Final Report

Mammoth Lakes Economic Forecast and Revitalization Strategies

The Economics of Land Use

Prepared for:

Town of Mammoth Lakes

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Table of Contents

List of Tables

List of Figures

1. INTRODUCTION AND SUMMARY

Overview

This Report provides a 20 year development forecast and related population and employment projections to support a variety of long-range planning efforts being undertaken by the Town and other agencies. The forecast is based upon relevant market, socioeconomic and demographic data and trends as well as existing land use data and projections developed by the Town for the General Plan, the related assessment of Population at One Time (PAOT) policy, and the Town's travel demand model update. The recent economic downturn has significantly affected real estate development and values, emphasizing the need for a careful re-examination of future development potential and projected trends and conditions. However, for planning purposes it can be assumed that approximately 25 percent of the 20 year forecast will occur in each five-year period.

A development forecast for a resort community is unique in that demand for built space is nearly entirely derived from its visitor-based industries: recreational activities and supporting hospitality, including lodging and second home units, and visitor-serving commercial businesses. Thus a resort community forecast must consider the potentials of its visitor markets -- the geographical source(s) of its visitors, those visitors' recreational preferences and demands, and the competition from other resorts or recreational destinations. Additionally, visitation and related demand for built space will be influenced by cyclical regional and national economic conditions and natural conditions; ski resort visits typically vary directly with the timing, amount, and quality of snowfall that occurs during a given season.

The character and amount of future development in Mammoth Lakes, while linked to the diverse visitor markets it serves, will be determined as much by local planning, resort investment, and economic development efforts. Accordingly, given the possible variations in how the Town may respond to existing and future market opportunities, three future development scenarios are presented in this Report that reflect varying assumptions regarding planning and regulatory actions, public and private investment, and related success with redevelopment and revitalization efforts. The three development scenarios have been assembled from a detailed analysis of the Town's remaining vacant land capacity, intensification of existing underutilized sites, and redevelopment of existing fully built sites.

The results of the development scenarios (reflecting varying amounts of future development) are then applied to a specially prepared "resort economic model" that calculates important economic factors, including private investment, economic activity, employment, municipal tax flows, and housing needs. The economic model reflects the complex interactions between the various sectors of the local economy: residents, visitors, second homeowners, and their respective economic activity and demand for infrastructure and services. In this instance the "exogenous" variable is a development scenario and the resulting amount and pattern of resort visitors. Key "outputs" of the economic model include estimates of key municipal tax flows including sales tax, property tax, transient occupancy tax (TOT) and other revenue from new development, employment derived from growth and improved performance of the resort community, and workforce housing units caused by increased employment as the local economy grows. **Figure 3** (pp. 30) presents conceptual framework for the economic model, indicating the key linkages between its components.

A development forecast and related economic analysis can inform a range of ongoing community planning, fiscal, and resort investment efforts, including:

- Underpinning the Resort Investment Element of the General Plan;
- Informing completion and implementation of the District Plans;
- Informing Town General Fund Budget forecasting;
- Estimating the potential amount special (voter-approved) revenues;
- Projecting workforce housing needs and nexus with employment growth;
- Prioritizing infrastructure and public facility needs;
- Informing long range planning for sewer and water utility expansion; and
- Providing a context for project-specific market analysis, environmental analysis, and infrastructure studies.

Summary of Findings

1. Market prospects present a range of opportunities for resort development

Mammoth Lakes' has since its inception benefitted from two factors: its diverse and high quality recreational opportunities and its proximity to a very large base of visitors, the 25 million people living in Southern California. With a four- to six- hour drive on an all-weather highway, these visitors assure a steady base of largely weekend visitors in both the winter and summer seasons. Mammoth Mountain is among the largest and most successful winter sports venues in North America.

The scale and diversity of the visitor demand derived from markets served by Mammoth Lakes provide ample opportunity for revitalization and growth of the resort community consistent with the General Plan. The strong historical linkage to the Southern California market, which currently is the source of 85 percent of visitors, will continue to sustain Mammoth Lakes and provide a base of skier and other recreational activity visits. While national trends in skier-visits per year have been relatively constant for 20 years and the aging of the "baby-boomers" will erode an important demographic group, there are opportunities for Mammoth Lakes to compete more effectively for national and international visitors, thus improving the quality (e.g. average expenditure per skier-day) of visitors as well as their quantity.

While Mammoth Lakes has sustained itself on business from weekend and spontaneous Southern California-based visitors, it has not effectively competed for the longer stay destination visitors. Such destination visitors, especially those that visit repeatedly, are the "gold standard" in resort communities as they have a greater economic impact (higher expenditures) and also tend to smooth out visitation during the mid-week and other "off-peak" periods. However, attracting such destination visitors involves competition with other major destination resorts providing similar recreational opportunities and facilities. The national and international destination visitors have a wide range of options when choosing a recreational destination, and will make that choice based on the quality of the experience: visitor amenities, quality of lodging, and community "ambiance", as much as on the quality of the skiing.

2. Existing conditions present a challenge to becoming a competitive destination resort community

The town of Mammoth Lakes is largely "built-out" – there are few remaining vacant parcels that are not subject to pending development approvals. Many past market studies and other reports prepared for Mammoth Lakes have commented on the fact that Mammoth Lake's existing "built form" leaves much to be desired. A composite of semi-rural subdivisions, large-scale condominium complexes, and strip commercial development arrayed along the State highway and other arterials, much of the town developed over the past 50 years, at a time when standards and expectations for quality urban design were much lower, and planning poorly focused or absent. Much of the existing lodging properties and strip commercial shopping centers are older and do not provide the services or attractions demanded by the destination visitor. Mammoth Lakes also lacks the historic center that defines other Western mountain resort communities, and is considered by many in the industry as having one of the poorest "base facilities" of any of the competing major skiing resorts in North America, in terms of the quality of lodging, dining, entertainment and services.

Existing comparatively poor performance of the retail and lodging sectors, expressed in lodging occupancy rates, annual retail sales per square foot, expenditures per visitor-day, and other metrics provide ample room for improvement. These conditions require that new development, including residential, lodging, and resort and community-serving retail and service uses, will require substantial redevelopment of existing built properties in coming years. However, such redevelopment presents a number of financial challenges, including the cost of assembling land, demolition and site preparation, and the need to provide structured parking. In advance of these costs is a lengthy and uncertain regulatory process and infrastructure cost burdens (development impact fees, etc.). The recent Great Recession (and its persisting effect upon real estate development) has also had a significant impact upon Mammoth Lakes as is the case in most communities around the State. Investment and sales activity have slowed substantially in recent years and are not expected to recover for several more years to come.

3. Future development depends more upon local policy and action as it does upon market prospects

Successful resort communities, built as they are upon highly competitive visitor markets, must achieve more or less continuous innovation and re-investment. Visitor demand and related economic activity can never be taken for granted -- visitor demand will only be sustained and increased through a process of continual reinvestment and improvement that responds to competitive conditions, particularly for the destination visitor which is the Town's greatest opportunity is to expand beyond the traditional Southern California based visitor market. While appropriate comprehensive planning (General Plan), area planning (Specific Plans, Master Plans and District Plans) and zoning capacity are necessary components to achieve the community's desired future, they alone are not sufficient. Innovative zoning regulations (e.g. Incentive Zoning), streamlined regulatory review, and redevelopment actions, alongside targeted investments in visitor-attracting amenities and facilities are an essential factor that will determine the Town's success in realizing the General Plan's Vision and goals.

4. Growth potential under the Development Scenarios falls within the limits established in the General Plan

Growth and new development are often controversial in Mammoth Lakes as elsewhere, whether considered comprehensively as was done for the General Plan, or project-by-project. One of the objectives of this Report was to evaluate realistic levels of market demand with realistic assumptions regarding development capacity and redevelopment potential. As noted above three Scenarios were prepared reflecting a range of demand and supply expressions. Even under the "high" scenario new development over the next 20 years will fall below the targets established and evaluated in the General Plan. The PAOT evaluation conducted by the Town in 2009 projected approximately 7,150 lodging rooms and 12,500 residential units at buildout[1]. The "high" scenario in this forecast, which reflects the most aggressive or optimistic assessment of likely future development, projects an estimated 5,600 total hotel and condohotel rooms and 12,065 residential units at buildout. It will be important as a part of ongoing planning programs and General Plan implementation to monitor actual growth trends year-by-year thus gaining information regarding how the market is responding (or not) to the range of planning, public investment, and revitalization efforts. A formal growth monitoring effort should be established as a part of this effort.

5. Economic performance of the community will be proportional to the quality of new development

Economic performance (and related demand for municipal services, housing, and retail goods and services) is not just a function of the amount of new development. Shifting the quality of the visitor (e.g. towards attracting more destination visitors) and improving economic performance by creating competitive and attractive commercial space means greater economic and fiscal performance with proportionately less development. In addition to better serving visitors, such new commercial space can expand retail and service opportunities for residents as well, reducing the existing "leakage" of sales to other places.

6. Keys to Successful Future Resort Development

In order to achieve the revitalization and development of Mammoth Lakes envisioned in the General Plan and District Plans it will be necessary create more "all-season" facilities and attractions, incentivize private investment in resort development, and to increase attractiveness to national and internationally-based destination visitors. Competing for a larger market share of the desired groups will require, in addition to sustaining and improving outdoor recreation facilities, a long term and aggressive focus on improving Mammoth's built environment and the range of non-skiing/boarding, non-outdoor recreation activities and attractions. There are a number of components that are needed to respond to potential market opportunities and support a future destination resort.

- High quality lodging (including "flag" hotel(s)) with a range of amenities to complement existing properties
- Improved air service linking the area to national and international visitors
- Conference facilities linked to capacity of lodging properties
- Improved quality and more diverse retail shopping opportunities
- Additional indoor commercial recreation opportunities, and facilities for families

[1] Equivalent to 17,500 "Unit Room Equivalents" (URE) in the PAOT model where two hotel rooms or one residential unit equals one URE.

- Convenient and attractive public transit and other alternative modes linking key areas of the community
- Enhanced arts and entertainment venues, supported by increased events programming
- Improved aesthetic appeal of the community along major arterials and gateways along with improving the "entrance experience"
- Further improvement and integration of Mammoth Lakes ample outdoor recreation assets
- Continued commitment and improvement in marketing and branding activities

Success at achieving these components will determine success at achieving the vision and goals of the General Plan. It will require a multi-faceted approach that includes public and private sector investment and partnership, more aggressive economic development and marketing efforts, leveraging and pursuit of innovative funding mechanisms, and policies that incentivize and support, rather than penalize, new development. Some of the components will be more fully explored and developed in the Resort Investment Element of the General Plan and the proposed Public Facilities Plan, as well as ongoing discussions regarding the structure of the Town's Development Impact Fee and other fee programs.

7. Linking Community Quality of Life to Resort Development

Resort investment and related economic performance generate broad community benefits beyond increasing local government revenues and business sales. Because resort communities cater to a much larger population than just permanent residents, they often have community facilities and amenities typically found only in much larger communities. These amenities include extensive trail and open space networks, cultural and entertainment venues, high quality restaurants, retail shopping opportunities, and an overall high quality built environment. The amenities, while a necessary part of sustaining and growing the visitor base, also enhance the quality of life for local residents. These amenities and facilities also assist in diversifying a resort community's economy: there is general agreement among economists and economic development professionals that quality of life is an increasingly important factor in a community's ability to attract high quality jobs, companies, entrepreneurs, and talented labor.

