

**Draft Report**

Development Impact Fee and  
Housing Program Update

March 18, 2010

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## *INTRODUCTION AND SUMMARY*

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Last November, the Mammoth Lakes Town Council approved a series of recommendations made by the Community Facilities Funding Committee (CFFC) and Mammoth Lakes Housing. Consistent with the recommendations the Council also adopted an interim Development Impact Fee (DIF) schedule. Council also directed staff to develop a work plan to implement the short-term and long-term recommendations made by the CFFC. On December 15, 2009, the Council approved a work plan that directed staff to continue efforts to develop a broader approach to funding capital facilities and to integrate capital facilities funding efforts into a "community investment strategy" – a strategy that will integrate community development and resort reinvestment efforts with capital facilities funding initiatives. As an initiation of this approach the Town Council requested that the following tasks be completed by June 2010:

- More precisely validate and allocate funding sources to capital projects.
- Prepare a revised affordable housing mitigation requirement and related in-lieu fee.
- Review existing project environmental impact review (EIR) documents, master plans, specific plans and other adopted documents to strengthen the policy and technical basis and logic for proposed capital facilities.
- Propose priorities and trigger mechanisms to define when and why each project should be developed.

The Town Council recognized that funding capital facilities is an evolutionary process that requires accurate and reconciled information, annual updating and monitoring, prioritization and tradeoffs, and planning and policy direction, but that long-term goals were necessary to maintain a consistent vision for the community. The Update of the DIF schedule and funding recommendations included in this Update Report are an initial step in this effort. Meanwhile, Town staff is concurrently involved in several planning projects that will contribute to the community investment strategy and related capital project priorities, including the Main Street Neighborhood District Plan, the Trails System Master Plan, and the Parks and Recreation Master Plan. As a part of its December 2009 action Town Council recognized that the following efforts would be undertaken in future planning periods:

- Revisions to the Housing Ordinance
- Revisions to the Development Impact Fee (DIF) Ordinance
- Revisions to the DIF Justification Report
- Revisions to the master list of projects and the scope of each project
- Growth and development forecasts

In summary, with this Update Report Town staff is presenting a first step towards a more comprehensive and strategic approach to capital investment. Additional work will continue as the Council directs in future planning periods. It must be stressed that refinement of the community investment strategy will be continual and ongoing, reflecting the current and future policies of the Town Council.

## Background

In 2005, the Town of Mammoth Lakes imposed a substantial increase in its development impact fees based upon a technical report titled *Development Impact Fee Justification Study*, David Taussig & Associates, Inc., 2005. The fee, in combination with fees charged by other jurisdictions and other costs and exactions associated with the entitlement process, were controversial resulting in a revision to the *Development Impact Fee Justification Study* and the related DIF in 2007.

The significant economic downturn in the past two years has made development much less feasible as prices have fallen and credit has become more difficult to obtain. Mammoth Lakes has been affected by these market conditions and this has exacerbated concerns regarding the relatively high costs of fees and other costs imposed upon new development. Since investment in the resort and community is the source of economic vitality and fiscal well-being (quality of municipal services), it is essential that the need for infrastructure and community amenities is tempered with a realistic assessment of economic capacity and development feasibility.

Accordingly, because of high aggregate development costs, a comprehensive review of the Town's DIF Program and Housing Mitigation Program was initiated early in 2009. The development impact fees, combined with other development-related service charges and fees, constituted a considerable development cost that could be a barrier to desired private investment and planned development. This eventual downturn of planned development also affected the flow of DIF revenues, a combined effect that resulted in an evaporation of funding for capital projects.

In August 2009 the Town Council established the Capital Facilities Financing Committee and retained a consulting firm, Economic & Planning Systems, Inc., to conduct a review of the DIF Program and Housing Program. Their work concluded in October 2009 with a recommended interim DIF and recommendations for further study in the coming months. This Update addresses some of those recommended tasks.

## Update Overview

This Update Report (Update) provides the Town Council with a refinement of the recommended Development Impact Fee Program (DIF Program) Update and related 2010 fee schedule set in a broader context of overall capital project financing and community development. This Update also addresses the Town's Housing Mitigation Fee as housing mitigation requirements were a part of the broader review of the Town's impact fees and related actions taken by the Town Council in December 2009 that established an interim DIF and housing mitigation policies. Finally, the Update introduces the concept of a "Resort Investment and Public Facilities Strategy," a new and integrated approach to community and resort development and creating and sustaining high-quality municipal services in Mammoth Lakes.

The DIF Program Update occurs in the context of the existing Development Impact Fee Ordinance (Municipal Code Section 15.16.080 et seq.) and its underlying technical report titled *Development Impact Fee Justification Study* (Taussig 2005). Technical amendments to the DIF Ordinance and the *Justification Study* are planned for coming months concurrent with several

community plans and facility master plans that are likely to influence policy direction and capital project priorities. These ongoing efforts include the Main Street Neighborhood District Plan, the Trails System Master Plan, the Parks and Recreation Master Plan and the Mobility Plan.

**As a result, this Update has two objectives; first, establishment of a sound 2010 DIF (fee) schedule; and second, identification and implementation of a range of other capital project funding sources that, combined with the DIF revenue, assure that infrastructure requirements of planned development along with a variety of community amenities can be constructed in future years.**

Similarly, the affordable housing program update occurs in the context of the existing Housing Ordinance (Municipal Code Chapter 17.36), in lieu fee procedures, the 2010 Draft General Plan Housing Element, and the interim actions taken by Town Council in December 2009. In addition to concerns regarding economic impacts of existing inclusionary requirements and in lieu fees, recent court rulings (Palmer/Patterson) create the need to strengthen the technical underpinnings of the Ordinance and make amendments consistent with emerging policy direction. **This Update has the objective of preparing an acceptable in-lieu fee that represents what the development community can bear with respect to other development fees applied to projects.**

Given the expected duration of the current market downturn, the Town has time during the course of the following year to develop, refine, and integrate its community investment program. Even though this effort may not have an immediate effect to encourage development or generate financial resources, it will create a rational and economically sound framework for capital investments that promotes implementation of the General Plan and other expressions of land use policy and improves the quality of life for the Town's residents, businesses, and visitors.

## *RESORT INVESTMENT AND PUBLIC FACILITIES STRATEGY*

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A key to the reforms sought to the Town's capital improvement program and development impact fee program is creation of a broader, integrated, and more dynamic vision of community investment. Such a Resort Investment and Public Facilities Strategy begins with a focus on desired outcomes -- planned high quality growth and revitalization, enhancement of the resort, mitigation of potential environmental impacts, and creation of desired community and resort amenities. The Strategy also reflects an understanding of economics -- the need to attract and enhance private investment in the community and to use municipal taxes and fees in an efficient and effective manner to achieve the overall vision. Such a strategic, policy-based, and informed approach can be distinguished from the present situation where decisions or commitments are made in relative isolation -- not recognizing the short and long term implications for other aspects of community development, infrastructure, and budget priorities.

The Resort Investment and public Facilities Strategy includes several components that will be further described below:

- Growth Forecasting and Monitoring
- Strengthening Land Use Plans and Planning Policy
- Capital Project Identification, Design, Programming, and Construction
- Continued Development of Capital Projects Funding Sources
- Strategic Allocation of Capital Project Costs to Funding Sources

As stated earlier, the work involved in developing each of these components has not been thoroughly defined. As a part of ongoing efforts and the actions that result from this Update Town staff will obtain guidance from Town Council regarding how to proceed.

### **Growth Forecasting and Monitoring**

Gaining a sound understanding of development that will occur in the future and monitoring growth trends year-to-year is essential for all aspects of capital improvement programming, impact assessment, and financial forecasting. In the past, various estimates of development capacity have been used for capital improvement programming. Going forward it will be necessary to have a thoughtful and accurate time series forecast, including a reckoning of overall development capacity given existing policy (e.g. General Plan, District Plans, zoning, etc.), constraints that may present themselves (e.g. water supply, available private land, market demand, etc.). Such a forecast will enable more precise infrastructure demand analysis, programming of improvements in response to increased demand, and revenue forecasting. Due to work load constraints, a very broad evaluation of trends and conservative estimates have been used to confirm that each funding source has the capacity to fund the proposed projects to the level required.

## **Strengthening Land Use Plans and Planning Policy**

The 2007 General Plan and existing and emerging District (area) Studies and zoning district provisions provide a framework for planning, development regulation, assuring adequate capital facilities, and achieving desired community amenities. A strong policy and regulatory framework are key to successful community development because they resolve major policy issues (merits of growth, density, and need for balancing development against other community objectives), provide certainty to prospective investors and developers, and minimize the time and expense of individual project review efforts. Lacking strong policy language and clear regulatory procedures, policy is de facto established on a project-by-project basis; not an optimal approach from any perspective and certainly inconsistent to meeting the challenges faced by Mammoth Lakes as it endeavors to compete for global resort-destined visitors and improve the quality of life for local residents. As a part of the Community Investment Strategy an amendment to the General Plan is envisioned that would create a Resort Investment and Public Facilities Element. This Element would define the policy basis for the full range of capital facilities and amenities in the community and integrate improvements implicated in other General Plan Elements including Mobility and Parks, Open Space, and Recreation.

## **Capital Project Requirements**

As a part of establishing the original DIF Program in 1997, the Town created a list of capital projects from the General Plan and a variety of adopted master plans and policies that could be funded with development impact fees. In all cases a “nexus” relationship between the need for the capital project and demand or impacts from new development was documented. As noted above, the capital projects included in the DIF Program were reviewed over several years and modified again in 2007 resulting in an updated DIF (fee) schedule. During the comprehensive review of the DIF Program conducted in 2009 and continuing as a part of this Update effort, an audit was conducted on the underlying master plans, specific plans, environmental documents and program requirements to assess the rationale and justification of each project. This analysis is continuing as of the writing of this report but it is expected that the underpinning of the capital projects list will lead to further policy resolution, facility master planning, and integration of the environmental review process. The projects contained in the planning and policy documents, and confirmed in the environmental documents, yield six broad categories of capital improvements. Each category represents a set of capital improvements and facilities that achieve a level and quality of service or program for the community. The funding sources have been allocated to each broad category to affect a realistic and strategic capital investment program. The categories of improvements and facilities are:

- Law Enforcement
- Transportation
- Parks and Trails
- Storm Drains and Flood Control
- Civic Facilities
- Other Community Amenities



## Capital Project Priorities

A central aspect of a community investment strategy is the notion that capital projects must be constructed on a rational priority basis reflecting specific policies, triggers, and objectives. These priorities need to be established as a matter of policy in a manner that provides overall order to the capital projects list and included as a part of the Town's Capital Improvement Program, addressed each year as a part of the Town's Budget. The CFFC engaged in an effort during its meetings in 2009 to address these priorities. As a part of the Update effort Town staff has provided a methodology for considering these priorities and an initial draft of how priorities could be assigned, , in a report titled *Resort Investment and Public Facilities Report* (see **Appendix 1**).

As a part of an ongoing effort the *Report* provides a basis for Town staff and Council to establish priorities and triggers for capital projects. The specific priority-setting policies should be part of the broader Resort Investment and Public Facilities Strategy as well as reflecting key public safety and/or impact mitigation priorities.

## *DEVELOPMENT IMPACT FEE UPDATE*

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As noted in the Introduction a primary objective of this Update is to establish a Development Impact Fee Schedule for 2010 and a basis for future updates. Accordingly the Town staff has endeavored to confirm project cost data and also confirm the funding source forecast and related capital projects cost allocation originally prepared as a part of the DIF Program Review in 2009.

### **Review of Project Requirements**

Town staff has pursued two aspects of capital project requirements, an assessment of the policy and technical underpinnings of the individual capital projects and review of CEQA documents that make reference to the DIF Program and the related capital projects. The policy and technical review has been conducted because it has been recognized that there is inconsistent documentation of capital projects and related imprecision regarding their linkage to adopted policy and cost estimates. **Appendix 2** is currently a placeholder but will show the current assessment of capital projects. (A draft report will be available at the March 24<sup>th</sup> CFFC meeting.) As an ongoing effort, as discussed above, Town staff will continue to strengthen the policy and technical underpinnings of its capital projects program.

**Appendix 3** shows the review of CEQA documents was conducted to assure that references in CEQA documents to the DIF program as mitigation for potential impacts on public facilities would not be affected by the recommended DIF Program Update and that referenced projects will be constructed in a timely manner. The CEQA document review also shows that prior project approvals and expected future development will need to absorb approximately \$47 million in capital projects as mitigation to the proposed projects or as conditions of approval. Requiring affected developments to construct the infrastructure directly related to the project assigns the cost to the benefitting development. Projects that fall into this category include pedestrian improvements, mitigation of local traffic congestion impacts, storm drains and certain transit improvements.

So long as development is required to build key infrastructure projects necessary to maintain service levels (some of which are noted in the CEQA documents) there will be no problem with CEQA mitigation. Subsequent Town Council actions regarding the DIF Program (e.g. fee resolution) will need to make this very clear -- the projects needed to "mitigate" impacts of approved development will occur, funded by DIF revenues or other Town sources. The second conclusion of the CEQA review is that a far better job needs to be done in the future specifying the scope, form and content of CEQA documents with regard to public services and facilities so that a more efficient analysis occurs and that the results reflect a broader Town community investment strategy. CEQA documents are for "disclosure" and they should disclose, in this case, that adequate planning, policy, and implementing strategies are in place to assure that public facility and service standards will be met as the community develops.

## Cost Allocation and Financial Capacity

As noted above, a central notion to this DIF Program Update is to identify and develop a range of funding sources for capital projects. The CFFC made preliminary recommendations regarding cost allocation to various funding sources and projects during their work last year. This work followed from the recognition that funding for required and desired capital projects must be derived from a range of funding sources, in any case, and that excessive fees that deter economic development frustrate community development objectives will result in little or no fee revenue.

**Table 1** illustrates a refinement of the allocation of capital project costs to available funding sources recommended by Town staff in a strategic and disciplined manner, based upon the initial CFFC recommendations. Because the funding process is a long term commitment to achieve a vision, the decision to allocate funds must be made in advance and strategically, not as the funds become available or when a particular capital project gains popularity.

A central logic to the Update effort and the broader Community Investment Strategy is development of a range of funding sources. **Table 1** illustrates the distribution of the various sources available to the Town to the capital projects identified above. As the development forecast is refined, based upon General Plan policy, development capacity, and market trends, it will be possible to more precisely determine when each of the funding sources will be adequate to cover the cost of the associated projects. **Appendix 4** is a Memorandum prepared by Economic & Planning Systems, Inc. as a part of the DIF Program review conducted in 2009. The Memorandum summarizes potential revenue from various sources using preliminary development and growth projections (derived from the Town's Travel Demand Model). These projections will be refined once the growth forecast is evaluated as described above. The following description of each funding source summarizes financial capacity from the identified sources. This summary simply provides general estimates upon which rational decisions can be made about investment priorities and funding allocation.

### General Obligation Bond

The allocation of costs in **Table 1** shows approximately \$54 million in General Obligation (GO) bonds are needed to fund 3 projects. By way of example, a \$50 million GO issue in 2009 would impose a cost of approximately \$100 per \$100,000 of assessed value. While GO bonds require two-thirds voter approval they are very secure forms of municipal debt and typically obtain the lowest interest rates. As time goes on, the effective tax rate of a particular GO issue declines as a function of the increasing assessed valuation.

### Transient Occupancy Tax

A percentage of Transient Occupancy Tax (TOT) has been set aside to fund capital projects since the passage of a general tax by the community in 2002. The Town currently dedicates .5 percent of TOT to fund capital projects. The recommended goal would be to dedicate up to 2 percent of TOT to capital projects. Given the current recession, it will be necessary to grow the TOT set-aside slowly with the goal of reaching a 2 percent set-aside in 10 years. **Table 1** shows approximately \$12 million in TOT are needed to fund 3 projects. While TOT is the primary funding source for the Town's operational budget, there will be sufficient TOT in future years to fund operations, maintenance and new capital facilities. Because TOT is a volatile but constant

**Table 1  
Cost Allocation to Funding Sources  
Mammoth Capital Project Database**

Line Number	Project Number	Name	Funding Sources Allocation										Total (2008 dollars)			
			Town Sources		Grants		Partnerships		Other-Potential		Development Based Sources					
			General Fund Sources	2% Transient Occupancy Tax	Gov't Agency	Non-Profit/ Other	Gov't	Private CBIZ & DA	General Obligation Bond	Other	Project Requirement	Assessment or Special Tax		DIF		
1	PD-01	Police Facility	-	11,481,211	-	-	-	-	-	-	-	-	-	-	6,182,191	17,663,402
2	PD-02	Patrol Vehicles	326,716	-	-	-	-	-	-	-	-	-	-	-	-	326,716
3	PD-03	Law Enforcement Staff Equipment	43,705	-	10,926	-	-	-	-	-	-	-	-	-	-	54,631
4	FD-01	Construction of New Fire Stations	-	-	-	-	-	-	-	-	-	-	-	-	2,765,627	2,765,627
5	FD-02	Acquisition of Aerial Ladder	-	-	-	-	-	-	-	-	-	-	-	-	978,500	978,500
6	FD-03	Acquisition of Two New Fire Engines	-	-	-	-	-	-	-	-	-	-	-	-	721,000	721,000
7	FD-04	Expand Fire Station #1	-	-	-	-	-	4,572,250	-	-	-	-	-	-	3,740,932	8,313,182
8	FD-05	Acquisition of Light and Air Support Truck	-	-	-	-	-	305,910	-	-	-	-	-	-	157,590	463,500
9	FD-06	Remodel/Expansion of Training Facility	-	-	-	-	-	492,855	-	-	-	-	-	-	253,895	746,750
10	FD-07	Short Term Quarters for Student Firefighters	-	-	-	-	-	1,478,565	-	-	-	-	-	-	761,685	2,240,250
11	ST-12	Azimuth/Meridian Intersection Improvements	-	-	144,612	-	-	-	-	-	-	-	-	-	578,448	723,060
12	ST-13	Minaret Road/Main Intersection Improvements	-	-	86,767	-	-	-	-	-	-	-	-	-	347,069	433,836
13	ST-14	Kelly/Lake Mary Road Intersection Improvements	-	-	49,240	-	-	-	-	-	-	-	-	-	196,962	246,202
14	ST-15	Lakeview/Lake Mary Road Intersection Improvements	-	-	561,144	-	-	-	-	-	-	-	-	-	140,286	701,430
15	ST-16	Main/Center Street Intersection Improvements	-	-	144,612	-	-	-	-	-	-	-	-	-	578,448	723,060
16	ST-17	Main Street and Forest Trail Intersection Improvements	-	-	7,231	-	-	-	-	-	-	-	-	-	28,922	36,153
17	ST-18	Majestic Pines/Meridian Intersection Improvements	-	-	102,184	-	-	-	-	-	-	-	-	-	408,736	510,920
18	ST-19	Minaret/Forest Trail Intersection Improvements	-	-	-	-	-	-	-	-	-	-	707,494	-	1,257,768	1,965,262
19	ST-20	Minaret/Meridian Intersection Improvements	-	-	1,528,155	-	-	-	-	-	-	-	-	-	-	1,528,155
20	ST-21	Minaret/Old Mammoth Road Intersection Improvements	-	-	-	-	-	-	-	-	-	-	1,051,202	-	-	1,051,202
21	ST-23	Meridian Blvd. Project	-	-	3,896,255	-	-	-	-	-	-	-	-	-	2,007,162	5,903,417
22	ST-24	Waterford Avenue Crossing	-	-	2,064,640	-	-	-	-	-	-	-	-	-	516,160	2,580,800
23	ST-25	Trails End Park Turn Lanes Project	-	-	-	-	-	-	-	-	-	-	-	-	243,604	243,604
24	ST-27	Main/Mountain Intersection Improvements	-	-	144,612	-	-	-	-	-	-	-	-	-	578,448	723,060
25	ST-28	Meridian/Sierra Park Intersection Improvements	-	-	723,060	-	-	-	-	-	-	-	-	-	-	723,060
26	ST-30	Meridian Blvd. and Main Street Intersection	-	-	-	-	-	-	-	-	-	-	1,735,344	-	-	1,735,344
27	ST-31	Lake Mary Road and Canyon Blvd.	-	-	-	-	-	-	-	-	-	-	216,918	-	-	216,918
28	ST-36	Tavern Road Extension	-	-	530,000	-	-	662,500	-	-	-	-	1,457,500	-	-	2,650,000
29	<b>New</b>	Old Mammoth Raod	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	ST-02	Municipal Parking Lots	-	-	-	-	-	-	-	-	-	-	14,692,242	14,692,242	-	29,384,484
31	ST-03	Transit Facility	-	-	6,090,143	-	-	-	-	-	-	-	-	-	4,410,104	10,500,247
32	ST-04	Bus Equipment	-	-	2,281,024	-	-	-	-	-	-	-	-	-	570,256	2,851,280
33	ST-05	Lake Mary Bike Lane Project	-	-	13,004,541	-	-	-	-	-	-	-	-	-	131,359	13,135,900
34	ST-07	Main Street Promenade	-	-	3,203,258	-	-	-	-	-	-	-	2,669,382	-	4,804,887	10,677,527
35	ST-08	Street Lighting Projects	-	548,578	1,371,445	-	-	-	-	-	-	-	822,867	-	-	2,742,890
36	ST-09	Transit Stops	-	-	2,811,257	-	-	-	-	-	-	-	520,603	-	1,874,172	5,206,032
37	ST-10	Pedestrian Improvements	-	-	12,588,238	-	-	-	-	-	-	-	6,294,119	6,294,119	-	31,470,594
38	ST-11	North Village Specific Plan	-	-	-	-	-	-	-	-	-	-	7,351,431	-	1,837,858	9,189,289
39	ST-22	Pedestrian Crossing Improvements	-	-	905,164	-	-	-	-	-	-	-	-	-	501,322	1,392,560
40	ST-26	Emergency Vehicle Signal Intervention Improvements	-	-	601,586	-	-	-	-	-	-	-	-	-	150,396	751,982
41	ST-29	Traffic Monitoring Station Improvements	-	-	-	-	-	-	-	-	-	-	-	-	274,763	274,763

