



Town of Mammoth Lakes

Planning & Economic Development Commission Staff Report

Meeting Date: February 12, 2025

AGENDA TITLE: Consideration of District Zoning Amendment 24-001, Use Permit 24-004, and Tentative Tract Map 24-003 for a subsequent amendment to the Amended Phase One Clearwater Specific Plan (CSP) located at 164 Old Mammoth Road to modify the permitted uses for the Amended Phase One CSP by adding Condominium Hotel uses subject to a use permit and subdivision map approval. The application includes a Tentative Tract Map for the subdivision of the twenty (20) units within the five four-plex structures (“Villas”) into condominium hotel units that may be sold individually. The project was previously analyzed pursuant to the California Environmental Quality Act (CEQA) in the 2021 Addendum to the Clearwater Specific Plan Environmental Impact Report. **A public hearing for this application was held on December 11, 2024, and concluded in a 2-1 vote, which was determined to be a “no action vote.” A new public hearing on the item is required to reach a decision on the application.**

Applicant/ Property Owner: Matthew Mering / WH SN Mammoth, L.L.C.

REQUESTING DEPARTMENT:

Community & Economic Development

Nolan Bobroff, CED Director

Kim Cooke, Senior Planner

OBJECTIVE:

1. Hear Staff and Applicant presentations
2. Hold Public Hearing
3. Planning & Economic Development Commission (PEDC) discussion
4. PEDC action to either:
 - a. Adopt the Planning and Economic Development Commission Resolution, making the required CEQA and Municipal Code findings, and recommending to the Town Council approval of District Zoning Amendment 24-001, Use Permit 24-004, and Tentative Tract Map 24-003 as recommended by staff;
 - b. Adopt the Resolution with modifications; or
 - c. Deny the Resolution

SUMMARY

Proposal:

The proposed project consists of a subsequent amendment to the Amended Phase One Clearwater Specific Plan (CSP) to: (1) add condominium hotel uses to the permitted land use table subject to use permit and subdivision map approval, and (2) remove language prohibiting condominium hotel uses in the Amended Phase One CSP project. The application includes a use permit for the proposed condominium hotel use and a tentative tract map for the subdivision of the 20 units within the five (5) four-plex structures (“Villas”) into condominium hotel

units that may be sold individually. No additional development on the site is currently proposed.

Project Name:	Outbound Hotel "Villas" Project
Location:	164 Old Mammoth Road
Size of Property:	6.1 acres
Zoning:	Clearwater Specific Plan
General Plan:	Clearwater Specific Plan
Environmental Review:	Pursuant to the California Environmental Quality Act (CEQA) Guidelines Section §15162, no subsequent environmental review is required because there is no substantial evidence that the proposed Outbound Hotel "Villas" Project would result in any new significant effects or a substantial increase in the severity of previously identified significant effects. The Outbound Hotel "Villas" project is consistent with the scope of development analyzed in the October 2021 Addendum to the Clearwater Specific Plan EIR (SCH# 2006062154) which concluded that no new or increased significant environmental impacts would result from the project.

KEY ISSUES

1. Can the findings be made for approval of a District Zoning Amendment (Specific Plan Amendment) pursuant to Municipal Code (MC) Section 17.112.060?
2. Can the findings be made for approval of a Use Permit pursuant to Municipal Code (MC) Section 17.68.050.?
3. Can the findings be made for approval of a Tentative Tract Map pursuant to the State Subdivision Map Act?
4. Is the proposed project consistent with the California Environmental Quality Act (CEQA)?

I. INTRODUCTION AND BACKGROUND

The Clearwater Specific Plan (CSP) was adopted by the Town of Mammoth Lakes in January 2009, for the development of a new, pedestrian oriented, mixed-use, resort destination development located in the North Old Mammoth Road District of the Town. Adoption of the CSP included approval of Final Clearwater Specific Plan Environmental Impact Report (CSP EIR) (SCH# 2006062154).