A key aspect of "quality of life" in Mammoth Lakes, as well as the success of the resort, involves the quality and availability and quality of housing, particularly housing for the local workforce. Currently there appears to be an adequate supply of for-sale workforce housing although there is an ongoing shortage of affordable rental housing. Future growth and improvement of economic performance will create both demand for additional workforce housing and resources for achieving and sustaining this housing. The economic analysis indicates that need for additional workforce housing will depend upon levels of new development achieved. Under the medium and high development scenarios, 500 to 1,400 units may be needed, with the greatest community housing needs associated with the most aggressive projection of potential development. The development form envisioned in the General Plan and District Plans that includes considerable "mixed use" building development, create an opportunity for creating workforce housing units, as does the implementation of a strategic approach to housing that deploys a variety of tools and methods, including applying incremental Town revenue (e.g. a portion of incremental TOT) to fund the production of workforce and affordable housing units.

8. Fund Key Resort Development Components with Incremental Revenue

As outlined in Chapter 4 of this report, attracting new private investment and realizing the Town's destination resort potential would help stabilize and grow the Town's revenues as new development drives incremental increases in key revenues including TOT, sales tax and property tax. While some of this revenue will be required to cover incremental Town operating costs associated with new development, it is likely, with reasonable cost controls in place, to reinvest incremental revenues in ways that facilitate and stimulate desired resort and community development projects. Examples of such facilitation include:

- Provide dedicated funding for certain community and resort amenities otherwise funded by development impact fees and other developer exactions. This will lower development costs thus improving feasibility of redevelopment and revitalization projects.
- Consider, on a project-by-project basis, tax or fee abatements or credits proportional to fiscal benefits obtained.
- Issue bonds or certificates of participation funded by pledged Town revenues to build key infrastructure or community facilities (e.g. parking structures).

Conclusions and Direction

In conclusion, the Town of Mammoth Lakes has the opportunity, given long term market demand and recreational assets and capacity, to achieve the vision set forth in its General Plan and the completed District Plans. However, give the challenges presented, this vision will not be realized without a concerted effort by the Town to assure that regulatory or financial barriers to the desired development are lowered by a focused set of regulatory reforms (as contemplated the new Zoning Ordinance) and financial incentives. Without such effort it is likely that future growth and development will stagnate and fiscal performance illustrated in the first Development Scenario will occur. As a "next step" the full dimension of this community investment strategy will need to articulated, subjected to public scrutiny, and implemented.

Key findings of this report include:

- Although skier visits remain high, and competitive with other North American resorts, occupancy, overall visitation and retail sales are significantly underperforming compared to those resorts.
- The urban environment, age and quality of lodging rooms available, and range of non-skiing amenities and attractions are sub-par in comparison to other resorts.
- The "status quo" has proven ineffective in attracting and retaining the sort of investment that is needed to obtain destination resort community status.
- Without a fundamental shift in the approach to fees, the overall regulatory environment, and the alignment of organizational priorities, Mammoth Lakes will continue to struggle in its efforts to become a destination resort, or to substantially improve its fiscal outlook.

Recommendations and Actions

The following actions are recommended to respond to the above findings and conclusions. They represent the following key principles:

- Shift from a focus on short-term exaction of fees, to a long-term fiscal strategy focused on stabilizing and growing revenues in the form of TOT, sales tax and property tax.
- Shift from a regulatory climate characterized by outdated, rigid and sometimes over-reaching requirements, to one that is more flexible, responsive and tailored to the specific outcomes the Town wishes to achieve.
- Shift from disjointed, often fractured organizational structures, to one based on aligned interests that can efficiently allocate increasing scarce staff and financial resources.

Next steps and actions to accomplish these goals include:

- Developing and adopting a coherent fiscal strategy that is based on growing long-range fiscal revenue.
- Continuing work to complete the Zoning Code update, including update and revision of the housing ordinance, refinement of development standards to align with District Planning recommendations, and refinement of the Community Benefits/Incentive Zoning Ordinance.
- Completion of efforts, through the Public Facilities and Financing Plan work program, to refine and recalibrate impact fees. This task should include careful consideration of the appropriate mechanisms for funding new facilities and infrastructure, in light of the long-range fiscal strategy noted above.
- Allow for flexibility and use of a toolkit of options in mitigating housing and other development impacts, focusing on cost-efficient and partnership-based solutions, rather than solely on exactions.
- Focus on short-range and immediate actions such as improved TOT compliance and enforcement that can collect money now being “left on the table.”
- Seek opportunities to streamline governmental processes, and reduce the “silo” effect within the Town and its allied organizations.

2. EXISTING LAND USE AND ECONOMIC CONDITIONS

This Chapter describes current development and economic conditions in Mammoth Lakes, covering the housing and lodging inventory, occupancy trends, and retail sales with comparisons to a number of other North American mountain resort communities. The baseline development inventories and economic conditions are direct inputs to the resort economics model and development scenarios, and provide a rationale that supports the need for continued investment in the community for economic sustainability.

Market Prospects

The Town of Mammoth Lakes draws its economic vitality nearly entirely from its visitors –- people visiting the area to enjoy its ample recreational assets and facilities. These visitors support the local economy create the "economic base" through their expenditures on lodging, retail goods and services, and recreational services.

Resort Market Groups

The types of visitors for which resort communities compete can be thought of in two general categories: geography based and demographics based. The visitor market can be described in two ways: the geographic source of the visitor and the visitor demographic profile. The geographic source groups include:

- Second homeowners
- Southern California-based (regional) visitors
- Nationally based destination visitors
- Internationally based destination visitors

The visitor market can also be organized by demographic profile, which may derive from any of the geographic market areas:

- Youth/Action Sports Group
- Family Group
- Couples Group

However classified, the visitor market provides an ample market opportunity for sustaining and growing Mammoth Lakes. Moreover, Mammoth Lakes has unparalleled natural and recreational attractions that draw visitors. While targeted market analysis can better quantify the scale and characteristics of the visitor market, understanding the needs and desires of each group can help to focus specific strategies and investment efforts, looking at a series of immediate questions including:

- What is needed to better-tap the targeted market segments in the various geographic markets?
- How do we become more competitive with alternative recreation destinations and opportunities?
- How do we realize the full potential of Mammoth Lakes as a year-round destination resort community, with amenities and attractions oriented to these markets?"

Geographic Visitor Groups

Second Homeowners

A substantial portion of existing single-family homes and condominiums in Mammoth Lakes are owned by absentee (non-resident) owners. These properties are used as vacation or second homes. Some of these units are also in the rental pool, while others remain vacant when not occupied by owners. It is estimated that there are 3,600 second homeowners in Mammoth Lakes, out of nearly 9,000 dwelling units, indicating that second homes comprise about 40 percent of the housing stock. These homeowners add to visitor base when they occupy or rent their units.

Southern California-based Visitors

The largest single source of demand for Mammoth Lakes is Southern California-based "regional" visitors, including summer and winter visitors. Mammoth Lakes offers reasonably accessible high quality mountain recreation opportunities which attract numerous southern California visitors, despite the driving distance. The sheer size of the Southern California market will continue to generate short-term visitors to Mammoth Lakes. However, the tendency of these visitors is to make impromptu short term (e.g., weekend) visits, meaning that visitation is highly dependent upon weather conditions and other variables. Consistent with the characteristics of the weekend visitor market, Mammoth experiences wide swings in business between the weekends and weekdays, and between seasons. Adding additional visitation during the week and during the spring and fall shoulder seasons would increase business revenues.

Nationally-and Internationally-based Destination Visitors

Mammoth Lakes does attract some nationally and internationally-based destination visitors; this has been enhanced with the availability of commercial air service. However, air service remains limited, particularly in summer, and competition with other destination resorts limits visitation by this group. Destination visitors are valued as they tend to have longer stays than the regional visitors, spend more money per visitor-day, and book trips well in advance of their visits. This cohort of potential visitors is very large, though they have a wide diversity of destination recreational opportunities around the continent and globe. Proximity to Yosemite and other Sierra Nevada destinations creates an opportunity to increase summer visitations since these nearby attractions already draw a large number of international visitors to the area.

The challenge in attracting destination visitors is creating a competitive "product" or environment to attract them; a visit to Mammoth will be weighed against other destinations such as Lake Tahoe, Utah resorts, Colorado resorts, and even European ski resorts. Mammoth's built environment and diversity of non-skiing activities falls behind many competitive destinations. Until recently, air service to Mammoth was very limited making Mammoth largely inaccessible to the large destination tourist market. The success of improved air service in recent years indicates that further improvements can yield positive results in attracting new visitors from throughout the United States and the world. The positive effects of Mammoth's increased accessibility through air service could be multiplied by making an overall improvement in the quality of the town's non-ski based attractions, entertainment and lodging options.

Housing and Lodging Inventory

Based on Town of Mammoth Lakes GIS information, there are approximately 10,148 lodging and dwelling units in the Town, not including campgrounds. Of these, just under 9,000 are classified as dwelling units (single family homes, condominiums, and apartments), as shown in **Table 1**. According to the US Census definition, a dwelling unit is a structure in which one household resides (any group of related or unrelated people living in one dwelling unit), having its own entrance and cooking and eating facilities. Dwelling units are used or occupied by permanent residents of the Town, second home owners, and as overnight transient rental units. Dwelling units are distinct from hotel rooms, which do not have cooking facilities and are under common ownership.

By comparing the number of resident households (US Census) to the number of total dwelling units (Mammoth Lakes GIS) and the number of transient rental units excluding hotels (Town Transient Occupancy Tax reports), the number of resident, second home, and transient accommodations dwelling units can be estimated. The Town of Mammoth Lakes has a permanent population of 8,234 in approximately 2,700 households indicating that 30 percent of the Town's housing stock is occupied by permanent residents. Another 40 percent of the housing stock is estimated to be used as second homes, and 30 percent as transient overnight accommodations.

The Town also has approximately 1,200 hotel/motel rooms (listed as "hotel" in **Table 1**). While there are several high end condominium hotel and fractional ownership properties (Westin Monache, Juniper Springs Lodge, and Mammoth 8050), the Town does not have any traditional full service four to five star hotels. The hotel stock is a mix of economy and limited service properties, with a large number of aging hotel properties reaching the end of their economic life.

Table 1
Housing and Lodging Inventory, Mammoth Lakes, 2010
Economic Forecast and Revitalization Strategies

Type	Residents	Second Homes	Transient Rentals	Total
Dwelling Units [1]				
Condohotel	0	99	598	697
Condo - Market Rate	1,140	2,248	2,006	5,394
Condo/SFD - Affordable	65	0	0	65
Single Family Detached	810	1,237	106	2,153
Apartment - Market Rate	367	0	0	367
Apartment - Affordable	166	0	0	166
Mobile Home	125	0	0	125
Subtotal	**2,673**	**3,584**	**2,710**	**8,967** [3]
% of Total	**29.8%**	**40.0%**	**30.2%**	**100.0%**
Hotels [2]				
Hotel	0	0	1,181	1,181
Resort Hotel (4-5 star, full service)	0	0	0	0
Subtotal	**0**	**0**	**1,181**	**1,181**
Total Units	**2,673**	**3,584**	**3,891**	**10,148**

[1] A structure in which one household can reside. Has its own entrance and cooking/eating facilities. Can be used for permanent residence, rented to tourists, or used as a second home.

[2] Owned/operated by a single entity as opposed to a condohotel which is comprised of units owned by private individuals.

[3] There are an additional 125 units estimated to be vacant.