**Table 1**  
**Cost Allocation to Funding Sources**  
**Mammoth Capital Project Database**

Line Number	Project Number	Name	Funding Sources Allocation											Total (2008 dollars)		
			Town Sources		Grants		Partnerships		Other-Potential		Development Based Sources					
			General Fund Sources	2% Transient Occupancy Tax	Gov't Agency	Non-Profit/ Other	Gov't	Private CBIZ & DA	General Obligation Bond	Other	Project Requirement	Assessment or Special Tax	DIF			
42	New	Traffic Control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	New	Gondola Line	-	-	-	-	-	-	-	-	-	-	-	-	-	-
44	SD-01	Purchase Vactor Truck	167,107	-	111,405	-	-	-	-	-	-	-	-	-	-	278,512
45	SD-02	Storm Drain Curb and Gutter or Swales	-	-	1,460,025	-	-	-	-	-	-	243,338	1,216,688	1,946,700	-	4,866,750
46	SD-03	Storm Drain CMP Pipe Replacements (Allocated to Existing Development)	-	-	693,833	-	-	-	-	-	-	115,639	578,194	925,110	-	2,312,776
47	SD-04	Storm Drain Improvements Drainage Basin 2	-	-	765,185	-	-	-	-	-	-	127,531	637,654	1,020,247	-	2,550,617
48	SD-05	Storm Drain Improvements Drainage Basin 3	-	-	8,079,929	-	-	-	-	-	-	1,346,655	6,733,274	10,773,238	-	26,933,096
49	SD-06	Storm Drain Water Quality Improvements	-	-	1,427,580	-	-	-	-	-	-	237,930	1,189,650	1,903,440	-	4,758,600
50	New	OMR/Meridian Stormdrain	-	-	-	-	-	-	-	-	-	-	-	-	-	-
51	New	Storm Drain Master Plan	-	-	-	-	-	-	-	-	-	-	-	-	200,000	200,000
52	GF-01	Town of Mammoth Lakes Civic Center	-	-	-	-	-	-	11,565,898	11,103,262	-	-	-	462,636	-	23,131,795
53	GF-02	Visitor Bureau Office	841,011	-	-	-	-	-	-	-	-	-	-	473,068	-	1,314,079
54	GF-03	Welcome Center	-	-	1,046,188	-	-	-	-	-	-	-	-	588,481	-	1,634,669
55	GF-04	Two Bay Maintenance Building Expansion	-	-	-	-	-	-	-	-	-	-	-	1,600,000	-	1,600,000
56	GF-05	Seven Bay Storage Building	-	-	-	-	-	-	-	-	-	-	-	6,366,872	-	6,366,872
57	GF-06	Loaders and Snow Blowers	-	-	-	-	-	-	-	-	-	-	-	1,539,907	-	1,539,907
58	GF-07	Dump Truck	-	-	-	-	-	-	-	-	-	-	-	160,680	-	160,680
59	GF-08	Trackless Sidewalk Snow Blower	-	-	-	-	-	-	-	-	-	-	-	99,622	-	99,622
60	GF-09	Performing Arts Center	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	GF-10	Amphitheater	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62	GF-11	Conference Center	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63	GF-12	Lift Truck	-	53,024	53,024	-	-	-	-	-	-	-	-	-	54,631	160,680
64	GF-13	Street Sweepers	-	-	-	-	-	-	-	-	-	-	-	321,360	-	321,360
65	New	Public Meeting Space	-	-	-	-	-	-	-	-	-	-	-	-	-	-
66	New	Lighting and Appurtances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
67	LF-01	New Library	-	-	-	-	-	6,064,148	-	-	-	-	-	2,598,920	-	8,663,068
68	LF-02	Child Care Center	-	-	-	-	-	57,967,319	-	-	-	-	-	3,050,912	-	8,716,890
69	LF-03	New Books and Media	-	-	-	-	-	566,668	-	-	-	-	-	305,129	-	871,797
70	New	Festival Site	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71	PR-02A	Recreation Center	-	-	-	-	-	-	-	34,118,995	-	-	-	344,636	-	34,463,631
72	PR-02B	Ice Rink/Multi-use Facility	-	-	3,858,363	-	-	-	-	8,295,480	-	-	-	7,137,971	-	19,291,814
73	PR-03	Trails Park	-	-	1,688,966	-	-	-	-	-	-	1,055,604	-	1,477,845	-	4,222,414
74	PR-04	Town-Wide Parks/Snow Storage	-	-	-	-	-	-	-	-	-	-	-	5,273,610	-	5,273,610
75	PR-05	Shady Rest Affordable Housing Park	-	-	1,543,951	-	-	-	-	-	-	-	-	6,175,802	-	7,719,753
76	PR-06	Winter Play Area	-	-	728,416	-	-	-	-	-	-	-	-	182,104	-	910,520
77	PR-07	Mammoth Creek Park Improvements	-	-	2,924,075	-	-	-	-	-	-	-	-	1,639,254	-	4,430,416
78	PR-08	Shady Rest Park Parking	-	-	712,348	-	-	-	-	-	-	-	-	178,087	-	890,435
79	PR-09	Town-wide Trails Development AKA ST-32	-	-	3,532,785	-	-	-	-	-	-	-	-	883,196	-	4,415,981
80	PR-10	Park Land Acquisition	-	-	3,083,573	-	-	-	-	-	-	-	-	1,588,507	-	4,672,080
81	New	Outdoor Events venue/Athletic Fields	-	-	-	-	-	-	-	-	-	-	-	-	-	-
82	New	Ring of Even Palaza Venues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
83	New	Indoor 100-seat Town Hall, Meeting, Performance Facility	-	-	-	-	-	-	-	-	-	-	-	-	-	-
84	New	Randge of Conference and Meeting Spaces Integrated with Hotels	-	-	-	-	-	-	-	-	-	-	-	-	-	-
85	New	Field House	-	-	-	-	-	-	-	-	-	-	-	-	-	-
86	AP-02	New Airport Terminal	-	-	19,730,552	-	-	-	-	-	-	-	-	2,192,284	-	21,922,836
87	AP-03	Airport Access Road South Entrance	-	-	2,819,007	-	-	-	-	-	-	-	-	313,223	-	3,132,230
88	New	ARFF building, Apron, fencint	-	-	6,106,500	-	-	-	-	-	-	-	-	678,500	-	6,785,000
88	AP-04	Equipment	-	-	951,102	-	-	-	-	-	-	-	-	105,678	-	1,056,780
89	New	Neighborhood Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Table 1  
Cost Allocation to Funding Sources  
Mammoth Capital Project Database**

Line Number	Project Number	Project Name	Funding Sources Allocation										Total (2008 dollars)			
			Town Sources		Grants		Partnerships		Other-Potential		Development Based Sources					
			General Fund Sources	2% Transient Occupancy Tax	Gov't Agency	Non-Profit/ Other	Gov't	Private CBIZ & DA	General Obligation Bond	Other	Project Requirement	Assessment or Special Tax		DIF		
90	New	Specialty Market and Full-Scle Grocery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91	New	Heritage Facilities, Museums, Galleries and Artist Live Work Residences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92	New	Public Art	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93	New	Programs and Projects to Provide Affordable Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			1,378,539	12,082,814	114,166,900	-	72,110,214	11,565,898	53,517,736	1,055,604	39,590,194	31,341,821	105,854,319	390,215,859		

NOTE: some GF/TOT already spent so no need to find funds for the future

funding source, it is best to evaluate the opportunity for future capacity by understanding past performance. Over the past 10 years, we have seen high transient occupancy followed by marginal transient occupancy. Over this period TOT revenue has risen an average of 5.4 percent annually but has spanned an increase of 15 percent in one year followed by a decrease of 15 percent four years later. Even assuming a conservative growth of 5 percent during years in which development is likely to happen and 2 percent thereafter, there is sufficient funding in the capital project set-aside portion of TOT to fund the identified projects. The key here is to understand the volatility of TOT and program funds to ensure that operations and maintenance are also funded to maintain a high level of satisfaction, and provide for a moderate program of capital project development.

### **Sales Tax Revenue**

Sales tax is currently a very small portion of the Town's budget. However, it can complement the growth in TOT and be dedicated to operations, maintenance and a small contribution toward capital facilities. Sales tax has also fluctuated from year to year over the past 10 years with an increase as high as 15 percent and a decrease as low as 16 percent, with an average annual increase of 2 percent. As commercial development is achieved, sales tax should increase proportionately as sales from existing as well as new residents and businesses occurs.

### **Grant Funding**

**Table 1** shows approximately \$112 million in grant funding has been or will be required to supplement other funding sources to produce over half of the projects on the capital facilities list. Each category of project has a different grant source available to it with different criteria that must be met. Some grants require matching funds, some are competitive, and some are only available in certain years. However, the Town has had considerable success over the years at garnering grants from state and federal sources. In the past 10 years the Town has attracted over \$47 million in grant funding. While there is no absolute assurance that this level of funding will continue, it is expected that it most likely will. Accordingly, it has been assumed, as part of the overall financial capacity analysis that grants will continue to provide a significant opportunity to achieve the desired capital facilities over the next 10 to 20 years.

### **Partnerships**

Partnerships include projects that are proposed by other agencies to achieve a public purpose or can be achieved through jointly funded public/private funding cooperation. Nearly \$83 million of projects are proposed to be accomplished through partnerships, primarily funded by the Mammoth Lakes Fire Protection District and the Mono County Office of Education. One project has been identified as a project that can be partially achieved as a result of a negotiated public/private partnership. Success or failure depends on the ability to negotiate a partnership with a willing developer.

### **Development Impact Fee**

The cost allocation reflected in **Table 1** allocates just over \$105 million in DIF toward the cost of capital facilities investment. Nearly half of the projects have already been funded in part by DIF and the fee merely continues to pay for the projects that the Town Council has previously authorized. Furthermore, if grants are to be aggressively pursued, grant providers look to a

dedicated funding source such as DIF to match the potential grant funds. In the current distribution of funding sources DIF is primarily used to leverage other funding sources and rarely is the primary or sole funding source. If the DIF were held to five percent of the retail value of real estate it could generate some \$143 million. This analysis shows that funding from DIF and the related fee is below the 5 percent maximum level that can safely be assigned to development without restricting development potential.

## Development Impact Fee Schedule

The Cost Allocation Process allocates roughly \$105 million share of capital project costs, on a line item basis, to the DIF Program. This cost share is below the amount determined in the Justification Study and is therefore acceptable. **Table 2** provides a recommended 2010 DIF (fee) schedule. The recommended updated fee level also falls within acceptable industry standards of cost, however it is important to note that fees charged by other agencies, Town processing fees and permit charges, affordable housing requirements, and project-specific exactions all add to this burden and must, in aggregate, be kept to an economically realistic level. Moreover, the current economic downturn weakens development economics generally and is likely to do so for the foreseeable future. Accordingly, it will be important to monitor economic impacts and make adjustments necessary to maintain continuity of community development.

Going forward further updates, on an annual basis will be necessary. Over the next year additional work will be conducted, as noted above, on the capital projects list that may result in changes to cost estimates and even cost allocation. An updated *Fee Justification Study* is recommended as this new information becomes available. In addition to project and cost changes that may occur from an update of the *Justification Study*, there will also be the annual need to make adjustments in the DIF schedule to reflect inflationary cost increases. This is typically done by reference to one or another "cost index" such as the ENR Construction Cost Index.

A draft Town Resolution, incorporating the recommended DIF schedule for 2010 is shown in **Appendix 5**. Following any additional analysis and related edits the draft Resolution can be finalized and set for action before the Town Council.



**Table 2**  
**2010 Development Impact Fee Program Schedule Calculation**

Updated Development Impact Fee Summary 3-10							
Facility						Non-Residential	
	Single Family Non-Transient	Single Family Transient	Mobile Home	Multi Unit Non-Transient	Multi Unit Transient	Commercial / Office	Industrial
A. Law Enforcement	\$ 635	\$ 1,061	\$ 635	\$ 635	\$ 1,061	\$ 1,061	\$ 197
B. Fire Suppression Facilities	\$ 1,183	\$ 1,561	\$ 1,183	\$ 745	\$ 1,561	\$ 2,022	\$ 993
C. Circulation System Improvements							
Streets and Traffic Signals	\$ 1,445	\$ 737	\$ 722	\$ 910	\$ 737	\$ 1,373	\$ 968
Parking, Transit, and Pedestrian	\$ 2,004	\$ 3,347	\$ 2,004	\$ 2,004	\$ 3,347	\$ 3,347	\$ 621
Subtotal Circulation System	\$ 3,449	\$ 4,084	\$ 2,727	\$ 2,915	\$ 4,084	\$ 4,720	\$ 1,589
D. Storm Drainage Collection Facilities	\$ 6,956	\$ 6,715	\$ 3,918	\$ 2,359	\$ 1,959	\$ 1,723	\$ 2,282
E. General Facilities, Vehicles, and Equipment	\$ 1,158	\$ 1,934	\$ 1,158	\$ 1,158	\$ 1,934	\$ 1,934	\$ 359
F. Mono County Office of Education Facilities							
Library & Books	\$ 2,001	\$ 340	\$ 1,721	\$ 1,721	\$ 340	\$ -	\$ -
Child Care	\$ 374	\$ 624	\$ 374	\$ 374	\$ 624	\$ -	\$ -
Subtotal MCOE Facilities	\$ 2,374	\$ 964	\$ 2,094	\$ 2,094	\$ 964	\$ -	\$ -
G. Parkland Acquisition & Recreation	\$ 2,892	\$ 4,829	\$ 2,892	\$ 2,892	\$ 4,829	\$ -	\$ -
H. Airport	\$ 266	\$ 444	\$ 266	\$ 266	\$ 444	\$ -	\$ -
<b>Total</b>	<b>\$ 18,913</b>	<b>\$ 21,592</b>	<b>\$ 14,872</b>	<b>\$ 13,064</b>	<b>\$ 16,836</b>	<b>\$ 11,460</b>	<b>\$ 5,420</b>

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Development Impact Fee Summary							
Facility						Non-Residential	
	Single Family Non-Transient	Single Family Transient	Mobile Home	Multi Unit Non-Transient	Multi Unit Transient	Commercial / Office	Industrial
<b>Town Fees</b>	<b>\$ 15,356</b>	<b>\$ 19,067</b>	<b>\$ 11,595</b>	<b>\$ 10,225</b>	<b>\$ 14,311</b>	<b>\$ 9,437</b>	<b>\$ 4,427</b>
MLFPD Fees	\$ 1,183	\$ 1,561	\$ 1,183	\$ 745	\$ 1,561	\$ 2,022	\$ 993
MCOE Fees	\$ 2,374	\$ 964	\$ 2,094	\$ 2,094	\$ 964	\$ -	\$ -
<b>Total</b>	<b>\$ 18,913</b>	<b>\$ 21,592</b>	<b>\$ 14,872</b>	<b>\$ 13,064</b>	<b>\$ 16,836</b>	<b>\$ 11,460</b>	<b>\$ 5,420</b>

Notes:

The aggregate fee for each land use type is based upon the sum of fees for individual projects that are outlined in the 2007 Justification Report. The fees for the individual projects are included in the attached tables.

## *HOUSING PROGRAM UPDATE*

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Technical analysis conducted last year in review of the Town's Housing Mitigation Program indicated a range of potential reforms that could lower net costs to private development, consistent with the need to limit additional development costs that could preclude planned development, and at the same time achieve adequate housing for the Town's workforce. Actions taken by Town Council to reduce mitigation requirements late last year has reduced these obligations but the task of strengthening the technical underpinnings of the program, aligning housing mitigation with broader Community Investment Strategy, and responding to legal constraints, remains. For starters, the Draft 2010 Housing Element has recommended working within the 2009 Interim Housing Mitigation Policy and prior work of Mammoth Lakes Housing to inform policy and provide a technical basis for resolving the workforce housing strategy and mitigating of new employment-generated housing need.

The Mammoth Lakes Housing Board has further recommended that a revised in-lieu housing fee be adopted that reflects not only the funding "gap" that exists to provide necessary workforce housing but also reflects what the development community can bear in relation to the entire composite of development fees. The Housing Board will be meeting on April 5<sup>th</sup> to review a revised housing in-lieu fee. Their recommendations will be brought to the April 7<sup>th</sup> CFFC meeting for consideration.

Going forward, additional effort will be given to creating the appropriate revisions to the housing ordinance consistent with a new housing policy framework that creates an overall housing strategy to achieve the important objective of workforce housing.



**APPENDIX 1:**  
**Resort Investment and Public Facilities Report**

## **Resort Investment and Public Facilities Report**

### **Introduction**

On July 15, 2009, the Town Council appointed six members of the community to serve on the Capital Facilities Funding Committee (CFFC) with the purpose of evaluating the Town's Development Impact Fees in order to set fees that will be appropriate for reinvestment in the community. The CFFC held ten meetings between July and November and developed recommendations for Town Council consideration. On November 19, 2009, the Town Council adopted the CFFC policy recommendations which reduced the total amount of Development Impact Fees assessed, and, reduced the amount and changed the method of determining workforce housing requirements.

