

ATTACHMENT 6

Application Narrative

PROJECT NARRATIVE

Background

In 1967, the Sierra Nevada Lodge opened on Old Mammoth Road, where it operated largely unchanged for more than 40 years. In 2008, a new owner set out to develop a mixed-use resort on the site, consistent with the vision and goals of the General Plan. In 2009, the owner applied for, and the Town Council approved, the Clearwater Specific Plan ("CSP") to accommodate the owner's development plan for the proposed resort. The owner then applied for, and the Planning and Economic Development Commission approved, a conditional use permit ("CUP") for a mixed-use resort called "Old Mammoth Place." The approved project included 340 condo-hotel units, 488 lodging rooms, eight on-site workforce housing units, three outdoor public events plazas, 20,000 square feet of retail space, 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 hot tubs, and an underground parking garage to accommodate 488 vehicles.

During the seven-year period following the approval of Old Mammoth Place, the owner failed to secure financing for the proposed project. Therefore, in August 2016, the owner sought to bolster the project's economic viability by securing amendments to the CSP and CUP. These amendments included increasing the building height to 80 feet, significantly expanding the residential square footage, increasing underground parking capacity to 610 spaces, and removing the on-site workforce housing requirement.

Despite these efforts, financing for Old Mammoth Place remained unattainable throughout the next five years. Therefore, the owner pivoted his focus to refreshing the existing hotel rooms and renovating the restaurants and public spaces at Sierra Nevada Lodge. Consequently, the vision and goals for the site, as outlined in the General Plan, remained unfulfilled, and Old Mammoth Road continued to struggle to meet the needs and expectations of visitors and locals alike.

Waterton's Redevelopment of the Site

In 2021, WH SN Mammoth LLC ("Waterton") purchased the site and set out to expand, renovate, and rebrand the Sierra Nevada Lodge in a manner that could be financed. Waterton then applied for and obtained an amendment to the CSP ("Phase One Addendum") to accommodate a less dense and lower-scale expansion and renovation of the site, while leaving open the possibility that Old Mammoth Place could still be developed if it ever became financially feasible. Waterton then obtained Design Review approval and a Conditional Use Permit for the renovations, and made substantial investments to expand and upgrade the hotel, restaurant, and public spaces, and to create a dynamic outdoor food and entertainment venue along the Old Mammoth Road. Specifically, Waterton:

- Updated and enhanced all of the hotel's entryways, lobby areas, public spaces, and accommodations;
- Added twenty family-friendly Villa units and ten cabin units to the hotel inventory;
- Created a new restaurant and bar called "Bar Sierra" with an expanded outdoor seating deck;
- Created a food and beverage garden and events venue along Old Mammoth Road, which is served by Bar Sierra and a food truck stationed at the corner of Old Mammoth Road and Sierra Nevada Road.
- Upgraded and increased the capacity of the event and meeting space at the site;
- Created a new wine bar in the hotel lobby;
- Installed a new and enlarged pool and hot tub;
- Created multiple landscaped social and amenity areas;
- Provided on-site workforce housing for a minimum of five hotel employees; and
- Constructed a new sidewalk along Laurel Mountain Road, for the full length of the site, which supports the Town's Safe Routes to Schools Initiative.

Waterton's redevelopment of the site was the first major expansion and renovation of a hospitality project in Mammoth in decades. It transformed the site into a contemporary, full-service family resort, and made significant strides toward achieving the General Plan's goals for the Old Mammoth Road ("OMR") District, including increased hotel occupancies and a revitalized streetscape.

The Villas

Waterton's redevelopment of the site included the construction of five four-plex buildings that contain 20 family-oriented lodging units called the "Villas." Throughout the entitlement and redevelopment process, Waterton intended to own and operate the entire site as a traditional hotel. However, the quality and configuration of the Villas soon led to a number of unsolicited requests from hotel guests for Waterton to convert the Villas into condominium-hotel units.

