary Public

My commission expires:

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On March 16, 2011, before me, RUTH ELLEN MURI, a Notary Public in and for said State, personally appeared ANDREW COHN, personally known to me (or proved to me on the basis of satisfactory evidence) to be the VICE PRES. OF PACIFIC COAST FC, LLC. of Pacific FH Resort, LLC, an Arizona limited liability company, and that he, as such officer, being authorized to do so, executed the foregoing instrument on behalf of the company, for the purposes therein contained.

WITNESS my hand and official seal.

Ruth Ellen Muri

Notary Public

My commission expires:

10/26/12



**EXHIBIT 1A
TO
SECOND AMENDMENT TO
DEVELOPMENT AGREEMENT**

[Legal Description of the Property]

Please see following pages.

Wood, Patel & Associates, Inc.
(480) 834-3300
www.woodpatel.com

April 25, 2007
WP#052381.01
Page 1

EXHIBIT 1
PARCEL DESCRIPTION
Fountain Hills Resort
Lot 1 and Tract A

Lot 1 and Tract A of Fountain Hills Resort as shown on the final plat recorded in Book 597, page 42, Maricopa County Records (M.C.R.), lying within Sections 20, 21, 28 and 29, Township 3 North, Range 6 East of the Gila and Salt River Meridian, Maricopa County, Arizona.

Containing 59.5852 acres, or 2,595,532 square feet of land, more or less.

Subject to existing rights-of-way and easements.

This parcel description was prepared without the benefit of survey fieldwork and is based on the Final Plat of Fountain Hills Resort recorded in Book 597, page 42, M.C.R. and other client provided information. Any monumentation noted in this parcel description is based on said Final Plat.

\\Parcel Descriptions\652381.01 Fountain Hills Resort Lot 1 and Tract A.doc



EXHIBIT 2
PARCEL DESCRIPTION
Fountain Hills Resort
Lot 2

That portion of Lot 1 of Fountain Hills Resort as shown on the final plat recorded in Book 597, page 42, Maricopa County Records (M.C.R.), lying within Sections 20, 21, 28 and 29, Township 3 North, Range 6 East of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the northerly most corner of said Lot 1;
THENCE along the northeasterly line of said Lot 1, South 39°25'44" East, a distance of 236.54 feet, to the **POINT OF BEGINNING**.
THENCE continuing, South 39°25'44" East, a distance of 803.46, feet to the northeast corner of said Lot 1;
THENCE leaving said northeasterly line, along the east line of said Lot 1, South 04°00'42" West, a distance of 425.00, to the southeast corner of said Lot 1;
THENCE leaving said east line, along the southerly line of said Lot 1, South 71°19'44" West, a distance of 687.06 feet;
THENCE leaving said southerly line, North 16°36'24" West, a distance of 253.13 feet;
THENCE North 73°33'17" East, a distance of 104.92 feet;
THENCE North 73°23'31" East, a distance of 44.33 feet;
THENCE North 74°03'03" East, a distance of 20.29 feet;
THENCE North 64°02'47" East, a distance of 30.29 feet;
THENCE North 49°38'22" East, a distance of 42.19 feet;
THENCE North 41°12'33" East, a distance of 47.86 feet;
THENCE North 35°29'04" East, a distance of 37.33 feet;
THENCE North 34°46'40" East, a distance of 22.09 feet;
THENCE North 23°47'58" East, a distance of 7.86 feet;
THENCE North 12°56'10" East, a distance of 10.86 feet;
THENCE North 14°53'14" East, a distance of 14.70 feet;
THENCE North 15°45'33" East, a distance of 54.54 feet;
THENCE North 15°06'10" East, a distance of 73.62 feet;
THENCE North 15°17'09" East, a distance of 86.47 feet;
THENCE North 14°56'35" East, a distance of 36.15 feet;
THENCE North 15°49'52" East, a distance of 48.18 feet;
THENCE North 15°42'58" West, a distance of 78.80 feet;
THENCE North 15°27'21" West, a distance of 65.26 feet;
THENCE North 24°24'24" West, a distance of 30.21 feet;
THENCE North 29°39'30" West, a distance of 41.96 feet;

Parcel Description
Fountain Hills Resort
Lot 2

April 25, 2007
WP# 052381.01
Page 2 of 2

THENCE North 38°59'25" West, a distance of 48.28 feet;
THENCE North 46°52'00" West, a distance of 27.42 feet;
THENCE North 54°40'55" West, a distance of 84.82 feet;
THENCE North 52°33'13" West, a distance of 132.34 feet;
THENCE North 22°29'11" East, a distance of 23.20 feet;
THENCE North 52°22'57" East, a distance of 194.44 feet, to the POINT OF BEGINNING.

