

## TOWN COUNCIL STAFF REPORT

Subject: Consider adoption of the Addendum to the Clearwater Specific Plan Environmental Impact Report and approval of District Zoning Amendment 21-001 to allow for an Amended Phase One Project for properties located at 164, 202, and 248 Old Mammoth Road (APN(s): 035-230-005-000; 035-230-006-000; and 035-230-007-000).

Meeting Date: November 17, 2021

Written by: Gina Montecallo, Assistant Planner

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### **RECOMMENDATION:**

Waive the first reading and introduce by title only an ordinance making the required CEQA and Municipal Code findings and approving District Zoning Amendment 21-001; and adopt the attached resolution making the required CEQA findings and adopting the Addendum to the Clearwater Specific Plan EIR.

### **BACKGROUND:**

The Clearwater Specific Plan (CSP) was adopted by the Town of Mammoth Lakes on January 21, 2009, for the development of a new, pedestrian oriented, mixed-use, resort destination development (herein referenced as the “Specific Plan Development Scenario”) located in the North Old Mammoth Road District of the Town.

In March 2010, in compliance with CSP, the Planning and Economic Development Commission approved a vesting tentative tract map, conditional use permit, and design review for a mixed-use project called "Old Mammoth Place." The Old Mammoth Place entitlements include up to 340 residential units with up to 488 lodging rooms, eight on-site workforce housing units, multiple outdoor public events plazas, approximately 20,000 square feet of commercial/retail space, approximately 17,000 square feet of restaurant space, 9,500 square feet of conference space, a 4,500 square-foot spa and wellness center, an ice rink, a pool, and an underground parking garage covering the entire site (the original CSP approval documents can be found at the following link: <https://www.townofmammothlakes.ca.gov/142/Clearwater-Specific-Plan>). Approval of the project entitlements included approval of a Final EIR (SCH# 2006062154).

Throughout the first six years after the approval of Old Mammoth Place, there proved to be no financing available to construct the project and no market for the sale of condominium hotel rooms. In August 2016, in order to improve the economic viability and marketability of the project, the owner obtained approval of amendments to the CSP and the Old Mammoth Place entitlements, which included a 10-foot increase in building height, an increase in net residential square footage, and the elimination of an on-site workforce housing requirement. At this time, a CEQA addendum to the Clearwater Specific Plan (Old Mammoth Place CUP Addendum (SCH# 2006062154) was prepared to

confirm that the proposed modifications were consistent with what was analyzed as part of the Specific Plan Final EIR. This Addendum was approved in 2016.

Since that time, development of the project site as anticipated in the CSP and the 2016 Old Mammoth Place CSP Amendment has not occurred. The Applicant is now requesting a new amendment to the CSP to allow for an interim development to be constructed at the project site while preserving the existing Specific Plan allowances for the potential future development per the approved 2016 Old Mammoth Place CUP Amendment.

***Planning and Economic Development Commission Meeting on October 27, 2021***

On October 27, 2021, the Commission held a public hearing to consider the Amended Phase One of the Clearwater Specific Plan. At this hearing, the Commission made a 4-0 recommendation to the Council to approve the project subject to the following additional modifications as proposed by staff:

1. Amend the Development Standards Table in Section V of the “Amended Phase One of the Clearwater Specific Plan,” included as Attachment A, Exhibit B, to remove reference to 182 parking spaces and state: “Parking shall meet the requirements set forth in the 2016 Clearwater Specific Plan unless a Parking Reduction is approved pursuant to MC Section 17.44.040.”
2. Amend the “Proposed Modifications to CSP Standards” Table in Section VI of the “Amended Phase One of the Clearwater Specific Plan,” included as Attachment A, Exhibit B, to remove the proposed modifications to Section 5.2.8, Parking, and state: “Parking shall meet the requirements set forth in the 2016 Clearwater Specific Plan unless a Parking Reduction is approved pursuant to MC Section 17.44.040. Underground parking shall not be required;”

The draft minutes from that meeting are included as **Attachment 4**, along with the Commission Staff Report (**Attachment 3**) and Commission Resolution No. PEDC 2021-09 (**Attachment 5**).