Source: Mammoth Lakes GIS; Transient Occupancy Tax Reports; US Census; and Economic & Planning Systems estimates

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The Town also contains 266 units of income and residency-restricted affordable housing built by the Town and Mammoth Lakes Housing (MLH), as shown in **Table 2**[2]. The development scenarios include assumptions about employment growth by income range to account for the demand for workforce housing and the policy goal of providing local housing options for the Town's workforce.

Table 2
Mammoth Lakes Affordable Housing Inventory, 2010
Economic Forecast and Revitalization Strategies

Type	Year Built	How Built	Deed Restricted Units	AMI Level
Ownership				
Grayeagle	2005	Mitigation	1	120%+
Meridian Court	2006	MLH	16	80%, 120%, 150%, 200%
463 Mono St.	2006	Mitigation	3	1.2
Chateau De Montagne	2006	Mitigation	1	0.8
Nordica	2007	Mitigation	1	0.5
San Joaquin Villas	2008	Mitigation	15	80%, 120%, 150%, 200%
Aspen Village Condos	2009	MLH	8	100%, 120%
Total			**45**	
Rental				
Bristlecone	1996	Tax Credit	30	50%; 60%
Sherwin Apartments	1998	MMSA	24	-
Glass Mountain	1999	Tax Credit	24	50%; 60%
The Chutes	2004	MMSA	24	-
Aspen Village Apts (MLH)	2007	MLH	48	50%; 60%
Mammoth Apts (MLH) (Jeffries, duplex, Manzanita)	2007, 2008	MLH	30	50%; 60%
Star Apartments (1829 Old Mammoth Rd)	Under Construction	MLH	4	80%
Total			**184**	
Other	2003-2007		20	50% - 120%
Total			**249**	

Source: Mammoth Lakes Housing Needs Assessment (2011), RRC Associates and Rees Consulting
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[2] Note there is a small difference between the 266 units shown in Table 2 and the 250 units of affordable housing shown in Table 1. Adjustments were made to the occupied units to account for vacant units and to calibrate to the 2010 Census household totals.

Occupancy and Visitation Trends

A key economic variable in resort communities is the annual occupancy rate for transient accommodations: the number of visitors in the Town each year is a factor of the occupancy rate or proportion of total available nights that a lodging unit is occupied. The Town collects a sample of lodging property occupancy rates through its collection of the 13.0 percent transient occupancy tax (TOT). The Town's occupancy rate has fluctuated from 35 to 40 percent between 2001 and 2006, as shown in **Table 3**. Beginning in 2007, the occupancy rate declined to the 30 to 35 percent range, reflecting a slowing state and national economy. The average occupancy rate for the past 10 years is 36 percent for all properties.

Typical of mountain resorts, there are wide swings in occupancy between the winter and summer peak months and the fall and spring "shoulder season" months. Spring occupancies are in the high teen to the high twenty percent range, while fall occupancies are in the high teen to low twenty percent range. However, the most successful and economically balanced communities are able to achieve higher occupancies not only be expanding summer and winter business, but also by increased event and activity programming in the early fall and late spring months.

Occupancy rates vary by property type, with hotels achieving the highest occupancy rates. The Town's TOT reports show hotels of all types achieving an average of 54 percent occupancy over the past 10 years. Condos have achieved an average of 30 percent occupancy over the same time period. Hotels are able to generate higher occupancies because property managers/owners control a block of rooms and can adjust rates and offer specials when occupancies are expected to be low, much in the same way that airlines market empty seats. Condominium rental agencies do not have the same flexibility in adjusting rates as hoteliers because condominium units are individually owned and subject to management agreements which provide less flexibility in room rates.

Table 3
Occupancy Trends, Mammoth Lakes, 2001-2010
Economic Forecast and Revitalization Strategies

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2001-2010 Average
All Lodging Types											
January	42%	51%	56%	55%	54%	59%	42%	49%	39%	45%	49%
February	55%	55%	56%	57%	55%	59%	48%	49%	43%	48%	52%
March	51%	57%	51%	46%	57%	54%	43%	50%	34%	40%	48%
April	41%	36%	42%	39%	38%	53%	30%	28%	30%	36%	37%
May	20%	20%	26%	21%	24%	25%	17%	17%	18%	19%	21%
June	26%	28%	27%	27%	28%	26%	26%	28%	25%	27%	27%
July	45%	43%	41%	43%	41%	41%	40%	42%	40%	40%	41%
August	54%	53%	49%	49%	48%	47%	48%	52%	44%	49%	49%
September	29%	31%	29%	33%	35%	33%	28%	25%	27%	30%	30%
October	20%	20%	21%	24%	17%	20%	17%	16%	16%	19%	19%
November	18%	23%	22%	33%	20%	14%	12%	13%	12%	19%	19%
December	45%	42%	42%	50%	44%	41%	41%	34%	36%	42%	42%
Annual Average	**37%**	**38%**	**38%**	**40%**	**38%**	**39%**	**33%**	**33%**	**30%**	**34%**	**36%**
Annual Averages by Type											
Reservation Bureau Rentals [1]	**28%**	**28%**	**27%**	**28%**	**27%**	**30%**	**30%**	**42%**	**22%**	**33%**	**30%**
Hotels	**48%**	**58%**	**52%**	**53%**	**60%**	**59%**	**59%**	**54%**	**48%**	**52%**	**54%**

[1] Includes condominiums managed through property management companies and condo-hotels.

Source: Mammoth Lakes Finance Dept, Economic & Planning Systems

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Mammoth's occupancy rate trails other competitive resorts. Occupancy rates for five major North American destination resorts for which occupancy data was readily available are shown in **Table 4**. Aspen, Colorado is able to achieve an annual occupancy rate of 55 percent because it has winter and summer occupancies in the mid 70 percent range. Aspen's shoulder season occupancies are 34 and 37 percent, which is comparable to Mammoth's year round occupancy rate in recent years. Aspen has events and festivals with national and even international draw during the off-season; these attract non-skiing visitors and thus diversify its tourism base. Beaver Creek, Park City, Snowmass, and Vail each attain annual occupancies in the low to mid 40 percent range.

The best opportunities to increase overall occupancies beyond the winter ski season are during the summer months due to favorable weather and school vacations. The peer resorts shown are able to achieve nearly 50 percent occupancy during the summer months by offering a variety of outdoor activities and cultural and performing arts events that draw a diverse visitor base.

Table 4
Peer Resort Occupancy Statistics
Economic Forecast and Revitalization Strategies

	Occupancy				
Resort	**Fall** Sept-Nov	**Winter** Dec-Mar	**Spring** Apr-Jun	**Summer** Jul-Aug	**Annual**
Mammoth	**23%**	**48%**	**28%**	**45%**	**36%**
Aspen	37%	75%	34%	75%	**55%**
Beaver Creek	27%	62%	29%	50%	**43%**
Park City	27%	60%	27%	48%	**41%**
Snowmass	---	86%	---	---	**45%**
Vail	28%	68%	33%	51%	**46%**

Source: Economic & Planning Systems research

H:\20111-Mammoth Lakes Development Forecasts\Data\[20111-resortcasestudies.xls]Sheet1

Mammoth is one of the top ski resorts in North America in terms of skier visits, with 1.4 to 1.5 million annual skier visits. It is the largest single ski resort in California, far exceeding Heavenly, Northstar, Squaw Valley, and Kirkwood in skier visits as shown in **Table 5**, although collectively, the Tahoe region attracts more skiers than Mammoth. Mammoth's skier visits are comparable to some of the top resorts in North America, including Vail (1.6 million), the Park City area (1.6 million), Breckenridge (1.6 million), the Aspen area (1.3 million), and Steamboat (1.0 million). While Mammoth's skier visits are strong, retail revenues and lodging occupancies are comparatively low.

Table 5
Peer Resort Skier Visits
Economic Forecast and Revitalization Strategies

Resort	Annual Skier Visits
Mammoth Mountain	**1,460,000**
California	
Heavenly	888,000
Northstar at Tahoe	700,000
Squaw Valley [1]	~ 500,000
Kirkwood	375,000
Colorado and Other	
Whistler Village, BC CA	2,200,000
Vail, CO	1,620,000
Park City, UT [2]	1,600,000
Breckenridge, CO	1,580,000
Aspen, CO [3]	1,300,000
Steamboat, CO	1,000,000
Keystone, CO	950,000
Copper Mountain, CO	875,000
Beaver Creek, CO	860,000
Snowmass, CO	760,000

[1] Exact figures not available

[2] Includes Park City, Deer Valley, and The Canyons

[2] Aspen, Highlands, and Snowmass skier visits

Source: Economic & Planning Systems research

Retail Performance

The performance of Mammoth's retail and restaurant businesses ("retail" collectively) are a function of several factors, most notably the annual occupancy of the transient bed base; visitors to recreation opportunities; the extent and quality of the retail offerings; the degree to which resident purchases are captured in the community; and the average expenditure levels of overnight guests.

Retail Definitions

For analysis purposes, retail stores are categorized based on the shopping and trade area characteristics described below. Each is described with examples to clarify the types of retail stores included in each of the categories.

- **Convenience Goods** – This category includes supermarkets and other grocery stores, convenience stores, as well as liquor, drug, other specialty food stores, and coffee shops. In addition, this category includes convenience services such as laundry, mail, hair/barber, and copies. These stores generally sell frequently purchased, low cost items with little product differentiation. The primary locations for convenience goods stores are the supermarket-anchored neighborhood shopping centers and smaller convenience centers, as these items are most often bought close to home.
- **Shoppers Goods** – This category includes general merchandise, apparel, furniture, appliance, and specialty goods stores. In larger communities, general merchandise stores include traditional department stores such as Kohl's or Sears as well as the discount department and supercenter stores (e.g., Wal-Mart and Target). The product lines of these stores are generally more expensive, less frequently purchased items. In general, people are more likely to comparison shop for Shoppers Goods and are often more willing to travel farther to buy them. The primary locations for regional Shoppers Goods are traditional downtown shopping districts, regional shopping centers, free-standing discount department and membership warehouse stores, and power centers dominated by mass merchandise tenants. Much of the retail mix in Mammoth and other mountain communities falls into the Shoppers Goods category, including apparel, sporting goods, jewelry and accessories, and home furnishings. In Mammoth, this market is principally met by specialized small businesses, most of which are locally owned.
- **Eating and Drinking Establishments** – This category covers restaurants including conventional sit-down, fast food, and bars. Businesses in this category exhibit some of the characteristics of convenience stores in that many restaurant expenditures are made at establishments close to home and on a frequent basis. However, some higher quality restaurants, unique in the marketplace, can have a regional draw.
- **Building Materials/Nurseries** – This category is made up of stores selling lumber, paint, glass, hardware, plants and garden supplies, and other retail items related to home improvement. Home improvement centers such as Home Depot and Lowe's are the largest stores in this category. In Mammoth Lakes, stores such as Do-it-Center, High Country Lumber and Alpine Paints fall into this category.

Retail Inventory

EPS compiled an inventory of retail space by business type using the Town's GIS database and site visits to identify business types and estimate building sizes. In total, the Town has approximately 557,000 square feet of retail space. The Convenience Goods category contains 116,000 square feet of space, comprised largely of the 60,000 square foot (approximately) Von's supermarket, as shown in **Table 6**. There is an additional 8,000 square feet of space in Beer, Wine, and Liquor Stores, and 33,000 square feet of Health and Personal Care space, including a Rite Aid pharmacy.