Containing 9.9121 acres, or 431,771 square feet of land, more or less.

Subject to existing rights-of-way and easements.

This parcel description was prepared without the benefit of survey fieldwork and is based on the Final Plat of Fountain Hills Resort recorded in Book 597, page 42, M.C.R. and other client provided information. Any monumentation noted in this parcel description is based on said Final Plat.

Y:\Parcel Descriptions\052381.01 Fountain Hills Resort Lot 2.doc



**EXHIBIT 2A
TO
SECOND AMENDMENT TO
DEVELOPMENT AGREEMENT**

[Assignment Documents]

Please see following pages.

Unofficial Document

TS No. 98080692
WHEN RECORDED MAIL TO:
Pacific Coach, Inc.
1701 East Highland, #310
Phoenix, AZ 85016

11

TRUSTEE'S DEED UPON SALE

Effective Date: October 29, 2008

Trustee:
LANDAMERICA TITLE AGENCY INC., an Arizona corporation,
2901 E. CAMELBACK ROAD
PHOENIX, AZ 85016

Grantee:
Pacific Coach, Inc., an Arizona Corporation
1701 East Highland, #310
Phoenix, AZ 85016

Property Address: At or near Palisades Blvd., and Shea Blvd., Fountain
Hills, AZ
Maricopa COUNTY. Tax Parcel Number 176-14-560 and 176-14-561

Legal Description:
Lot 1 and Tract A, Fountain Hills Resort, According to Book 597 of
Maps, page 42, Records of Maricopa County, Arizona.

Trustee, as Trustee of the Deed of Trust described below, grants and
conveys to Grantee, without covenant or warranty, expressed or implied, all
right, title and interest of Trustee in Subject Real Property together with
all rights and privileges appurtenant or to become appurtenant to Subject
Real Property on effective date.

This Deed is made pursuant to the authority and powers given to Trustee by
ARS Section 33-807 et.seq. and by that certain Deed of Trust described
below, Trustee having complied with all applicable statutory provisions and
having performed all the duties under Deed of Trust. All requirements of
ARS Section 33-807 et. seq. and of the Deed of Trust relating to sale and
notice have been complied with.

EXEMPT per ARS 11-1134-B1

TS No. 98080692

Description of Deed of Trust

Date: May 9, 2007

Recorded Date: May 15, 2007

Trustor: FH RESORT DEVELOPERS, L.L.C., An Arizona Limited Liability Company

Original Beneficiary: Sir Mortgage and Finance of Arizona, Inc., an Arizona corporation

County: Maricopa

Instrument Number 2007-0564780, thereafter assigned in Instrument Number 2007-0564781

Pursuant to the Notice of Trustee's Sale, Subject Real Property was sold by Trustee at public auction on this Date: October 29, 2008, at the place specified in the Notice, to Grantee, who was the highest bidder for Subject Property, for \$7,000,000.00 cash, in lawful money of the United States, which has been paid.

Unofficial Document

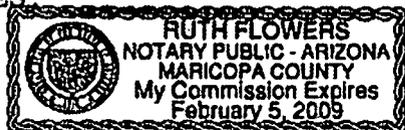
LandAmerica Title Agency, Inc., an Arizona corporation, successor by merger to Capital Title Agency Inc., an Arizona corporation, as Trustee

BY: Jane Kirk
Jane Kirk
ITS: Trustee Sale Officer

STATE OF ARIZONA
COUNTY OF MARICOPA

The foregoing instrument was acknowledged before me October 29, 2008, by Jane Kirk, the Trustee Sale Officer of LandAmerica Title Agency, Inc., an Arizona corporation, successor by merger to Capital Title Agency Inc., an Arizona corporation, on behalf of the corporation.

MY COMMISSION EXPIRES:



Ruth Flowers
NOTARY PUBLIC

Unofficial Document

WHEN RECORDED, MAIL TO:

David Lansky
Mariscal, Weeks, McIntyre & Friedlander, P.A.
2901 North Central Avenue, Suite 200
Phoenix, Arizona 85012

SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars (\$10.00) and other valuable considerations received, **PACIFIC COACH, INC.**, an Arizona corporation ("**Grantor**"), hereby grants, sells and conveys to **PACIFIC FH RESORT, LLC**, an Arizona limited liability company ("**Grantee**"), that real property located in Maricopa County, Arizona and legally described in Exhibit "A" attached hereto and incorporated herein by this reference; together with all of Grantor's right, title and interest in and to any rights, privileges, rights-of-way and easements appurtenant thereto (the "**Property**").