During CFFC's deliberations, the Committee identified a number of follow-up actions to continue refinement of the Town's overall investment strategy. These recommendations acknowledged the need to establish a more comprehensive and rational investment strategy to guide both public and private investment in the community. The CFFC recommended undertaking the following future actions:

1. Review environmental impact reports and studies to establish which project related mitigation measures are linked to development impact fees.
2. Review the plans, studies, and documents that establish level of service standards and planning requirements linked development impact fees.
3. Establish a more comprehensive strategic and implementation and financing framework to achieve the broader resort community program.
4. Establish a method to set more definitive priority guidelines for decision making; separating "needs from wants."
5. Establish greater definition of the triggers, timing and phasing that determine when facilities are needed.
6. Reconsider the plans, studies, and documents that establish facility requirements and level of service standards to ensure that the facility program as well as the implementation strategy is cost effective and reconciled with other priorities and funding capacity.
7. Prepare a "Resort Investment and Public Facilities Element" of the General Plan.

This report provides policies for public facilities financing, prioritization, and private and Town funding responsibilities in response to items 3, 4, and 5 described above. Items 1 and 2 above are addressed in current separate documents. Items 6 and 7 are mid- and long- term implementation actions. This report is organized by the following sections: Strategic Framework, Prioritization Guidelines, Implementation and Financing Strategies, and Conclusion.

## ***Strategic Framework***

Managing growth in the Town through the assurance of adequate and timely facilities to serve the current and future visitor and resident population will continue to be a challenge. This section establishes a strategic framework direction that can be achieved by prioritization guidelines and an implementation financing strategy.

The 2007 General Plan establishes the highest level of vision, goals, policies and actions. A major theme woven throughout the General Plan is the importance of strengthening the community's economy and position as a destination resort while at the same time achieving the 'triple bottom line.' The General Plan states (page 8): *"The values of the community also encompass making decisions that benefit the community's social, natural and economic capital – the triple bottom line. Decisions that enhance all three aspects of community capital provide the greatest public benefit; decisions that improve or conserve two forms of capital without diminishing the third are also ideal. Decisions that only benefit one and decrease the other two forms of capital are undesirable."*

On April 15, 2009, the Town Council took a major step in implementing this General Plan theme by adopting the "Destination Resort Community and Economic Development Strategy" (DRCEDS). DRCEDS is a 3-year strategic and operating plan intended to clearly establish a short-term direction for the community and dedicate resources to achieve it.

DRCEDS describes Key Result Area (outcomes), Disciplines (principles), Goals, and Strategies and Objectives that establish a meaningful strategic framework for this Resort Investment and Public Facilities Report. The following key result area, disciplines, and goals from DRCEDS, with the General Plan, establish an appropriate strategic framework to guide decision making for resort investment and public facilities.

### **"Key Result Area (KRA) 1.0 Achieve Economic and Fiscal Stability**

**Disciplines:** We will base our decisions on achieving the triple bottom line: one that considers economic development, land use planning, mobility, community design and place-making to achieve a thriving local economy.

We will prioritize the allocation of resources and decision-making to provide activities, programs, services, and facilities that lead to higher visitation first.

We will partner with the private sector and fellow public agencies to leverage visitor serving activities, programs, services, and facilities with new development.

We will build partnerships with members of our community to increase opportunity, spur investment, encourage local enterprises, and serve the needs of local residents, workers and businesses.

**Goal 1.1** Annually increase Town visitation and occupancy rates.

Goal 1.2 Stabilize and strengthen local businesses.

Goal 1.3 Annually increase municipal revenues and their reliability.

The purpose of establishing this strategic framework is to achieve certain overarching community characteristics, through a disciplined approach to planning and implementation. These characteristics and principles are described below.

Achieve the characteristics of successful resort communities:

- High environmental quality and related amenities.
- Sense of place – being somewhere special.
- Diverse, all season visitor attractions, events, and amenities.
- Diverse and adequately scaled lodging.
- Convenient transportation access from major visitor markets.
- High quality public services and facilities.
- Reputation for being enjoyable and fun.
- Cooperation among community partners.

Development program strategy:

- Improve demographics and all season demand.
- Create “critical mass” of retail floor space.
- Develop functional “nodes” (community core, neighborhood shopping, etc.).
- Incorporate amenities and attraction in community core.
- Provide adequate pedestrian access, connectivity, and parking at retail centers.

Encourage appropriate development and investment in the community:

- Revive business districts and attract new jobs and businesses.
- Stimulate private reinvestment in local neighborhoods and business.
- Build or improve roads, utilities, and public facilities.
- Establish community expectations and adhere to them.
- Streamline the development review and entitlement process – reliable, clear, and transparent for developers/applicants, staff, officials, and citizens.
- Remove barriers and obstructions to development.
- Recognize the partnership of prosperity - short- and long-term job creation, increased visitation, and resultant municipal revenue and fiscal stability.

Cooperative planning:

- Recognize common interests of resort developers, guests, merchants, services providers, and community-at-large.
- Establish comprehensive community-based strategies and objectives.
- Subordinate land use regulation to strategies and objectives – management by objectives, not process or “impact mitigation” (e.g. traffic level of service).
- Focus upon high quality of administration and implementation.

#### Community partnerships:

- Consolidation and partnering of private ownerships and interests.
- Strengthen community-based organizations.
- Establish and maintain community forum and dialog on community development issues.
- Public/private partnerships for infrastructure, real estate development, and other improvements.
- Cooperative operation and maintenance of public and quasi-public facilities.

#### Integrated Resort Investment and Public Facilities financing plan:

- Identify and prioritize community improvements through long-term Public Facilities Plan and short-term Capital Improvement Plan.
- Coordinate public and private infrastructure planning.
- Identify “value added” aspects and beneficiaries of improvements.
- Internalize costs in development projects.
- Establish broad-based community funding mechanisms.
- Leverage public and private financial resources.
- Attract grant funds and other external sources.

DRCEDS and these characteristics and principles establish a reasonable and manageable strategic framework direction that can guide financing strategy, prioritization guidelines, and a discussion of timing and triggers. This strategic framework should be applied during the reconsideration the plans, studies, and documents, and in the formulation of the Resort Investment and Public Facilities Element.

#### *Prioritization Guidelines*

Prioritization guidelines for resort investment and public facilities decisions are needed to efficiently and effectively allocate available resources. Suggested policies within this section call for a more formally structured approach to evaluate potential improvement projects by identifying appropriate criteria for each facility.

The structured approach should weigh the project’s contribution to the strategic framework; contribution to the protection of health, safety and welfare; triggers and timing; financial discipline; and availability of financing. This approach identifies community “needs” versus “wants” through a policy structure.

#### *Protection of Health, Safety, and Welfare*

Four levels of priority are suggested to evaluate the a project’s contribution to health, safety, and welfare. They are: 1) Highest Priority, 2) High Priority, 3) High Mid Range Priority, and 4) Mid Range Priority. These priorities, with “Goal, Policy and Strategy Linkage,” “Evaluation Criteria and Measurement,” and examples are described in Table 1 below.

Table 1

Protection of Health, Safety, and Welfare Priorities	Goal, Policy and Strategy Linkage	Evaluation Criteria and Measurement	Examples
Highest Priority	-Legally mandated.	-Compliance with legal requirements	-Meeting water quality standards. -Implementing American Disabilities Act. -Meeting CA Air Resources Board standards.
	-Addresses health and safety hazards.	-Emergency services calls, injuries, accidents, and claims.	-Installing sidewalks and street lights to reduce vehicle and pedestrian accidents. -Installing storm drains to reduce damage and injury caused by flooding.
High Priority	-Increases Town and occupancy. -Stabilizes and strengthens local businesses. -Increases municipal revenues and their reliability.	-Room reservations and room nights. -Sales and transient occupancy tax. -High ratio of fiscal and economic benefit to cost.	-Increasing the number of air passenger enplanements. -Providing venues for meetings, conferences, and performances.
High Mid-Range Priority	-Achieves stated level of service (LOS) standards. -Addresses a non health and safety related functional deficiency. -Reduces future cost or cost avoidance.	-Measurable LOS improvements. -High ratio of cost to benefit and return on investment.	-Providing better transit service. -Improving the LOS capacity of a street intersection.
Mid-Range Priority	-Significantly enhances the quality of life for the entire community.	-Statistically valid community survey.	-Sports facility serving the residents and visitors.



### *Triggers and Timing*

A successful strategic framework requires an understanding of “when and why” an investment or project is needed. “Why” is answered by the content of the strategic framework and prioritization. “When” a project is needed is determined by what events or conditions “trigger” the need for the project, the scale and characteristic of the project, and by the availability of the financing to implement the project.

Triggers and timing can be based on per capita rates (square feet per person, acres per person, miles per person, etc.) response time, water flow, LOS and traffic congestion, and so on. Triggers might be described by:

- Per capita: X facility is needed when resident and/or population reaches X,XXX.
- Level of service: X facility is required to achieve XXX standard (response time, LOS at an intersection).

These standards should be posed in correlated documents, related to identified priorities and strategies, and related to the reasonable and practical fiscal and financial resources to implement them.

Scale and construction characteristics of projects also determine timing. Some projects are relatively small and discrete, independent of a larger system, and are less costly. Small scale projects can often be funded by pay-as-you-go method. Large scale projects are often more complex systems or buildings, difficult or impractical to phase, and more expensive. Large scale project typically require large sources of financing. At a high level, the expected timing of a project can be described as short-, mid-, and long-term.

Each planning document should define these considerations and describe each project by the subject, purpose, and intent; analyze current conditions and determine appropriate service standard; identify facility improvements and priorities; and provide a schedule, phasing, and financing implementation plan. The implementation plan should describe in detail triggers and timing for the project.

### *Financial Discipline*

Establishing financial discipline is essential to realizing any strategic direction; the alternative is ad hoc, disjointed, and reactionary decision making. Financial discipline considers strategic and operational planning; aligns long- and short-range activities; and employs a structured policy framework to evaluate and make informed choices and decisions. The following principles should be used in project related planning and budgeting documents.

1. Integrated Management System: Strategic Planning, Operational Planning, and Budgeting
  - a. Form a more aligned, dynamic and integrated management system. These include the General Plan, master and specific plans, zoning standards, guidelines and specifications.

- b. Maintain a long term fiscal perspective. Annually review a Twenty-year Long Term Financial and Capital Improvement Plan.
  - c. Annually review DRCEDS, a three- to five-year strategic operating plan.
  - d. Annually review a two-year budget and Capital Improvement Plan for planning purposes, managed on a program and performance basis.
2. Decision Making: Return on Investment
- a. Make major financial decisions in the context of the Twenty-year Long Term Financial and Capital Plan.
  - b. Evaluate financial decisions based on General Plan goals and the three-year strategic operating plan.
  - c. Evaluate financial decisions based on the Protection of Health, Safety and Welfare Priorities.
  - d. Financial decisions should consider fiscal impacts as well as costs/benefits of the project.
  - e. Financial decisions should consider funding opportunities. A revenue stream dedicated to a specific facility or purpose may establish implementation schedules apart from established priorities. (For example, Measure R is dedicated to trails and recreation allowing some facilities to advance independently from others.)
3. Budget Program and Project Strategies (confirmed by Town Council on March 4, 2009).
- a. Long-term maintenance and operating costs shall be considered whenever operating programs and services are approved.
  - b. Grant funded capital projects, or those projects with alternate funding sources, that require completion of the project lest the funds be returned to the provider, shall be a funding priority.
  - c. Adequate staff resources shall be deployed to seek out grants and other funding sources that address the Town's Strategic Initiatives and Core Services.
  - d. Capital projects will only be initiated if: 1) all revenue, expenditures, operating and maintenance costs have been identified for the long-term; 2) all funding risks have been identified; 3) the benefit of the project compared to any funding risk has been evaluated; 4) public/private partnerships, agency partnerships and grants have been researched; and, 5) the project meets the Strategic Initiatives and core service deliverables of "Moving Mammoth Forward."
  - e. Any new project, program or service shall support the core services and the community's social, natural and economic capital (triple bottom line).
  - f. Contracts for programs or tasks that require intermittent service, expertise, or resources that the Town cannot provide may be considered.

Ideally, these disciplines are used in setting short-, mid-, and long-term investment strategies, policies, and decisions of the Town. They should be used to formulate, and be described in, the Town's planning and budgetary documents.

However, conditions and circumstances often change and new opportunities will always be presented. Investment and facility funding and implementation decisions may be made outside of adopted plans and priorities. These decisions should follow the structured evaluation approach described in this report; special consideration should be given to the new merits of the investment or project. Examples include:

- 1) **Public Safety:** An expenditure that is required to reduce imminent risk of loss of life, injury, property damage, and natural resource destruction.
- 2) **Operations and maintenance:** An expenditure that is required to reduce the risk of structural or operational degradation or failure, which if deferred or not corrected, would result in substantial future repair or replacement costs.
- 3) **Funding opportunity:** An expenditure that advances the implementation of a facility, out of its order of priority or schedule, in order to leverage an expenditure or grant by another party.

These prioritization guidelines establish a rational approach to setting short-, mid-, and long-term priorities. They consider a range of factors including strategic goal attainment, protection of health, safety, and welfare; the timing and characteristics of projects; and financing. This policy approach should be used in developing the Resort Investment and Public Facilities Element.

### ***Implementation and Financing Strategies***

This section identifies a menu of options from which a number of possible implementation and financing strategies can be used to achieve desired investment and projects. Major revenue and financing tools are described in order to align funding sources to facilities and projects. This section emphasizes the importance of leveraging public and private resources to achieve the strategic framework.

#### ***Public Private Funding Sources***

In spite of fiscal constraints, the Town's role in implementing the financing strategy described herein is crucial to the planning and provision of public facility and service needs. California law limits development's required contributions for public facilities to a proportional fair-share based on a clear nexus. Therefore, the Town must be held responsible for its fair-share of public facility and infrastructure costs to address current needs. At the same time, private investment and development has the ability to implement or participate in implementation through development and other forms of public and private partnerships.

Alternatives available for implementing or financing desired investment and public facilities are as follows:

#### *Financing Tools*

- General taxes refer to any tax imposed for general government purposes.
- Special taxes consist of any tax imposed for specific purposes, including a tax imposed for special purposes, which is placed into a General Fund. Special taxes include community facilities districts (CFD/Mello-Roos).
- Special assessments fund a specific benefit that exceeds what is typically provided. An example of a special assessment is a maintenance assessment district.
- Fees and exactions are one-time charges or dedications collected by local government as a condition of map approval or building permit. The purpose of the fee or exaction must relate to the development being charged. Fees can be categorized into four major classes: (1) development impact fees, which are levied on new development to cover the cost of infrastructure or facilities needed by that development; (2) permit and application fees which cover the cost of processing permits and development plans; (3) regulatory fees; and (4) property related fees and charges, as defined by Proposition 218. User fees are sometimes called beneficiary-based charges or limited use taxes and are used to describe payments by households, firms, or other parties to a governmental body based on the actual use of the facilities or services the government provides.
- Development Impact Fees (DIF) and Facilities Benefit Assessments (FBA) are fees levied on new development to pay for some or all of the fair share of facilities by that development. DIF are collected to mitigate the impact of new development through provision of a portion of the financing needed for identified public facilities and to maintain existing levels of service for the community. This method of financing fairly and equitably spreads the costs of public facilities. An FBA results in a lien being levied on each parcel of property located within the area of benefit. The liens ensure that assessments will be collected on each parcel as development occurs and will be renewed annually with each update to the Financing Plan. The liens will be released following payment of the FBA.
- Leasing is a financing alternative to purchasing property. Common lease financing arrangement includes lease-purchase agreements, sale-leaseback agreements, certificates or participation, and lease revenue bonds.
- Other methods can include general obligations bonds, which are still a common financing mechanism, but they are difficult to issue because of the two-thirds voter approval requirement. Nevertheless, these bonds are used to acquire and construct public capital facilities and real property. A jurisdiction can levy an ad valorem tax at the rate necessary to repay the principal and interest of the bonds. Other alternatives are public enterprise revenue bonds issued to finance facilities for revenue-producing public enterprises, such as sewer systems that can pay for themselves through services

charges. The use of tax increment financing by redevelopment agencies is another method regularly used by jurisdictions to issue tax allocation bonds for major improvements in project areas.

- Special assessment district financing, such as Municipal Improvement Act 1913/1915, may be used as a supplementary or alternative method of financing facilities such as streets, sidewalks, sewers, water lines, storm drains, and lighting facilities. Assessment districts are beneficial in that they provide all of the funding needed for a particular public facility project in advance of the projected development activity. However, assessment districts also create a long-term encumbrance of the benefitting property and require that the funds be repaid over an extended period of time. Assessment districts also require the approval of a majority of the property owners in order to establish the district. Assessment Districts help each property owner pay a fair share of the costs of such improvements over a period of years at reasonable interest rates and insure that the cost will be spread to all properties that receive direct and special benefit by the improvements constructed.
- Community Facility District (CFD). State legislation, such as the Mello-Roos Act of 1982, has been enacted to provide a method of financing public facilities in new and developing areas. A Mello-Roos is also known as a Community Facility District (CFD). The formation of such CFDs may be initiated by owner/developer petition. Mello-Roos districts also require approval by a two-thirds majority of the property owners in order to establish the district.

#### *Other Implementation Tools*

- The Capital Improvement Program (CIP) is a compilation of the capital improvements planned for construction of the next five-year period. The CIP is not a funding source, rather it is a planning and phasing tool and includes cost estimates, the phasing of specific improvements and associated costs, and methods with which specific improvements will be financed. The CIP ensures that Town revenues are invested in projects that are consistent with the General Plan.
- Community Benefits Incentive Zoning Policy provides regulations for the granting of discretionary development incentives to property developers to encourage the provision of certain community benefits or amenities. This policy acknowledges that the Town's adopted municipal code, plans, and guidelines establish standards and requirements for quality planning design, and construction; ongoing maintenance and operation; reasonable provision of program and infrastructure; and mitigation of project impacts. Community Benefits Incentive Zoning Policy refines the Zoning Ordinance to achieve greater public benefits than are expected from traditional zoning and that are appropriate to and enhance the district and/or the Town. This is a performance based mechanism to leverage uses and public facilities desired by the community that may not be provided by the private sector due to market or economic conditions at the time.
- The California Environmental Quality Act (CEQA) requires an analysis of projects and discretionary decisions taken by a governmental agency. The purpose of CEQA is to

analyze and document the potential environmental impacts of proposed projects, and identify any and all feasible mitigations to offset those impacts. Impacts resulting from new development are typically funded and implemented by the developer.

