

TOWN COUNCIL STAFF REPORT

Subject: Consider approval 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 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.

Meeting Date: March 19, 2025

Written by: Kim Cooke, Senior Planner

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 24-001; and adopt the attached resolution making the required CEQA, Subdivision Map Act, and Municipal Code findings, and approving Tentative Tract Map 24-003 and Use Permit 24-004, with conditions are recommended by the Planning and Economic Development Commission (Commission), or as modified by the Town Council.

PROJECT SUMMARY

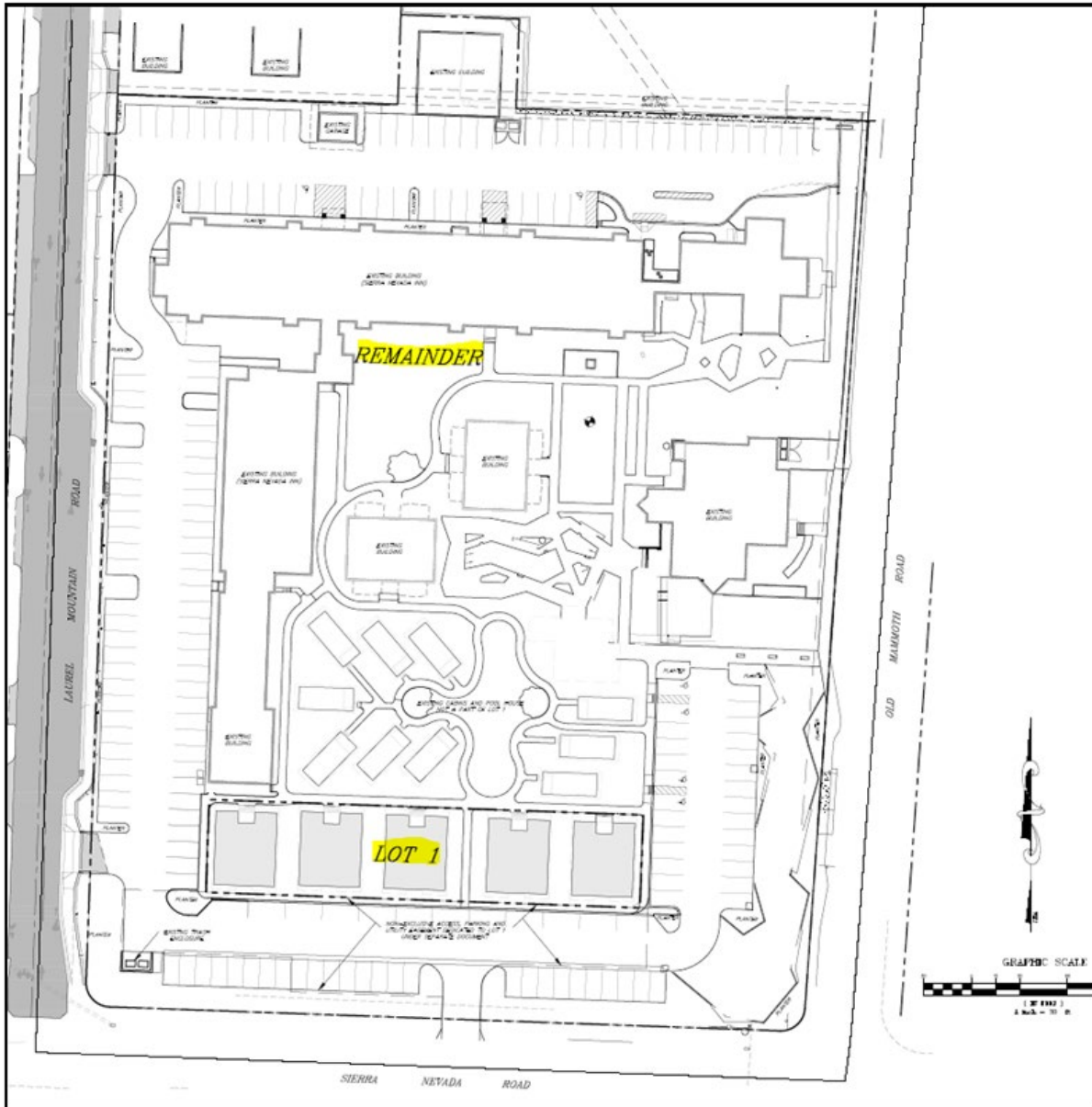
The proposed subsequent amendment to the Amended Phase One CSP consists of a District Zoning Amendment (DZA) request to modify the permitted uses for the Amended Phase One CSP by adding ‘condominium hotel uses subject to a use permit and subdivision map approval.’ The proposed amendment includes a definition 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 five (5) existing fourplex structures (“Villas”) 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 application 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.