SUBJECT ONLY TO current taxes, assessments, reservations, liens, liabilities, encumbrances, covenants, conditions, restrictions, declarations, rights of way and easements of record.

GRANTOR hereby binds itself and its successors and assigns to warrant and defend for the benefit of Grantee and its successors and assigns the title against all acts of Grantor, and none other, subject to the matters set forth above.

IN WITNESS WHEREOF, this Deed is effective as of the 29th day of October 2008.

SIGNATURES ON NEXT PAGE

Exhibit "A"
to
Special Warranty Deed
Legal Description

Lot 1 and Tract A, Fountain Hills Resort, According to Book 597 of Maps, page 42, Records of Maricopa County, Arizona.

theField Document

EXHIBIT 3A
TO
SECOND AMENDMENT TO
DEVELOPMENT AGREEMENT

[Parking Evaluation]

Please see following pages.

Fountain Hills Conference Resort and Spa

Parking

Parking Provide

Resort Parking		
Surface	138	
Underground Garage	<u>450</u>	
Total Resort Parking		588
Penthouse Parking		
Penthouse Garages	72	
Surface Parking	<u>8</u>	
Total Penthouse Parking		<u>80</u>
Total Parking Provided		668

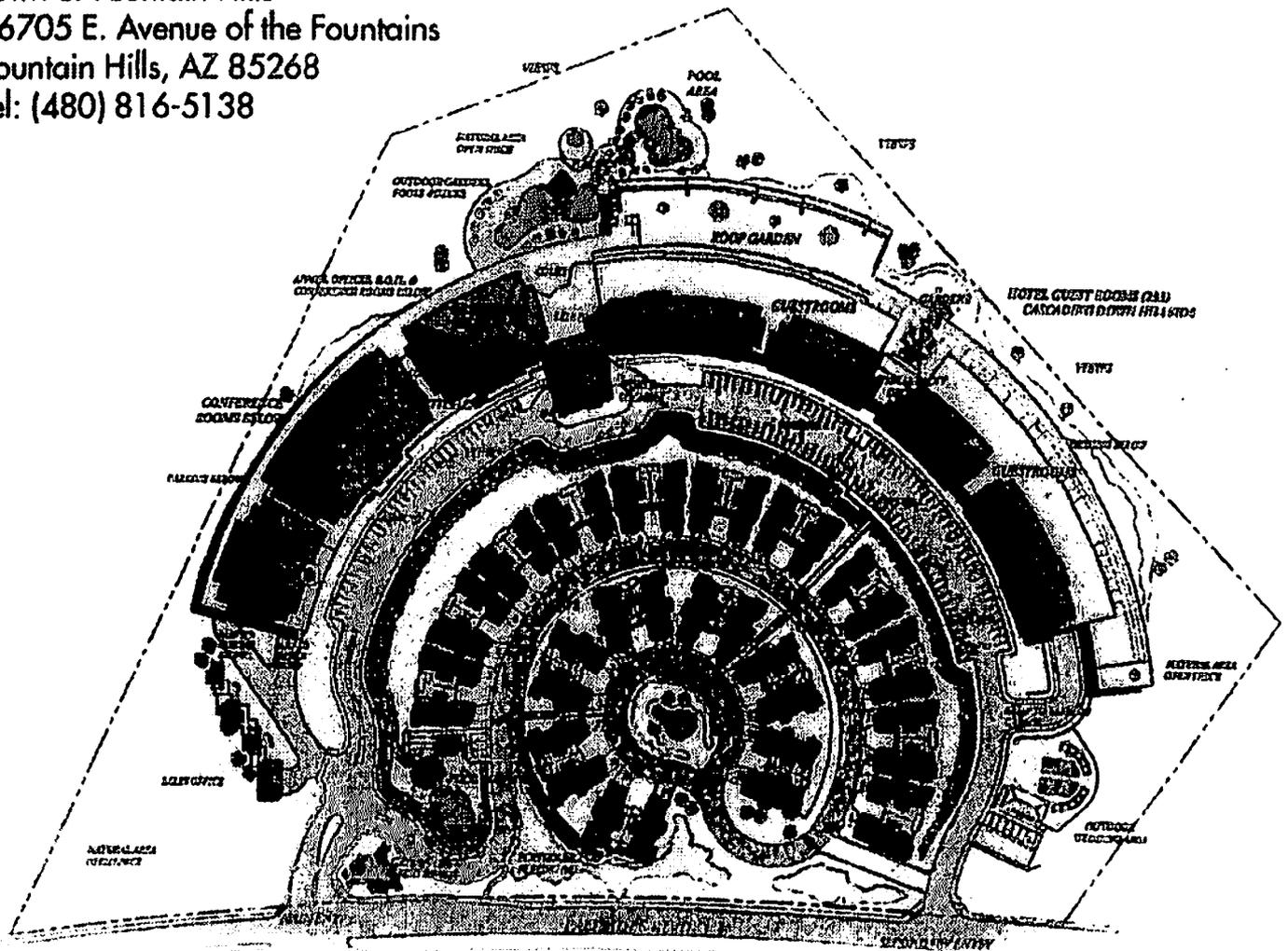
Parking Needed

Resort Parking	585
Penthouse Parking	<u>80</u>
Total Parking needed	665

Fountain Hills Conference Resort & Spa

Parking Evaluation

Prepared for:
Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills, AZ 85268
Tel: (480) 816-5138



the
CK
Group, Inc.

the CK Group, Inc.
16448 N. 40th Street, Suite A
Phoenix, AZ 85032-3337
Tel: (602) 482-5884

October 2006
2006-35TE

Fountain Hills Conference Resort & Spa Parking Evaluation

Prepared for:



Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills, AZ 85268
Tel:(480) 816-5138

Prepared by:



16448 N. 40th Street, Suite A
Phoenix, Arizona 85032-3337
Tel: (602) 482-5884



October 2006
2006-35TE

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- Appendix B Survey Questionnaires

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1 INTRODUCTION

This report documents findings of the Parking Evaluation conducted by the CK Group, Inc. (CK) for the proposed Fountain Hills Conference Resort & Spa development along Palisades Boulevard in Fountain Hills, Arizona. CK was retained by the Town of Fountain Hills to conduct an independent evaluation of the parking requirements for the proposed development.