- **Cost Reimbursement District (CRD).** Occasionally, a developer/sub-divider is directed to construct public improvements that are more than that which is required to support its individual property/development. A Cost Reimbursement District (CRD) provides a mechanism by which the developer/sub-divider may be reimbursed by benefitting development which proceeds within 20 years of the formation of the CRD. Reimbursement is secured by a lien on the benefitting properties with the lien due and payable only upon recordation of a final map or issuance of a building permit, whichever occurs first.
- **Development Agreement.** A development agreement permits a developer to enter into an agreement with the Town where certain rights of development are extended to the developer in exchange for certain extraordinary benefits given to the Town.
- **Developer Construction.** New development either constructs required facilities as a condition of subdivision or provides funds for its fair share of the costs of such facilities, with construction being performed by the Town. Typically, these funds are collected through an FBA program or through the DIF program. As an alternative to the FBA or DIF programs it may be feasible for developers to construct one or more of the needed public facilities in a turnkey basis. Under this arrangement, developers typically are compensated, either by cash or credit against FBA/DIF due, for the work performed pursuant to the conditions in a Council approved reimbursement agreement.
- **Development review** comprises the process through which development applications are received, evaluated, and acted upon. During the development review process, projects are evaluated for their potential impacts on the facilities and resources of the community. The Town requires private developments to design facilities that meet the standards established in Town-adopted guidelines, plans, and standards, as well as mitigating identified environmental impacts.
- **Gifts (philanthropy)** are monies donated by a person, corporation or foundation for a particular purpose.
- **Grants** are funds typically provided by federal or state sources for undertaking certain activities.
- **Public-Private Partnership (PPP)** is a contractual agreement between a public agency (federal, state or local) and a private sector entity. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility. PPPs are often formed for the purposes of designing, planning, financing,

constructing and/or operating infrastructure projects normally provided through traditional procurement mechanisms by the public sector.

- State/Federal Funding. Certain public facilities may be determined to benefit a community or regional area. Such projects may be appropriately funded by the State, the Federal Government, or by a combination of the two.

Matching the strategic investment and facility priorities to the best types of public and private sources of funding will lead to more effective implementation. The following list describes some common funding sources.

### ***Conclusion***

This report provides policies for strategic framework, prioritization guidelines, implementation and financing strategies, to achieve resort investment and public facilities. The General Plan, the Destination Resort Community and Economic Resort Strategy, and characteristics and principles described herein establish a reasonable and manageable strategic and policy framework. These prioritization guidelines establish a rational approach to setting short-, mid-, and long-term priorities. They consider a range of factors including strategic goal attainment, protection of health, safety, and welfare; the timing and characteristics of projects; and financing.

This policy can be used to guide the preparation of the Resort Investment and Public Facilities Element of the General Plan recommended by the CFFC. Steps involved in preparing this General Plan element include:

1. Identify strategic public and private facilities and programs by subject/objective.
2. Describe timing of the facility/program.
3. Describe scope and scale of the funding and construction of the facility/program.
4. Identify existing and potential public/private funding sources and their associated legal restrictions and political commitments.
5. Describe the priority of the facility/program.
6. Describe community, population, economic and funding conditions that trigger the planning, funding, and construction of the facility/program.

The following tables illustrate a sample application of this methodology to the resort investment and public facilities projects.

## Updated Program Priority & Finance/Implementation Discussion Table

The purpose of this table is to allow the CFFC to methodically discuss the various capital facilities and other elements of a resort investment strategy so that EPS can develop a detailed cost analysis and allocation to funding sources. The key desired outcomes of the CFFC discussion are:

1. Program priorities within each subject, and between subjects,
2. Program timing,
3. Scale and construction, and
4. Finance and implementation preference.

A brief description of the table format is:

- Separate table headings: Information is grouped under a subject/objective type of description so the CFFC can discuss the *why* the community should undertake the facilities.
- Tables are provided for the commercial economic development components of the resort strategy because they may rely on some of the same finance implementation sources as public facilities.
- Column 1: Describes a summary of program items. Detail implementation will then be based on recommended priorities and funding preferences.
- Column 2: Summary of CFFC comments from meeting 3.
- Column 3: Timing described in short-, mid-, and long-term as a first response to when the facility is needed. This also relates to overall priority.
- Column 4: Scale and phasing also relates to priority and timing, e.g. large scale expensive projects require large funding commitments and resources.
- Column 5: Poses finance and implementation preferences and acknowledges that many projects require multiple sources. Possible DIF preference is highlighted.
- Column 6: Describes four levels of priority suggested to evaluate a project's contribution to health, safety, and welfare. They are 1) Highest Priority, 2) High Priority, 3) High Mid Range Priority, and 4) Mid Range Priority.



**Storm Water Management** – Reduce the risk of loss of life, injury, property damage, and natural resource destruction from storm water runoff.

Program	CFFC Comments	Timing	Facility Scale & Construction	Finance / Implementation Allocation by Priority & Reliability of Funding	Priority
<b>General facilities and improvements</b>					
<p>Storm drain water quality improvements</p> <p>Storm drain curb, gutters, and swales</p> <p>Storm drain CMP pipe replacement</p>	<p>9-24-09: Committee voted 5 to 0 in favor of keeping on DIF.</p> <p>Public Works to describe at next meeting</p>	<p>Short-term Mid-term Long-term</p>	<p>Small scale Medium scale</p> <p>Phased and/or incremental</p>	<p>Grants: Prop 319H (40% local match typically required), SNC grants, etc. Development Review CEQA Mitigation DIF – Yes = 5; No = 0</p> <p>Low Interest Loan Program (GF) General Fund General Obligation Bond Potential New – Franchise Fees, User Fees, Utility User Tax, Redevelopment Property Tax Increment</p> <p>Consider funding User Fees</p>	1
<b>Storm Drain Basin 2 Improvements</b>	<p>9-24-09: Committee voted 5 to 0 in favor of keeping on DIF.</p>	<p>Short-term Mid-term Long-term</p>	<p>Small scale</p> <p>Phased and/or incremental</p>	<p>Grants: Prop 319H (40% local match typically required), SNC grants, etc. Development Review CEQA Mitigation DIF Yes = 5; No = 0</p> <p>Low Interest Loan Program (GF) General Fund General Obligation Bond Potential New – Franchise Fees, User Fees, Utility User Tax, Redevelopment Property Tax Increment</p> <p>Consider funding User Fees</p>	1
<b>Storm Drain Basin 3 Improvements</b>	<p>9-24-09: Committee voted 5 to 0 in favor of keeping on DIF.</p>	<p>On-going, Short-term, Mid-term, Long-term,</p>	<p>Small scale</p> <p>Phased and/or incremental</p>	<p>Grants: Prop 319H (40% local match typically required), SNC grants, etc. Development Review CEQA Mitigation DIF Yes = 5; No = 0</p> <p>Low Interest Loan Program (GF) General Fund General Obligation Bond Potential New – Franchise Fees, User Fees, Utility User Tax, Redevelopment Property Tax Increment</p> <p>Consider funding User Fees</p>	1

<b>Operations &amp; Maintenance</b>					
Vactor truck	9-24-09: Committee voted 5 to 0 of removing from DIF.	On-going	NA	CEQA General Fund Consider funding User Fees DIF – No = 5; Yes = 0	3

**Traffic and Mobility** – Reduce vehicle miles traveled (VMTs), reduce congestion, improve air quality, improve accessibility and movement of goods, and improve emergency access.

Program	CFFC Comments	Timing	Facility Scale & Construction	Finance / Implementation Allocation by Priority & Reliability	Priority
<b>General facilities and improvements</b>					
<p>Streets</p> <p>Traffic control</p> <p>Street lights and appurtenances</p> <p>Multi use paths, sidewalks, curbs &amp; gutters</p> <p>Transit shelters, stops and related street appurtenances</p>	<p>9/24/09: Committee voted 5 to 0 in favor of keeping on DIF.</p> <p>9/24/09: Committee stated that these items depend on a strong nexus, balanced with other related costs, and no “double dipping.”</p> <p>Reconsider priorities:</p> <p>1. Note the high cost and match.</p> <p>2. If street is functioning postpone project.</p> <p>3. Reconsider priority use of grant matching funds for those projects.</p> <p>4. Reduce scope of some facilities funded by DIF, incremental improvement with development ok.</p>	<p>Short-term,</p> <p>Mid-term,</p> <p>Long-term,</p>	<p>Small scale</p> <p>Medium scale</p> <p>Large scale</p> <p>Phased and/or incremental</p>	<p>STIP / LTC (average \$2.0 million per year)</p> <p>Grants: TEA, etc. (20% local match typically required)</p> <p>Development Review</p> <p>CEQA Mitigation</p> <p>DIF – Yes = 5; No = 0</p> <p>Measure T - 1 point of TOT Potential New – Franchise Fees, User Fees, Utility User Tax, Redevelopment Property Tax Increment</p>	<p>1 &amp; 3</p>
<p><b>Seven Bay Storage Building</b></p>	<p>9/24/09: Committee voted 5 to 0 in favor of keeping on DIF.</p> <p>9/24/09: Committee stated that these items depend on a strong nexus, balanced with other related costs, and no “double dipping.”</p>	<p>Mid-term</p> <p>Long-term</p>	<p>Large scale</p>	<p>Certificate of Participation</p> <p>DIF – Yes = 5; No = 0</p> <p>Grants</p> <p>Potential New – Franchise Fees, User Fees, Utility User Tax, Redevelopment Property Tax Increment</p> <p>Consider funding User Fees</p>	<p>3</p>

<p><b>Public parking lot(s)</b></p>	<p>9/24/09: Committee voted 5 to 0 in favor of keeping on DIF.</p> <p>9/24/09: Committee stated that these items depend on a strong nexus, balanced with other related costs, and no “double dipping.”</p> <p>Fund via assessment district or bonds.</p>	<p>Short-term Mid-term Long-term</p>	<p>Small scale Medium scale</p>	<p>Assessment District STIP / LTC Grants: TEA, etc. (20% local match typically required), DOT P3 - Private DIF – Yes = 5; No = 0</p> <p>Potential New – Franchise Fees, User Fees, Utility User Tax, Redevelopment Property Tax Increment, Parking Revenue Bond</p> <p>Consider funding User Fees</p>	<p>2</p>
<p><b>Public parking garage(s)</b></p>	<p>9/24/09: Committee voted 5 to 0 in favor of keeping on DIF.</p> <p>9/24/09: Committee stated that these items depend on a strong nexus, balanced with other related costs, and no “double dipping.”</p> <p>Fund via assessment district or bonds.</p>	<p>Mid-term Long-term</p> <p>With new development</p>	<p>Large scale</p>	<p>Assessment District CBIZ P3 – Private</p> <p>Development Agreement Grants: TEA, etc. (20% local match typically required), DOT DIF – Yes = 5; No = 0</p> <p>Potential New – Franchise Fees, User Fees, Utility User Tax, Redevelopment Property Tax Increment, Parking Revenue Bond</p> <p>Consider funding User Fees</p>	<p>2</p>
<p><b>Gondola line</b></p>	<p>9/24/09: Committee voted 3 No’s and 2 – Don’t know yet.</p>	<p>Mid-term Long-term</p>	<p>Large scale</p>	<p>P3 – Private Assessment District Grants Potential New – Franchise Fees, User Fees, Utility Users Tax, Redevelopment Property Tax Increment DIF – No =3; DK = 2</p>	<p>3</p>
<p><b>Operations &amp; Maintenance</b></p>					
<p>Bus equipment Dump truck Lift truck Lighting and appurtenances Loaders and snow blowers Street sweepers Trackless sidewalk snow blower Traffic monitor equip</p>	<p>9/24/09: Committee voted 5 to 0 of removing O&amp;M from DIF.</p> <p>9/24/09: Measure R can not be used as an O&amp;M funding source if the project wasn’t funded by Measure R..</p>	<p>On-going</p>	<p>NA</p>	<p>Gas Tax General Fund Benefit Assessment District Measure T - 1 point of TOT Measure R - 1/2 point of TOT Transit Agreements CEQA traffic monitoring</p>	<p>3</p>

**Economic Stability** - Promote year-round, mid-week, and shoulder season visitation, strengthen economic diversity, decrease fluctuations in revenue stream and employment conditions, and increase property, sales, and transient occupancy tax revenues.

9/24/09: Committee voted 5 to 0 in favor of **not** using DIF for economic sustainability projects.

<b>Program</b>	<b>CFFC Comments</b>	<b>Timing</b>	<b>Facility Scale &amp; Construction</b>	<b>Finance / Implementation Allocation by Priority &amp; Reliability</b>	<b>Priority</b>
<b>Outdoor events venue and athletic fields (2-3 acre)</b>		Short-term, Mid-term,	Large scale  Phased and or incremental	CBIZ P3 – Private Development Agreement Grants Measure R - 1/2 point of TOT	2
<b>Range of event plaza venues</b>		Mid-term Long-term  With new development	Large scale	CBIZ P3 – Private Development Agreement	2
<b>Indoor 100-seat town hall, meeting, performance facility</b>		Mid-term Long-term	Large scale	CBIZ P3 – Private Development Agreement	2
<b>Range of conference and meeting spaces integrated with hotels</b>		Mid-term Long-term  With new development	Large scale	CBIZ P3 – Private Development Agreement Potential New – Franchise Fees, User Fees, Utility Users Tax, Redevelopment Property Tax Increment	2
<b>Operations &amp; Maintenance</b>		On-going	NA	P3 – Private Measure R - 1/2 point of TOT General Fund User Fees	3

**Recreation / Leisure Capacity** – Expand and improve recreational and leisure opportunities, open space, entertainment, to improve community quality of life and visitor experience.

9/24/09: In general, there is disagreement among committee members over whether or not DIF should be responsible (in part) for Recreation/Leisure facilities. Disagreement over nexus/impact. There seemed to be general agreement that “civil engineer/public works infrastructure” facilities are the #1 priority for DIF funds, and that “Key Initiatives” such as recreational/leisure facilities that 1. increase fiscal revenue (TOT, sales, etc.) and 2. create economic development, could be a second priority for DIF funding.

<b>Program</b>	<b>CFFC Comments</b>	<b>Timing</b>	<b>Facility Scale &amp; Construction</b>	<b>Finance / Implementation Allocation by Priority &amp; Reliability</b>	<b>Priority</b>
<b>Town-Wide Trails Development</b>	9/24/09: Committee voted 3 to 2 in favor of removing from DIF.	Short-term, Mid-term, Long-term	Small scale and/or incremental	Measure R - 1/2 point of TOT Grants Development Review Development Agreement DIF – No = 3; Yes = 2	3
<b>Shady Rest Park Parking</b>	9/24/09: Committee voted 5 to 0 in favor of removing from DIF.	Short-term Mid-term	Small scale	Measure R - 1/2 point of TOT DIF – No = 5; Yes = 0	4
<b>Completion of The Trails Park</b>	9/24/09: Committee voted 3 to 2 in favor of keeping on DIF.	Short-term	Medium scale	Measure R - 1/2 point of TOT Grants DIF – No = 2; Yes = 3	3-4
<b>Winter Play Area</b>	9/24/09: Committee voted 4 to 0, with 1 Don't Know, to remove from DIF.	Short-term, Mid-term,	Small scale Medium scale  Phased and/or incremental	Grants Measure R - 1/2 point of TOT Development Agreement DIF – No = 4; Don't know = 1	2-3
<b>Mammoth Creek Park Improvements</b>	9/24/09: Committee voted 3 to 2 in favor of keeping on DIF.	Mid-term, Long-term	Medium scale Large scale  Phased and/or incremental	Grants Development Agreement STIP / LTC (mobility) Measure R - 1/2 point of TOT DIF – No =2; Yes = 3	2-3
<b>Shady Rest Affordable Housing Park</b>	9/24/09: Committee voted 3 to 2 in favor of keeping on DIF. Possible scope reduction.	Mid-term Long-term  With new development	Large scale	Development Review CEQA Grants Measure R - 1/2 point of TOT DIF – No =2; Yes = 3	

<b>Ice Rink / Multi Use Facility</b>	<p>9/24/09: Committee voted 3 to 2 in favor of keeping on DIF.</p> <p>Reduce project scope</p> <p>Consider different location</p> <p>9/24/09: Increase Alternate funding percent</p>	<p>Mid-term Long-term</p>	<p>Large scale</p>	<p>CBIZ General Obligation Bond Grants P3 – Intergovernmental DIF – No =2; Yes = 3 Potential New – Franchise Fees, User Fees, Utility Users Tax, Redevelopment Property Tax Increment</p>	<p>3-4</p>
<b>Recreation Center (swimming pool – natatorium)</b>	<p>9/24/09: Committee voted 5 to 0 in favor of removing from DIF.</p> <p>Reduce project scope</p> <p>Alternate funding</p>	<p>Long-term</p>	<p>Large scale</p>	<p>General Obligation Bond P3 – Intergovernmental Potential New – Franchise Fees, User Fees, Utility Users Tax, Redevelopment Property Tax Increment DIF – No = 5; Yes = 0</p>	<p>4</p>
<b>Field House (indoor soccer, football, baseball, track, and tennis)</b>	<p>9/24/09: Committee voted 5 to 0 in favor of removing from DIF. This is a want, not a need.</p>	<p>Long-term</p>	<p>Large scale</p>	<p>General Obligation Bond P3 – Intergovernmental Potential New – Franchise Fees, User Fees, Utility Users, Tax, Property Tax Increment – Redevelopment DIF – No = 5; Yes = 0</p>	<p>3-4</p>
<b>Park Land Acquisition</b>	<p>9/24/9: Committee voted 4 to 1 to keep on DIF.</p>	<p>Mid-term Long-term</p>	<p>Medium scale Large scale</p>	<p>Development Review CEQA Mitigation Measure R - 1/2 point of TOT Grants DIF – No = 1; Yes = 4</p>	
<b>Town – Wide Parks/Snow Storage</b>	<p>9/24/09: Committee voted 5 to 0 in favor of keeping on DIF.</p>	<p>Mid-term Long-term</p>	<p>Moderate scale</p>	<p>Development Review CEQA Mitigation Development Agreement DIF – No = 0; Yes = 5</p> <p>Measure R - 1/2 point of TOT Grants</p>	
<b>Operations &amp; Maintenance</b>		<p>On-going</p>	<p>NA</p>	<p>P3 – Intergovernmental General Fund Measure R - 1/2 point of TOT User Fees</p>	<p>3</p>

**Social Capacity** – Provide key services, uses, employment opportunities, and public art that enhance the quality of life of residents and visitors.

9/24/09: Committee voted 5 to 0 in favor of **not** using DIF for social capacity projects.

<b>Program</b>	<b>CFFC Comments</b>	<b>Timing</b>	<b>Facility Scale &amp; Construction</b>	<b>Finance / Implementation Allocation by Priority &amp; Reliability</b>	<b>Priority</b>
<b>Neighborhood and retail and services</b>		Short-term Mid-term Long-term  With new development	Medium scale	Development Review	2-3
<b>Specialty market and full scale grocery</b>		Mid-term Long-term  With new development	Large scale	CBIZ P3 – Private Development Agreement	2-3
<b>Heritage facilities, museums, galleries, and artist live/work residences</b>		Mid-term Long-term  With new development	Medium scale Large scale  Phased and/or incremental	P3 – Intergovernmental P3 – Private CBIZ CEQA Mitigation Development Agreement	3-4
<b>Public Art</b>		Short-term Mid-term Long-term  With new development	Small scale Medium scale Large scale	Development Review Public Arts Fee Grants P3 – Intergovernmental	3-4
<b>Operations &amp; Maintenance</b>		On-going	NA	Private Measure R - 1/2 point of TOT General Fund User Fees	3



**Housing**– Provide housing opportunities to enhance the quality of life of the town’s workforce.

9/24/09: Committee voted 5 to 0 in favor of **not** using DIF for housing related projects.

Program	CFFC Comments	Timing	Facility Scale & Construction	Finance / Implementation Allocation by Priority & Reliability	Priority
<b>Programs and projects to provide affordable housing</b>	EPS to include fee in total  Shift from FTEE calculation  Report from Housing Committee due	Short-term, Mid-term, Long-term  With new development	Small scale Medium scale Large scale  Phased and/or incremental	TOT – 1 point Grants Development Review CBIZ Development Agreement	2-3
<b>Operations &amp; Maintenance</b>		On-going	NA	Private User Fees TOT – 1 point Grants General Fund	3

**Public Safety and General Government** – Reduce vehicle miles traveled (VMTs), reduce congestion, improve air quality, improve accessibility and movement of goods, and improve emergency access.

