Planning and Economic Development Commission
Agenda Action Sheet

Title: Snowcreek Development Agreement Discussion

Commission Meeting Date: 10/9/2024

Prepared by: Nolan Bobroff, Community & Economic Development Director

Recommended Motion: Discussion only. No formal action or decision is needed.

Summary: The 2010 Snowcreek Development Agreement (SDA) vests the entitlements granted in the Snowcreek Master Plan Update - 2007 (SMPU) for the Snowcreek VIII development and the entitlements granted under the previous 1981 Snowcreek Master Plan for the Snowcreek VII (Creekhouse) development.[1] The term of the SDA is for 20 years covering the period of July 23, 2010 – July 23, 2030; however, starting in July 2020, the term of the SDA is reduced one day for each day, or portion thereof, that construction of the hotel and expanded golf course has not commenced. Construction of these elements has not commenced and therefore, the developer is currently losing days off the term of the SDA, and the SDA will expire in July 2025 if construction of the golf course and hotel has not commenced.

As a result of the pending termination of the SDA in July 2025, the developer is proposing an amendment to the SDA to extend it for an additional 20 years. In exchange for the extension, the Town is asking for a commitment to operate the existing 9-hole golf course for the life of the extended SDA and for the permanent protection of the existing 9-hole golf course area for open space and recreation purposes.

In the event that the SDA expires, the developer can still build the project envisioned in the SMPU (i.e., the SC VIII project consisting of up to 790 residential dwelling units, a resort hotel with up to 250 rooms, expansion of the existing 9-hole golf course into an 18-hole championship golf course, etc.), but the Town would not receive any of the remaining community benefits and the developer would not have a guarantee that the SMPU wouldn't be amended by the current or future Town Councils. The following table provides a comparison of what could occur if the SDA remains in-place (i.e., is extended) and if the SDA were to expire (i.e., not be extended).

[1] Snowcreek DA: https://www.townofmammothlakes.ca.gov/DocumentCenter/View/5109
Snowcreek Master Plan Update: https://www.townofmammothlakes.ca.gov/DocumentCenter/View/562

SNOWCREEK DEVELOPMENT AGREEMENT COMPARISON *Areas that are the same regardless of the SDA are highlighted in BLUE and areas that are different are highlighted in RED*		
	with an Amended DA	without a DA
Development Allowed (per the Master Plan)		
- Residential	Up to 790 units	Up to 790 units
- Lodging	Up to 400 hotel rooms/units* - 250 resort hotel rooms - 150 private residence club units * counted in the Master Plan as a half-unit of density (200 rooms/units)	Up to 400 hotel rooms/units* - 250 resort hotel rooms - 150 private residence club units * counted in the Master Plan as a half-unit of density (200 rooms/units)
- Commercial	Up to 75,000 sq ft of non-residential uses	Up to 75,000 sq ft of non-residential uses
- Recreation	Expansion of the 18-hole golf course is permitted	Expansion of the 18-hole golf course is permitted
Housing Mitigation	The affordable housing requirement for Snowcreek VIII is 10% of the market-rate units (943 units), of which 50% will be built on-site and 50% will be mitigated through a combination of payment of in-lieu fees and use of FTEE credits.[2] - 47 units of on-site housing affordable to households	The project would be required to mitigate the housing impacts of the project in accordance with the Housing Mitigation ordinance in effect at the time of building permit submittal. The current Housing Mitigation ordinance (ORD 15-03) specifies that the value of the mitigation required is equivalent to the housing mitigation

[2] The full time equivalent employee (FTEE) credits were provided in 2003 to the prior developer of the Snowcreek projects (Dempsey) for the donation to the Town of the 4.41 acres that was ultimately developed with the Aspen Village affordable housing project.

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	earning between 175-200% AMI - Payment of $2,592,500 in in-lieu fees ($3489.23 per market-rate residential unit) - Use of 16.5 FTEE credits that the developer owns Assuming full build-out of the project, **the estimated value of the housing mitigation package ranges from $9.8M - $12.2M.**	fees set by the fee schedule, and that the value of all forms of mitigation (e.g., in—lieu fee, on-site units, donation of land) are only required to equal what the mitigation fee would be. Based on the FY 24/25 fee schedule, the project would be required to provide **a value of $8.96M in housing mitigation**.
Community Benefits		
- Additional Financial Contribution (*Up to $10M based on the total build-out of the site and to be paid out on a pro rata contribution of approximately $10,000 per residential unit*).	- Payment of $10M that can be used for public facilities within the area of geographic nexus (areas directly adjacent to the Snowcreek projects) - Payment is above and beyond any payments that are otherwise required for building permit fees and DIFs. - Fee is required to be paid at the time of building permit issuance on a per unit basis.	No additional financial contribution would be provided.