1.1 Background

According to the site plan provided by Group West Companies, LLC, Fountain Hills Conference Resort & Spa is planned as a resort conference hotel with 233 guest suites, 22,500 square feet of conference space (including 12,500 square feet of meeting space and 10,000 square feet of ballroom space), approximately 6,500 square feet of restaurant/lounge, and other amenities such as entertainment decks, pools, and gardens. The resort also includes 36 penthouse units that would be located in front of the project site. The site plan also shows a total of 506 on-site parking spaces including 138 surface stalls, 288 garage stalls, 72 penthouse garages, and 8 penthouse surface stalls. A conceptual site plan for the proposed development is shown in Figure 1.

Circulation Plan Report prepared earlier by Wood, Patel & Associates, Inc. in October 2005 recommends 474 total parking spaces for the development including 72 for the 36 penthouse units based on shared parking analysis. Excerpts from the Circulation Report are included in Appendix A. The Town's parking ordinance recommends that the off-street parking for a mixed-use development should be computed as the sum of parking requirements for various land uses computed separately, which yields a total parking space requirement of 870 spaces.

1.2 Study Objective

The primary objective of this study is to conduct an independent evaluation of the parking requirements for the proposed development and recommend appropriate number of parking spaces required for the development. The study is intended to assist the Town in making an informed decision before approval of the final plans of the development.

1.3 Study Methodology

To fulfill the study objective of providing an independent evaluation of the parking requirements for the proposed development, parking surveys were conducted at similar resort sites in Arizona. Seven (7) resort sites were selected for parking surveys based on their similarity (guest rooms, conference space, amenities) with the proposed project. While "sold