Program	CFFC Comments	Timing	Facility Scale & Construction	Finance / Implementation Allocation by Priority & Reliability	Priority
<b>Police Facility</b>	<p>9/24/09: Committee voted 3 to 2 in favor of using DIF. Committee reiterated need for scope change and alternate funding. Some committee thinks DIF should be applicable.</p> <p>Needed facility</p> <p>Change scope &amp; means</p> <p>Alternate funding</p> <p>Consider joint with Sheriff</p> <p>Consider less expensive site and construction</p>	<p>Mid-term Long-term</p>	<p>Large scale</p>	<p>Certificate of Participation General Obligation Bond Revenue Bond</p> <p>Grants CEQA DIF – No = 2; Yes = 3</p> <p>Potential New – Franchise Fees, User Fees, Utility Users Tax, Redevelopment Property Tax Increment</p>	
<b>Civic Center</b>	<p>9/24/09: Committee voted 3 to 2 in favor of using DIF. Committee reiterated need for scope change and alternate funding. Some committee thinks DIF should be applicable. Some committee wants to review again.</p>	<p>Mid-term Long-term</p>	<p>Large scale</p>	<p>P3 – Private P3- Intergovernmental General Obligation Bond Revenue Bond</p> <p>Potential New – Franchise Fees, User Fees, Utility Users Tax, Redevelopment Property Tax Increment DIF – No = 2; Yes = 3</p>	
<b>Operations &amp; Maintenance</b>					
<p>Patrol vehicles Law enforcement staff equipment</p>		<p>On-going</p>	<p>NA</p>	<p>Grants General Fund</p>	

**Airport** – Provide commercial regional air service to increase accessibility from key visitor market areas.

9/24/09: Committee voted 5 to 0 in favor of **not** using DIF for airport projects.

<b>Program</b>	<b>CFFC Comments</b>	<b>Timing</b>	<b>Facility Scale &amp; Construction</b>	<b>Finance / Implementation Allocation by Priority &amp; Reliability</b>	<b>Priority</b>
<b>Airport Access Road</b>		Mid-term Long-term  With new development	Large scale	STIP / LTC Grants Development Agreement Development Review	3
<b>Operations &amp; Maintenance</b>					
Equipment		On-going	NA	Grants General Fund	3



**APPENDIX 2:**  
**Assessment of Capital Projects Policy and  
Technical Underpinning**

APPENDIX 3:  
CEQA Mitigation Review



## CEQA Document Review List

<b>CEQA Document</b>
Altis (Storied Places)
Bluffs EIR
Bridges
Clearwater
Eagle Lodge
Eastern Sierra College Center
Gateway Area SP (1986)
GP EIR (2005)
GP EIR (1987)
Greyhawk MP
Holiday Haus
Horizon Air Mitigated Negative Declaration
Horizon Air Environmental Impact Statement
Ice Rink
Juniper Ridge
Lodestar
Mammoth Crossing
North Village 1999
North Village 1991/1994
Parks and Recreation Element
Police Station
Snowcreek Master Plan Update 1981 (Old)
Snowcreek VIII
Tanavista (Lodestar)
Trail System Initial Study

MASTER CEQA REVIEW SUMMARY TABLE  
3-10-10

		Project ID																										
Project Number	Category	Name	Airport Expansion	Altis	Bluffs	Bridges	Cleanwater	Eagle Lodge	Eastern Sierra College	Gateway Area Specific Plan	GP EIR 2007	GP EIR 1987	Greyhawk	Holiday Haus	Horizon Air MND	Horizon Air EIS	Ice Rink	Juniper Springs	Lodestar	Mammoth Crossing ML Trail	System IS North Village EIR 1999	North Village EIR 91/94	Parks and Rec Element	Police Station	Snowcreek VIII	Snowcreek MP EIR (Old)	Tanivista	
PD-01	Public Safety	Police Facility					1	1		1	1	4		1	2					1		1			1	1		
PD-02	Public Safety	Patrol Vehicles					1	1		1	1	4		1	2				3	1		1	1		1	1		
PD-03	Public Safety	Law Enforcement Staff Equipment					1	1		1	1	4		1	2			4	4	1		1			1	1		
FD-01	Public Safety	Construction of New Fire Stations					1	1		1	1	2	1	4				1	1	1		1	1		1	1		1
FD-02	Public Safety	Acquisition of Aerial Ladder					1	1		1	1	2	1	4				1	1	1		1	1		1	1		1
FD-03	Public Safety	Acquisition of Two New Fire Engines					1	1		1	1	2	1	4				1	1	1		1	1		1	1		1
FD-04	Public Safety	Expand Fire Station #1					1	1		1	1	2	1	4				1	1	1		1	1		1	1		1
FD-05	Public Safety	Acquisition of Light and Air Support Truck					1	1		1	1	2	1	4				1	1	1		1	1		1	1		1
FD-06	Public Safety	Remodel/Expansion of Training Facility					1	1		1	1	2	1	4				1	1	1		1	1		1	1		1
FD-07	Public Safety	Short Term Quarters for Student Firefighters					1	1		1	1	2	1	4				1	1	1		1	1		1	1		1
ST-12	Circulation - Roads	Azimuth/Meridian Intersection Improvements					1,3			1,3	1	1										4						
ST-13	Circulation - Roads	Minaret Road/Main Intersection Improvements								1,3	1	1							3			3				1,3		
ST-14	Circulation - Roads	Kelly/Lake Mary Road Intersection Improvements										1																
ST-15	Circulation - Roads	Lakeview/Lake Mary Road Intersection Improvements									1	1							3	1,3								
ST-16	Circulation - Roads	Main/Center Street Intersection Improvements								1,3	1									1,3		1						
ST-17	Circulation - Roads	Main Street and Forest Trail Intersection Improvements								1,3	1											1						
ST-18	Circulation - Roads	Majestic Pines/Meridian Intersection Improvements						1		1,3	1							3										
ST-19	Circulation - Roads	Minaret/Forest Trail Intersection Improvements																	3	1,3		3						
ST-20	Circulation - Roads	Minaret/Meridian Intersection Improvements						1																				

Notes:

1. Mitigated by DIF or Fee
2. Mitigated by Plan or Policy Conformance (SDMP, AQMP, etc.)
3. Project Directly Mitigates
4. Other (not directly related to MFP)

Blank indicates that CEQA Review did not indicate direct link to project

		Project ID																										
Project Number	Category	Name	Airport Expansion	Altis	Bluffs	Bridges	Cleanwater	Eagle Lodge	Eastern Sierra College	Gateway Area Specific Plan	GP EIR 2007	GP EIR 1987	Greyhawk	Holiday Haus	Horizon Air MND	Horizon Air EIS	Ice Rink	Juniper Springs	Lodestar	Mammoth Crossing ML Trail	System IS North Village EIR 1999	North Village EIR 91/94	Parks and Rec Element	Police Station	Snowcreek VIII	Snowcreek MP EIR (Old)	Tanwista	
ST-21	Circulation - Roads	Minaret/Old Mammoth Road Intersection Improvements									1								3			1				3		
ST-23	Circulation - Roads	Meridian Blvd. Project					4		1,3											3		4						
ST-24	Circulation - Roads	Waterford Avenue Crossing																1										
ST-25	Circulation - Roads	Trails End Park Turn Lanes Project							1,3																			
ST-27	Circulation - Roads	Main/Mountain Intersection Improvements							1,3	1											1,3							
ST-28	Circulation - Roads	Meridian/Sierra Park Intersection Improvements						1	1,3	1																		
ST-30	Circulation - Roads	Meridian Blvd. and Main Street Intersection Improvements							1,3																			
ST-31	Circulation - Roads	Lake Mary Road and Canyon Blvd. Intersection Improvements																					3					
ST-36	Circulation - Roads	Tavern Road Extension																							4			
ST-02	Circulation - Transit and Trails	Municipal Parking Lots										1,2,4																
ST-03	Circulation - Transit and Trails	Transit Facility							2,3	1	1,3,4		1							1	1		1			1		1
ST-04	Circulation - Transit and Trails	Bus Equipment							2,3	1	1,3,4		1							1	1		1				1	1
ST-05	Circulation - Transit and Trails	Lake Mary Bike Lane Project																										
ST-07	Circulation - Transit and Trails	Main Street Promenade																										
ST-08	Circulation - Transit and Trails	Street Lighting Projects			3				1								1											
ST-09	Circulation - Transit and Trails	Transit Stops							2,3	1	1,3,4		1				3			1	1		1				1,3	1
ST-10	Circulation - Transit and Trails	Pedestrian Improvements			3				4								3			3							3	
ST-11	Circulation - Transit and Trails	North Village Specific Plan																										
ST-22	Circulation - Transit and Trails	Pedestrian Crossing Improvements																										

**Notes:**

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MASTER CEQA REVIEW SUMMARY TABLE  
3-10-10

Project ID																														
Project Number	Category	Name	Airport Expansion	Altis	Bluffs	Bridges	Cleanwater	Eagle Lodge	Eastern Sierra College	Gateway Area Specific Plan	GP EIR 2007	GP EIR 1987	Greyhawk	Holiday Haus	Horizon Air MND	Horizon Air EIS	Ice Rink	Juniper Springs	Lodestar	Mammoth Crossing	ML Trail	System IS	North Village EIR 1999	North Village EIR 91/94	Parks and Rec Element	Police Station	Snowcreek VIII	Snowcreek MP EIR (Old)	Tanwista	
ST-26	Circulation - Transit and Trails	Emergency Vehicle Signal Intervention Improvements																												
ST-29	Circulation - Transit and Trails	Traffic Monitoring Station Improvements																												
SD-01	Storm Drains	Purchase Vactor Truck	2	1			2	1		1	2	1,2	2	2	2	2	2	2	2	2	3,4		2	2		2	2	4		
SD-02	Storm Drains	Storm Drain Curb and Gutter or Swales	2	1			2	1		1	2	1,2	2	2	2	2	2	2	2	2	3,4		2	2		2	2	4		
SD-03	Storm Drains	Storm Drain CMP Pipe Replacements (Allocated to Existing Development)	2	1			2	1		1	2	1,2	2	2	2	2	2	2	2	2	3,4		2	2		2	2	4		
SD-04	Storm Drains	Storm Drain Improvements Drainage Basin 2	2	1			2	1		1	2	1,2	2	2	2	2	2	2	2	2	3,4		2	2		2	2	4		
SD-05	Storm Drains	Storm Drain Improvements Drainage Basin 3	2	1			2	1		1	2	1,2	2	2	2	2	2	2	2	2	3,4		2	2		2	2	4		
SD-06	Storm Drains	Storm Drain Water Quality Improvements	2	1			2	1		1	2	1,2	2	2	2	2	2	2	2	2	3,4		2	2		2	2	4		
GF-01	Facilities and Equipment	Town of Mammoth Lakes Civic Center																												
GF-02	Facilities and Equipment	Visitor Bureau Office																												
GF-03	Facilities and Equipment	Welcome Center																												
GF-04	Facilities and Equipment	Two Bay Maintenance Building Expansion																												
GF-05	Facilities and Equipment	Seven Bay Storage Building																												
GF-06	Facilities and Equipment	Loaders and Snow Blowers			4				4		1	4									2,3		1	4						
GF-07	Facilities and Equipment	Dump Truck (for snow removal)			4				4		1	4									2,3		1	4						
GF-08	Facilities and Equipment	Trackless Sidewalk Snow Blower			4				4		1	4									2,3		1	4						
GF-12	Facilities and Equipment	Lift Truck																												
GF-13	Facilities and Equipment	Street Sweepers		1	1				4		1	4				1				2			1						1	
LF-01	Education	New Library		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

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LF-02	Education	Child Care Center		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
LF-03	Education	New Books and Media		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
PR-02A	Parks and Recreation	Recreation Center	2				4				1	4	1	1				1		1			1	1	4		1		1	
PR-02B	Parks and Recreation	Ice Rink/Multi-use Facility	2				4				1	4	1	1				1		1			1	1	4		1		1	
PR-03	Parks and Recreation	Trails Park	2				4				1	4	1	1				1		1			1	1	4		1		1	
PR-04	Parks and Recreation	Town-Wide Parks/Snow Storage	2				4				1	4	1	1				1		1			1	1	4		1		1	
PR-05	Parks and Recreation	Shady Rest Affordable Housing Park	2				4				1	4	1	1				1		1			1	1	4		1		1	
PR-06	Parks and Recreation	Winter Play Area	2				4				1	4	1	1				1		1			1	1	4		1		1	
PR-07	Parks and Recreation	Mammoth Creek Park Improvements	2				4				1	4	1	1				1		1			1	1	4		1		1	
PR-08	Parks and Recreation	Shady Rest Park Parking	2				4				1	4	1	1				1		1			1	1	4		1		1	
PR-09	Parks and Recreation	Town-wide Trails Development AKA ST-32	2				4				1	4	1	1				1		1			1	1	4		1		1	
PR-10	Parks and Recreation	Park Land Acquisition	2				4				1	4	1	1				1		1			1	1	4		1		1	
AP-02	Airport	New Airport Terminal	3																											
AP-03	Airport	Airport Access Road South Entrance	3																											
AP-04	Airport	Equipment																												

**Notes:**

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3. Project Directly Mitigates
4. Other (not directly related to MFP)

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**Capital Facilities Funding Committee**  
**CEQA Document Review**  
**(March 11, 2010)**

**Background**

As a component of the capital facilities and programs update initiated by the CFFC, staff was requested to complete a comprehensive review of California Environmental Quality Act (CEQA) documents prepared by the Town in the past several years, to gain a better understanding of the relationship between CEQA impact analyses and the facilities, programs and fees cited as mitigation for project impacts.

Environmental analysis required through CEQA requires the Town, as the lead agency for projects within its jurisdiction, to analyze and document the potential environmental impacts of proposed projects or programs and identify any and all feasible mitigations to offset those impacts. A CEQA document must analyze direct and indirect impacts, impacts related to the project itself, and cumulative impacts that would occur with the project in conjunction with other related, foreseeable projects in the area. Typically, potential impacts are identified and generally categorized as follows:

- Impacts found to be not significant.
- Impacts found to be less than significant after mitigation.
- Impacts found to be significant and can not be mitigated to a less than significant degree (significant and unavoidable – requiring a Findings of Overriding Consideration).

As required by CEQA, environmental documents must describe feasible mitigation measures to minimize the potential environmental impacts that may result from a project or program. In general, mitigation (or partial mitigation) of impacts can be accomplished through direct physical construction of an improvement, implementation of a policy or program, or payment of a fee, such as a development impact fee.

CEQA case law has found that payment of fees provide adequate mitigation for environmental impacts, providing that sufficient evidence exists in the record that such fees will actually address and reduce those impacts. If fees are paid for purposes of mitigation, they must be clearly directed to specific projects and/or programs that would provide the mitigation. These fees should also meet the nexus and proportionality requirements of CEQA.

While in most cases it is the responsibility of the project (or program) to directly implement a mitigation measure identified in a CEQA document, in some cases it may be the responsibility of the local jurisdiction or some of some other entity to carry out the mitigation. Ultimately though, it does not matter how or by whom CEQA mitigation requirements are satisfied, only that the measures are satisfied.

## **Methodology**

Staff reviewed adopted CEQA documents associated with 26 projects in the Town (Attachment 1), including General Plan updates, Specific and Master Plans, individual development projects, and public facilities projects. Staff did not review or consider Draft EIRs that have not yet been certified or adopted (such as that for the Sierra Star Project). The review focused on identifying the following analyses in each of the documents:

- Project impacts found to be significant, for which construction of a particular physical improvement, or initiation of a program was cited as a mitigation measure.
- Project impacts found to be less than significant on the basis that the project would directly include construction of a particular physical improvement or initiation of a program.
- Project impacts found to be significant, for which payment of Development Impact Fees or contribution to another existing fee program was cited as a mitigation measure.
- Project impacts found to be less than significant on the basis that the project would be required to pay Development Impact Fees or contribute to other existing fee programs, or would be required to conform with a policy or program.

Within these various documents, impacts falling into these categories were generally identified in the CEQA impact analyses for circulation and transportation, public services, utilities and service systems, and hydrology and water quality.

The attached table (Attachment 2) provides a summary, organized by the Master Facilities Plan (MFP) list, of the identified relationships between the list items, and mitigations specified in the CEQA documents reviewed. More detailed summaries for each document are also included in the workbook for reference. Where the cited CEQA mitigations were not specific (e.g. pay fees for transit system improvements; pay DIF for parks and recreation; comply with the Storm Drain Master Plan) staff did not attempt to assign the mitigation to a particular capital facility or project in the MFP list, rather staff inferred that the mitigation would apply to the category of projects in the MFP.

## **Findings**

Staff developed a summary of the above information for each of the CEQA documents reviewed, along with a synopsis of the project analyzed in the CEQA document (Attachment 1). It should be noted that, in many cases, the project approved or built is not identical to that analyzed in the EIR or Initial Study. Staff did not attempt to reconcile the projects analyzed with those ultimately approved or built. In the case of some Master Plans and Specific Plans, some projects are only partially realized, whereas others have been completely constructed. Again, this comparison was not incorporated in staff's analysis.

A key finding of staff's analysis is that there has been considerable variation in the way that the Town has approached its CEQA review, and particularly, an inconsistent level of specificity and detail when correlating particular project impacts to specific mitigations. In many cases, particularly where payment of DIF or other fees is mentioned as a means to offset impacts, no detail is provided on the particular programs or services that would be supported by payment of that fee to offset impacts.

In looking at the CEQA Review Summary Table (Attachment 2), the strongest links between CEQA mitigation and MFP items are found in the areas of road circulation, storm drain improvements, public safety, parks and recreation, and snow removal. The CEQA review has indicated that there is much more limited or no relationship between CEQA mitigations and certain other types of facilities including pedestrian improvements (sidewalks), street lighting, some maintenance-related line items and civic facilities. Transportation facilities show a very wide variability in terms of their being cited as mitigations in the various CEQA documents. The 2007 General Plan EIR appears to have been the basis for the inclusion of the various intersection/roadway improvements in the MFP list; however other intersection/roadway improvements can be linked to specific project CEQA documents, while others do not appear to have a strong and direct CEQA tie.

As shown in the CEQA Review Summary Table, the Town's CEQA documents have, in many instances, cited payment of DIF or fees as a project mitigation, particularly in the realm of public safety (police and fire facilities and equipment), parks and recreation, and transit. In these cases, it is assumed that the DIF and/or other fees collected from a project will be commensurate with the level of impact caused by that project and that those fees will be used to fund capital facilities or services to offset the impacts. While this is a logical association, it is problematic in the sense that many of the project CEQA documents neglect to quantify the project's impact, thus rendering the determination of a commensurate or "fair share" fee difficult. Therefore, it is also becomes difficult to determine if the level of DIF or fees collected from a project are truly mitigating the impacts caused by the project.

### **Conclusion**

In conclusion, while the CEQA document review exercise has illuminated many clear ties between project mitigations identified in the CEQA documents and the capital facilities identified in the current MFP, there are still a number of areas in which the CFFC and staff will have to perform additional analysis to determine the potential CEQA implications that may result adjustment of DIF and/or other fees.

