



# Community & Economic Development

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## Snowcreek Development Agreement Summary

**PURPOSE:** The purpose of the 2010 Snowcreek Development Agreement (SDA) is as follows:

- increase the likelihood that the subject development projects are built as intended in the long-term;
- ensure the provision of needed facilities, improvements or services; and
- provide assurance to the developer regarding the rules, regulations, and policies applicable to future development.

### SUMMARY OF THE SDA ELEMENTS

#### Vested Rules

- A. Vesting of Town ordinances, resolutions, rules, regulations, requirements, and official policies, including the General Plan, Municipal Code (including the Zoning Code), Snowcreek Master Plan (1981), and Snowcreek Master Plan Update 2007 (Snowcreek VIII), in effect as of the effective date of the SDA for the subject properties.
- B. Vesting of development impact fees, housing in-lieu fees, and the Town processing fees (Building and Planning fees) and review times, in effect as of the effective date of the SDA for the subject properties.
  - a. The building fees include a cost of living adjustment (COLA) tied to the CA Construction Cost Index (CCCI) to adjust for inflation over time.
  - b. A detailed comparison of current fees and the 2010 adjusted fees will be provided at the meeting.
- C. Vesting of the Snowcreek VII and Snowcreek VIII Entitlements
  - a. Snowcreek VII (*The majority of the Snowcreek VII development has been completed as of February 2024*)
    - i. 118-unit condominium development
    - ii. A bike path/multi-use trail with a public easement along Old Mammoth Road.
    - iii. Public access easement for fishing and hiking along Mammoth Creek.
    - iv. The historic Wildasinn Cabin and Pelton Wheel (Knight Wheel) would remain on site.
    - v. Open space and landscaped areas for the residents of Snowcreek VII.
  - b. Snowcreek VIII (Snowcreek Master Plan Update 2007) (*Development of Snowcreek VIII has not commenced as of February 2024*)
    - i. Up to 990 units (790 residential units and 200 resort hotel rooms/private residence club units [*The Resort Hotel Rooms/Suites (250 rooms) and Private Residence Club units (150 units) are considered half-units for the purposes of determining the total number of units (250 + 150 = 400/2 = 200)*])
      1. Of the 790 residential units, 743 will be market-rate units and 47 will be on-site deed-restricted affordable units
    - ii. A resort hotel including conference and meeting space, public spa/wellness center, restaurants, bar(s)/lounge(s), and associated retail.
    - iii. A championship 18-hole golf course (expanding the existing nine-hole golf course) including a new clubhouse and practice facility. Winter use of the golf course would include cross-country skiing, snowshoeing, and snow play.
    - iv. A "Great Lawn."
    - v. Outfitters cabin.
    - vi. Egress from the Sherwins.

- vii. A natural resources interpretive area on the north side of Old Mammoth Road.
- viii. Neighborhood commercial/retail facility and a public mini-park.
- ix. Residents' club for Snowcreek VIII residents.

**Community Benefits**

The project itself provide significant community amenities; additional community benefits provided through the SDA include:

- A. Additional Financial Contribution (“AFC”) of up to \$10 million to use for purposes beneficial to the community and intended to be applied to various projects located within a surrounding geographic nexus.
  - a. AFC shall be divided by the number of entitled residential units in the Project and Resort Hotel Rooms/Suites to determine a pro rata amount per unit.
  - b. The pro rata contribution per residential unit will be approximately \$10,000 per unit, assuming all entitled units are constructed, and will be paid at the time of building permit issuance for each unit.
  - c. For Resort Hotel Rooms/Suites, the pro rata contribution will be approximately \$5,000 per half unit, assuming all entitled units are constructed, and will be paid prior to the issuance of a certificate of occupancy for each unit.
  - d. At the Developer’s sole election, Developer may allocate the AFC amount solely or mainly to the residential units to facilitate the economic viability of the Resort Hotel.
  - e. The AFC shall be reduced in three ways:
    - i. In the event that not all of the entitled units are constructed, the actual pro rata allocation of the AFC for each unit not constructed shall be deducted from the AFC.
    - ii. In the event that not all the entitled Resort Hotel Rooms/Suites are constructed, the actual pro rata allocation of the AFC for each Resort Hotel Room/Suite not constructed shall be deducted from the AFC.
    - iii. As set forth in the Affordable Housing Mitigation Financial Framework in Section 2.2.3 of the DA.
  - f. The AFC shall not be subject to a COLA to adjust for inflation over time.
- B. Fiscal benefits that will accrue to the Town and community through the implementation of the Project as intended that would not occur without the DA, including transient occupancy taxes.
- C. Approximately 8.9 acres of park and open space area in excess of that required in conjunction with the buildout of Snowcreek VIII.<sup>1</sup>
- D. Preservation of the Mammoth Creek open space corridor through a conservation easement.
- E. A championship 18-hole golf course designed by a top course architect.
- F. A golf practice facility designed by a top course architect.
- G. Secondary access for both Snowcreek V and VIII and the emergency vehicle access road, which is in addition to the MLFPD requirements.
- H. Allowing egress of backcountry skiers, snowboarders, and snowshoers from the Sherwin Range earlier than required.
- I. Programming of public spaces, including but not limited to the Great Lawn and Outfitters’ Cabin, to increase visitation to the Project and town.