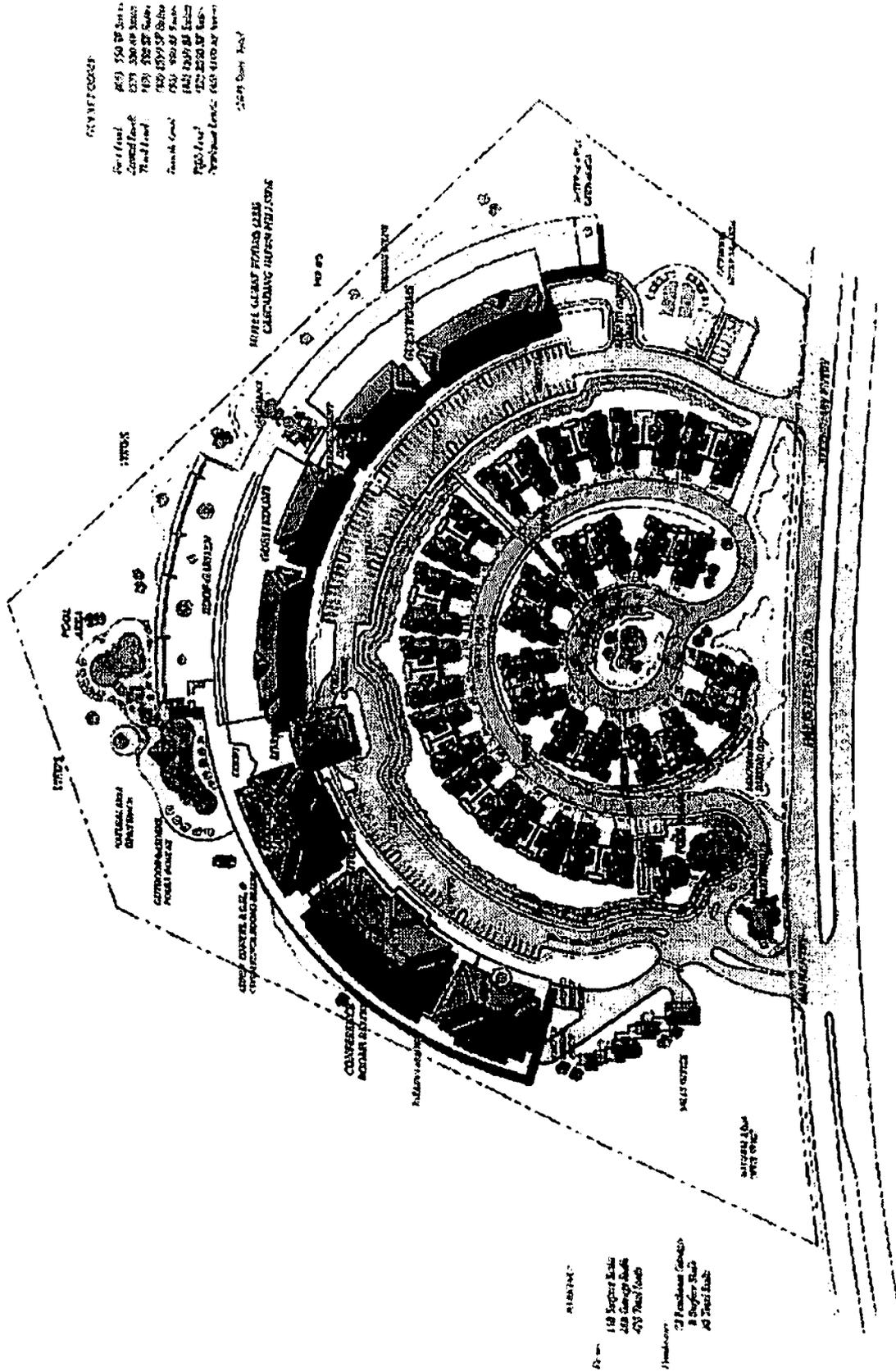


Figure 1: Proposed Site Plan

Source: Group West Companies LLC

Fountain Hills Conference Resort & Spa
Parking Evaluation



out" events at the selected resort sites were impossible to capture given the timeframe for this study, an attempt has been made to conduct parking occupancy surveys during weekdays and weekends during major activity periods. Interviews were also conducted over the phone with the resort staff regarding their parking problems. In addition, national parking standards including those published by the Institute of Transportation Engineers (ITE) and the Urban Land Institute (ULI) were investigated to determine parking requirements for the project. Parking requirement recommendations for the proposed development were then made based on the parking survey results and the industry standard parking rates.

Because of the unique characteristics of the penthouse units for possible long-term stays and layout on the site plan, the units are not included in the parking evaluation. It was assumed that the proposed 36 penthouse units would be self-contained through the proposed 80 parking stalls.

2 DATA COLLECTION

The data collection effort included selection of resort sites for parking surveys, phone interviews with resorts' representatives regarding their parking issues during major events, and parking occupancy surveys. In addition, the Institute of Transportation Engineers (ITE) and the Urban Land Institute (ULI) parking standards were researched to investigate the parking requirements for the proposed project.

2.1 Similar Resort Sites

Seven (7) resort sites in Arizona were selected to conduct parking surveys: three (3) in Scottsdale, one (1) in Carefree, two (2) in Tucson, and one (1) in Prescott. These sites were selected based on their similarity with the project site such as to the number of guest rooms, square feet of total meeting space, ratio of guest rooms to square feet of meeting space, property type and other amenities. The proposed development has 233 guest suites with 22,500 square feet of total meeting/conference space. This calculates to 9.91 as the ratio of guest rooms per 1,000 square feet of meeting space. The ratio of guest rooms to the total meeting space was an important factor in the resort sites selection process.