**PROJECT SUMMARY**

The Amended Phase One of the CSP project consists of a request to amend the Clearwater Specific Plan, which currently applies to the project site, in order to allow for interim development standards to serve as zoning for Phase One of the CSP. The proposed interim development standards would accommodate a less intensive expansion and upgrade of the hotel, restaurant, and public spaces than is envisioned by the CSP/ Old Mammoth Place entitlements while still allowing for the future development of the Old Mammoth Place project consistent with The CSP's long-term vision and goals. Specifically, the Amended Phase One of The CSP enhances and expands upon the existing hotel with the addition of 30 new “tiny home” style hotel cabin units as well as upgrades to the hotel, restaurant and event space. In addition, new outdoor hotel amenities would be permitted that include a volleyball court, outdoor gathering spaces and pool/ spa facilities. Additional site improvements include removal of the existing Jimmy’s Tavern building, consolidation of vehicular access points, a new sidewalk along Laurel Mountain Rd, new parking lot landscaping, and a new outdoor park/ event space along the Old Mammoth Rd frontage.

Under the proposed development standards, the Amended Phase One project would consist of a total of 179 hotel units, 10,000 square feet of indoor restaurant space, 2,000 square feet of event space, and a total of 182 parking spaces. See **Figure 1** for a conceptual site plan provided by the applicant which shows the development and improvements that the Amended Phase One of the CSP would allow (the site plan is intended for illustrative purposes only and will likely be subject to change during future entitlement processes).



**Figure 1: Amended Phase One Conceptual Site Plan**

The approved CSP included a broad range of uses including hotel, retail, residential, condominium and restaurant. The Phase One project provides some of the uses, but the project is not required to provide condominium or residential units other than five units within the existing hotel building proposed to be converted to workforce housing. Other components of the original CSP that are not required in the Amended Phase One include understructure parking, a new pedestrian and vehicular mid-block connector, Old Mammoth Road Street improvements, retail, and public art. Please see Table 1 below for the proposed development standards included in the amendment.

**Table 1: Development Standards Table**

DEVELOPMENT STANDARD	Proposed
Total Project Site Size:	6.09 acres

Number of existing hotel rooms:	149 rooms
Number of additional resort cabin rooms:	30 rooms
Maximum Building Height – Cabins:	35 feet
Maximum Restaurant square feet:	10,000 square feet
Maximum Event space square feet:	2,000 square feet
Minimum Building Separation	5 feet
Minimum Setbacks - Old Mammoth Road Frontage	5 feet
Minimum Setbacks – Sierra Nevada	10 feet
Minimum Setbacks – Laurel Mountain	3 feet
Maximum Lot Coverage	70%
Total parking spaces:	182 spaces
Minimum Snow Storage	53,300 square feet
Minimum Open Space/ Landscaped Area	73,000 square feet

### **Existing Site and Surrounding Land Uses**

The 6.1-acre project site is located in the North Old Mammoth Road district and is bounded by Old Mammoth Road to the east, Laurel Mountain Road to the west, and Sierra Nevada Road to the south, with an alley on the north side of the site. There are currently vehicular access points on all sides of the property. Existing buildings on the property include the Sierra Nevada Lodge, Rafters restaurant, and Red Lantern/Jimmy’s restaurants. A large surface parking area and a miniature golf course also exist on site, with minimal landscaping except for a few Jeffery Pine trees on the west side of the building. Although the site appears generally flat, there is a grade change of approximately 19 feet from the northwest to the northeast corner. Please see **Figure 2** below for an aerial view of the existing site.



**Figure 2: Aerial Image of Existing Site and Surrounding Area**

The project is zoned Clearwater Specific Plan (CSP) and the surrounding land uses include both commercial and residential uses. Table 2 describes the surrounding land uses and zoning.