### **Attachments:**

1. CEQA Review List and Document Synopsis Sheets
2. CEQA Review Summary Table

APPENDIX 4:

EPS Financial Capacity Memorandum  
(November 12, 2009)



## ***TECHNICAL MEMORANDUM***

To: Mark Wardlaw and Ray Jarvis  
From: Walter Kieser  
Subject: Economic Feasibility Analysis; EPS #19065  
Date: November 17, 2009

*The Economics of Land Use*



This memorandum describes the technical efforts surrounding a review of the Town of Mammoth Lakes development impact fees (DIFs) and other development costs, including the costs of meeting affordable housing mitigation requirements. The objective of this effort was to determine whether the Town's existing DIF program, along with other development-related costs, is an impediment to growth that would otherwise occur in the Town, presently and in the future. The technical work has been a collaborative effort engaging Economic & Planning Systems, Inc. (EPS), Town staff, and an appointed committee, the Capital Facilities Funding Committee (CFFC) and a range of community-based stakeholders. EPS reviewed a range of technical documents including the fee justification studies, Town Budget and Comprehensive Annual Financial Reviews (CAFRs), General Plan, the DIF Ordinance and Resolutions, the Housing Ordinance and related technical materials, and a number of market studies that have been prepared for the Town. The Consultant also conducted a round of interviews with Town officials and stakeholders, obtaining both opinion and considerable background material.

### **Background**

In 2005 the Town of Mammoth Lakes imposed a substantial increase in its development impact fees based upon a technical report titled *Development Impact Fee Justification Study*, David Taussig & Associates, Inc., 2005. An update of the *Study* was conducted in 2007, reflecting alterations to the list of capital projects funded by the DIF. The fee, in combination with fees charged by other jurisdictions and other costs and exactions associated with the entitlement process, were controversial from the beginning, evoking legal challenges that resulted in a revision to the *Development Impact Fee Justification Study* and the related DIF in 2007.

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The significant economic downturn in the past two years has made development much less feasible as prices have fallen and credit has gotten more difficult to obtain. Mammoth Lakes has been affected by these market conditions and this has exacerbated concerns regarding the relatively high costs of fees and other costs imposed upon new development. Since investment in the resort and community is the source of economic vitality and fiscal well-being (quality of municipal services), it is essential that the need for infrastructure and community amenities is tempered with a realistic assessment of economic capacity and development feasibility.

The review of the Mammoth Lakes development impact fee should be placed in the broader context of Mammoth Lakes as a resort community and the need to sustain the vitality of the resort and improve the quality of life for residents. As such, the Consultant work program includes the formulation of recommendations for reforming the development impact fees as part of a broader set of reforms related to General Plan policy, achieving economic development objectives, sustaining the Town's operating budget, and funding capital facilities.

## **Economic Conditions**

Following a historically high amount of development activity during the earlier part of the decade, including a spike in the construction of new homes, condominium hotels, and lodging units, development activity dropped off precipitously beginning in 2006 as the result of the weakness in the housing market and lodging market. Before the contraction there was also a major run-up in real estate prices as well as a number of land purchases that occurred at very high prices. In addition to the impending recession other factors may have also played into the drop off in development activity in 2006 and 2007 including the limited amount of approved "pipeline" projects, withdrawal of investment capital, and the high costs of the Town's newly adopted impact fees and housing mitigation.

Current (2009) economic and real estate market conditions are poor by any historical standard. The protracted recession, now over two years in duration, and the related contraction of the real estate market and virtual collapse of credit, has slowed development activity nationwide, including resort communities. In Mammoth Lakes, as elsewhere, little to no development is occurring because of these economic conditions. While some pre-development activity is evident, most resort-oriented projects are very likely infeasible under current market conditions, regardless of DIF, housing mitigation, and other Town-imposed costs. It is likely to be several more years before market conditions and credit markets improve substantially. There is even some indication of longer-term structural changes in demand for resort real estate product, e.g., a shift away from the condominium hotel product.

Quite apart from current unfavorable market conditions and potential structural changes in the resort real estate market, other factors more permanently affect development feasibility in Mammoth Lakes. These factors include comparatively high construction costs and pricing for resort products (e.g., price points for condominium hotel units, lodging average daily rates) that are below competitive resorts. These factors make development more risky and less profitable than may be the case in other resort communities. Less profit means less ability to "internalize" additional related costs such as development impact fees, affordable housing, and impact mitigation. Interviews with local developers indicate construction costs in the range of \$600 per square foot for typical resort condominium development and even higher for custom construction. Costs for similar construction in suburban locations are in the range of \$300 to \$400 per square foot. While construction costs in Mammoth Lakes are comparable to other resorts (and for similar reasons—high labor costs and high construction materials costs) the price



points have historically been significantly below (20 percent or more) of those fetched at competitive destination resorts such as Northstar-at-Tahoe, Vail, Snowmass Village, and Park City. This simply means that development at Mammoth Lakes occurs with slimmer margins than elsewhere thus limiting its ability to absorb additional costs such as those represented by impact fees and housing mitigation requirements.

## Summary of Existing Fees in Mammoth Lakes

As noted above, the Town instituted a new and comprehensive development impact fee program in 2005. This fee program encompassed a range of public facilities ranging from transportation, parks and recreation, transit, public safety, and civic facilities. At the time the Town was experiencing an upturn in development activity and interest driven by the housing price bubble and easy credit that was driving development activity in the early part of the decade. At the same time the Town was seeking to improve community facilities and to effectively mitigate the potential impacts of the new development upon municipal infrastructure and facilities. A comprehensive development impact fee was selected to address these objectives. A "nexus" study was commissioned and completed, *Development Impact Fee Justification Study* (David Taussig & Associates, Inc, 2005), and an implementing ordinance was adopted. The substantial increase in the Town's fees caused some controversy regarding the list of improvements included, the improvement cost estimates, and allocation methods. As a result of this controversy a follow-up technical report was completed by David Taussig & Associates, Inc., in 2007. The updated technical report resulted in a substantial reduction in the fees originally calculated, particularly for resort and commercial uses.

**Table 1** shows fees applicable to a range of land uses including the Town's DIF and the fees charged by other agencies. Despite the reduction in the DIF, and recognition that the high fees could have a negative impact on desired forms of development (e.g., hotels and retail commercial development), aggregate development impact fees in Mammoth Lakes remained comparatively high (especially when combined with the cost of meeting affordable housing mitigation requirements and other project-specific mitigation requirements).<sup>1</sup>

A range of issues have been identified for the existing DIF program, in addition to the economic implications of high costs:

- The capital projects included in the DIF program are not derived consistently from foundational General Plan policies or service standards, or implementing programs. Similarly, the projects are not linked to master facility plans that are typically developed for major infrastructure items.
- The project list includes projects from other agencies (fire district) that have not provided a detailed analysis of existing capacity or how or when (linked to threshold increases in demand) the new facilities and equipment are linked to new development.

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<sup>1</sup> Development impact fees are a cost of development that, like all other costs, must be rationalized in the project economics and investment decision. While circumstances vary by place, time, and product type, aggregate "off-site" mitigation costs that exceed 15 percent of retail value of a typical residential project are likely to render the project infeasible. For commercial products that tend to be more price-competitive, the burden threshold is 10 percent or even lower.

- While the Town has identified a range of funding options for the existing development share of the projects listed in the DIF program, there has been limited development of other funding sources and approaches, save that the Town has been reasonably successful at attracting grant funding, mainly from State sources, for these projects.
- DIF revenues accrue to an overly complex sub-fund structure. This structure was established in the *DIF Justification Study*, but has resulted in the Town establishing independent sub-funds for each improvement item. This approach is unnecessary to meet legal standards, creates administrative complexity, and limits the flexibility to prioritize and fund projects across the range of categories.
- Funding of the projects in the DIF program list lacks strategic prioritization. While it is clear that the projects vary with regard to when they may actually be necessary to assure continuity of a service standard or to avoid a negative impact, the DIF revenues are allocated on an annual basis as part of the budget process based upon no clear set of criteria or prioritization. This means that limited resources may be applied to projects that are not actually needed at that time while other, perhaps higher priority projects go unfunded.

## Summary of Affordable Housing Requirements

The Town adopted an Affordable Housing Ordinance in 2004. Unlike typical inclusionary ordinances based upon an "inclusionary requirement" (a provision of the zoning ordinance requiring that certain percentage of "affordable" units be included in all housing developments), this ordinance establishes an affordable housing requirement based upon the logic that new development generates new employment and that this new employment, in turn, demands housing, including housing for low- and moderate-income families. This type of ordinance is generally classified as a "commercial linkage fee", although such fee ordinances are typically not applied to housing projects and there is typically no requirement that commercial development build housing units as a part of their project.

Technically, the housing mitigation requirement is based upon a set of "employment generation factors" that are included in the Ordinance without technical or source reference. It is not clear whether these factors are accurate or reflect historical conditions in Mammoth Lakes. The Ordinance also requires "100 percent mitigation" of the resulting housing requirement within the Town boundaries without documenting whether such full mitigation is consistent with existing patterns of employment and residency in Mammoth Lakes. Current funding "gap" calculations show that the cost of providing affordable housing per employee generated is in the range of \$40,000, a number not inconsistent with similar analyses completed in other jurisdictions.

The Ordinance allows for payment of an "in lieu" fee; however, the method for calculating the fee has not been formally adopted. Calculations that are available are not well-documented so it is difficult to say whether they accurately reflect costs of creating an affordable housing unit. Normally, in lieu fees are calculated following a formula established in a technical report, often adopted by local jurisdictions to document the methodology applied, cost assumptions, and other considerations. The resulting housing requirements, whether met through construction of affordable units or payment of the in lieu fee, are quite high. For example, calculations indicate that mitigation costs for a 2,000-square foot condominium would be in the range of \$86,000.

Finally, affordable housing inclusionary requirements and in lieu provisions are normally linked to foundational documents including the General Plan Housing Element and affordable housing strategies that establish policy; evaluate demand and supply relationships, housing need by family income category, and available programs to meet affordable housing requirements; consider economic relationships and impacts; and finally, establish realistic objectives for affordable housing given the range of policy objectives, resources, and institutional capacity.

## **Impact of Impact Fees and Housing Requirements upon Development Feasibility**

As noted above, at the present time market conditions, including low market prices for homes and second homes, weak visitor demand, limitations on credit, and scarce investment equity, render most development projects infeasible simply because the costs of development exceed revenues that can be expected. This pervasive condition is not linked to development impact fees exclusively; they are one of many factors that added to project costs but do not improve revenue. Market and development conditions are so poor at the present time that even if impact fees and other development mitigation, including that for affordable housing, were entirely eliminated, projects would not likely move forward. Single-family homes may be an exception to this limitation because of the unique economic circumstances of particular individual owner/investors. In Mammoth Lakes these unfavorable market conditions add to a baseline condition of challenging development economics even in more robust phases of the business cycle. These conditions include:

- ***Development costs are high.*** Resort locations such as Mammoth Lakes are remote from suppliers and labor markets. This results in substantially higher costs than would be experienced in metropolitan areas. Adding to the costs are special construction requirements associated with snow load and seismic standards. For example, “vertical” construction costs at the present time fall in the range of \$500 to \$600 per square foot for residential condominium development. These construction costs do not include land, off-site mitigation and fees, or affordable housing requirements. Development occurred at the top of the market because price points reached the level that would justify all of these costs, but those market conditions have departed and may be a long time in returning.
- ***Price points are below competitive resorts.*** While Mammoth Lakes has recreation resources that are the equivalent or superior to its competitors, price points for competitive real estate products (residential condominium) have lagged its competitors by 20 percent or more. This gap can be explained by a number of factors including the nature of Mammoth’s primary market, the Los Angeles Metropolitan Region, which results in a weekend-oriented or short visit pattern. Compared with other destination resorts there is a distinct lack of nationally-based and internationally-based visitors which tend to longer visits and have a greater economic impact.
- ***A history of complex and uncertain entitlement procedures may also be an economic deterrent.*** The historical development patterns in Mammoth Lakes with its lower density form and suburban style of commercial development lie in stark contrast with the emerging development forms of competitive resorts. While transition to more modern forms is essential to sustaining the resort and the community, many residents appear to be comfortable with the current low-density conditions and thus resist change. These tensions between the resident community and the resort function are common in resort communities

and often lead to political conflict over growth and development issues. Such conflict may translate into uncertain or inconsistent development policy, administration, or decision-making which renders it difficult for an investor to ascertain what will be required, let alone be assured that an entitlement is forthcoming as all standards and policies are met. Current efforts in Mammoth Lakes including the new General Plan and the District Planning process and Zoning Ordinance amendments offer an opportunity to create a more transparent and effective planning regime.

Determining the impact of comparatively high-development impact fees, as discussed above, is complex given the current mixture of very poor economic conditions at the present time and the aforementioned baseline conditions, unrelated to fee levels but that tend to weaken project financial performance. All of these conditions interact and depending upon circumstances the burden imposed by impact fees will be a greater or lesser deterrent to development. However, despite this uncertainty, it is our opinion that a jurisdiction that is seeking economic and community development should establish policies, programs, and an investment strategy that promotes the desired economic development which includes keeping costs as low as possible, consistent with achieving policy objectives and mitigating impacts of development.

While there is no way to alter macro economic conditions other factors can be controlled, including charging development impact fees and other imposed costs on new development within a reasonable range given more normal economic conditions. Such fees are actually an advantage to developers because they clarify obligations at the outset and reduce cost uncertainty. While there is no absolute standard for burden, given the complexities involved, it is recommended that the DIF program be constituted in such a way that its cost as a fraction of retail value (sales price, capitalized value, etc.) does not exceed 5 percent. It is important that this be considered a "cap", not a calculating method. Actual impact fee amounts should always be derived from the allocation of infrastructure costs that are shown to have a nexus (rational relationship) with new development, consistent with economic capacity and economic development objectives.

## Financial Capacity Analysis

As a part of its technical work EPS also prepared a series of calculations indicating the generalized capacity of various funding sources, including development impact fees. This analysis is intended to show the capacity of the various sources available to the Town given the assumption that development forecast based upon General Plan policy and development capacity is achieved. This analysis is illustrative only. Actual development rates, values, and related economic activity will vary from these general calculations (which are simply offered to provide a target for how much funding may be available). The analysis simply provides general estimates upon which rational decisions can be made about investment priorities and funding allocation.

**Table 2** shows a development forecast based on a scenario developed for the 2009 traffic analysis data base provided by the Town showing development at 2020 and at "buildout". The development capacity information indicates substantial development capacity; it is not certain whether this capacity can be realized given market conditions and various constraints. The 2020 forecast may be more realistic although it is likely to take longer (than 2020) to achieve, given current market conditions and the expectations for a slow recovery.

**Table 3** shows potential value of development expected by 2020. In summary, if projected development actually occurs, nearly \$3 billion of additional assessed value would be added to the Town. **Table 4** shows a rough estimate of increasing assessed valuation in Mammoth Lakes building on the existing assessed value of approximately \$4 billion and proportionately adding the 2020 forecast through the year 2025. This analysis indicates that the Town's assessed value will more than double in this time frame. **Table 5** presents an indicator of general obligation (GO) bond capacity in Mammoth Lakes. At the present time GO bond capacity is approximately \$50 million for each "mil" on the property tax rate. While GO bonds require two-thirds voter approval they are very secure forms of municipal debt and typically obtain the lowest interest rates. As time goes on, the effective tax rate of a particular GO issue declines as a function of the increasing assessed valuation. A \$50 million GO issue in 2009 would impose a cost of approximately \$100 per \$100,000 of assessed value. As time went on that amount would decline; if the development forecast were achieved that cost would be approximately \$50 per \$100,000 in 2025 to service the GO debt.

**Table 6** shows a projection of transient occupancy tax (TOT), reflecting the existing transient units and those included in the development forecast. The allocation of the TOT funding to special accounts is also shown. In a pattern similar to the assessed value, TOT will more than double as the 2020 development forecast is reached. The key here is that if the Town's operating budget growth can be moderated, considerable incremental funding will be available from TOT to fund infrastructure and maintenance thereof. **Table 7** shows an annualized forecast of TOT assuming proportional increases of transient units over the period through 2025.

**Table 8** shows a forecast of sales tax revenue, including the funding from existing and potential overrides. For purposes of analysis a simple 3 percent inflator has been shown. In reality the increases will vary from year to year and may even decline or decrease in weak economic periods such as the present downturn. This forecast is conservative; if the development forecast is achieved, sales tax should increase proportionately as sales from existing as well as new residents and businesses occurs.

**Table 9** shows an estimate of Mello Roos Community Facility District (CFD) bond capacity using standard metrics for such calculations and a special tax amount within the burden limit. This analysis shows that a CFD applied to new development as indicated in the development forecast would achieve a bond capacity of approximately \$65 million by 2025. Such a bond issue could be used to defray the cost of impact fees by converting them into a debt obligation, as is currently allowed in the Town, although the capacity indicated would not necessarily cover the full fee amount without creating a special tax rate that would exceed the 40 or 50 mil rate standard (a "mil" is 1/1,000th).

**Table 10** shows an estimate of development impact fee capacity if the DIF were held to 5 percent, as recommended earlier in this memorandum (for economic considerations). Assuming that the 2020 development forecast is achieved by 2025, the DIF, if it were no greater than 5 percent of retail value of real estate, would generate some \$143 million. This analysis shows that DIF funding constrained by economic circumstances is below that currently allocated to the DIF program. However, it is important to note that as development is constrained, which it is likely to be by excessive DIF and other mitigation costs, the numbers will never be realized and other sources of Town funding will be similarly constrained.

**Table 1**  
**Summary of Fees [1]**  
**Town of Mammoth Lakes Development Cost Review; EPS #19065**

Item	Residential				Nonresidential		
	Single Family (per unit)	Single Family Transient (per unit)	Multifamily (per unit)	Multifamily Transient (per unit)	Retail (per sq.ft)	Office (per sq.ft)	Light Industrial (per sq.ft)
<b>Processing Fees [2],[3]</b>	<b>\$5,699</b>	<b>\$5,699</b>	<b>\$1,664</b>	<b>\$1,664</b>	<b>\$1.15</b>	<b>\$1.37</b>	<b>\$0.79</b>
<b><u>Town Development Impact Fees</u></b>							
Law Enforcement	\$673	\$1,125	\$673	\$1,125	\$1.13	\$1.13	\$0.21
Traffic	\$3,556	\$1,814	\$2,241	\$1,451	\$3.38	\$3.38	\$2.38
Transit	\$5,996	\$10,013	\$5,996	\$7,510	\$10.01	\$10.01	\$1.86
Drainage	\$10,735	\$13,587	\$4,773	\$2,972	\$3.49	\$3.49	\$4.62
General Facilities	\$1,965	\$3,282	\$1,965	\$2,462	\$3.28	\$3.28	\$0.61
Parks	\$4,134	\$9,050	\$5,419	\$9,050	\$0.00	\$0.00	\$0.00
Airport	\$209	\$349	\$209	\$349	\$0.00	\$0.00	\$0.00
Public Art Fee	<i>Exempt</i>	<i>Exempt</i>	\$2,953	\$2,953	\$0.66	\$0.78	\$0.46
<b>Subtotal Town Development Impact Fees</b>	<b>\$27,268</b>	<b>\$39,220</b>	<b>\$24,229</b>	<b>\$27,872</b>	<b>\$21.94</b>	<b>\$22.07</b>	<b>\$10.14</b>
<b><u>Other Agency Fees</u></b>							
Mammoth Community Water District Water Connection Fee [4]	\$8,270	\$8,270	\$3,336	\$3,336	\$1.52	\$2.21	\$0.96
Mammoth Community Water District Sewer Connection Fee [4]	\$2,171	\$2,171	\$474	\$474	\$0.29	\$0.43	\$0.14
Mammoth Lakes Fire Protection District Fee	\$1,148	\$1,511	\$725	\$1,511	\$1.97	\$1.97	\$0.96
Mammoth County Office of Education Library Fee	\$1,942	\$335	\$1,673	\$335	\$0.00	\$0.00	\$0.00
Mammoth County Office of Education Child Care Fee	\$363	\$604	\$363	\$604	\$0.00	\$0.00	\$0.00
School Impact Fees	\$5,786	\$5,786	\$2,236	\$2,236	\$0.42	\$0.42	\$0.42
<b>Subtotal Other Agency Fees</b>	<b>\$19,680</b>	<b>\$18,677</b>	<b>\$8,806</b>	<b>\$8,495</b>	<b>\$4.20</b>	<b>\$5.03</b>	<b>\$2.47</b>
<b>Total Fees</b>	<b>\$52,647</b>	<b>\$63,596</b>	<b>\$34,699</b>	<b>\$38,031</b>	<b>\$27.30</b>	<b>\$28.46</b>	<b>\$13.41</b>

[1] Reflects Town of Mammoth Lakes fee schedule current as of January 2009. Development impact fee rates based on 2007 DIF justification study and reflect Town Council action in September 2008 to reduce overall SFR fees by 10 percent, resulting in reductions to parks and drainage components. Does not reflect February 2009 action to reduce overall SFR fees by 50 percent.