In March 2010, in compliance with the CSP, the PEDC approved a vesting tentative tract map, use permit, and design review for a mixed-use project called "Old Mammoth Place." The Old Mammoth Place entitlements included 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. As a part of the Old Mammoth Place project, the Town approved DZA 09-002 in April 2010, to clarify how building height is to be measured when a building sits atop a parking garage and DZA 10-002 in June 2010, to provide clarification on how fees would be charged for the entitled project.

Over the period of approximately six years following the Old Mammoth Place project approval, there proved to be no financing available to construct the project and no market for the sale of condominium hotel rooms. In August 2016, as an effort to improve the economic viability and marketability of the project, the owner obtained approval of amendments to the CSP (DZA 15-002) 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 that time, a CEQA addendum to the CSP EIR (Old Mammoth Place CUP

Addendum [SCH# 2006062154]) was prepared. The Addendum concluded that the proposed modifications were consistent with what was analyzed as part of the CSP Final EIR. This Addendum was approved in 2016.

In September 2021, a new application was submitted to amend the CSP to establish interim development standards to serve as zoning for Phase One of the CSP. The interim development standards accommodated a less intensive expansion and upgrade of the existing hotel, restaurant, and public spaces than envisioned by the CSP/Old Mammoth Place entitlements, while still allowing for future development consistent with the CSP's long-term vision and goals. The Town Council approved DZA 21-001 in December 2021.

The Planning and Economic Development Commission approved a Major Design Review (DR 21-005) application in February 2022, for a project consisting of interior and exterior improvements to the existing 149-unit hotel and Rafters restaurant, the construction of 30 new resort cabin units, including five (5) four-plex “Villa” structures, an expanded event/meeting space, and added amenities for both guests and the community. The project also included 7 on-site affordable housing units located within an existing spa building, a Parking Management Plan to allow for a 15% reduction in required parking (186 parking spaces proposed) and the incorporation of a valet program, and a range of regularly scheduled events managed by the Events Management Plan. Construction of the approved project began in April 2022 and is nearing completion with several final requirements and conditions of approval that must be satisfied before a final certificate of occupancy can be issued.

Project Proposal

The proposed subsequent amendment to the Amended Phase One CSP consists of a District Zoning Amendment (DZA) request to modify the permitted uses for the Amended Phase One CSP by adding ‘condominium hotel uses subject to a use permit and subdivision map approval.’ The proposed amendment includes a definition for condominium hotel uses, adds development and operating standards applicable to condominium hotel uses, and removes language that previously excluded condominium hotel uses from the Amended Phase One CSP development project. Additional minor text revisions are included to provide greater clarity to the reader.

The purpose of the proposed amendment to the Amended Phase One CSP is to allow the current property owner to subdivide the 20 units within the five (5) existing fourplex structures (“Villas” units) into 20 condominium hotel units that may be sold individually. A Use Permit application and a Tentative Tract Map application are included with this entitlement package as required pursuant to the proposed subsequent amendment to the Amended Phase One CSP. The applicant’s intent is also to preserve the regulatory framework established by the CSP which would allow a future redevelopment project consistent with the CSP’s long-term vision and goals. No additional development on the site is currently proposed. **Figure 1** (below) depicts the proposed lot configuration provided by the applicant for the creation of a separate “condominium owners’ association” lot (Lot 1) for the proposed condominium hotel component of the site, plus a remainder “resort owner” lot, with required easements noted for shared access, parking, snow storage, trash enclosure, utilities, and other shared facilities. The final easement language and configuration will be completed through a Reciprocal Easement Agreement (REA) which is subject to review and approval by Town staff prior to Final Map Approval.

Existing Site and Surrounding Land Uses

The 6.1-acre site is in the Old Mammoth Road neighborhood district as identified in the General Plan and is bounded by Old Mammoth Road to the east, Laurel Mountain Road to the west, and Sierra Nevada Road to the south. Multi-family residential and multi-tenant commercial uses abut the north property line. Existing buildings and uses on the property include the Outbound Hotel campus, which is comprised of 179 hotel accommodation rooms, 7 affordable housing units, and the Bar Sierra restaurant. See **Figure 2** (below) for a recent aerial view of the existing site and surrounding properties.