**Table 2: Surrounding Land Uses and Zoning**

Location	Zoning*	Land Use	Special Considerations
North	D; OMR	Mammoth Mall (commercial); Krystal Villa East (residential condos)	Because the site is surrounded by primarily residential uses, noise, traffic safety, visual impacts and operating characteristics are all factors that should be considered. A Use Permit will be required as part of the entitlement package that will ensure each of these issues is addressed.
South	RMF-2	Sierra Park Villas (residential condos)	
East	OMR	Sierra Manor (residential condos)	
West	OMR	Commercial, apartments, L'Abri (residential condos)	

\*D = Downtown; OMR = Old Mammoth Road; RMF-2 = Residential Multi-Family 2

### Site Zoning

As discussed above, the site is subject to the Clearwater Specific Plan as amended in 2016. The existing zoning was essentially designed to accommodate one specific project consisting of up to 340 residential units with up to 488 lodging rooms, workforce housing

that is consistent with the Town’s Housing Ordinance, multiple outdoor public events plazas, approximately 20,000 square feet of commercial/retail space, approximately 17,000 square feet of restaurant space, 9,500 square feet of conference space, a 4,500 square-foot spa and wellness center, an ice rink, a pool, and an underground parking garage covering the entire site (the original CSP approval documents can be found at the following link: [<https://www.townofmammothlakes.ca.gov/141/Old-Mammoth-Place-Information>]). Approval of the project entitlements included approval of a Final EIR (SCH# 2006062154).

The proposed amendment would modify the zoning allowances to accommodate a new Phase One project that is outside of the scope of the existing zoning while preserving the existing zoning allowances for future redevelopment.

**Consistency with existing Specific Plan:**

The Amended Phase One of the Clearwater Specific Plan upholds the overall intent and goals of the Clearwater Specific Plan; however, there are differences with the applicable zoning requirements of the Clearwater Specific Plan (CSP) that result in a lower density project that is smaller in scope. Table 3, Existing and Proposed Development Standards Table, compares the proposed standards with the existing CSP standards to highlight the differences between the interim phase development and the full build-out of the CSP.

**Table 3: Existing and Proposed Development Standards Table**

<b>DEVELOPMENT STANDARD</b>	<b>EXISTING CSP STANDARDS</b>	<b>PROPOSED AMENDED PHASE ONE STANDARDS</b>
Total Project Site Size:	6.09 acres	6.09 acres
Number of existing hotel rooms:	149 rooms	149 rooms
Number of additional resort rooms:	339 hotel rooms	30 cabin hotel rooms
Maximum Building Height:	35-65 ft	35 ft (applicable to cabins only)
Restaurant Square Footage:	16,000 sq ft	10,000 sq ft
Retail Square Footage:	21,000 sq ft	0 sq ft
Residential Square Footage:	308,000 sq ft	0 sq ft
Event Space Square Footage:	14,500 sq ft	2,000 sq ft
Minimum Building Separation	In accordance with the California Building Code	5 ft
Setbacks - Old Mammoth Road Frontage	0 ft from sidewalk	5 ft from sidewalk
Setbacks – Sierra Nevada	10 ft	10 ft

Setbacks – Laurel Mountain	10 ft	3 ft
Setbacks – Other Properties	10 ft	10 ft
Maximum Lot Coverage	70%	70%
Total parking spaces:	597 spaces	182 spaces <sup>1</sup>
Bus Parking	2 spaces	0
Bicycle Parking	187 spaces	10
Guest Parking	24	0
Management Parking	2	0
Retail and Commercial	29	0
Restaurant	54	0
Minimum Snow Storage	Snow Management Plan required.	53,300 sq ft
Minimum Open Space/ Landscaped Area	47,300 sq ft	73,000 sq ft
Old Mammoth Road Street Improvements	Wider sidewalk, new transit shelter, expanded bus pull-out area, mid-block connector.	none
Workforce Housing	Consistent with the Town’s Housing Ordinance.	Housing for 5 hotel employees
Public Art	Fee will be paid at building permit issuance.	Not required.

<sup>1</sup> A parking management plan will be required as part of the Use Permit.

### General Plan

The site is located within the Clearwater Specific Plan land use designation in the 2007 General Plan. The intent of the CSP designation is to provide “for a pedestrian-oriented, mixed-use district for residents and visitors within the North Old Mammoth Road area. Permitted uses include hotel, condominium-hotel, workforce housing, street front retail along Old Mammoth Road, and a large public plaza intended for use as an event venue. The base density is forty (40) hotel rooms per acre with the potential for up to eighty (80) hotel rooms per acre. Pursuant to the Clearwater Specific Plan, significant community benefits are required to be provided. Workforce housing and commercial uses are exempt

from density calculations.” Please see **Key Issue #1** below for staff’s analysis of the project’s consistency with the General Plan.