Under the Shoppers Goods category, Mammoth Lakes does not have a traditional General Merchandise or discount store such as a Target, Kohls, or K-Mart. Typical of resort communities, Mammoth's retail mix is heavily weighted towards the Clothing, Sporting Goods, and Specialty retail categories with 206,000 square feet of space in these categories. Mammoth also has 235,000 square feet of eating and drinking space, making up 41 percent of the Town's retail inventory.

The majority of the Town's retail space is dispersed along Old Mammoth Road and Main Street. Much of this space was built in a suburban style since the 1950s, 1960s, and 1970s. It is generally not accessible to tourists by foot or bicycle, and is not configured in a way that creates "critical mass" or "synergy." Many of the most successful destination resorts in North America and elsewhere have attractive main streets or ski area base villages in which retail and service businesses are concentrated, with lodging, in a walkable format that encourages pedestrian activity.

In the early 2000s Intrawest developed the North Village as a walkable lodging and retail neighborhood with gondola access to the ski area in an effort to improve and expand Mammoth's retail mix and make it more competitive with other destination resorts. The North Village has 57,200 square feet of retail space including 32,000 square feet of restaurant space and 22,500 square feet of specialty retail space. Just over 500 units of condohotel lodging (The Westin Monache and the Village at Mammoth) were also built to help support the retail space and attract visitors to a newer higher quality lodging product than was currently available in Mammoth.

Table 6
Retail Inventory, Mammoth Lakes, 2010
Economic Forecast and Revitalization Strategies

Type / Location	Sq. Ft.
Town Wide, Including North Village [1]	
Convenience Goods	
Supermarkets	60,000
Specialty Food Stores	2,000
Beer, Wine, and Liquor Stores	8,000
Health and Personal Care	33,000
Subtotal	**116,000**
Shoppers' Goods	
General merchandise stores	0
Other Shoppers' Goods	
Clothing & Accessories	63,000
Furniture and Home Furnishings	10,000
Sporting Goods and Apparel	89,000
Electronics & Appliances	5,000
Miscellaneous/Specialty Retail	39,000
Subtotal	206,000
Total Shoppers' Goods	**206,000**
Eating and Drinking	**235,000**
Building Material and Garden	---
Total Retail	**557,000**
North Village [1]	
Convenience / Sundries	2,585
Sporting/Apparel/Shoppers Goods	22,488
Eating and Drinking	32,141
Total North Village	**57,214**

Source: Economic & Planning Systems
[1] Economic & Planning Systems windshield survey and Town GIS database.
[2] Intrawest property managers.
H:\20111-Mammoth Lakes Development Forecasts\Models\[20111-model-09-08-2011.xls]9-Retail Inventory

Retail Sales

Trends in Retail store sales in each major store category were examined to evaluate the overall health of Mammoth's retail and to compare its performance to other resort communities. These figures were compiled by compiling sales tax collections by store category and dividing by the sales tax rate to calculate taxable retail sales. Von's sales are not directly reported because the Town does not collect sales tax on groceries, and reporting any individual business' sales violates confidentiality regulations governing the use of sales tax data. Von's sales were estimated by EPS using industry standards and combined with the remaining Convenience Goods categories for further confidentiality.

In 2010, the Town had $136.5 million in retail sales, as shown in **Table 7**. From 2005 to 2010 the Town's retail sales declined by 7.1 percent. The Town's overall lodging occupancy rate also declined from 38 percent to 34 percent. Large declines in sales occurred from 2006 to 2007, with a 6.1 percent drop in sales, and from 2008 to 2009 when sales declined by nearly 16 percent coinciding with the State and National recession. Only a minor recovery in sales occurred in 2010, with 2.6 percent sales growth.

Table 7
Retail Sales by Store Category, Mammoth Lakes 2005-2010
Economic Forecast and Revitalization Strategies

Store Type	Square Feet	2005	2006	2007	2008	2009	2010	Change 2005-2010 Total $	Change 2005-2010 Ann. % Change	2005-2010 Avg.
Supermarkets and Convenience Goods [1]	**116,000**	**$56,234,194**	**$65,854,124**	**$64,604,012**	**$69,164,029**	**$60,441,329**	**$61,989,118**	**$5,754,924**	**2.0%**	**$63,047,801**
Shoppers' Goods										
General merchandise stores	0	$0	$0	$0	$0	$0	$0	---	---	**$0**
Other Shoppers' Goods										
Clothing & Accessories	63,000	$15,164,300	$17,145,200	$17,019,100	$16,748,500	$14,194,000	$14,192,000	-$972,300	-1.3%	$15,743,850
Furniture and Home Furnishings	10,000	4,819,300	4,725,800	3,887,600	3,248,500	1,798,800	1,684,200	-3,135,100	-19.0%	3,360,700
Sporting Goods, Hobbies, Books & Music	89,000	10,491,200	10,930,200	9,156,900	10,398,200	8,784,100	8,553,600	-1,937,600	-4.0%	9,719,033
Electronics & Appliances	5,000	530,000	485,000	615,400	518,700	290,900	245,900	-284,100	-14.2%	447,650
Miscellaneous/Specialty Retail	39,000	2,997,800	3,255,300	2,869,100	2,213,900	1,759,400	1,621,600	-1,376,200	-11.6%	2,452,850
Subtotal	**206,000**	**$34,002,600**	**$36,541,500**	**$33,548,100**	**$33,127,800**	**$26,827,200**	**$26,297,300**	**-$7,705,300**	**-5.0%**	**$31,724,083**
Total Shoppers' Goods	**206,000**	**$34,002,600**	**$36,541,500**	**$33,548,100**	**$33,127,800**	**$26,827,200**	**$26,297,300**	**-$7,705,300**	**-5.0%**	**$31,724,083**
Eating and Drinking	**235,000**	**$46,314,900**	**$50,094,000**	**$42,812,100**	**$43,570,500**	**$38,481,000**	**$41,546,200**	**-$4,768,700**	**-2.1%**	**$43,803,117**
Building Materials & Garden	---	**$13,166,900**	**$12,962,400**	**$14,387,500**	**$12,176,900**	**$7,199,200**	**$6,632,100**	**-$6,534,800**	**-12.8%**	**$11,087,500**
Total Retail Store Sales [2]	**557,000**	**$149,718,594**	**$165,452,024**	**$155,351,712**	**$158,039,229**	**$132,948,729**	**$136,464,718**	**-$13,253,876**	**-1.8%**	**$149,662,501**
Year to Year Change		**---**	**10.5%**	**-6.1%**	**1.7%**	**-15.9%**	**2.6%**	**-7.1%**		

[1] Vonn's sales are not reported as the Town does not collect sales tax on grocery purchases. Vonn's sales are estimated by EPS.
[2] Does not include Building Material and Garden for confidentiality.
Source: Town of Mammoth Lakes, Economic & Planning Systems
H:\20111-Mammoth Lakes Development Forecasts\Models\[20111-model-09-08-2011.xls]9-TownSales

Retail sales per square foot provide a useful comparison of retail performance to "industry standards" as well as peer communities. For Convenience Goods, the industry benchmark for good performance is $400 to $600 per square foot; Mammoth Lakes businesses are achieving average sales of $534 per square foot in 2010, as shown in **Table 8**, indicating that this is a strong category. Von's Supermarket dominates the Convenience Goods category, however. Other store categories are not performing as well compared to industry benchmarks or peer communities.

In resort communities, sales levels in the Shoppers Goods categories vary according to the level of visitation and visitor spending profile. Businesses in the top destination resorts with a highly affluent clientele such as Vail and Aspen, Colorado can achieve sales upwards of $600 per square foot. A more typical and achievable sales target in the Shoppers Good category is $300 to $400 per square foot. Resorts such as Steamboat and Breckenridge in Colorado and South Lake Tahoe in California have Shoppers Goods sales in this range. Sales targets for suburban retail are often in the $250 to $350 per square foot range in the Shoppers Goods categories. In Mammoth, the Shoppers Goods category is performing well below industry benchmarks and peer communities, with average sales of $165 per square foot in 2005 and $128 per square foot in 2010.

In the Eating and Drinking Category, Mammoth businesses had average sales of $158 per square foot in 2005 and $177 per square foot in 2010. Sales benchmarks for urban suburban restaurants are in the $250 to $350 per square foot range. In resort settings with smaller spaces and high rents, sales of $300 of more per square foot are desirable.

Table 8
Sales per Square Foot
Economic Forecast and Revitalization Strategies

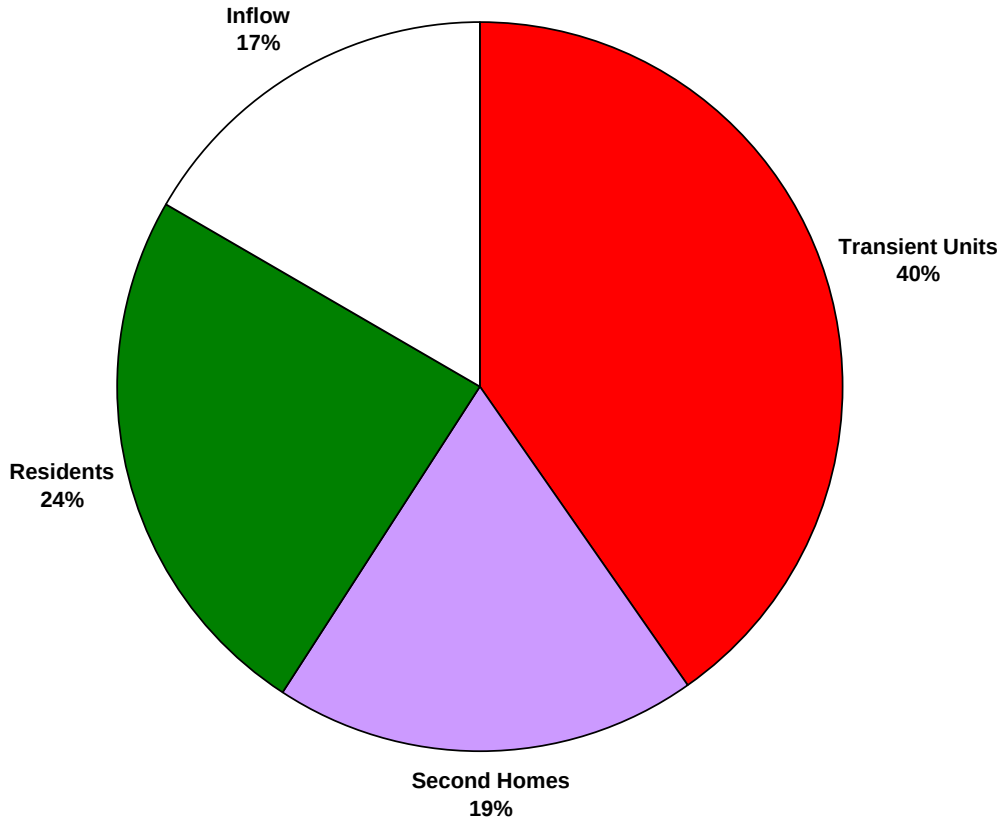
Store Type	2005	2010	Industry Standard
Supermarkets and Convenience Goods	**$485**	**$534**	**$450 - $600**
Shoppers' Goods			
General merchandise stores	N/A	N/A	$350
Other Shoppers' Goods			
Clothing & Accessories	$241	$225	$350
Furniture and Home Furnishings	$482	$168	$200
Sporting Goods, Hobbies, Books & Music	$118	$96	$250
Electronics & Appliances	$106	$49	$250
Miscellaneous/Specialty Retail	$77	$42	$350
Total Shoppers' Goods	**$165**	**$128**	
Eating and Drinking	**$197**	**$177**	**$300**
Building Material and Garden	---	---	$200
Total Store Sales/SF	**$269**	**$245**	

Source: Town of Mammoth Lakes, Economic & Planning Systems
H:\20111-Mammoth Lakes Development Forecasts\Models\[20111-model-09-08-2011.xls]10-SalesSF

Retail Sales by Source

In developing the economic model, the model was calibrated by calculating the expenditures generated by each visitor segment or "source" and its associated housing or lodging base and comparing total expenditures to actual Town retail sales. Small adjustments to visitor dollar-per-day-per-person expenditure figures and resident retail spending estimates by location (capture and leakage) were made to tie estimated expenditures to actual sales. The analysis indicates that the majority of the Town's retail sales are generated by transient overnight visitors and second homeowners. The transient bed base and its guests comprise an estimated 40 percent of the Town's retail sales, as shown in **Figure 1**. Second homes account for another 20 percent of retail sales. Residents support 24 percent of the Town's sales, and inflow from the surrounding communities is estimated at 15 to 20 percent.