Figure 1: Proposed Subdivision Configuration

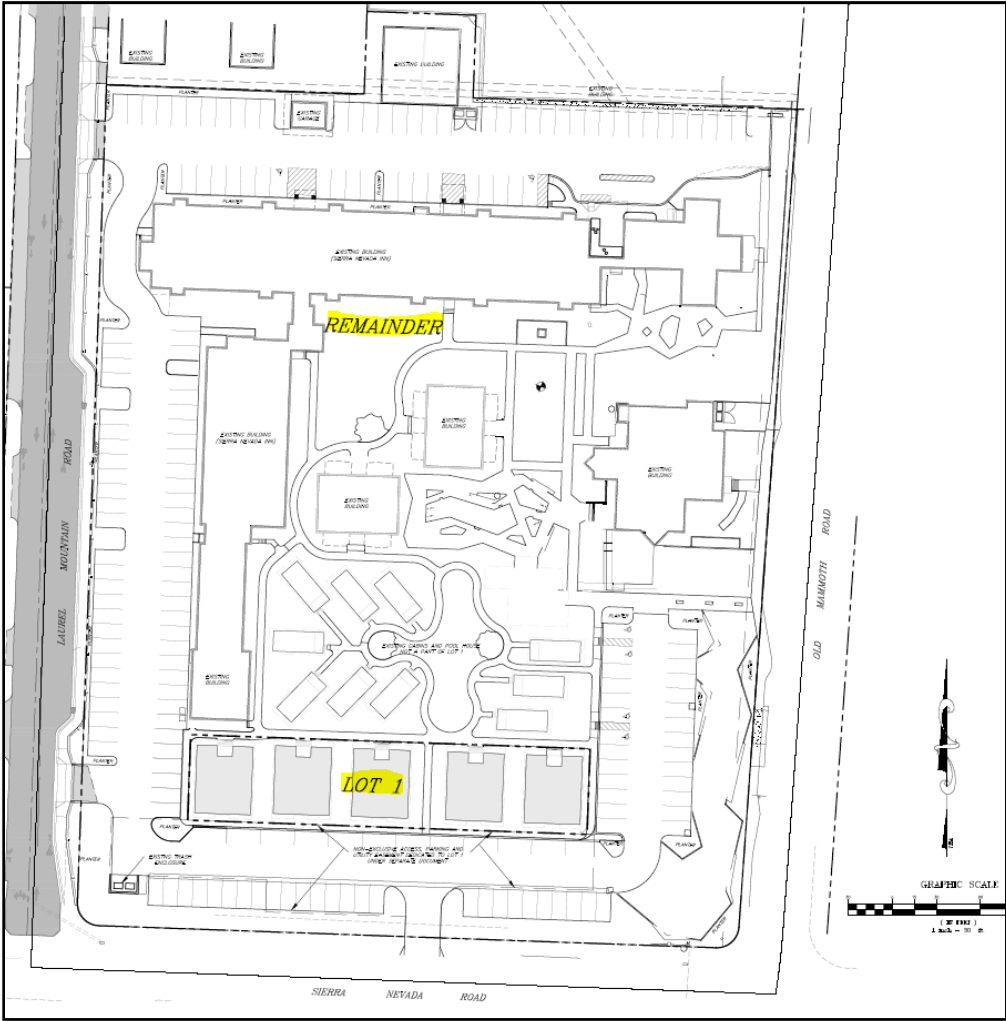
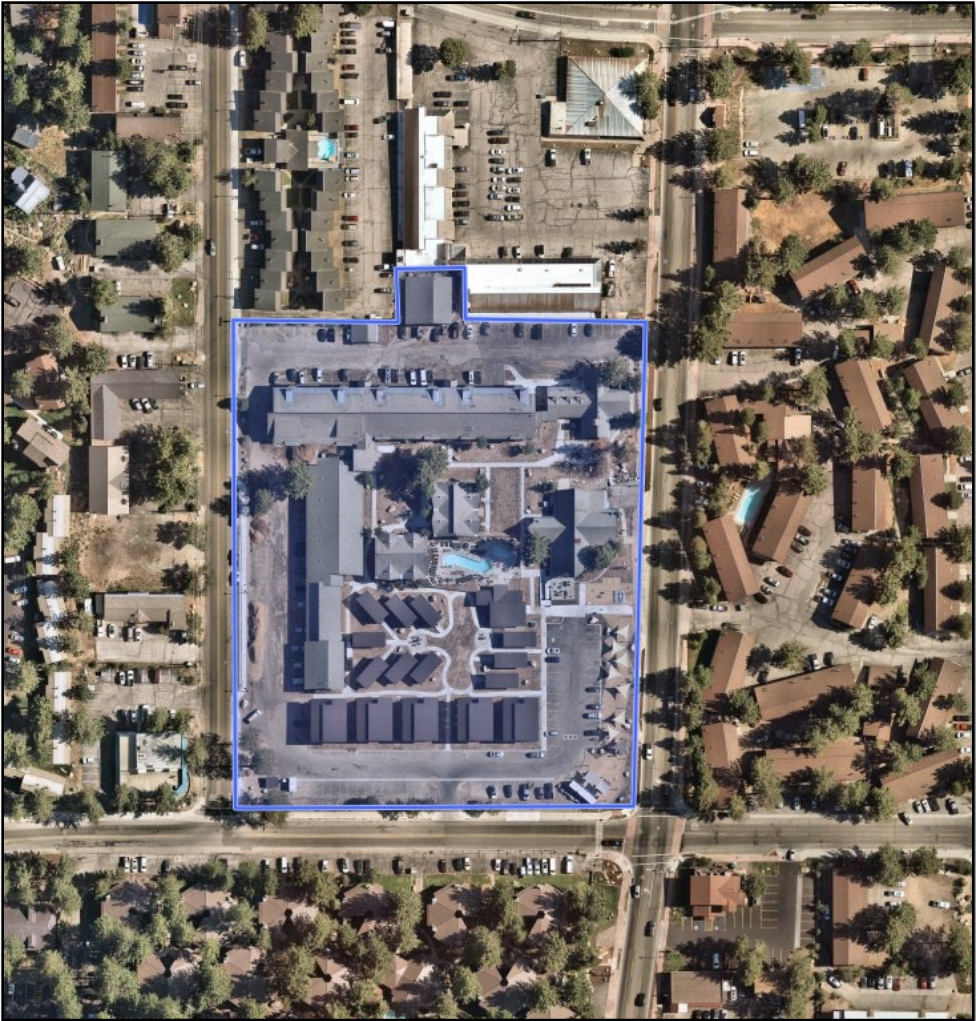