Figure 1: Proposed Subdivision Configuration



BACKGROUND:

The Clearwater Specific Plan (CSP) was adopted by the Town Council 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 the 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, the applicant asserts that financing was not available to construct the project and market conditions were not conducive to 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 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

site improvements that are outstanding. These outstanding items include completion of landscape installation, parking lot resurfacing and restriping, installation of signage, all of which will be bonded for to ensure completion prior to issuance of a Certificate of Occupancy and prior to a second reading for the Ordinance approving DZA 24-001.

Current Application

The current application was submitted to the Town on June 3, 2024.

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.

Planning and Economic Development Commission Public Hearings

On December 11, 2024, the PEDC held a public hearing to consider the Outbound Hotel “Villas” project application. The public hearing concluded with a 2-1 vote of the commission in favor of application 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 another noticed public hearing with the PEDC was scheduled to reach a decision on the application.

A noticed public hearing with the PEDC was held on February 12, 2025, to reconsider the Outbound “Villas” project application. The public hearing concluded in a 3-1 vote of the Commission, to recommend approval of the project to the Town Council. PEDC Resolution No. 2025-02 is included as **Attachment 5**.

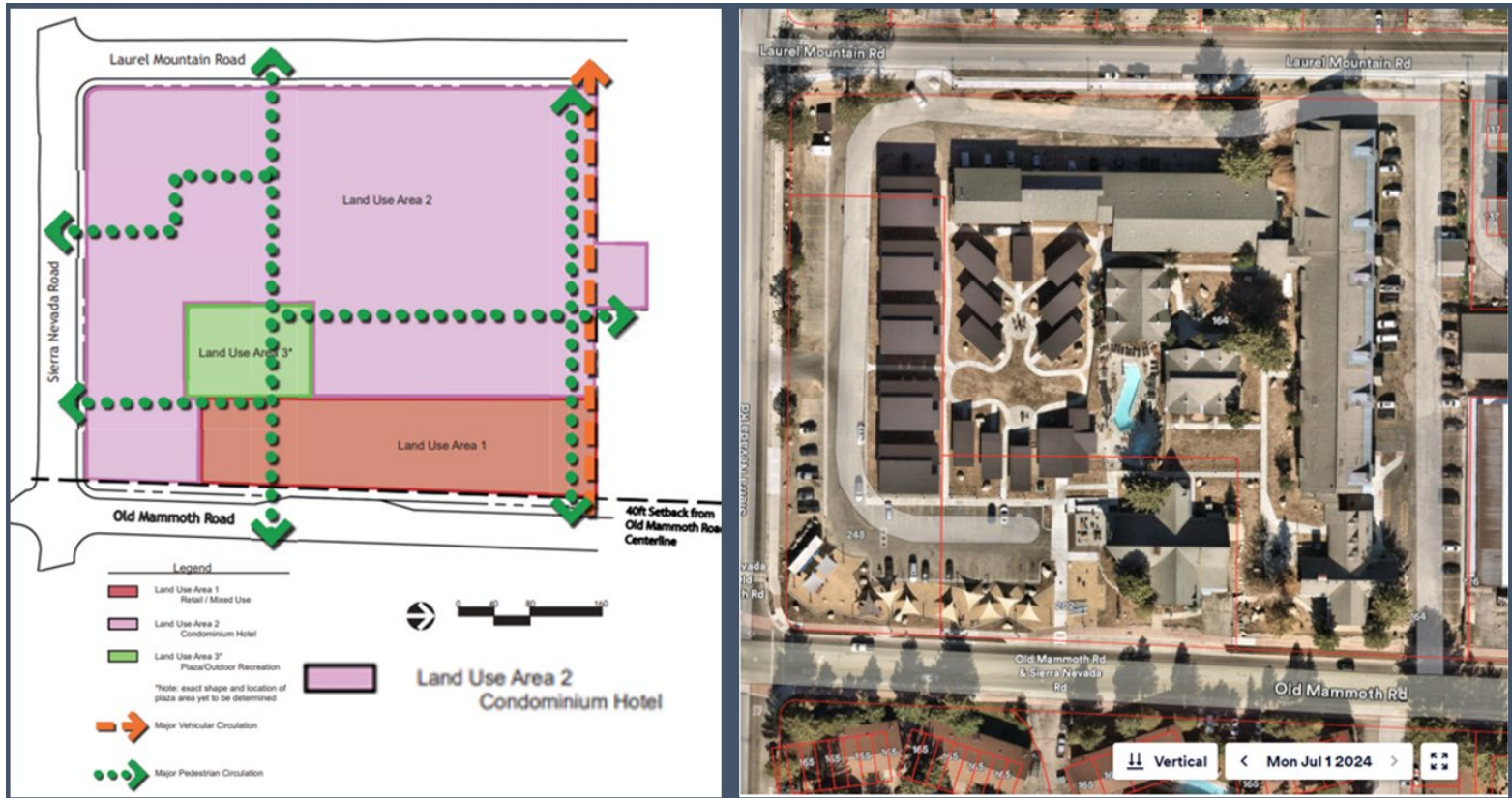
ANALYSIS/DISCUSSION:

Site Zoning

The property is zoned Clearwater Specific Plan (CSP) and is subject to the Amended Phase One Clearwater Specific Plan, as adopted in December 2021. The 2021 Amended Phase One CSP document specifies that the standards therein shall only apply to the Amended Phase One project, and any future redevelopment of the site following completion of the Amended Phase One project shall be subject to the standards found in the 2016 Clearwater Specific Plan regulatory document. Since the District Zoning Amendment (DZA 24-001) application is only applicable to the Amended Phase One CSP document, staff considered the location of the proposed condominium hotel use in the context of the 2016 CSP document as well, to ensure consistency with the land use designations that will apply to the property in the future.

There are three land use designations identified in the 2016 Clearwater Specific Plan which are depicted in **Figure 2** below. The proposed Outbound “Villas” subdivision for condominium hotel purposes is located within Land Use Area 2, designated for condominium hotel uses, 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 2: CSP Conceptual Land Use Diagram and Aerial View of Project Site



Permits and Findings Required

The Outbound “Villas” project application includes three permits:

1. District Zoning Amendment (DZA) 24-001 – 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.
2. Tentative Tract Map (TTM) 24-003 – would allow a common interest subdivision for condominium hotel units that can be sold individually.
3. Use Permit (UPA) 24-004 – is required to ensure the proposed condominium-hotel operation is subject to the same operating standards and includes site amenities that would be required of other condominium hotel development within the CSP zoning designation, as well as ensure the proposed condominium hotel use will be occupied and operated as a transient rental (lodging) use.

The required findings for these permits include, but are not limited to, the following:

1. Project is consistent with the General Plan.
2. Project is internally consistent with the Amended Phase One CSP.
3. Project is in compliance with CEQA.
4. Project will not be detrimental to the public interest, health, safety, convenience, or welfare of the town.
5. Project site is physically suitable for the proposed development.

The attached ordinance and resolution include the required findings for approval which describe how the project complies with all applicable requirements (Attachment(s) 1, and 2).

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.”

Public Comments

Two written public comments were provided in writing prior to the PEDC public hearings. One public comment letter was received on December 10, 2024. 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.

A second written public comment was received on February 9, 2025, which expressed concern regarding increases in vehicular traffic on Old Mammoth Road and recommended limiting site access for the project to Laurel Mountain Road. The commentor also expressed concern regarding property maintenance due to separate ownership of the condominium hotel units and the Outbound Hotel.

The PEDC reviewed and considered these Public Comments prior to making its decision on the application. The two written public comment letters are included as **Attachment 7**.

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 24-001 and adopt the attached resolution making the required CEQA, Subdivision Map Act, and Municipal Code findings, and approving Tentative Tract Map 24-003, and Use Permit 24-004, 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 24-001 and adopt the attached resolution making the required CEQA, Subdivision Map Act, and Municipal Code findings, and approving Tentative Tract Map 24-003, and Use Permit 24-004, with conditions as recommended by the Planning and Economic Development Commission, as modified by the Town Council.

Option 3: Deny District Zoning Amendment 24-001, Tentative Tract Map 24-003, and Use Permit 24-004.

Option 1 would allow the Ordinance, approving DZA 24-001, to proceed to a second reading by the Council and would become effective 30 days after the second reading. Once the ordinance is effective, the resolution approving TTM 24-003 and UPA 24-004 would become effective, and the applicant could submit a final map for the subdivision.

As with Option 1, Option 2 would allow the Ordinance, approving DZA 24-001, to proceed to a second reading by the Council, but the Council's approval would be for a modified proposal. The modifications could be revisions to DZA 24-001 and/or revisions to the conditions of approval.

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 for the processing of this application.

ENVIRONMENTAL CONSIDERATIONS:

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 4**.

LEGAL CONSIDERATIONS:

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

Attachments:

Attachment 1: Ordinance approving District Zoning Amendment 15-002

Exhibit A: Revisions to the Amended Phase One Clearwater Specific Plan

Attachment 2: Resolution making the required CEQA, Subdivision Map Act, and Municipal Code findings, and approving Tentative Tract Map 24-003, and Use Permit 24-004

Exhibit A: Findings for Approval

Exhibit B: Conditions of Approval

Attachment 3: Tentative Tract Map Sheets 1 and 2

Attachment 4: 2021 CEQA Addendum to the Clearwater Specific Plan EIR

Attachment 5: PEDC Resolution 2025-02

Attachment 6: Application Narrative

Attachment 7: Public Comments