Figure 1
Retail Sales by Source, Mammoth Lakes, 2010
Economic Forecast and Revitalization Strategies

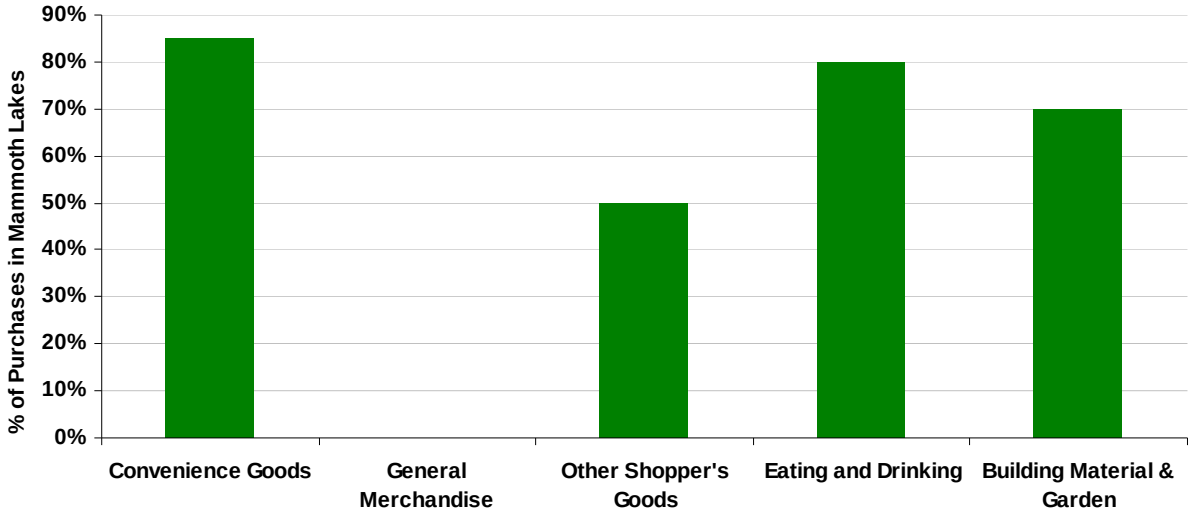


Resident Spending Patterns and Leakage

As part of the economic model calibration, resident spending patterns were estimated by comparing the retail inventory by store type, retail sales by store type, and resident expenditure potential by store category. As illustrated in **Figure 2**, the store categories that one would expect to capture a large percentage of resident expenditures are Convenience Goods and Eating and Drinking. Residents are estimated to make 85 percent of their Convenience Goods purchases, including groceries, in Mammoth Lakes. Residents are also estimated to make 80 percent of their Eating and Drinking (dining out) purchases in Mammoth Lakes.

However, there is a large amount of leakage in the General Merchandise and Shoppers Goods categories. Mammoth does not have any traditional department or discount retailer stores, so expenditures made in these stores (e.g. household goods and clothing) are either forgone or made in Bishop, Reno/Carson City or over the internet. In Shoppers Goods, the majority of stores in Mammoth Lakes cater to outdoor recreation and higher end apparel shoppers, rather than the more day-to-day needs of year-round residents. It is estimated that residents make about half of their Shoppers Goods purchases in Mammoth Lakes and the rest elsewhere. To obtain better information on retail leakage and to track retail performance, the Town could consider conducting an expenditure survey on resident and visitor spending patterns.

Figure 2
Resident Retail Purchases Made in Mammoth Lakes
Economic Forecast and Revitalization Strategies



Conclusions

Mammoth has very strong skier visits on par with the largest destination resorts in North America. However, Mammoths weekend visitation pattern results in low annual occupancies and low retail sales. In order to extend visitor stays, grow mid-week business, grow off-seasons business, the Town needs to improve the lodging, retail, and non-outdoor activity options to attract affluent destination visitors. The low lodging occupancies are a function of the weekend oriented visitation pattern. In order to attract destination visitors who stay longer, the quality and diversity of lodging options needs to be improved. Destination visitors are typically more affluent than weekend visitors and seek higher quality lodging.

Expanding and improving retail in Mammoth needs to occur in conjunction with an expansion and improvement in lodging quality, and an increase in occupancy. It is estimated that the visitation hosted in the Town's overnight bed base and second homes generate 40 and 20 percent, respectively, of the Town's retail sales. The permanent population base is not expected to be able to support any substantial expansion of retail as it is small and not expected to grow significantly. Therefore future retail prospects are tied to the success of improving the attractiveness of Mammoth to visitors.

A multi faceted approach is required, combining land/development planning; marketing; investing in placemaking, amenities, and activities; and maintaining good relationships and partnerships with business and economic development groups. Without a commitment to improving the built environment, expanding non-skiing visitor options, and improving the development climate, the Town will not be able to attract the necessary private investment.

3. DEVELOPMENT SCENARIOS

The development forecast is based on land use and zoning capacity and the premise that the exogenous visitor market will respond to changes in investment and land use in Mammoth Lakes. In other words, as new lodging is added to the development forecast along with other strategic community investments, it is assumed that new visitors are attracted, the new lodging is filled and additional visitor spending and associated municipal revenues are generated. The forecasts are not true forecasts as much as an attempt to illustrate a possible future for Mammoth Lakes resulting from different land use, development, and investment public choices.

The forecasts or development scenarios are designed to illustrate the different outcomes that may result from policy and investment decisions made by the Town. At one extreme is maintaining the status quo of a low quality built environment, weak shoulder season business, obsolete lodging choices, and disjointed economic development and marketing efforts. At the other end of the spectrum is a commitment to a multifaceted effort to improve land use and the built environment, attract

Development Scenarios

The forecasts are considered to be a 20-year view on the buildout of the community based on land use capacity and opportunities (and the need for) redevelopment and revitalization in key areas of the Town. Three development scenarios have been constructed each reflecting varying levels of development within the capacity framework of the General Plan, ranging from a "low" (Status Quo) scenario, to an intensification of resort real estate development . The scenarios were developed through a detailed parcel-specific assessment of development and redevelopment potential in a series of opportunity areas within the Town.

The scenarios were each developed by defining "building blocks" in the Town that were combined and scaled in different proportions to come up with discrete scenarios. The components of the development scenarios were based on the following:

- Evaluation of existing land use patterns, including identification of vacant and underutilized properties and other "opportunity sites." Underutilized properties are generally considered to be those where the value of property improvements is low relative to the value of the underlying land. EPS also completed a windshield survey and worked with Town staff to identify properties that, for various reasons, such as their nature, age, and condition of their existing uses; size; location or ownership might represent opportunities for development or redevelopment. Similarly, the analysis screened out properties which, on the surface might seem like potential opportunity sites, but for various reasons were felt to be unlikely to see redevelopment or change in use. An example of this is the existing Post Office property, which although on a large, strategically-located within a commercial district, is constrained by other governmental regulations that make it less likely to relocate.
- Identification of "pipeline" projects, including entitled developments, likely future development projects, and projects within Specific Plan and Master Plan areas.

- Identification of key planning districts within which the greatest amount of change might be expected, based on the General Plan and District Planning recommendations.
- Identification of remaining capacity within single-family and multi-family residential neighborhoods, based on vacant lots, acreage, and allowed density.

EPS and Town staff then worked, on a district-by-district basis, to identify the type and amount of new development that might be expected to occur. In some cases, this was clear-cut, for example where an existing entitlement is in place for a property. In other cases, EPS employed its professional judgment and experience working in other resort communities to come up with a likely profile for future development or redevelopment on individual sites. This projection also took account of permitted residential and lodging development densities.

While independent of the updated Persons-At-One-Time (PAOT) assessment conducted in 2009, the scenario-building effort utilized the same (updated) GIS-based land use and development capacity data. It should be noted that all of the scenarios fall within (are less than) the total number of residential units and lodging rooms estimated in the PAOT analysis. The amount of retail/commercial square footage in each scenario is also well within the amount projected in the recent traffic model update. It is also important to note that in all cases most of the new development forecasted occurs within areas identified through district planning "opportunity areas", especially North Village, Main Street, Old Mammoth Road, and the Snowcreek and Sierra Star/Lodestar Master Plan Area. For planning purposes the 20 year forecast can be assumed to occur in four equal five-year periods.

Scenario 1: Status Quo (limited investment and resort revitalization)

Under this Scenario new development would generally be limited to build-out of a proportion of existing approved projects[3] and would reflect no other development or improvement of existing land use conditions. This scenario would be the result of continued weakness in the real estate market and related investment in the Town, and a lack of regulatory and financial incentives needed to attract investors and to compete more effectively for nationally and internationally-based destination visitors.

Scenario 1 includes a total of 788 new units of residential and lodging construction, net of demolitions for redevelopment. By visitor and resident type, 191 are estimated to be for transient visitor use, 221 for second homes, and 376 for permanent residents, as shown in **Table 9**. Total residential and lodging units in the Town increase from 10,148 to 10,936 under this scenario. A modest amount of commercial development is added in this scenario, with 48,000 square feet of retail, 7,200 square feet of office, and 7,200 square feet of service commercial space, as shown in **Table 10**.

[3] In this scenario some of the projects entitled during the peak market period were felt to be unlikely to develop, or fully develop, under the "status quo" condition.

Scenario 2: Market Improvement and Completion of "Pipeline" (approved) Projects

The Town of Mammoth Lakes and a number of private interests including Mammoth Mountain are planning a range of public and private investments that are intended to improve the resort in ways that will attract a greater number of visitors, including increased quality of lodging, an expanded retail sector, additional visitor amenities and attractions, and an overall upgrading of the aesthetic appeal of the Town. This strategy is not so much targeted at increasing "peak day" visitors but rather filling in the mid-week and strengthening the "shoulder" seasons.

Under Scenario 2, a large number of aging lodging properties are assumed to be redeveloped with more modern and higher end resort hotels and condominiums, resulting in a net addition of nearly 1,900 transient visitor units. Eight hundred resort hotel rooms are added, replacing 591 rooms of older limited service hotels and motels resulting in a net addition of 209 rooms. As new condominiums are developed, it is estimated that 35 to 40 percent will be used as second homes, 35 to 40 percent as transient rentals, and 25 percent as full-time residences based on past market trends in Mammoth. Scenario 2 adds nearly 3,800 dwelling and lodging units, increasing the Town's buildout to 13,940 units above the existing development, which is comprised of 10,148 units.