Figure 2: Aerial View with Surrounding Land Use Context



The property is zoned Clearwater Specific Plan (CSP), and the surrounding land uses include both commercial and residential uses. **Table 1** describes the surrounding land uses and zoning.

Table 1: Surrounding Land Uses and Zoning

Location	Zoning*	Land Use	Special Considerations
North	D; OMR	Outpost/Mammoth Mall (commercial); Krystal Villa East (residential condos)	The Use Permit process is intended to evaluate the proposed location, design, configuration, and potential impacts of the proposed use, to evaluate the compatibility of the proposed use with surrounding uses and the suitability of the use to the site.
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 property is zoned Clearwater Specific Plan (CSP) and is subject to the Amended Phase One Clearwater Specific Plan, as adopted in December 2021. There are three land use designations under The Clearwater Specific Plan which are depicted in **Figure 3** below. The proposed Outbound “Villas” subdivision for condominium hotel purposes is located within Land Use Area 2, which is designated for condominium hotel, and described as, “A building or combination of buildings that function as a hotel with privately held condominium hotel units or traditional hotel units. “

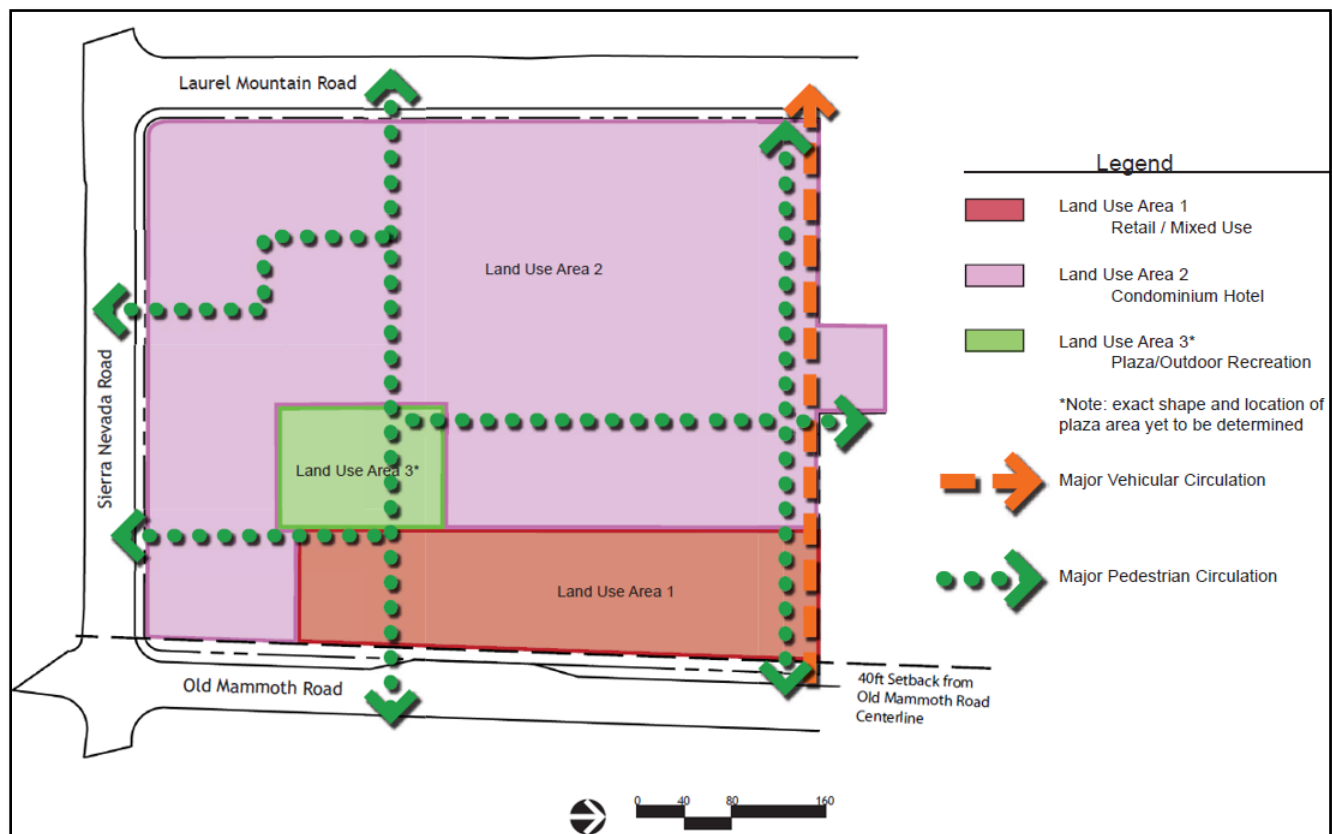


Figure 3: CSP Conceptual Land Use Diagram

Consistency with the Clearwater Specific Plan

The proposed subsequent amendment to the Amended Phase One Clearwater Specific Plan upholds the overall intent and goals of the original CSP and the Amended Phase One CSP. Condominium hotel uses are permitted within the CSP and, therefore, the conversion of the “Villas” to condominium hotel units will comply with the permitted uses in the CSP, as well as with the conceptual land use diagram of the CSP.

General Plan Consistency

The site is located within the Clearwater Specific Plan (CSP) land use designation of 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 analysis of the project’s consistency with the General Plan.