## **ANALYSIS/DISCUSSION:**

### **1. Key Issue #1: Can the findings be made for adoption of a Specific Plan Amendment pursuant to Municipal Code (MC) Chapter 17.116.070?**

Pursuant to Section 17.116.070.C.1, “an adopted specific plan may be amended through the same procedure specified by this chapter for the adoption of a specific plan.” Therefore, the proposed amendment to the Clearwater Specific Plan must meet the required findings for adoption of a Specific Plan as set forth in MC Section 17.116.060. Staff has determined that the required findings can be made for approval of a Specific Plan pursuant to Chapter 17.116.060 of the Town of Mammoth Lakes Municipal Code. Specifically, staff finds that by allowing for an amended “phase one” to be constructed on the project site while preserving the existing CSP allowances for future redevelopment, the proposed Amendment maintains consistency with several of the General Plan goals included in the original CSP. In addition, staff finds that by providing an Addendum to the approved Environmental Clearance Documentation adopted for the Clearwater Specific Plan (see **Attachment 1, Exhibit A**), the proposed project is in compliance with the provisions of the California Environmental Quality Act (CEQA). Staff’s analysis of the Specific Plan approval criteria is included below.

#### **Section 17.116.060, Findings and Decision - The Council may adopt a specific plan, with or without conditions, only after all of the following findings are made:**

##### **A. That the specific plan is consistent with the General Plan and other adopted goals and policies of the Town;**

Staff has determined that the Amended Phase One of the Clearwater Specific Plan (CSP) maintains the CSP’s consistency with the General Plan and other adopted goals and policies of the Town. The proposed amendment, while reducing the scope of development anticipated for phase one of the CSP, still provides 30 new hotel units as well as enhanced site amenities and public activation along Old Mammoth Road, thereby aligning with several of the General Plan goals and policies used to guide the original CSP and the 2016 CSP Amendment. The following are goals of the 2007 General Plan with which the Amended Phase One of the CSP is consistent:

- i. The intent of the “Main Street, Old Mammoth Road and Shady Rest” character districts is to “*invite pedestrian activity and provide gathering places and opportunities for interaction in a vibrant mix of retail, commercial and workforce housing...Commercial corridors should be walkable year-round, vibrant, colorful, and accessible*” (D-3). Further, the General Plan portrays the Old Mammoth Road corridor as a “*traditional small-scale mixed-use ‘Main Street’ development pattern*” (D-4).

The Amended Phase One of The CSP meets the above intent by allowing for a mixed-use development that includes new, pedestrian scale (1 to 2-story) hotel cabins, landscape improvements, expanded restaurant and event space, and a new park/ public event space along Old Mammoth Road. Along with the proposed Laurel Mountain Road sidewalk improvements, the proposed mix of uses will greatly improve pedestrian activity in the area while also providing new gathering places and opportunities for interaction. The addition of new cabin units, new site amenities and significant public open space along Old Mammoth Road will serve to re-activate the existing lodging and restaurant uses while also allowing for new event programming and a more active pedestrian environment consistent with the General Plan goals for the Old Mammoth Road district.

- ii. *“New development should improve connectivity and circulation with bike and pedestrian paths, sidewalks and roads.” (D-3).*

The Amended Phase One of The CSP invites pedestrian activity into the site by improving the frontage along Old Mammoth Road, adding sidewalks on Laurel Mountain Road and increasing pedestrian connections within the interior of the site. Additionally, the project will provide space for outdoor café seating, planting areas, and other pedestrian-scaled elements to encourage activity throughout the site.

- iii. *Policy C.2.A: Create well-designed and significant public spaces in resort/commercial developments to accommodate pedestrians and encourage social interaction and community activity*

The Amended Phase One of The CSP is consistent with this policy by creating mixed-use development that includes a variety of public outdoor spaces designed to accommodate a series of public events and uses at different scales. The project calls for a minimum of 73,000 square feet of open space and 2,000 square feet of event space intended to hold a variety of community events. The public space and outdoor food and beverage options are proposed to complement each other to promote community interaction.