An expansion of retail and commercial development accompanies the lodging expansion in order to provide the diversity of restaurants and retail desired by the destination guests targeted in this scenario. In retail and food and beverage, 217,000 square feet are added. The retail expansion includes a 112,500 square foot general merchandise store such as a Target or Kohl's, which is currently absent, to increase the capture of resident spending in this store category. Approximately 36,000 square feet of convenience goods space is added, envisioned as a specialty/gourmet foods market. The food and beverage category expands by 39,000 square feet in conjunction with new lodging development.

Office and service commercial space are added as well, comprising 30 percent of the new space or 32,600 square feet of new office and professional space and 32,600 square feet of service commercial.

Scenario 3: Active Redevelopment of Existing Resort and Commercial Areas

Scenario 3 envisions the most aggressive efforts to attract and retain new investment, including targeted strategies to encourage development and redevelopment of resort and commercial areas, consistent with recently accepted Neighborhood District Planning Studies (NDPs). The Town of Mammoth Lakes "district planning" processes were initiated in an effort to further define the desired character, function and development program for key areas, using the General Plan as a starting point. Each Neighborhood District Planning (NDP) study has to date been accepted as an advisory document; it is the Town's intention that the specific recommendations and strategies of the NDPs be codified through updated zoning and related implementation efforts such as adoption of the 5 Year Capital Improvement Plan and Public Facilities Financing Plan. As of August 2011, NDPs for seven districts have been accepted including Snowcreek, North Village, North Old Mammoth Road, Main Street (Downtown), Shady Rest, Sierra Valley, and South Old Mammoth Road The Gateway NDP will be completed in FY 2011-12. This scenario reflects an intense and ongoing effort to improve the quality of the built environment, redevelop aging and obsolete properties, expand destination tourism marketing efforts, and provide land use or financial incentives to projects as appropriate.

Scenario 3 shows a more aggressive expansion of lodging than Scenario 2, with nearly 1,500 new resort hotel rooms and nearly 2,800 condohotel units. Total residential and lodging development is projected to be 7,545 units including 4,150 units allocated to overnight transient visitors, 2,100 to second homes, and almost 1,300 to residents. Approximately 678,000 square feet of new retail and food and beverage is added with the expansion in lodging and residential development. Convenience Goods adds 115,000 square feet, including a second supermarket or natural foods market. A discount department store (same as Scenario 2) is added. The Shoppers Goods category expands by 364,000 square feet as part of the expansion of lodging in resort village style developments and along walkable commercial corridors. Eating and Drinking expands by 200,000 square feet. Office and service commercial space grows to serve the larger community and visitor and second home base, with 101,800 square feet of each added.

The growth in retail space was from a land use capacity perspective and by estimating the amount of retail space that can be supported by the growth of visitor expenditures in new lodging. Initial land use based estimates of future retail were reduced by about half to balance the supply of retail space with the demand coming from visitor expenditures. Sales per square foot targets of $250 to $350 per square foot were also used to evaluate the balance of supply and demand.

Table 9
Residential and Accommodations Development Scenarios
Economic Forecast and Revitalization Strategies

Residential and Accommodations Units	Existing Units	% of Total	Scenario 1 Low Buildout			Scenario 2 Medium Buildout			Scenario 3 High Buildout		
			New	Total	% of Total	New	Total	% of Total	New	Total	% of Total
Total Units											
Hotel	1,181	11.6%	0	1,181	10.8%	-591	590	4.2%	-491	690	3.9%
Resort Hotel	0	0.0%	27	27	0.2%	800	800	5.7%	1,474	1,474	8.3%
Condohotel	697	6.9%	27	724	6.6%	1,400	2,097	15.0%	2,767	3,464	19.6%
Condo	5,459	53.8%	469	5,928	54.2%	1,560	7,019	50.4%	2,675	8,134	46.0%
Single Family Detached	2,153	21.2%	212	2,365	21.6%	508	2,661	19.1%	954	3,107	17.6%
Apartment	533	5.3%	52	585	5.4%	114	647	4.6%	166	699	3.9%
Mobile Home	125	1.2%	0	125	1.1%	0	125	0.9%	0	125	0.7%
Total	**10,148**	**100.0%**	**788**	**10,936**	**100.0%**	**3,791**	**13,940**	**100.0%**	**7,545**	**17,693**	**100.0%**
By Market Segment											
Transient Visitor Units	3,891	38.3%	191	4,082	37.3%	1,877	5,768	41.4%	4,150	8,041	45.4%
Second Homes	3,584	35.3%	221	3,805	34.8%	1,131	4,714	33.8%	2,133	5,717	32.3%
Residents	2,673	26.3%	376	3,049	27.9%	784	3,457	24.8%	1,262	3,935	22.2%
Total	**10,148**	**100.0%**	**788**	**10,936**	**100.0%**	**3,791**	**13,940**	**100.0%**	**7,545**	**17,693**	**100.0%**

Source: Town of Mammoth Lakes, Economic & Planning Systems

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Table 10
Retail/Commercial Development Scenarios
Economic Forecast and Revitalization Strategies

Commercial Type	Existing Sq. Ft.	Scenario 1 Low Buildout		Scenario 2 Medium Buildout		Scenario 3 High Buildout	
		New	Total	New	Total	New	Total
Convenience Goods	**103,000**	**24,000**	**127,000**	**21,801**	**124,801**	**115,180**	**218,180**
Shoppers' Goods							
General merchandise stores	0	0	0	112,500	112,500	112,500	112,500
Shoppers' Goods and Resort Retail	206,000	12,000	206,000	43,538	206,000	251,480	206,000
Subtotal	**206,000**	**12,000**	**206,000**	**156,038**	**318,500**	**363,980**	**318,500**
Eating and Drinking	**235,000**	**12,000**	**247,000**	**39,449**	**274,449**	**199,260**	**434,260**
Building Material and Garden	**---**	**---**	**---**	**---**	**---**	**---**	**---**
Total Retail Sq. Ft.	**544,000**	**48,000**	**580,000**	**217,287**	**717,750**	**678,420**	**970,940**
Office [1]	**-**	**7,200**	**---**	**32,600**	**---**	**101,800**	**---**
Service							
Service Commercial	-	7,200	---	32,600	---	101,800	---

[1] In estimating employment growth, only new office space needs to be accounted for as office employment is derived from the growth of office space independent of the amount of existing space. In addition, existing office space could not be reliably separated from general commercial space in the Town's land use databases.

Source: Town of Mammoth Lakes, Economic & Planning Systems

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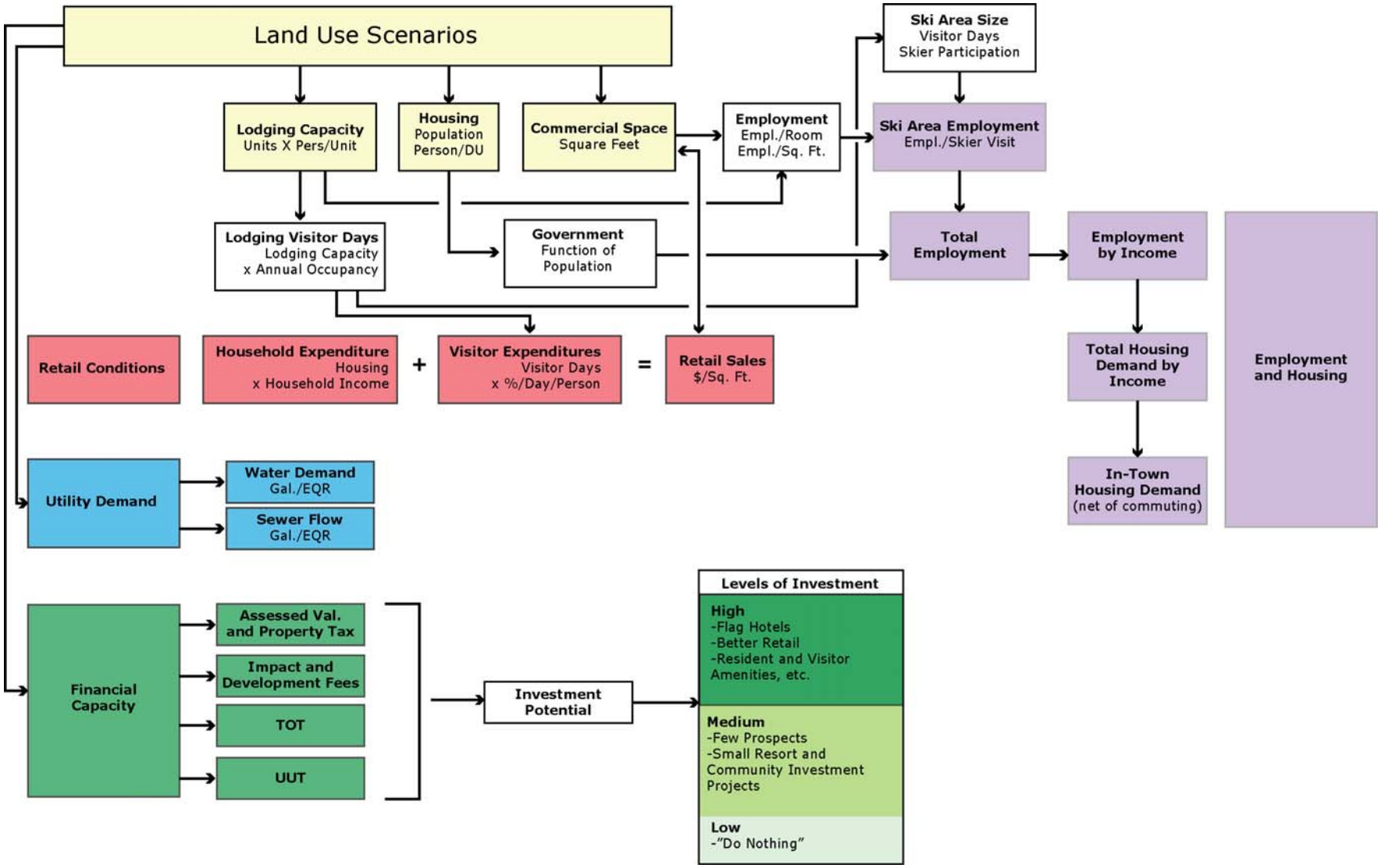
4. RESORT ECONOMIC MODEL

Methodology

The economic model developed for this study calculates the major Town revenues, Sales Tax, Transit Occupancy Tax (TOT), Utility Users Tax (UUT), and property tax from the changes in land use described in the three development scenarios. The methods used to calculate these revenues and their inputs or drivers are described in this section, along with related assumptions. In developing the economic model, the model was calibrated using the Town's retail sales as a benchmark as retail sales are derived from the three major demographic drivers in the Town: residents, visitors, and second home owners. By using existing data and estimates on the spending and occupancy of these groups, visitation and spending can be estimated accurately enough for long range planning purposes. The model framework and relationships are illustrated in **Figure 3**.