SB 18 Tribal Consultation

Senate Bill 18 (SB 18) law requires local governments to initiate consultation with California Native American Tribes when a project creates or amends general or specific plans and/or undertakes development projects that trigger the California Environmental Quality Act (CEQA). Since this application includes an amendment to a Specific Plan, the SB 18 tribal consultation process was followed. Letters inviting tribal consultation and project review were sent to tribes included on the Native American Contact List provided by the Native American Heritage Commission on August 30, 2024. The required 90-day period for Native American Tribes to request consultation ended on November 29, 2024. Staff did not receive any requests for consultation during the 90-day period, thereby concluding the SB 18 tribal consultation process.

Public Notice

A Public Hearing Notice was mailed to 503 property owners within 300 feet of the subject property on January 27, 2025, and was published in The Sheet newspaper on February 1, 2025, and February 8, 2025, to inform surrounding property owners and the community of the scheduled public hearing.

A public hearing for this application was previously held on December 11, 2024, and concluded with a 2-1 vote of the PEDC in favor of approval. However, it was determined that the 2-1 vote was not sufficient to move the application forward to the Town Council for consideration, so a new public hearing is required in order to reach a decision on the application.

If the PEDC recommends approval of this application to the Town Council, a future Public Notice will be mailed to the same 503 property owners and will be published in The Sheet newspaper prior to the public hearing before the Town Council.

No new public comments were received at the time this staff report was published.

II. ANALYSIS OF KEY ISSUES

1. Key Issue #1: Can the findings be made for adoption of a Specific Plan Amendment pursuant to Municipal Code (MC) Chapter 17.112.060?

Pursuant to Section 17.112.070(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 subsequent amendment to the Amended Phase One CSP must meet the required findings for adoption of a Specific Plan as set forth in MC Section 17.112.060. Staff have determined that the required findings can be made for approval of a Specific

Plan pursuant to MC Chapter 17.112.060. Specifically, staff finds that by allowing the proposed district zoning amendment to modify the permitted uses for the Amended Phase One CSP, which would add condominium hotel uses subject to a use permit and subdivision map approval; the Amended Phase One project will remain consistent with the overarching goals included in the Amended Phase One CSP, as well as the original CSP document.

In addition, staff finds that there are no substantial changes to the project from what was analyzed in the 2021 Addendum to the Clearwater Specific Plan EIR that will require revisions to the Addendum, and therefore, 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 17.112.060, 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;

The proposed subsequent amendment to the Amended Phase One Clearwater Specific Plan (CSP) is consistent with the General Plan and other adopted goals and policies of the Town because the amendment will result in a project that continues to meet the intent, goals, and objectives of the 2007 General Plan, and the CSP. The amendment proposes to modify the permitted uses for the Amended Phase One CSP by adding condominium hotel uses subject to a use permit and subdivision map approval. The proposed amendment includes a definition for condominium hotel uses, adds development and operating standards applicable to condominium hotel uses, and removes language that excludes condominium hotel uses from the Amended Phase One CSP development project.

The purpose of the proposed amendment to the Amended Phase One CSP is to allow the current property owner to subdivide the 20 existing units within five fourplex structures ("Villas" units) into 20 condominium hotel units that may be sold individually. The proposed amendment is consistent with allowable land uses identified in Section 5.2.1, Land Use Designations, of the CSP, which states, "Land Use Area 2: Residential: A building or combination of buildings that function as a hotel with privately held condominium hotel units or traditional hotel units."

The proposed amendment does not increase the allowable density or intensity of development subject to the Amended Phase One CSP, and 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 can be met when the site redevelops in the future.

Finally, the proposed subsequent amendment to the Amended Phase One CSP maintains consistency with the intent of the General Plan's 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."

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 CSP.

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

Pursuant to CEQA Guidelines Section §15162, no subsequent environmental review is required because there is no substantial evidence that the proposed District Zoning Amendment, Tentative Tract Map, and Use Permit application for the Outbound Hotel “Villas” Project would result in any new significant effects or a substantial increase in the severity of previously identified significant effects. The Outbound Hotel “Villas” project is consistent with the scope of development contemplated for the Amended Phase One Clearwater Specific Plan development project analyzed in the October 2021 Addendum to the Clearwater Specific Plan EIR. Therefore, with the incorporation of applicable mitigation measures from the 2021 EIR Addendum, the Specific Plan Amendment is in compliance with the provisions of the California Environmental Quality Act (CEQA).