The sale of the units would present guests a unique opportunity to invest in the OMR District, thereby contributing to its enhancement and sustainability. The sale of units would also bolster the long-term stability and viability of the resort, creating a mutually beneficial arrangement for both new unit owners and the local community. Moreover, more than two-thirds of the site would still remain available for redevelopment if the property owner were to pursue a scaled-down version of Old Mammoth Place if it were to become financially feasible.

The proposed subdivision of the Villas for condominium hotel purposes would not have a material impact on hotel operations because use of the Villas will be restricted to transient occupancy. Transient occupancy restrictions mean and include: (i) owner and guest stays will be limited to 30-days maximum per stay, without limitation on number of stays per year; and (ii) each Villa will remain available for rental by the general public when the Residence is not owner or guest occupied; (iii) such restrictions are severable in the event of a determination that a

restriction is found unenforceable, void or unconstitutional and subject to Town procedures whereby an owner can seek a waiver of transient occupancy restrictions due to hardship, change of circumstances, or other material grounds. In addition to the transient occupancy restrictions set forth in Town zoning, the Town's restrictions on transient occupancy will be included the governing CCRs of the Villas to ensure that the Villas' primary use remains transient occupancy.

Waterton's Entitlement Applications

Waterton's goals are to establish "condominium hotel" units as a permitted use for the Villas, as currently permitted under the CSP, and to allow each of the Villas to be marketed for sale. To accomplish those goals, Waterton requests the Town to: (i) amend the Phase One Addendum to allow the Villas to be used and sold as condominiums; and (ii) approve a Tentative Tract Map to document the conversion of the Villas to condominiums.

Conformance to the General Plan

The Town's General Plan identifies three core principles applicable to the OMR District: (1) create walkable communities; (2) maintain mountain town character; and (3) provide economic viability. Waterton's redevelopment of the site conforms to each of these principles through the creation of a vibrant, walkable site that maintains the character of Mammoth Lakes while laying a solid foundation for sustained economic viability.

Compliance with the CSP

The Municipal Code states that the OMR District "is intended to encourage a mix and intensity of uses in a pedestrian-scaled environment at a scale and form that is appropriate to its neighborhood context and adjacent residential uses and forms." The CSP is consistent with the General Plan. Residential condominiums are permitted uses within the CSP and, therefore, the conversion of the Villas to condominiums will comply with the permitted uses in the CSP.

The CSP and Phase One Addendum provide development standards for the site, including allowable density and building height. The CSP allows density of up to 340 condominiums and 488 guestrooms. The Phase One Addendum allows building heights up to 35 feet. The 20 Villas do not exceed 35 in height and, therefore, the Villas comply with the allowable density and development standards in the CSP and Phase One Addendum.

Public Benefits

Waterton's redevelopment efforts have attracted both locals and visitors to the upgraded hotel facilities, leading to increased activity for local businesses and playing a key role in the revitalization of the OMR District. Moreover, the project has actively fostered community engagement and inclusivity by providing spaces for social gatherings, cultural events, and recreational activities. The site is emerging to be a downtown hub for both residents and visitors, promoting social interaction and economic vitality throughout the year. Prompted in part by

Waterton's investment in the project, neighboring properties are now pursuing enhancement and redevelopment, contributing to the overall appeal and sustainability of the OMR District, and aligning closely with the vision and goals outlined in the General Plan.

Compliance Agreement

Waterton acknowledges the Compliance Agreement dated January 9, 2024, and affirms its commitment to address and resolve all items outlined within that agreement by January 9, 2025. The Outbound Hotel property is currently operating with a Temporary Certificate of Occupancy (TCO) due to outstanding conditions of approval and Building Division requirements that must be fulfilled prior to the issuance of a permanent Certificate of Occupancy by the Town.

As required by Municipal Code Section 17.08.020 – Requirements for Development and New Land Uses, all previous Town approvals and agreements must be adhered to before any alterations to land use can occur. Consequently, Waterton shall address and resolve all action items identified in the Compliance Agreement, including the conditions of approval imposed by PEDC Resolution #2022-03.