Figure 3
Mammoth Lakes Economic Model Framework
Economic Forecast and Revitalization Strategies



Visitor Days

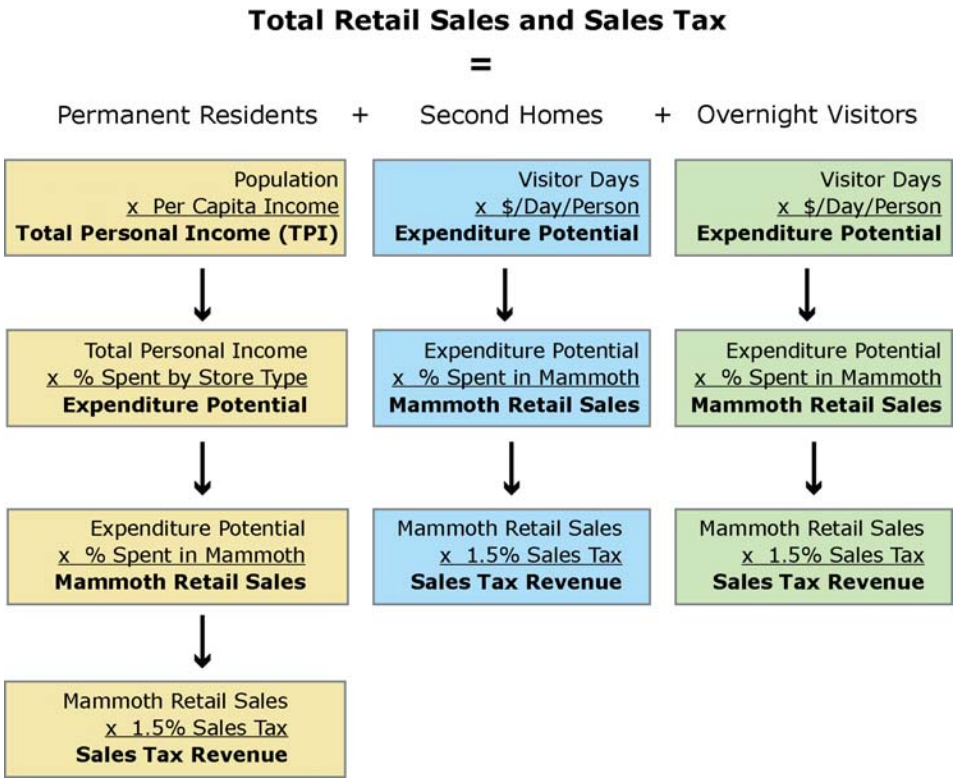
A fundamental driver in resort economies and resort economic models is the concept of "visitor days." The transient lodging inventory and second home inventory generate visitor days as the product of the number of lodging or second home units multiplied by the number of people occupying those units (on average), multiplied by a 365 day year, and finally multiplied by the annual occupancy rate for the specific type of lodging, as illustrated in **Figure 4**. The concept is similar to a skier visit, wherein one person skiing five days in Mammoth generates five skier visits. In the economic model, the number of new visitor days is calculated from the expansion in lodging and housing. The specific occupancy rates and other assumptions used are presented later in this section. Visitor days are used to calculate retail spending and sales tax, as well as hotel and condo room nights and the resulting transient occupancy tax.

Figure 4
Visitor Days Calculation
Economic Forecast and Revitalization Strategies

Retail Spending and Sales Tax

Visitor and resident spending, or "bodies and wallets," generate sales and sales tax; retail space on its own does not generate sales. In order to calculate retail spending from visitor days, two additional factors are applied. For overnight visitors and second homeowners, a dollar amount "per person per day" expenditure estimate is applied. Next, the proportion of spending that occurs in the Town of Mammoth Lakes (capture rate) is factored in to remove the occasional trip to Bishop, June Lake, or other surrounding communities, as shown in **Figure 5**. Sales tax is calculated from captured spending by applying the 1.0 percent base sales tax and the dedicated 0.5 percent Measure R sales tax.

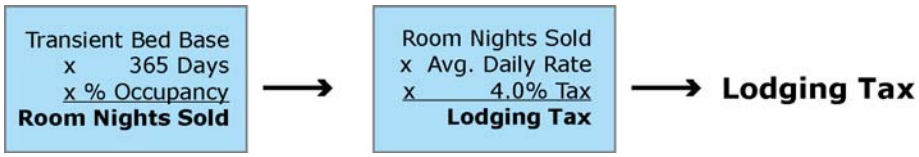
Figure 5
Retail Spending and Sales Calculation
Economic Forecast and Revitalization Strategies



Local resident spending is calculated using a different method developed by EPS, which used the Census of Retail Trade for California. Resident spending is the product of population, per capita income, the percentage of income spent on retail in various store types derived from the Census of Retail Trade, and the amount of spending captured locally in each store type. Sales tax from residents is calculated from captured spending.

Transient Occupancy Tax is calculated in the same manner as visitor days, but without the person per unit factor, as illustrated below in **Figure 6**. The calculation begins with room nights, which is the product of the transient bed base, a 365 day year, and the annual occupancy rate. TOT is then calculated by applying the annual average daily room rate (ADR) and the 13 percent TOT rate.

Figure 6
Room Nights and TOT Calculation
Economic Forecast and Revitalization Strategies



Key Assumptions and Model Calibration

The key assumptions used in the above calculations are shown in **Table 11** for each development scenario and for existing conditions in 2010. The assumptions are based on available data, interviews, surveys from other resort communities, and EPS' experience in other resorts. Using Town retail sales (calculated from sales tax data) as a control or benchmark, the assumptions are calibrated by comparing the retail sales calculated in the model from resident, second home, and visitor spending to actual Town sales.

Occupancy

Baseline occupancy rates were derived from Town TOT data and interviews with real estate representatives. Occupancy rates under Scenario 1 are modeled unchanged from existing conditions, reflecting the low level of opportunity in that Scenario. In Scenario 2, a 10 percent increase in occupancy (e.g. from 40 percent to 44 percent for hotels and condohotels) is assumed for all property types except second homes. Scenario 3 assumes a 15 percent occupancy increase above existing conditions to reflect the increased level of investment and marketing that attracts new destination guests. The increases in occupancy apply to both new and existing lodging properties.

Table 11
Summary of Visitation and Spending Assumptions
Economic Forecast and Revitalization Strategies

Assumption or Factor	Existing Conditions	Scenario 1 (Low Buildout)	Scenario 2 (Medium Buildout)	Scenario 3 (High Buildout)
Annual Occupancy Rate - Transient Units				
Hotel	40%	40%	44%	46%
Resort Hotel	50%	50%	55%	58%
Condohotel	40%	40%	44%	46%
Condo	25%	25%	28%	29%
Single Family	20%	20%	22%	23%
Persons per Unit - Transient Units				
Hotel	1.75	1.75	1.75	1.75
Resort Hotel	1.75	1.75	1.75	1.75
Condohotel	2.50	2.50	2.50	2.50
Condo	3.00	3.00	3.00	3.00
Single Family	4.50	4.50	4.50	4.50
Pct. of *New* Units in Rental Pool				
Hotel	---	---	100%	100%
Resort Hotel	---	100%	100%	100%
Condohotel	---	75%	75%	75%
Condo	---	29%	38%	39%
Single Family	---	3%	6%	6%
Retail Spending per Person per Day				
Hotel	$45	$45	$55	$65
Resort Hotel	$90	$90	$130	$170
Condohotel	$60	$60	$93	$125
Condo	$65	$65	$88	$110
Single Family	$65	$65	$88	$110
Retail Capture Rate in Town [1]				
Hotel	92%	---	92%	92%
Resort Hotel	---	92%	92%	92%
Condohotel	93%	93%	93%	93%
Condo	93%	93%	94%	94%
Single Family	93%	93%	94%	94%

[1] Remainder of spending occurrs on-mountain or in other communities.

Source: Economic & Planning Systems
H:\20111-Mammoth Lakes Development Forecasts\Models\[20111-model-09-08-2011.xls]A-Key Assumptions

Persons per Unit

The person per unit factors are based on industry standards and EPS experience in other communities and were adjusted as part of the model calibration process discussed above. Previous studies by the Town have used a per unit occupancy rate of between two and four persons per unit, depending on unit type; the numbers shown are consistent with this range.

New Units in the Rental Pool

The number of new units of lodging that function as transient overnight rentals depends on the type of product built and its location. Hotels are by definition 100 percent transient rentals. Seventy five percent of new condohotel units are assigned to rental program participation, as shown in **Table 11**, based on industry standards and interviews with Intrawest staff during the development of the North Village. Condominiums have much lower rental pool participation, estimated at 30 to 40 percent in the scenarios, reflecting the popularity of second homes for Southern California residents. Likewise, new single family residences have rental program participation estimated in the five percent range.

Retail Spending and Capture

No survey data was identified in Mammoth that reports retail spending separate from total trip expenditures for overnight visitors. EPS estimated overnight visitor per-person-per-day expenditure levels based on its experience in other resorts that have conducted expenditure surveys. The capture rates generally assume that about 10 percent of overnight guest spending (food and beverage, sundries, and a minor amount of sporting/apparel goods) occurs on the Mountain but not in the Main Lodge area. The Main Lodge is within the incorporated Town limits and the Town receives sales tax from these purchases. The remaining 90 percent of spending occurs in the Town as there are no significant competing shopping destinations nearby. These expenditure and capture rate estimates were calibrated to Mammoth by comparing visitor generated sales calculated by the economic model to actual Town retail sales calculated from sales tax data. Mammoth is fortunate that there are no competitive resort retail locations nearby and it can capture the vast majority of its visitor sales.

Mammoth resident spending capture was estimated by comparing the store mix in Mammoth to a typical household expenditure pattern. Residents are estimated to make 85 percent of their Convenience Goods purchases in Mammoth. Currently, essentially no traditional General Merchandise store purchases are made in Mammoth because this store category is not present in the Town (e.g., Target, Kmart, or Wal-Mart). Mammoth residents are estimated to make about half of their Shoppers Goods purchases in Town, with the remainder done on shopping trips to Bishop, Reno/Carson City or Southern California, or online or mail order. Most Eating and Drinking expenditures occur close to home, and it is estimated that 80 percent of resident purchases in this category occur in the Town. The Building Materials category is estimated to capture 70 percent of resident purchases.

Economic Model Results

This section describes the results from the economic model after loading the land use scenarios and applying the assumptions and factors discussed above. The revenues modeled include the 1.0 percent retail sales and sales tax, the 0.5 percent Measure R sales tax, TOT revenue, utility users tax (UUT) revenue, and property tax. Other outputs include skier visits, employment, and housing demand by wage level. It should be noted that throughout these scenarios, the model assumes that 3 to 5 percent of single family homes are being occupied and/or rented on a nightly basis. The Town's zoning currently prohibits transient rental in most single family zones.

Town Revenues

Retail Sales

Each scenario shows an increase in retail sales corresponding with the increased level of development and visitation that occurs. Existing Town retail sales are approximately $149 million, generating about $2.3 million in sales tax. The unrestricted 1.0 percent sales tax generates $1.5 million in revenue and the 0.5 percent Measure R sales tax dedicated to parks and open space projects generates another $750,000. In Scenario 1, retail sales increase to $160 million with $1.6 million in unrestricted sales tax and $800,000 in Measure R tax revenue, as shown in **Table 12**. Scenario 2, results in $273 million in retail sales and a total of $4.1 million in sales tax, including $2.7 million per year in unrestricted sales tax and $1.37 million in Measure R sales tax. In Scenario 3, retail sales triple over existing levels to $468.5 million, generating $7.0 million in total sales tax.