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- Fiscal benefits that will accrue to the Town from the additional development, including an increase in TOT.	The developed units will result in an increase in property tax revenue and TOT revenue since transient rentals of the units are permitted.	The developed units will result in an increase in property tax revenue and TOT revenue since transient rentals of the units are permitted.
- 8.9-acres of park area in excess of that required by the SMPU	Provide 20.98 acres of parkland and open space (15.6 acres of open space [*previously provided*], 0.12-acre mini park, and 3.76-acres internal open space corridor)	Provide a minimum of 12.08 acres of parkland and open space (*15.6 acres previously provided*)
- Preservation of the Mammoth Creek open space corridor	Completed. This land was previously preserved and was then donated to the Town.	Completed. This land was previously preserved and was then donated to the Town.
- Championship 18-hole golf course	The 94-acre golf course expansion area (includes golf course, clubhouse, and practice facility) remains available for the development of the expanded golf course; however, the development of the expanded golf course will only occur if it is economically viable.	The 94-acre golf course expansion area (includes golf course, clubhouse, and practice facility) remains available for the development of the expanded golf course; however, the development of the expanded golf course will only occur if it is economically viable.
- Golf practice facility	See above.	See above.
- Secondary access for Snowcreek V and VIII and emergency vehicle access to Sherwin Creek Rd	Required when the hotel is built or when 2/3 of the total number of units are built, whichever comes first.	Required when the hotel is built or when 2/3 of the total number of units are built, whichever comes first.

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- Allowed egress of backcountry winter recreation users	Completed. Egress is currently permitted; Egress will be further enhanced once the multi-use paths and street circulation network are completed.	Completed. Egress is currently permitted; Access will be further enhanced once the multi-use paths and street circulation network are completed.
- Programming of public spaces (great lawn, outfitters cabin, etc.)	If these areas are developed in conjunction with the hotel, the SDA requires these areas to be programmed for public uses.	No requirement for how these areas are programmed.
- Access through the project to connect to adjacent public lands	Completed. Access through the site is currently permitted and will be further enhanced once the multi-use paths and street circulation network are completed.	Completed. Access through the site is currently permitted and will be further enhanced once the multi-use paths and street circulation network are completed.
- Land for propane storage tanks	An easement of 0.283 acres has been provided in the event that the Town needs it; however, the propane storage tanks are currently located on USFS land adjacent to the Snowcreek VIII site.	No easement required.
Vested Rights		
- Building Permit Fees	Fees for processing the building permits are vested at the FY 2009-10 rate, but are subject to an annual increase based on the CA	The project would be required to pay the building permit processing fee that is in effect at the time of building permit submittal. In FY 2024-25, a

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	Construction Cost Index (CCCI) inflationary factor. Based on the FY 2009-10 rate plus the inflationary increases through FY 2024-25, a 5,750 sq ft tri-plex development would be required to pay a building permit fee of $33,502 (**savings of ~$1,200 from the current FY rate**).	5,750 sq ft tri-plex development would be required to pay a building permit fee of $34,742.
- Development Impact Fees (DIFs)	DIFs are vested at the rates from FY 2009-10, unless the rates are reduced during the term, which will then be the lower rate. In FY 2009-10, a tri-plex development was required to pay $50,664 in DIFs. DIFs were substantially reduced in FY 2015-16 and have increased each subsequent year in accordance with the CA Construction Cost Index (CCCI) inflationary factor, but have not exceeded the FY 2009-10 rates. Any building permits currently submitted would be subject to the current FY DIFs since the current DIFs are lower than those in effect from FY 2009-10. However, in the event that DIFs were substantially increased and exceeded the FY 2009-10 rates, the developer	The project would be required to pay the DIFs in effect at the time of building permit submittal. In FY 2024-25, a tri-plex development would be required to pay $23,073 in DIFs.

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	would be entitled to pay the FY 2009-10 rates.	
- Entitlements	All entitlements are vested for the life of the SDA. This includes all use permit, design review, and tentative map approvals.	Entitlements are subject to an implementation timeline of 2 years, with an option to extend the approval for an additional 6 years, for a total lifespan of 8 years. Typically, once construction is commenced or a final map is recorded, the entitlements are considered exercised and would not expire.
- Governing documents	Vests the 1974, 1981, and 2007 Snowcreek Master Plans, General Plan, Zoning Code, and other related documents that were in effect in July 2009.	The project would be subject to the 2007 Snowcreek Master Plan, unless it is otherwise amended, and the General Plan in effect at the time of entitlement application submittal.
Recreation and Open Space Amenities		
- Golf Course (existing 9-hole)	The proposed amendment to the SDA includes a requirement to continue operation of the existing 9-hole golf course for the life of the SDA. The amended SDA will include parameters outlining the annual operation requirements.	There is no requirement for the owner of the existing 9-hole golf course to continue operating the course.

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- Trails (winter and summer)	The proposed amendments to the SDA include an option for the developer to construct and operate interim recreational uses, including trails, on the 94-acre golf course expansion area.	There is no requirement for the developer to construct anything on the 94-acre golf course expansion area.
- Open-Space Covenant	The proposed amendments to the SDA include the permanent protection of the existing golf course area (less the allowed development on the Hole 1 area) for open space and recreation purposes. This protection would be similar to what currently exists on the 94-acre golf course expansion area.	There would be no requirement to permanently protect the existing golf course area. The majority of the area is identified in the Snowcreek Master Plan as Recreation and would require an amendment of the Master Plan to construct anything different in that area.