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<sup>1</sup> The 8.9 acres of park and open space area is calculated as follows: 15.6 acres Mammoth Creek open space corridor + 0.12 acres mini-park + 1.5 acres Great Lawn + 3.76 acres internal open space corridor = 20.98 acres. The General Plan EIR and the Parks and Recreation Master Plan recommend a standard of 5 acres of parkland per 1,000 residents, which would be 12.08 acres for Snowcreek VIII. Therefore, 20.98 acres (provided) - 12.08 acres (required) = 8.9 acres provided in excess of that required.

- J. Establishment of public access across certain points of the project to allow public egress to surrounding public lands prior to project construction and after completion and which would also provide access to an enhanced network of publicly accessible multi-use paths that is connected to the Town's trail system.
- K. If needed by the Town, the Developer will provide an area for propane tank storage.

**Affordable Housing Mitigation Financial Framework**

The Affordable Housing Mitigation Financial Framework (AHMFF) contained in the SDA specifies the financial parameters that establish the limit for the developer's affordable housing mitigation obligations. The AFC that would be received as a community benefit through the SDA would be decreased, if costs to mitigate affordable housing increase due to a change in those variables.

- A. Mitigation shall only be provided for units actually built. Affordable housing mitigation shall not be required for any non-residential or commercial land use on the site including ancillary commercial uses within the Resort Hotel.
- B. The affordable housing requirement for Snowcreek VIII shall be ten percent (10%) of the Market Rate Units (i.e., 943 units x 10% = 94.3 units). Developer proposes 50% of the ten percent requirement will be built on site, assuming full buildout (47 deed restricted units) and the other 50% shall be mitigated for through a combination of payment of in-lieu fees and FTEE credits already owned by Developer.
- C. Features of the On-Site Mitigation Units
  - a. Dispersed throughout the project in the High Density Residential Product buildings.
  - b. One, two, three and four bedroom affordable units may be built. The average number of bedrooms per on-site affordable unit shall be equal to two bedrooms.
  - c. Deed restricted units must be owner-occupied and cannot be leased in whole or in part at any time.
- D. Features of the In-Lieu Fee Program
  - a. Developer owns 16.5 FTEE credits (*remaining credits from the donation of the land where the Aspen Village affordable apartments were constructed*)
  - b. The residential unit in lieu fee shall be \$85,000/unit for 30.5 units or \$2,592,500 assuming full buildout. This amount shall be allocated to all market rate units so assuming full build-out the fee will be \$3,489.23 per residential unit. The in-lieu fee shall be paid on a per unit basis prior to the issuance of a building permit for each residential unit.
- E. Variables that Require Adjustment to Additional Financial Contribution (AFC). As stated earlier in Section 2.2.2 above, the AFC may be reduced in the event that the aggregate cost of the on-site deed restricted units or off-site in-lieu fee increases. The AFC shall be decreased if costs increase due to a change in one or more of the following variables:
  - a. AMI level. For the purpose of calculating an impact to the AFC, the assumption shall be that 50% of the deed restricted units shall be sold to families whose income is 175% of AMI for Mono County and 50% of the deed restricted units shall be sold to families whose income is 200% of AMI for Mono County. AMI shall be calculated at the time of issuance of Certificate of Occupancy;
  - b. Percentage of household income that can be used for a mortgage payment which for the purpose of the calculations in this Section 2.2.3 shall be assumed to be 35%;
  - c. Affordable housing requirement increases in excess of ten percent (10%) of market rate units;
  - d. Percentage of affordable housing mitigation required on site increases in excess of fifty percent (50%) of the ten percent (10%) of market rate units;
  - e. In lieu fee;
  - f. Value of the 16.5 FTEE credits Snowcreek Investment Company currently owns;
  - g. Type of on-site unit required (low, medium or high density);
  - h. Size of the on-site units (number of bedrooms).

In no event shall the aggregate adjustment in value due to changes in one or more of the eight variables listed in 2.2.3.5 exceed \$10 Million Dollars.

### **Schedule of Development / Milestones**

Due to the economic conditions in place in 2010 and the significant impacts caused by the recession, a determinate phasing schedule of development was not practical. Rather, basic performance milestones were provided, some relate to vesting. Those milestones are all subject to the unavoidable delays or events as described in the DA (Section 11.15):

- A. [**Completed**] Developer has already allowed egress of backcountry skiers, snowboarders, and snowshoers from the Sherwin Range earlier than required and shall continue to allow that egress during construction so long as the Developer, at its sole election, determines the egress to be safe to the public at that time.
- B. [**Completed**] No later than two years after the DA becomes effective, Developer shall have recorded a conservation easement, reasonably approved by the Town Manager, protecting the Mammoth Creek open space corridor.
- C. [**Ongoing**] The Projects will be developed in phases and subphases based on what the market will absorb at any given point in time. It is the intention for each phase or subphase to provide all of the facilities, programs (including affordable housing), features, amenities, access and easements, and payment of all fees related to that phase or subphase as set forth in the DA. The actual phasing of development and the associated timing for completion of the facilities, programs (including affordable housing), features, amenities, access and easements would be discussed in connection with the application for each use permit or subsequent approval.
- D. [**Proposed to be deleted from the SDA**] If the development of the Resort Hotel and the 18-hole championship golf course has not commenced within ten years after the effective date of the DA, then the remaining ten-year term of the DA shall be reduced by one day for each day, or portion thereof, that ten year milestone has not been met.

### **Related Documents**

Snowcreek DA: <https://www.townofmammothlakes.ca.gov/DocumentCenter/View/5109>

Snowcreek Master Plan Update: <https://www.townofmammothlakes.ca.gov/DocumentCenter/View/562>