- iv. *Policy L.3.D: Encourage outdoor dining in resort and commercial districts to increase street level animation.*

The Amended Phase One of the CSP accomplishes the policy of encouraging outdoor dining by expanding existing facilities as well as

providing new options for dining on site. The project proposes to expand the deck at the existing Rafters restaurant to increase outdoor dining capacity. Additionally, the project provides a landscaped area along the Old Mammoth Road frontage that accommodates a food truck venue along with a food and beverage garden with a variety of seating and dining options (final operating characteristics and event programming will be determined through the Use Permit process).

- v. Policy L.5.A: *Encourage and support a range of visitor accommodations that include a variety of services and amenities.*

The Amended Phase One of The CSP is consistent with this policy by formulating an interim development phase to allow for an adaptive project that expands upon existing visitor accommodations. Expanded visitor accommodations include the addition of 30 resort cabins, which not only increases the hotel inventory, but the cabins also add new lodging options to the site that are family friendly. In addition, the project proposes several new guest amenities including social gathering areas with fire pits and hammocks, lawn games and hot tubs.

- vi. Policy L.5.D: *Encourage rehabilitation and renovation of existing visitor accommodations.*

The Amended Phase One of The CSP creates the opportunity for renovating the project site's existing facilities to fall more in line with the vision of the original CSP and the General Plan. The project accomplishes this policy by improving the hotel's arrival sequence, which entails the proposal of a porte-cochere at the vehicular entrance and an upgraded lobby area. Additional improvements include an upgraded pool area as well as improvements to the existing Rafters restaurant.

Finally, the proposed Amended Phase One of the Clearwater Specific Plan maintains consistency with the intent of the Clearwater Specific Plan land use designation, which is to provide "for a pedestrian-oriented, mixed-use district for residents and visitors within the North Old Mammoth Road area. Permitted uses include hotel, condominium-hotel, workforce housing, street front retail along Old Mammoth Road, and a large public plaza intended for use as an event venue. The base density is forty (40) hotel rooms per acre with the potential for up to eighty (80) hotel rooms per acre. Pursuant to the Clearwater Specific Plan, significant community benefits are required to be provided. Workforce housing and commercial uses are exempt from density calculations."

The proposed Amended Phase One achieves many of the goals of the CSP land use designation, including providing new pedestrian-oriented mixed uses, new hotel units, and public benefits in the form of significant public event/ gathering space along Old Mammoth Road. The proposed amendment is within the maximum allowable density and provides 5 units of workforce housing on-site. Importantly, the amendment also maintains the existing allowances of the CSP for future redevelopment, thereby ensuring that any goals not met by the current development will still be met when the site redevelops in the future.

**B. That the specific plan is consistent with any applicable airport land use plan as required by Government Code Section 65302.3; and**

Not applicable, as there are no applicable airport land use plans that have an impact on the Clearwater Specific Plan.

**C. That the specific plan is in compliance with the provisions of the California Environmental Quality Act (CEQA).**

Pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15164, an Addendum to the approved Environmental Clearance Documentation adopted for the Clearwater Specific Plan (SCH# 2006062154) has been prepared. The addendum describes the proposed changes to the approved project and concludes that no new or increased significant environmental impacts would result from the proposed project. Therefore, the Specific Plan Amendment is in compliance with the provisions of the California Environmental Quality Act (CEQA).

**Other Applicable Standards and Requirements:**

As mentioned above, following adoption of the proposed District Zoning Amendment, PEDC approval of a Tentative Tract Map, Design Review and Use Permit will be required. In addition, the existing 2016 entitlements, which include a TTM, Design Review and Use Permit for the Old Mammoth Place project, will need to be revoked. The Phase One of The CSP will be required to comply with all applicable Public Works and California Building Code standards.

**2. Key Issue #2: Is the proposed project consistent with the California Environmental Quality Act (CEQA)?**

Staff determined that an addendum to the Environmental Clearance Documentation adopted for the Clearwater Specific Plan is appropriate because the addendum demonstrates that the environmental analysis and impacts identified in the Environmental Clearance Documentation are applicable to the project and remain substantively unchanged by the proposed District Zoning Amendment application. The Addendum supports the finding that the proposed project does not result in any new environmental effects and does

not exceed the level of impacts identified in the Environmental Clearance Documentation. Therefore, the proposed project is in compliance with the provisions of the California Environmental Quality Act (CEQA). The CEQA Addendum is included as **Attachment 1, Exhibit A**.