Table 1 summarizes the size of meeting space, number of guest rooms, on-site parking inventory, other resort amenities, overflow parking provision, and existence of parking problems for the seven (7) resort sites selected for parking surveys. The information presented in Table 1 was obtained by conducting interviews over the phone with the resort representatives. Although every effort has been made to present accurate information in the table, CK is not responsible for any misconstrued information obtained from the resort staff during the interviews. Completed parking survey questionnaires are attached in Appendix B. Parking occupancy, at four (4) of the seven (7) sites, is also presented in the table that will be further discussed in Section 2.2.

2.2 Parking Occupancy Surveys

While "sold-out" events at the selected resort sites were not possible to capture given the timeframe for this study, an attempt has been made to conduct parking occupancy surveys during weekdays and weekends during major activity periods. Of the seven (7) resorts only four (4) resorts i.e., Carefree Resort & Villas, Doubletree Paradise Valley Resort, Hilton Scottsdale Resort & Villas and Hyatt Regency Resort & Spa at Gainey Ranch were selected in the greater Phoenix Area to conduct parking surveys. Westward Look Resort in Tucson and Prescott Resort Conference Center had no major events scheduled during the study period. The phone survey revealed that JW Marriott Starr Pass Resort & Spa in Tucson was experiencing severe parking problems during major events even though they utilize overflow parking. No occupancy survey was conducted at the resort site to validate the problem.

Table 1 Summary of Surveyed Resort Sites

Resort Name	Resort Characteristics				Parking Characteristics				
	Meeting Space (KSF)	Guest Rooms	Rooms per KSF of Meeting Space	Other Amenities	On-Site Parking	Parking per KSF of Meeting Space	Overflow Parking Exists	Parking Occupancy ¹	Parking Problems Exist
Fountain Hills Resort (proposed)	22.5	233	10.4	Bar, Conference Center, Restaurant, Spa	426	18.9	No	N.A	N.A
Carefree Resort & Villas - Carefree	34	465	13.7	Bar, Conference Center, Restaurant, Spa	240	7.1	No	42.5%	Nil
Doubletree Paradise Valley Resort - Scottsdale	30	378	12.6	Bar, Conference Center, Restaurant, Spa	500	16.7	Yes	47.0%	Rare
Hilton Scottsdale Resort & Villas - Scottsdale	23	187	8.1	Bar, Conference Center, Restaurant, Spa	325	14.1	Yes	75.0%	Frequent
Hyatt Regency Resort & Spa - Scottsdale	35	490	14.0	Bar, Conference Center, Restaurant, Spa	900	25.7	No	44.1%	Nil
Westward Look Resort - Tucson	20	244	12.2	Bar, Conference Center, Restaurant, Spa	470	23.5	Yes	Not Collected ²	Rare
Prescott Resort Conference Center - Prescott	14	160	11.4	Bar, Casino, Conference Center, Restaurant, Spa	527	37.6	No	Not Collected ²	Nil
JW Marriott Starr Pass Resort & Spa - Tucson	88	575	6.5	Bar, Conference Center, Golf, Restaurant, Spa	500	5.7	Yes	Not Collected ³	Frequent

Notes:

1. Parking occupancy reported is the maximum occupancy over the study period
2. Parking occupancy survey not conducted since no major activity was reported during the study period
3. Parking occupancy survey not conducted since parking issues became evident through phone interviews

Sources: Carefree Resort & Villas, Doubletree Paradise Valley Resort, Hilton Scottsdale Resort & Villas, Hyatt Regency Resort & Spa, Westward Look Resort, Prescott Resort Conference Center, JW Marriott Starr Pass Resort & Spa, the CK Group, Inc. October 2006



Parking Occupancy surveys were conducted at the four (4) selected resorts between October 8th 2006 and October 14th 2006. Table 1 also shows parking occupancy and the total parking supply at the study resorts.

2.3 National Parking Standards

In addition to the parking surveys conducted on the selected resort sites (documented in sections 2.1 and 2.2), national parking standards including those published by the Institute of Transportation Engineers (ITE) and the Urban Land Institute (ULI) were researched to propose the parking requirements for the Fountain Hills Conference Resort & Spa. It should be noted that industry standards indicate that whenever a parking lot or a garage is occupied at 90% or above, such a facility is typically considered to be operating at capacity. In keeping with this standard, it is common practice to factor parking requirements estimated for parking facilities using the ITE and ULI rates by 10 percent. This factor is typically used in the industry to ensure that the parking turnover can occur without causing drivers to circulate for long periods of time in search of a vacant parking space.