[2] Processing fees include plan review, document management archive fee, strong motion instrumentation program, new development fee, and new construction fee.

[3] New Development Fee is collected on all new residential, commercial, and industrial construction for the purpose of Town Long Range Planning and is charged per square foot of gross buildable area, exclusive of parking and open walkway and deck areas.

[4] Assumes a 2-inch meter for single family, a 4-inch meter for multifamily, two 4-inch meters for hotel, two 2-inch meters for retail and office, and a 4-inch meter for industrial.

Source: Town of Mammoth Lakes Building Division Fee Schedule for Fiscal Year 2008-2009, Developmental Engineering Division Fee Schedule for Fiscal Year 2008-2009.

**Table 2**  
**Land Use at Buildout**  
**Town of Mammoth Lakes Development Cost Review; EPS #19065**

Land Use Category	Existing Development [1]				Future Development (Through 2020) [2]				Buildout Total			
	Residential		Nonresidential		Residential		Nonresidential		Residential		Nonresidential	
	Rooms	Units	Acres	Sq. Ft	Rooms	Units	Acres	Sq. Ft	Rooms	Units	Acres	Sq. Ft
<b>Non-Transient Residential Units</b>												
Single Family		1,454				456				1,910		
Multifamily		4,023				571				4,594		
Mobile Home		132				9				141		
<b>Subtotal Non-Transient Units</b>		<b>5,609</b>				<b>1,036</b>				<b>6,645</b>		
<b>Transient Residential Units</b>												
Single Family		627				97				724		
Multifamily		2,426				3,793				6,219		
Lodging (Hotel) [3]	997	499			171	86			1,168	584		
Resort Hotel [3]	976	488			1,057	529			2,033	1,017		
<b>Subtotal Transient Units</b>	<b>1,973</b>	<b>4,040</b>			<b>1,228</b>	<b>4,504</b>				<b>6,563</b>		
<b>Total Residential</b>	<b>1,973</b>	<b>9,649</b>			<b>1,228</b>	<b>5,540</b>				<b>21,752</b>		
<b>Nonresidential Square Feet</b>												
Commercial/Office			TBD	1,305,000			TBD	810,492			TBD	2,115,492
Light Industrial			311	TBD			TBD	269,615			TBD	269,615
<b>Subtotal Nonresidential</b>			<b>311</b>	<b>1,305,000</b>			<b>TBD</b>	<b>1,080,107</b>			<b>TBD</b>	<b>2,385,107</b>

Source: Town of Mammoth Lakes 2009 Traffic Analysis; Development Impact Fee Study, David Taussig & Associates, April 24, 2007 .

[1] Existing development based on traffic analysis data provided by the Town of Mammoth Lakes.

[2] Future development estimated based on David Taussig & Associates Development Impact Fee Report dated April 24, 2007. Multifamily transient units distributed between multifamily, lodging and resort hotel categories by EPS. Future lodging and resort hotel units estimated based on existing and buildout traffic analysis data provided by the Town of Mammoth Lakes. Multifamily units assumed to comprise the remainder of the projected total multifamily units set forth in David Taussig & Associates study.

[3] One room assumed to equal one-half unit.

**Table 3**  
**Future Development Assessed Valuation Assumptions**  
**Town of Mammoth Lakes Development Cost Review; EPS #19065**

Land Use Category	Average Assessed Value	Future Development		Total New Assessed Value
		Units	Square Feet	
	[1]			
	<i>Per Unit</i>			
Non-Transient Residential Units	\$1,000,000	1,036		\$1,036,000,000
Transient Residential Units	\$350,000	4,504		\$1,576,400,000
<b>Subtotal Residential</b>		<b>5,540</b>		<b>\$2,612,400,000</b>
<b>Nonresidential Square Feet</b>	<i>Per Sq. Ft.</i>			
Commercial/Office	\$265		810,492	\$214,780,380
Light Industrial	\$125		269,615	\$33,701,875
<b>Subtotal Nonresidential</b>			<b>1,080,107</b>	<b>\$248,482,255</b>
<b>Total Residential and Nonresidential</b>				<b>\$2,860,882,255</b>

Source: EPS.

[1] EPS placeholder assumption.



**Table 4**  
**Assessed Value Growth - 2009 through 2025**  
**Town of Mammoth Lakes Development Cost Review; EPS #19065**

Item	Beginning Assessed Value	Annual 2% Growth	New Development	Ending Assessed Value
			[1]	
Base Assessed Value - 2009 [2]	\$3,985,285,104	\$79,705,702	\$168,287,191	<b>\$4,233,277,998</b>
2010	\$4,233,277,998	\$84,665,560	\$168,287,191	<b>\$4,486,230,749</b>
2011	\$4,486,230,749	\$89,724,615	\$168,287,191	<b>\$4,744,242,555</b>
2012	\$4,744,242,555	\$94,884,851	\$168,287,191	<b>\$5,007,414,598</b>
2013	\$5,007,414,598	\$100,148,292	\$168,287,191	<b>\$5,275,850,081</b>
2014	\$5,275,850,081	\$105,517,002	\$168,287,191	<b>\$5,549,654,275</b>
2015	\$5,549,654,275	\$110,993,085	\$168,287,191	<b>\$5,828,934,551</b>
2016	\$5,828,934,551	\$116,578,691	\$168,287,191	<b>\$6,113,800,434</b>
2017	\$6,113,800,434	\$122,276,009	\$168,287,191	<b>\$6,404,363,634</b>
2018	\$6,404,363,634	\$128,087,273	\$168,287,191	<b>\$6,700,738,098</b>
2019	\$6,700,738,098	\$134,014,762	\$168,287,191	<b>\$7,003,040,052</b>
2020	\$7,003,040,052	\$140,060,801	\$168,287,191	<b>\$7,311,388,044</b>
2021	\$7,311,388,044	\$146,227,761	\$168,287,191	<b>\$7,625,902,997</b>
2022	\$7,625,902,997	\$152,518,060	\$168,287,191	<b>\$7,946,708,248</b>
2023	\$7,946,708,248	\$158,934,165	\$168,287,191	<b>\$8,273,929,604</b>
2024	\$8,273,929,604	\$165,478,592	\$168,287,191	<b>\$8,607,695,388</b>
2025	\$8,607,695,388	\$172,153,908	\$168,287,191	<b>\$8,948,136,487</b>
<b>Total</b>			<b>\$2,860,882,255</b>	

Source: Town of Mammoth Lakes Annual Financial Report dated June 30, 2008 and EPS.

[1] Assumes total assessed value growth of \$2,860,882,255 will be distributed equally on an annual basis through 2025.  
See Table 3.

[2] Fiscal Year 2007-2008 net assessed value as reported in Town of Mammoth Lakes Annual Financial Report dated June 30, 2008.

**Table 5**  
**General Obligation Bonding Capacity per 0.100% Ad Valorem Increase**  
**Town of Mammoth Lakes Development Cost Review; EPS #19065**

<b>Item</b>	<b>Formula</b>	<b>Quantity</b>
<b>Assumptions</b>		
Bond Term (years)	A	30
Interest Rate	B	6.0%
<hr/>		
<b>Town of Mammoth Lakes Net Assessed Value (FY 2007-2008)</b>	C	<b>\$3,985,285,104</b>
Ad Valorem Tax Rate Increase	D	0.100%
<b>New Property Tax Revenue Available</b>	$E = C * D$	<b>\$3,985,285</b>
<b>Bond Size</b>	$F = PV(B, A, -E)$	<b>\$54,856,777</b>
<i>Less: Reserve for Future Delinquencies</i>	$G = -E$	(\$3,985,285)
<i>Less: Issuance Costs (2%)</i>	$H = F * 2\%$	(\$1,097,136)
<b>Estimated General Obligation Bond Proceeds</b>	$I = F + G + H$	<b>\$49,774,356</b>
<b>Estimated General Obligation Bond Proceeds (Rounded)</b>		<b>\$49,800,000</b>

Source: Town of Mammoth Lakes Annual Financial Report dated June 30, 2008.

**Table 6**  
**Projected Transient Occupancy Tax**  
**Town of Mammoth Lakes Development Cost Review; EPS #19065**

<b>Item</b>	<i>Formula/ Assumption</i>	Existing Transient Units	New Transient Units	<b>Total</b>
Number of Transient Units	A	4,040	4,504	<b>8,544</b>
Occupancy Rates [1]	B	14.75%	14.75%	14.75%
Average Daily Rate [1]	C	\$325	\$325	\$325
Total Per Unit	$D = B * C * 365 \text{ days}$	\$17,497	\$17,497	\$17,497
Total Room Revenues Per Year	$E = A * D$	\$70,679,889	\$78,807,333	\$149,487,221
<b>Total Transient Occupancy Tax Generated (Rounded)</b>	$F = E * 13.0\%$	<b>\$9,200,000</b>	<b>\$10,300,000</b>	<b>\$19,400,000</b>
<b>Unrestricted Transient Occupancy Tax Allocation (Rounded)</b>	$G = E * 7.5\%$	<b>\$5,300,000</b>	<b>\$5,900,000</b>	<b>\$11,200,000</b>
<b>Restricted Transient Occupancy Tax Allocation (Rounded)</b>				
Workforce Housing	$H = E * 1\%$	\$700,000	\$800,000	\$1,500,000
Transit	$I = E * 1\%$	\$700,000	\$800,000	\$1,500,000
Community Facilities	$J = E * 1\%$	\$700,000	\$800,000	\$1,500,000
Visitor Marketing	$K = E * 2.5\%$	\$1,800,000	\$2,000,000	\$3,700,000
<b>Total Restricted Transient Occupancy Tax Allocation</b>		<b>\$3,900,000</b>	<b>\$4,400,000</b>	<b>\$8,200,000</b>

Source: Town of Mammoth Lakes Annual Financial Report dated June 30, 2008.

[1] Placeholder assumptions based on Town of Mammoth Lakes projected Fiscal Year 2009-2010 TOT revenues as estimated in the 2009 Budget.

**Table 7**  
**Estimated Transient Occupancy Tax Revenue Growth**  
**Town of Mammoth Lakes Development Cost Review; EPS #19065**

Item	Total Estimated Room Revenues	Annual 2% Growth	New Room Revenues	Total Estimated Room Revenues	Total TOT Revenues Generated (Rounded)					Total TOT Revenues (Rounded)
					Unrestricted TOT Revenues	Workforce Housing	Transit	Community Facilities	Visitor Marketing	
TOT Rate			[1]		7.50%	1.00%	1.00%	1.00%	2.50%	13.00%
Baseline TOT Revenue - 2009	\$70,679,889	\$1,413,598	\$4,635,725	<b>\$76,729,212</b>	\$5,800,000	\$800,000	\$800,000	\$800,000	\$1,900,000	<b>\$10,100,000</b>
2010	\$76,729,212	\$1,534,584	\$4,635,725	<b>\$82,899,522</b>	\$6,200,000	\$800,000	\$800,000	\$800,000	\$2,100,000	<b>\$10,700,000</b>
2011	\$82,899,522	\$1,657,990	\$4,635,725	<b>\$89,193,238</b>	\$6,700,000	\$900,000	\$900,000	\$900,000	\$2,200,000	<b>\$11,600,000</b>
2012	\$89,193,238	\$1,783,865	\$4,635,725	<b>\$95,612,828</b>	\$7,200,000	\$1,000,000	\$1,000,000	\$1,000,000	\$2,400,000	<b>\$12,600,000</b>
2013	\$95,612,828	\$1,912,257	\$4,635,725	<b>\$102,160,810</b>	\$7,700,000	\$1,000,000	\$1,000,000	\$1,000,000	\$2,600,000	<b>\$13,300,000</b>
2014	\$102,160,810	\$2,043,216	\$4,635,725	<b>\$108,839,752</b>	\$8,200,000	\$1,100,000	\$1,100,000	\$1,100,000	\$2,700,000	<b>\$14,200,000</b>
2015	\$108,839,752	\$2,176,795	\$4,635,725	<b>\$115,652,272</b>	\$8,700,000	\$1,200,000	\$1,200,000	\$1,200,000	\$2,900,000	<b>\$15,200,000</b>
2016	\$115,652,272	\$2,313,045	\$4,635,725	<b>\$122,601,043</b>	\$9,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$3,100,000	<b>\$15,900,000</b>
2017	\$122,601,043	\$2,452,021	\$4,635,725	<b>\$129,688,789</b>	\$9,700,000	\$1,300,000	\$1,300,000	\$1,300,000	\$3,200,000	<b>\$16,800,000</b>
2018	\$129,688,789	\$2,593,776	\$4,635,725	<b>\$136,918,290</b>	\$10,300,000	\$1,400,000	\$1,400,000	\$1,400,000	\$3,400,000	<b>\$17,900,000</b>
2019	\$136,918,290	\$2,738,366	\$4,635,725	<b>\$144,292,382</b>	\$10,800,000	\$1,400,000	\$1,400,000	\$1,400,000	\$3,600,000	<b>\$18,600,000</b>
2020	\$144,292,382	\$2,885,848	\$4,635,725	<b>\$151,813,955</b>	\$11,400,000	\$1,500,000	\$1,500,000	\$1,500,000	\$3,800,000	<b>\$19,700,000</b>
2021	\$151,813,955	\$3,036,279	\$4,635,725	<b>\$159,485,959</b>	\$12,000,000	\$1,600,000	\$1,600,000	\$1,600,000	\$4,000,000	<b>\$20,800,000</b>
2022	\$159,485,959	\$3,189,719	\$4,635,725	<b>\$167,311,404</b>	\$12,500,000	\$1,700,000	\$1,700,000	\$1,700,000	\$4,200,000	<b>\$21,800,000</b>
2023	\$167,311,404	\$3,346,228	\$4,635,725	<b>\$175,293,357</b>	\$13,100,000	\$1,800,000	\$1,800,000	\$1,800,000	\$4,400,000	<b>\$22,900,000</b>
2024	\$175,293,357	\$3,505,867	\$4,635,725	<b>\$183,434,950</b>	\$13,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$4,600,000	<b>\$23,800,000</b>
2025	\$183,434,950	\$3,668,699	\$4,635,725	<b>\$191,739,374</b>	\$14,400,000	\$1,900,000	\$1,900,000	\$1,900,000	\$4,800,000	<b>\$24,900,000</b>
Total			<b>\$78,807,333</b>		<b>\$167,700,000</b>	<b>\$22,400,000</b>	<b>\$22,400,000</b>	<b>\$22,400,000</b>	<b>\$55,900,000</b>	<b>\$290,800,000</b>

Source: Town of Mammoth Lakes and EPS.

[1] Assumes total room revenue growth of \$78,807,333 will be distributed equally on an annual basis through 2025. See Table 6.

**Table 8**  
**Projected Sales Tax Revenues**  
**Town of Mammoth Lakes Development Cost Review; EPS #19065**

Item	Assumptions	Estimated Taxable Sales	Town of Mammoth Lakes Sales Tax Revenue				Total Potential Sales Tax Revenue
			General Fund Revenue	Parks, Recreation, and Trail Facilities	Subtotal Current Rates	Potential Additional Revenue	
		[1]					
<b>Assumptions</b>							
Projected Fiscal Year 2009 - 2010 Sales Tax Revenue	\$1,857,513						
Percent Accruing to Town of Mammoth Lakes [2]	1.50%						
<b>Estimated 2009 Town of Mammoth Lakes Taxable Sales (Rounded)</b>	<b>\$123,800,000</b>						
<b>Sales Tax Rate</b>			1.00%	0.50%	1.50%	0.25%	1.75%
2009		\$123,800,000	\$1,238,000	\$619,000	<b>\$1,857,000</b>	\$310,000	<b>\$2,167,000</b>
2010		\$127,500,000	\$1,300,000	\$637,500	<b>\$1,937,500</b>	\$320,000	<b>\$1,620,000</b>
2011		\$131,300,000	\$1,300,000	\$656,500	<b>\$1,956,500</b>	\$330,000	<b>\$1,630,000</b>
2012		\$135,200,000	\$1,400,000	\$676,000	<b>\$2,076,000</b>	\$340,000	<b>\$1,740,000</b>
2013		\$139,300,000	\$1,400,000	\$696,500	<b>\$2,096,500</b>	\$350,000	<b>\$1,750,000</b>
2014		\$143,500,000	\$1,400,000	\$717,500	<b>\$2,117,500</b>	\$360,000	<b>\$1,760,000</b>
2015		\$147,800,000	\$1,500,000	\$739,000	<b>\$2,239,000</b>	\$370,000	<b>\$1,870,000</b>
2016		\$152,200,000	\$1,500,000	\$761,000	<b>\$2,261,000</b>	\$380,000	<b>\$1,880,000</b>
2017		\$156,800,000	\$1,600,000	\$784,000	<b>\$2,384,000</b>	\$390,000	<b>\$1,990,000</b>
2018		\$161,500,000	\$1,600,000	\$807,500	<b>\$2,407,500</b>	\$400,000	<b>\$2,000,000</b>
2019		\$166,300,000	\$1,700,000	\$831,500	<b>\$2,531,500</b>	\$420,000	<b>\$2,120,000</b>
2020		\$171,300,000	\$1,700,000	\$856,500	<b>\$2,556,500</b>	\$430,000	<b>\$2,130,000</b>
2021		\$176,400,000	\$1,800,000	\$882,000	<b>\$2,682,000</b>	\$440,000	<b>\$2,240,000</b>
2022		\$181,700,000	\$1,800,000	\$908,500	<b>\$2,708,500</b>	\$450,000	<b>\$2,250,000</b>
2023		\$187,200,000	\$1,900,000	\$936,000	<b>\$2,836,000</b>	\$470,000	<b>\$2,370,000</b>
2024		\$192,800,000	\$1,900,000	\$964,000	<b>\$2,864,000</b>	\$480,000	<b>\$2,380,000</b>
2025		\$198,600,000	\$2,000,000	\$993,000	<b>\$2,993,000</b>	\$500,000	<b>\$2,500,000</b>

[1] Taxable sales computed based on 2009 Budget projected sales tax revenues for Fiscal Year 2009-10. Assumes that total sales tax revenues equal 1.5% of overall taxable sales. Taxable sales growth calculated assuming 3% annual growth from base taxable sales calculation.

[2] Includes base 1% plus voter approved 0.5% to fund parks, recreation and trail facilities.