2. Key Issue #2: Can the findings be made for approval of a Use Permit pursuant to Municipal Code (MC) Section 17.68.050?

The proposed subsequent amendment to the Amended Phase One CSP requires use permit approval and subdivision map approval for condominium hotel uses. Staff have determined that the required findings can be met for approval of a Use Permit pursuant to MC Section 17.68.050 (Use Permit Findings). Staff’s complete analysis of the required findings can be found in the project Resolution, included as **Attachment 1**.

The proposed subdivision configuration in the context of the existing site layout and project design provides the necessary site amenities that would be required of other condominium hotel developments including site access, designated parking, required dumpster, and snow storage. Additionally, the proposed condominium hotel use will be occupied and operated as a transient rental (lodging) use in such a way that will not be detrimental to the health and safety of the surrounding community nor injurious to properties or improvements in the vicinity.

3. Key Issue #3: Can the findings be made for approval of a Tentative Tract Map pursuant to the State Subdivision Map Act?

Pursuant to the State Subdivision Map Act, the project requires approval of a Tentative Tract Map since the proposed project is a common interest subdivision for condominium hotel units that can be individually owned and sold. Prior to Final Map approval, the applicant team shall obtain Town staff approval of the Reciprocal Easement Agreement and associated exhibits, CC&Rs applicable to the condominium hotel units, and a condominium plan. Staff has reviewed the tentative map and finds that it is in conformance with the Town’s Subdivision Ordinance and the State Subdivision Map Act. Tentative Tract Map 24-004 is included in **Attachment 2**.

4. Key Issue #4: Is the proposed project consistent with the California Environmental Quality Act (CEQA)?

Staff determined that the Outbound Hotel “Villas” Project is consistent with the scope of development contemplated for the Amended Phase One CSP project as analyzed in the October 2021 Addendum to the Clearwater Specific Plan EIR, which concluded that the proposed project modifications are minor technical changes that do not result in any new significant environmental effects or a substantial increase in the severity of previously identified significant effects. The applicable mitigation measures from the 2021 Addendum remain applicable and are included as conditions of approval for the project. The 2021 CEQA Addendum is included as **Attachment 3**.

Agency/Public Comments

The project was routed to Mammoth Community Water District, Mammoth Lakes Fire District, and internal Town departments for review. The Conditions of Approval included with the PEDC Resolution (**Attachment 1**) require compliance with all applicable local agency requirements.

In addition, notice of the public hearing, including a project description, was mailed to 503 property owners within 300 feet of the subject property and a Public Notice was published in The Sheet newspaper on February 1st and February 8th.

One public comment letter was received on December 10, 2024. This letter is included as **Attachment 5**. Staff contacted the commentor and offered to meet to discuss issues raised in the comment letter. Staff met with the commentor on Tuesday, December 17th and discussed the various concerns regarding the application and staff provided clarification on certain items including parking, setbacks, and the fact that a Development Agreement (DA) does not exist for the property.

No additional public comments were received at the time this staff report was published.

III. STAFF FINDINGS AND RECOMMENDATION

Staff finds that the proposed Outbound “Villas” Project meets the applicable requirements and recommends that the Planning and Economic Development Commission adopt the attached Planning and Economic Development Commission Resolution, making the required CEQA and Municipal Code findings, and recommending to the Town Council approval of District Zoning Amendment 24-001, Use Permit 24-004, and Tentative Tract Map 24-003, with conditions as recommended by staff or with modifications.

Attachments

Attachment 1: Planning and Economic Development Commission Resolution

Exhibit A: Conditions of Approval

Exhibit B: DZA 24-001: Subsequent Amendment to the Amended Phase One Clearwater Specific Plan

Attachment 2: Tentative Tract Map Plan Sheets 1 and 2

Attachment 3: 2021 Addendum to the Clearwater Specific Plan Environmental Impact Report

Attachment 4: Application Narrative

Attachment 5: Public Comment Letter dated 12-10-24