2.3.1 Institute of Transportation Engineers (ITE)

The total number of potential parking spaces that will be required for the proposed project was estimated based on the peak period parking demand rates published in the ITE *Parking Generation* (3rd Edition). Resort Hotel (ITE Code 330) type land use was used to estimate the parking requirement that provides parking demand rates with guest rooms as the only independent variable. This ITE land use category caters to the tourist and vacation industry and provides sleeping accommodations, restaurants, cocktail lounges, retail shops and often offers a wide variety of recreational facilities/programs (golf courses, tennis courts, beach access or other amenities). This land use, however, does not cater to the convention and meeting industry. Therefore, rates published by the ITE for Resort Hotels could easily underestimate the parking requirement for this project which is geared towards the convention and meeting industry.

While the ITE average peak period parking demand for a Resort Hotel is 1.42 spaces per guest room, the 85th percentile parking demand is 1.86 per guest room. It is prudent to utilize the 85th percentile demand rather than the average demand, and further increase it by 10 percent for efficient traffic circulation. Using a parking demand rate of 1.86 per guest room and increasing it by 10 percent will result in a parking requirement of approximately 477 spaces for the proposed Fountain Hills Conference Resort & Spa project.

2.3.2 Urban Land Institute (ULI)

ULI *Shared Parking* (1983 Edition) provides parking characteristics for high quality hotels that are self contained and support amenities such as restaurants/lounges, banquet/meeting rooms, convention facilities, and guest rooms. ULI provides a breakdown of parking demand for each of the major hotel components including guest rooms, restaurant/lounge facility, banquet/meeting rooms, and convention facilities. The following are the ULI peak parking rates for various hotel components:

- Guest Rooms – 1.0 space per room
- Restaurant/Lounge Facility – 10 spaces per thousand square feet
- Banquet/Meeting Rooms – 0.5 space per seat
- Convention Facilities – 30 spaces per thousand square feet

The following assumptions were made for the activity level of major components of the proposed Fountain Hills Conference Resort & Spa based on the information obtained from the candidate resort sites surveyed for this study and documented in sections 2.1 and 2.2:

- Convention Facilities – 30 percent of the conference guests are shuttled in and out of the project site using on-site shuttle service
- Guest Suites – 25 percent of the guest suites are occupied by the guest not attending the conference
- Restaurant – 25 percent of the visitors to the restaurant are not staying at the resort

The above stated peak parking rates from ULI and activity level assumptions for the major components of the proposed resort, along with a 10 percent upward adjustment for efficient traffic circulation, was estimated to yield 604 spaces for the proposed project.

3 FINDINGS AND RECOMMENDATIONS

3.1 Findings

- The proposed development is a resort conference hotel with 233 rooms and 36 pent house units.
- The proposed development consists of 22,500 square feet of conference space that includes 12,500 square feet of meeting space and 10,000 square feet of ballroom space. A total of 506 on-site parking spaces including 138 surface stalls, 288 garage stalls, 72 penthouse garages, and 8 penthouse surface stalls are proposed.
- The *Circulation Plan* report prepared by Wood Patel & Associates in October 2005 recommends that the proposed 506 parking spaces would be adequate for the development since the site would allow shared parking between different land uses. However, based on the Town of Fountain Hills Parking Ordinance, the proposed development will be required to provide 870 parking spaces.
- A study of seven (7) resort sites, which are similar to the project site, revealed that resorts with more than 25 parking spaces per thousand square feet of meeting space typically does not experience parking shortages during major events.
- Four (4) of the resort sites surveyed revealed parking occupancy between 43 and 75 percent under moderate activity levels.
- National parking standards such as the Institute of Transportation Engineers (ITE) and the Urban Land Institute (ULI) reflects parking requirements of 476 and 604 spaces, respectively, not including the proposed 80 spaces for the penthouse units. The ITE land use category (Resort Hotel) caters more to the tourist and vacation industry rather than the convention industry. Because the proposed Fountain Hill Conference Resort & Spa is geared to the convention and meeting industry, it is intuitive to see how the rates published by the ITE *Parking Generation* for Resort Hotels could easily underestimate the parking requirement for this project. On the other hand, given the similarity between the functionality of the ULI defined *Hotel* land use and the proposed project, the parking generation rate recommended in the ULI *Shared Parking* was considered more appropriate for estimating parking requirement for this project.