**Table 9**  
**Projected Mello Roos CFD Bonding Capacity by Future Land Use**  
**Town of Mammoth Lakes Development Cost Review; EPS #19065**

Item	Assumptions	Non-Transient Residential Units			Transient Residential Units				Subtotal Transient
		Single Family	Multifamily	Subtotal Non-Transient	Single Family	Multifamily	Lodging (Hotel)	Resort Hotel	
<b>Assumptions [1]</b>									
Interest Rate	6.00%								
Term	30 years								
Annual Tax Escalation	2.00%								
<b>Maximum Special Tax Revenue</b>									
<b>Future Units</b>		456	571	<b>1,027</b>	97	3,793	86	529	<b>4,504</b>
Estimated Annual Maximum Tax per Unit		\$1,500	\$1,000		\$1,500	\$1,000	\$700	\$700	
<b>Estimated Annual Maximum Special Taxes</b>		<b>\$684,000</b>	<b>\$571,000</b>		<b>\$145,500</b>	<b>\$3,793,000</b>	<b>\$59,850</b>	<b>\$369,950</b>	
Less Estimated Administration Costs	4%	(\$27,000)	(\$23,000)		(\$6,000)	(\$152,000)	(\$2,000)	(\$15,000)	
Less Delinquency Coverage	10%	(\$68,000)	(\$57,000)		(\$15,000)	(\$379,000)	(\$6,000)	(\$37,000)	
<b>Estimated Maximum Special Taxes Available for Debt Service (Rounded)</b>		<b>\$589,000</b>	<b>\$491,000</b>	<b>\$1,080,000</b>	<b>\$124,500</b>	<b>\$3,262,000</b>	<b>\$51,850</b>	<b>\$317,950</b>	<b>\$3,756,300</b>
<b>Bond Size</b>									
<b>Bond Size</b>		<b>\$8,107,000</b>	<b>\$6,759,000</b>		<b>\$1,714,000</b>	<b>\$44,901,000</b>	<b>\$714,000</b>	<b>\$4,377,000</b>	
Increase for Annual Tax Escalation [2]	20%	\$1,621,400	\$1,351,800		\$342,800	\$8,980,200	\$142,800	\$875,400	
<b>Total Bond Size (Rounded)</b>		<b>\$9,700,000</b>	<b>\$8,100,000</b>	<b>\$17,800,000</b>	<b>\$2,100,000</b>	<b>\$53,900,000</b>	<b>\$900,000</b>	<b>\$5,300,000</b>	<b>\$62,200,000</b>
<b>Estimated Construction Proceeds</b>									
<b>Rounded Bond Size</b>		<b>\$9,700,000</b>	<b>\$8,100,000</b>		<b>\$2,100,000</b>	<b>\$53,900,000</b>	<b>\$900,000</b>	<b>\$5,300,000</b>	
Less Capitalized Interest [3]	18 months	(\$873,000)	(\$729,000)		(\$189,000)	(\$4,851,000)	(\$81,000)	(\$477,000)	
Less Bond Reserve Fund	1 year debt service	(\$589,000)	(\$491,000)		(\$124,500)	(\$3,262,000)	(\$51,850)	(\$317,950)	
Less Issuance Cost	5%	(\$485,000)	(\$405,000)		(\$105,000)	(\$2,695,000)	(\$45,000)	(\$265,000)	
<b>Estimated Construction Proceeds (Rounded)</b>		<b>\$7,800,000</b>	<b>\$6,500,000</b>	<b>\$14,300,000</b>	<b>\$1,700,000</b>	<b>\$43,100,000</b>	<b>\$700,000</b>	<b>\$4,200,000</b>	<b>\$49,700,000</b>
<b>Estimated Construction Proceeds per Unit (Rounded)</b>		<b>\$17,100</b>	<b>\$11,400</b>		<b>\$17,500</b>	<b>\$11,400</b>	<b>\$8,200</b>	<b>\$7,900</b>	

Source: EPS

- [1] Estimated bond sizing based on conservative assumptions. The interest rate will be determined at the time of bond sale; the bond term could term could be 25 to 30 years or more. This  
[2] Assumes special taxes are escalated 2.0% annually for 30 years, which increases total Bond Size by approximately 20%. Based on analysis conducted by Westhoff, Cone, and Holmstedt.  
[3] Dependent upon developer and City preference on the length of time for capitalized interest.

**Table 10**  
**Projected Development Impact Fee Capacity**  
**Town of Mammoth Lakes Development Cost Review; EPS #19065**

Year	Estimated Assessed Value Increase	DIF Capacity
	[1]	5.00% of Assessed Value Growth
Base Assessed Value - 2009 [2]	\$168,287,191	\$8,414,360
2010	\$168,287,191	\$8,414,360
2011	\$168,287,191	\$8,414,360
2012	\$168,287,191	\$8,414,360
2013	\$168,287,191	\$8,414,360
2014	\$168,287,191	\$8,414,360
2015	\$168,287,191	\$8,414,360
2016	\$168,287,191	\$8,414,360
2017	\$168,287,191	\$8,414,360
2018	\$168,287,191	\$8,414,360
2019	\$168,287,191	\$8,414,360
2020	\$168,287,191	\$8,414,360
2021	\$168,287,191	\$8,414,360
2022	\$168,287,191	\$8,414,360
2023	\$168,287,191	\$8,414,360
2024	\$168,287,191	\$8,414,360
2025	\$168,287,191	\$8,414,360
<b>Total</b>		<b>\$143,044,113</b>

[1] Estimated AV increase resulting from new development. See Table 4.

APPENDIX 5:  
Draft 2010 DIF Resolution





3/18/2010

**RESOLUTION 10-\_\_\_**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF MAMMOTH LAKES APPROVING AN UPDATED DEVELOPMENT IMPACT MITIGATION FEE SCHEDULE FOR ALL DEVELOPMENT WITHIN THE TOWN**

WHEREAS, the Town of Mammoth Lakes (“Town”) requires that adequate public facilities and services be available to accommodate needs, demands, impacts and burdens of new development; and

WHEREAS, developers of land within the Town shall be required to mitigate the burdens created by new development through the construction or financing of their fair share of the cost of the public facilities necessitated by new development; and

WHEREAS, a Capital Facilities Funding Committee was formed by the Town Council, representing a cross-section of the community, to review the funding sources available to develop said projects and to ensure that the Town reaches its vision by recommending a funding program that would be consistent with reinvestment; and

WHEREAS, on September 17, 2008 the Town Council approved an updated Master Facilities Plan which identifies needed capital facilities through the year 2027, the associated costs for implementation and a Justification Report, consistent with Government Code Section 66000 et. sec., allowing the imposition of Development Impact Fees (DIF); and

WHEREAS, Walter Kieser, Principal, Economic Planning Systems, was retained by the Town to provide professional expertise on the existing DIF program and other policies affecting development feasibility; and

WHEREAS, a review of adopted planning and policy documents, including certified environmental documents demonstrates the need for the stated facilities; and

WHEREAS, the Capital Facilities Funding Committee reviewed the 2008 Master Facilities Plan and considered the recommendations of Walter Kieser and recommended a broad scope of funding alternatives that would ensure development of the identified facilities; and

WHEREAS, the Capital Facilities Funding Committee supported a distribution of the costs of the projects through a variety of funding sources to allow a smaller percentage of the total cost of certain projects supported by DIF; and

WHEREAS, the percentage of the project cost allocated to all funding sources has been studied and the percentage allocated to DIF and other sources is supported by conservative estimates of future revenue; and

3/18/2010

WHEREAS, the basic equation to calculate the DIF continues to be founded in the 2007 Justification Report approved by the Town Council on September 17, 2008, however, the percentage of the project cost allocated to new development has been reduced for certain projects and is consistent with the CFFC recommendations regarding utilization of a broader scope of funding alternatives to achieve desired facilities; and

WHEREAS, the Town Council has determined pursuant to Section 15.16.094 of the Municipal Code that the DIF continues to be reasonably related to the impact of development, even with the reduction in the amount that DIF contributes to the funding of each project, and that the described facilities are still needed; and,

WHEREAS, the DIF is intended to maintain the economic, social and environmental aspirations of the community (the triple bottom line) by emphasizing the importance of coordinated and feasible resort reinvestment, one that uses multiple funding and implementation sources to implement a feasible and practical scope of investment; and,

WHEREAS, the Town has utilized background documents as reference material for the establishment of development impact fees which are available for public inspection and review at the Town Clerk's office at the Town of Mammoth Lakes, 437 Old Mammoth Road, Suite R, Mammoth Lakes, California and on the Town's web page.

NOW, THEREFORE BE IT RESOLVED, by the Town of Mammoth Lakes as follows:

#### SECTION 1. FINDINGS

The Town Council hereby finds and declares as follows:

- A. All provisions set forth are true and correct and are hereby incorporated herein by reference as findings.
- B. The Town Council approved the Master Facilities Plan and Development Impact Fee Justification Report and further finds that new development in the Town will generate additional demands on public facilities throughout the Town and will contribute to the impacts of these facilities.
- C. The purpose of the fees set forth is to finance all or a portion of the Town's facilities caused by the impacts of new development.
- D. The DIF collected pursuant to this Resolution shall be used to finance only the Town's facilities described in the Master Facilities Plan and Development Impact Fee Justification Report, to which the specific fee relates. The Town shall collect DIF for the Mammoth Lakes Fire Protection District and Mono County Office of Education but the basis for their DIF shall be approved by their respective entities.
- E. The public facilities contained in the Master Facilities Plan have been reviewed by the Planning Commission and were deemed by the Planning Commission to be consistent with the General Plan on April 27, 2005 and again on April 25, 2007.
- F. The Development Impact Fee Justification Report, approved on September 17, 2008, establishes that there is a purpose for the fee to be established, that the use

to which the fee is to be put has been identified by the projects in the Master Facilities Plan, approved on September 17, 2008, that there is a reasonable relationship between the fee's use and the type of development project upon which the fees is imposed, and that there is a reasonable relationship between the need for the public facility and the type of development project upon which the fee is imposed.

- G. The cost estimates of the facilities identified in the Master Facilities Plan and the Development Impact Fee Justification Report are reasonable and accurate and represent the projects subject to the DIF authorized by this resolution.
- H. Collection of the DIF authorized by this resolution is consistent with the General Plan which requires that new development pay its fair share of the costs of new facilities and services.
- I. The DIF for single family residential additions and single family homes under 3000 square feet shall be calculated on a square foot basis and the DIF for affordable housing projects, as defined in Section 17.36.020, shall be calculated on a case by case basis because the Town Council has determined that a smaller single family home does not place the same burden on Town facilities and that affordable housing projects will bear the amount of the DIF that it can shoulder and still remain affordable.
- J. Studio and one-bedroom units shall be eligible to pay 50% of the fee because they are considered to produce one-half of the impacts of a traditional household.
- K. The DIF for Single Family Residential land uses was modified and discounted as approved in Resolution 09-08 through August 15, 2010; by this resolution the discount shall continue for one additional year through August 15, 2011; thereafter the DIF shall be set at the rate authorized by this Resolution.

Update for COLA, as per Code?

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SECTION 2. TOWN OF MAMMOTH LAKES DEVELOPMENT IMPACT FEES

The amount of the development impact fee collected shall be in accordance with the provisions of Chapter 15.16 of the Municipal Code and are set forth below.

**2010 Development Impact Fee for Town Facilities\***

<b>Facility</b>	<b>Single family Non-transient**</b>	<b>Single family Transient</b>	<b>Mobile Home</b>	<b>Multi-unit Non Transient</b>	<b>Multi Unit Transient</b>	<b>Commercial and Office</b>	<b>Industrial</b>
Law Enforcement	\$635 \$673**	\$1,061	\$635	\$635	\$1,061	\$1,061	\$197
Streets and traffic signals	\$1,157 \$533.40**	\$590	\$578	\$729	\$590	\$1,099	\$775
Transit and Trails	\$2070 \$5,996**	\$3,457	\$2,070	\$2,070	\$3,457	\$3,457	\$642
Storm Drainage	\$7,018 \$2,111.25**	\$6,775	\$3,952	\$2,380	\$1,976	\$1,738	\$2,302
General Facilities	\$1,169 \$1,965**	\$1,952	\$1,169	\$1,169	\$1,952	\$1,952	\$362
Parkland and Recreation	\$2,892 \$812.85**	\$4,829	\$2,892	\$2,892	\$4,829	\$0	\$0
Airport	\$266 \$209**	\$444	\$266	\$266	\$444	\$0	\$0
<b>TOTAL</b>	<b>\$15,206 per unit</b> <b>\$12,300.50** until 8/15/11</b>	<b>\$19,108 per unit</b>	<b>\$11,563 per unit</b>	<b>\$10,141 per unit</b>	<b>\$14,309 per unit</b>	<b>\$9,307 per 1000 square feet or \$9.31 per square foot</b>	<b>\$4,278 per 1000 square foot or \$4.28 per square foot</b>

\*The DIF that applies to each building permit is that which was in effect at the time the building permit application was considered “complete”, not when the building permit was issued. Payment must be paid no later than framing or “skeleton” construction inspection.

\*\* Fee in place through August 15, 2011 only.

A. Payment of Fees

The owner may elect to pay the amount in full as described above or may pay a portion of the fee at the time of issuance of a building permit, as shown in the table below, with the remainder to be paid through a Mello Roos District. The owner shall sign a request and a waiver not to oppose the annexation of the parcel into the Mello Roos District and shall retain ownership of the parcel until the annexation vote occurs approving the annexation of the parcel into the Mello Roos District. If the owner elects to pay the DIF in part at the time of issuance of a building permit and the remainder through a Mello Roos District, the following fees shall apply (MR shall indicate those fees to be paid through a Mello Roos District):

**2010 Development Impact Fee with Mello Roos (MR) for Town Facilities**

Facility	Single family Non-transient	Single family Transient	Mobile Home	Multi-unit Non Transient	Multi Unit Transient	Commercial and Office	Industrial
Law Enforcement	\$635 \$673	\$1,061	\$635	\$635	\$1,061	\$1,061	\$197
Streets and traffic signals	\$1,157 \$533.40**	\$590	\$578	\$729	\$590	\$1,099	\$775
Transit and Trails	MR	MR	MR	MR	MR	MR	MR
Storm Drainage	MR	MR	MR	MR	MR	MR	MR
General Facilities	MR	MR	MR	MR	MR	MR	MR
Parkland and Recreation	\$2,892 \$812.85**	\$4,829	\$2,892	\$2,892	\$4,829	\$0	\$0
Airport	\$266 \$209**	\$444	\$266	\$266	\$444	\$0	\$0
<b>TOTAL</b>	<b>\$4,950 per unit</b> <b>\$2,228.25** until 8/15/11</b>	<b>\$6,924 per unit</b>	<b>\$4,371 per unit</b>	<b>\$4,522 per unit</b>	<b>\$6,924 per unit</b>	<b>\$2,160 per 1000 square foot or \$2.16 per square foot</b>	<b>\$972 per 1000 square foot or \$.97 per square foot</b>

**B. Administrative Overhead**

A fee is hereby established for administrative overhead to cover the cost of general administration of this resolution, performance of accounting tasks associated herewith, supervision and handling of funds, preparation and handling of funds, preparation and/or updating the Master Facilities Plans, Justification Reports, Capital Financial Plans, Capital Improvement Plans and other studies required to support potential development impact fee projects pursuant to Section 15.16.081 of the Municipal Code. The fee is set at 4% of each fee set forth above and is inclusive of each fee amount. This fee does not relate to and is not designed to cover administrative costs incurred by the Town in the case of any specific public facility constructed with the fees referenced in the Master Facilities Plan or Justification Report since such project specific administrative costs are included in and shall be recovered from such fees.

**C. Land Use Categories**

The categories of land uses to which the fees apply are as follows. All developments shall be considered as one of the following as determined by the Community Development Director.

**Single Family Non-transient:** This category of land use encompasses all detached dwelling units.

**Single Family Transient:** This category of land use encompasses all detached dwelling units which are permitted by Master Plan and/or Specific Plan conditions to be rented out on a nightly basis.

**Mobile Homes Units:** This category applies to all movable manufactured housing.

**Multi-unit Transient:** This category includes all attached dwelling units within the Resort, Specific Plan, Commercial General, Commercial Lodging and Residential Multi-family 2 zones which are either intended for transient occupancy or can be rented out on a nightly basis. These include all hotel, motel, fractional and resort condominium lodging as well as condominium units which are privately owned and can be rented out on a nightly basis.

**Multi-unit Non-transient:** This category includes all attached dwelling units including deed restricted and market rate apartments and multi-family condominiums which prohibit transient rentals. This includes all multi-unit developments located within the Residential Multi-Family 1 zone and Affordable Housing zone and any other multi-unit development in town that prohibits transient rental.

**Commercial/Office Uses:** Includes all non-residential uses except industrial.

**Industrial Uses:** Includes all uses involving manufacturing, distribution and warehousing.

#### D. Fee Adjustments

1. As allowed in Section 15.16.088B of the Municipal Code, affordable housing projects, as defined in Section 17.36.020 of the Municipal Code, may submit a request to reduce, adjust or waive the DIF and the Town Council may consider such a request at a duly noticed public hearing based upon the submittal and evaluation of a pro forma of the project showing that the application of the fully burdened rate creates an undue hardship on the project. Factors to be considered include the level of the restricted rental or sales rate of the units within the project and the ability of the project as a whole to achieve a reasonable profit after payment of all, partial or no DIF. The Town Council has the sole discretion to reduce, adjust or waive fees. The procedures of Chapter 15.16.088 A of the Municipal Code shall be followed.
2. As allowed in Section 15.16.088B of the Municipal Code, single-family non-transient units shall pay Town DIF according to a sliding scale that reflects the level of impact on Town services and capital facilities. Single-family non-transient units or additions shall pay a total of \$6.25 per square foot (\$5.07 are Town fees) for units or additions under 3000 square feet

and the full amount of the fee for units 3000 square feet or larger. (\$5.29 per square foot for all fees until August 15, 2010)

3. When the DIF is payable per unit, a unit shall be as defined in Chapter 17, Zoning, of the Municipal Code, wherein a unit has the same meaning as a unit of density which can provide occupancy for one household. A studio or one-bedroom unit shall be considered one-half unit. However, a separate Development Impact Fee for the lock-off portion of a wholly-owned Multi-unit Transient unit shall not be charged in addition to the Development Impact Fee charged for the wholly owned unit.
4. Commercial and Industrial projects may exclude the square footage for ancillary storage rooms, restrooms and non-public spaces that do not contribute to the impacts of the use, as determined by the Community Development Director, in the payment of the fees.
5. Public uses shall pay only the DIF for the funds that do not include the service or services that the public use is most closely related to, subject to approval by the Community Development Director.
6. The fee for requesting a reduction, adjustment, or waiver shall be \$500 per project to cover the cost of administrative expenses to review the materials provided that substantiate the fee reduction, adjustment or waiver.

E. Effective Date

The fees established in this resolution shall be effective as of the date of adoption of this resolution.

**SECTION 3. JUDICIAL ACTION TO CHALLENGE THIS RESOLUTION**

Any judicial action or proceeding to attack, review, set aside, or annul this resolution shall be brought within 120 days of its adoption.

**SECTION 4. SEVERABILITY**

If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions of applications, and to this end the provisions of this Resolution are declared to be severable.

NOW, THEREFORE, BE IT RESOLVED that this Resolution is APPROVED AND ADOPTED at a duly held regular meeting of the Town Council of the Town of Mammoth Lakes on the 21<sup>st</sup> day of April , 2010.

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NEIL MC CARROLL, Mayor

3/18/2010

ATTEST:

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ANITA HATTER, Town Clerk