### **Agency/Public Comments**

Staff has been working closely with various local agencies throughout the planning process. The Phase One of The CSP has incorporated comments from local utilities and emergency service providers. The project was routed to Mammoth Community Water District, Mammoth Lakes Fire District, and Amerigas.

In addition, a Public Notice for the October 27, 2021, Planning and Economic Development Commission hearing and a project description was mailed to 279 property owners within 300 feet of the subject property on October 15, 2021 and was published in The Sheet on October 16, 2021 and October 23, 2021. Another Public Notice was mailed to the same 279 property owners on November 5, 2021, and was published in The Sheet on November 6, 2021 for the November 17th, 2021 Town Council hearing. One public comment was received at the time this staff report was published, which is included in **Attachment 6**.

## **OPTIONS ANALYSIS**

Option 1: Waive the first reading and introduce by title only an ordinance making the required CEQA and Municipal Code findings and approving District Zoning Amendment 21-001; and adopt the attached resolution making the required CEQA findings and adopting the Addendum to the Clearwater Specific Plan EIR with conditions as recommended by the Planning and Economic Development Commission.

Option 2: Waive the first reading and introduce by title only an ordinance making the required CEQA and Municipal Code findings and approving District Zoning Amendment 21-001; and adopt the attached resolution making the required CEQA findings and adopting the Addendum to the Clearwater Specific Plan EIR with conditions as recommended by the Planning and Economic Development Commission, as modified by the Town Council.

Option 3: Deny District Zoning Amendment 21-001.

Option 1 would allow the Ordinance approving DZA 21-001 to proceed to a second reading by Council, and would become effective 30 days after the second reading.

As with Option 1, Option 2 would allow the ordinance approving DZA 21-001 to proceed to a second reading by Council, but the Council's approval would be for a modified proposal. The modifications could be revisions to DZA 21-001.

Option 3 would deny the project. The Council would need to make findings for denial.

## **FINANCIAL CONSIDERATIONS:**

The applicant is paying for the staff time, including consultants, for the processing of this application.

## **ENVIRONMENTAL CONSIDERATIONS:**

Consistent with CEQA Guidelines Section 15164, an Addendum to the Clearwater Specific Plan EIR has been prepared to address the current revisions proposed to the project. Staff retained Michael Baker International, Inc. to prepare the addendum. Staff determined that an addendum to the Environmental Clearance Documentation adopted for the Clearwater Specific Plan is appropriate because the addendum demonstrates that the environmental analysis and impacts identified in the Environmental Clearance Documentation are applicable to the project and remain substantively unchanged by the proposed District Zoning Amendment application. The Addendum supports the finding that the proposed project does not result in any new environmental effects and does not exceed the level of impacts identified in the Environmental Clearance Documentation. Therefore, the proposed project is in compliance with the provisions of the California Environmental Quality Act (CEQA). The CEQA Addendum is included as (see **Attachment 1, Exhibit A**).

## **LEGAL CONSIDERATIONS:**

The Town Attorney has reviewed this staff report and there are no legal considerations to address herein.

## **ATTACHMENTS:**

**Attachment 1:** Resolution making the required CEQA findings and adopting the Addendum to the Clearwater Specific Plan EIR

Exhibit A: Addendum to the Clearwater Specific Plan EIR

Exhibit B: CEQA Findings

**Attachment 2:** Ordinance approving District Zoning Amendment 21-001

Exhibit A: Addendum to the Clearwater Specific Plan EIR

Exhibit B: Amended Phase One of the Clearwater Specific Plan

**Attachment 3:** Planning and Economic Development Commission October 27, 2021 public hearing staff report – Full report with attachments is available online at:

<https://pub-townofmammothlakes.escribemeetings.com/FileStream.ashx?DocumentId=18389>

**Attachment 4:** Planning and Economic Development Commission minutes, October 27, 2021

**Attachment 5:** Planning and Economic Development Commission Resolution recommending approval of the Addendum to the Clearwater Specific Plan

Environmental Impact Report and approval of District Zoning Amendment 21-001  
project (Commission Resolution 2021-09)

**Attachment 6: Public Comment Letters**