3.2 Recommendations

The final recommendations are based on the parking surveys and review and evaluation of national parking standards. Due to the fact that similar resort sites in Arizona are operating acceptably with slightly more than 25 spaces per thousand square feet of conference space, it can be concluded that a parking ratio of 26 spaces per thousand square feet of conference space would potentially make the project site self-contained. This yields a parking requirement of 585 stalls above and beyond the proposed 80 stalls for the penthouse units. Although the parking requirement of 585 spaces is slightly less than that estimated using the ULI rates (604 spaces), the evidence of acceptable operation from similar resort sites formed the basis for this conclusion. ***Therefore, it is recommended that a total parking requirement of 665 spaces be conditioned for the Fountain Hills Conference Resort & Spa.***

To avoid any possible future parking spillover onto surrounding roadways, including Palisades Boulevard, it may be prudent for the proposed development to establish an overflow parking contingency plan. Such a plan may include provisions to shuttle guests from a nearby remote parking lot to the resort during a "sold-out" event.

Appendix A

Excerpts from Circulation Report

PARKING REQUIREMENTS

Parking for the site was estimated for the hotel, its supporting uses, and the penthouse units based on rates specified by the Town of Fountain Hills, as presented in *Exhibit 10*. Accordingly, the raw parking demand for the entire development is 870 parking spaces if the various uses within the development were stand-alone facilities with no sharing of parking spaces. However, it is anticipated that peak parking demand for all uses within the development will not occur at the same time, thereby allowing sharing of parking spaces between the land uses.

Based on information from the Client, shared parking demand was determined for three scenarios as follows:

- Scenario I is defined as all residential units being occupied, and all hotel rooms being occupied for a conference with 50% of the hotel guest using the on-site shuttle service. Further, there is no event in the ballroom.
- Scenario II is defined as all residential units being occupied, and all hotel rooms being occupied for a conference with no hotel guests using on-site shuttle service. Further, there is no event in the ballroom.
- Scenario III is defined as all residential units being occupied, and all hotel rooms being occupied for a conference with 50% guests using the on-site shuttle service. Further, the ballroom is being occupied for an event.

It is anticipated that 349 parking spaces will be required for Scenario I, 465 parking spaces will be required for Scenario II, and 474 spaces will be required for Scenario III. The detailed analysis is presented in *Exhibit 10*.

Based on the analysis, Scenario III generates the maximum parking demand. It is therefore recommended that a minimum of 474 parking spaces should be provided to accommodate site parking needs. The proposed 500 parking spaces would adequately meet this demand.

WOOD/PATEL

EXHIBIT 10: ON-SITE PARKING ANALYSIS

CIVIL ENGINEERS • HYDROLOGISTS • CONSTRUCTION MANAGERS • LAND SURVEYORS

Project: Fountain Hills Resort
 Location: Phoenix, Arizona
 Date: 11/2/05

W/P Job: 052381.01
 Engineer: Ashish Sabnekar, PE
 Analyst: Chintan S. Jhaveri, EIT

	Room/People	Parking Ratio	RAW DEMAND TOFH Parking Requirements	SCENARIO I All Rooms for a Conference w/ Shuttle Pickup and 50% Cars		SCENARIO II All Rooms for a Conference w/ all cars		SCENARIO III All Rooms for a Conference w/ 50% Shuttle Pickup and a Ballroom Event	
				Sharing Factor	Adjusted Parking	Sharing Factor	Adjusted Parking	Sharing Factor	Adjusted Parking
Residential - 2 per dwelling unit		2.00	72	100%	72	100%	72	100%	72
Penhouse units	36	2.00							
Restaurants & Bars - 1 Per 50sf + 1 per 2 employees									
Pub/Buarge	1,875	50.00	34	50%	17	50%	17	50%	17
Restaurant	4,800	50.00	96	80%	77	80%	77	80%	77
Hotel/Motel 1 per guest room + 1 per 2 employees									
Rooms and Suites	233	1.00	233	50%	117	100%	233	50%	117
Gymnasium/Health Studios 1 per 400 SF of Usable Floor Area									
Spa			8	50%	4	50%	4	50%	4
Theaters/Auditorium (public assembly) 1 per every 4 person occupancy									
Ballroom	500	0.25	125	0%	0	0%	0	100%	125
Prefunction for Ballroom	200	0.25	50	0%	0	0%	0	0%	0
Conference Rooms	420	0.25	105	0%	0	0%	0	0%	0
Breakout Rooms for conference rooms	340	0.25	85	0%	0	0%	0	0%	0
Employees (1 per 2 employees)	128	0.50	63	100%	63	100%	63	100%	63
TOTAL			870		249		465		474