TOT Revenue

The increase in TOT under each scenario is determined by calculating new TOT from development and adding it to the existing base TOT of $5.88 million for the unrestricted TOT and $4.3 million for the restricted TOT. Scenario 1 generates an insignificant amount of $350,000 in new unrestricted TOT for a total of $6.23 million, as shown in **Table 13**. Scenario 2 would essentially double the unrestricted TOT, resulting in a total of almost $12 million in unrestricted TOT. Scenario 3 would more than triple the Town's unrestricted TOT revenues to $18.7 million. Scenarios 2 and 3 assume an increase in overall Town occupancy for existing and new properties, therefore the figures reflect revenue from new development as well as existing properties.

The specific allocations of TOT resulting from the scenarios are illustrated in **Table 14**. Currently, the Town dedicates TOT to workforce housing, transit, community facilities, and marketing functions as shown, with a total of $4.3 million in allocated TOT. Again, the status quo Scenario 1 results in an insignificant increase in TOT, while Scenario 2 doubles and Scenario 3 triples TOT collections, as shown. The allocations shown are based on past commitments; future budgeting policies may change.

Utility Users Tax

The UUT is calculated on a per unit basis as illustrated in **Table 15**. Currently, the Town collects approximately $917,000 per year in TOT or $90 per unit of residential and lodging development. For simplicity, commercial development was not factored into this calculation. Scenario 1 would create only $71,000 in UUT, thus increasing the Town's total UUT only slightly to $988,000. Scenario 2 would increase UUT by 37 percent to $1.3 million per year. Scenario 3 results in $1.6 million in UUT, a 74 percent increase.

Table 12
Retail Sales and Sales Tax Forecast
Economic Forecast and Revitalization Strategies

Store Type	Factor	Existing Conditions	Scenario 1 (Low Buildout)	Scenario 2 (Medium Buildout)	Scenario 3 (High Buildout)
Retail Sales					
Conv. Goods		$63,047,801	$67,669,020	$97,210,108	$130,834,445
Gen'l Merch.		0	0	6,562,827	23,105,001
Shop. Goods		31,724,083	34,221,308	69,203,016	141,512,618
Food & Bev.		43,803,117	46,536,814	84,925,644	154,106,479
Bldg. & Garden		11,087,500	12,019,743	15,333,892	18,953,988
Total		**$149,662,501**	**$160,446,885**	**$273,235,487**	**$468,512,531**
Sq. Ft.					
Conv. Goods		103,000	127,000	124,801	218,180
Gen'l Merch.		0	0	112,500	112,500
Shop. Goods		206,000	206,000	206,000	206,000
Food & Bev.		235,000	247,000	274,449	434,260
Bldg. & Garden		0	0	0	0
Total		**544,000**	**580,000**	**717,750**	**970,940**
Sales / Sq. Ft.					
Conv. Goods		$612	$533	$779	$600
Gen'l Merch.		---	---	58	205
Shop. Goods		154	166	336	687
Food & Bev.		186	188	309	355
Bldg. & Garden		---	---	---	---
Total		**$275**	**$277**	**$381**	**$483**
Sales Tax [1]					
1.0% Base from Stores	1.00%	$1,496,625	$1,604,469	$2,732,355	$4,685,125
Measure R (Parks/OS) from Stores	0.50%	748,313	802,234	1,366,177	2,342,563
Subtotal from Stores		**$2,244,938**	**$2,406,703**	**$4,098,532**	**$7,027,688**
Other Sources [2]		68,000	68,000	68,000	68,000
Total Sales Tax		**$2,312,938**	**$2,474,703**	**$4,166,532**	**$7,095,688**

[1] Existing based on a five year average from 2005-2010

[2] Non-store retail sales

Source: Economic & Planning Systems

H:\20111-Mammoth Lakes Development Forecasts\Models\[20111-model-09-08-2011.xls]A-Retail Output

Table 13
Lodging Sales and TOT Revenue Forecast
Economic Forecast and Revitalization Strategies

Description	Factors	New Under Scenario		
		Scenario 1 (Low Buildout)	Scenario 2 (Medium Buildout)	Scenario 3 (High Buildout)
Room Nights				
Hotel		0	-94,915	-82,439
Resort Hotel		4,928	160,686	309,261
Condo-Hotel		2,957	168,650	348,491
Condos		12,438	59,058	109,004
Single Family Detached		517	2,322	4,417
Total		**20,839**	**295,803**	**688,735**
Lodging Sales	**Avg. Daily Rate**			
Hotel	$100	$0	-$9,491,000	-$8,244,000
Resort Hotel	$250	$1,232,000	$40,172,000	$77,315,000
Condo-Hotel	$225	$665,000	$37,946,000	$78,411,000
Condos	$200	$2,488,000	$11,812,000	$21,801,000
Single Family Detached	$450	$233,000	$1,045,000	$1,988,000
Total		**$4,618,000**	**$81,484,000**	**$171,271,000**
Unrestricted TOT Allocation				
New Unrestricted TOT	7.5%	**$346,350**	**$6,111,300**	**$12,845,325**
Existing Unrestricted TOT	7.5%	$5,882,000	$5,882,000	$5,882,000
Total		**$6,228,350**	**$11,993,300**	**$18,727,325**

Source: Economic & Planning Systems

H:\20111-Mammoth Lakes Development Forecasts\Models\[20111-model-09-08-2011.xls]B-TOT Output

Table 14
Unrestricted TOT Revenue Forecast
Economic Forecast and Revitalization Strategies

Description	Factors	New Under Scenario Scenario 1 (Low Buildout)	Scenario 2 (Medium Buildout)	Scenario 3 (High Buildout)
New Lodging Sales		**$4,618,000**	**$81,484,000**	**$171,271,000**
New Restricted TOT				
Workforce Housing	1.0%	$46,000	$815,000	$1,713,000
Transit	1.0%	$46,000	$815,000	$1,713,000
Community Facilities	1.0%	$46,000	$815,000	$1,713,000
Visitor Marketing	2.5%	$115,000	$2,037,000	$4,282,000
Total	**5.5%**	**$253,000**	**$4,482,000**	**$9,421,000**
Existing Restricted TOT				
Workforce Housing	1.0%	$784,000	$784,000	$784,000
Transit	1.0%	$784,000	$784,000	$784,000
Community Facilities	1.0%	$784,000	$784,000	$784,000
Visitor Marketing	2.5%	$1,961,000	$1,961,000	$1,961,000
Total	**5.5%**	**$4,313,000**	**$4,313,000**	**$4,313,000**
Total Restricted TOT				
Workforce Housing	1.0%	$830,000	$1,599,000	$2,497,000
Transit	1.0%	$830,000	$1,599,000	$2,497,000
Community Facilities	1.0%	$830,000	$1,599,000	$2,497,000
Visitor Marketing	2.5%	$2,076,000	$3,998,000	$6,243,000
Total	**5.5%**	**$4,566,000**	**$8,795,000**	**$13,734,000**

Source: Economic & Planning Systems

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Table 15
Utility Users Tax Forecast
Economic Forecast and Revitalization Strategies

Description	Existing	Scenario 1 (Low Buildout)		Scenario 2 (Medium Buildout)		Scenario 3 (High Buildout)	
		New UUT	Total	New UUT	Total	New UUT	Total
Land Use (Units)							
Hotel	1,181	0	1,181	-591	590	-491	690
Resort Hotel	0	27	27	800	800	1,474	1,474
Condohotel	697	27	724	1,400	2,097	2,767	3,464
Condo	5,459	469	5,928	1,560	7,019	2,675	8,134
Single Family Detached	2,153	212	2,365	508	2,661	954	3,107
Apartment	533	52	585	114	647	166	699
Mobile Home	125	0	125	0	125	0	125
Total	**10,148**	**788**	**10,936**	**3,791**	**13,940**	**7,545**	**17,693**
UUT							
Base UUT Amount [1]	**$917,000**						
Projected UUT	**$90/unit**	**$71,168**	**$988,168**	**$342,595**	**$1,259,595**	**$681,749**	**$1,598,749**

[1] FY 2010-2011 budgeted amount.

Source: Economic & Planning Systems

H:\20111-Mammoth Lakes Development Forecasts\Models\[20111-model-09-08-2011.xls]C-UUT Output

Property Tax

New development in Mammoth will also generate additional property tax, as estimated below in **Tables 16 and 17**. In order to calculate property tax, total market value must be estimated first by applying per-unit estimates of market value to the development forecasts. As shown, the new residential market value is projected to be $473 million for Scenario 1, $1.9 billion for Scenario 2, and $3.6 billion for Scenario 3. It is important to note that these values represent new construction which will be priced somewhat higher than re-sales. New construction values are higher than resales of existing properties because of the cost of land. Single family lots in Mammoth are selling for approximately $500,000 which dictates single family home values of over $1.0 million.

Commercial market value in **Table 17** is estimated in the same manner. Commercial development in resort settings is often valued below construction cost. Seasonal business swings make it difficult for businesses to pay high enough rents to support new construction. Retail is often developed as an amenity or "loss leader" in resort projects, and is subsidized by the profits on residential units. The new market value from commercial development is projected at $15.2 million in Scenario 1, $68.9 million in Scenario 2, and $215 million in Scenario 3.

Table 16
Residential Assessed Value Growth
Economic Forecast and Revitalization Strategies

Land Use	New Development Scenario 1 (Low Buildout)	 Scenario 2 (Medium Buildout)	 Scenario 3 (High Buildout)
New Residential & Accommodations (Units)			
Hotel	0	-591	-491
Resort Hotel	27	800	1,474
Condohotel	27	1,400	2,767
Condo	469	1,560	2,675
Single Family Detached	212	508	954
Apartment	52	114	166
Total	**788**	**3,791**	**7,545**
New Construction Market Value	**$/Unit**	**$/Unit**	**$/Unit**
Hotel	$100,000	$100,000	$100,000
Resort Hotel	$275,000	$275,000	$275,000
Condohotel	$350,000	$350,000	$350,000
Condo	$500,000	$500,000	$500,000
Single Family Detached	$1,000,000	$1,000,000	$1,000,000
Apartment	$175,000	$175,000	$175,000
Total			
Incremental Market Value from Residential			
Hotel	$0	-$59,100,000	-$49,100,000
Resort Hotel	$7,425,000	$220,118,250	$405,226,250
Condohotel	$9,450,000	$490,059,500	$968,607,500
Condo	$234,450,000	$779,964,750	$1,337,571,000
Single Family Detached	$212,300,000	$507,722,500	$953,650,000
Apartment	$9,170,000	$19,978,525	$29,040,900
Total	**$472,795,000**	**$1,958,743,525**	**$3,644,995,650**

Source: Economic & Planning Systems

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Table 17
Commercial Assessed Value Growth
Economic Forecast and Revitalization Strategies

Land Use	New Development Scenario 1 (Low Buildout)	 Scenario 2 (Medium Buildout)	 Scenario 3 (High Buildout)
New Commercial Development			
Retail	48,000	217,287	678,420
Office	7,200	32,600	101,800
Service	7,200	32,600	101,800
Conference	0	0	0
Total	**62,400**	**282,487**	**882,020**
Commercial Market Value	**$/Sq. Ft.**	**$/Sq. Ft.**	**$/Sq. Ft.**
Retail	$250	$250	$250
Office	$250	$250	$250
Service	$200	$200	$200
Conference	$150	$150	$150
Total			
Incremental Market Value from Commercial			
Retail	$12,000,000	$54,321,750	$169,605,000
Office	$1,800,000	$8,150,000	$25,450,000
Service	$1,440,000	$6,520,000	$20,360,000
Conference	$0	$0	$0
Total	**$15,240,000**	**$68,991,750**	**$215,415,000**

Source: Economic & Planning Systems

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From market value, property tax and the Town's property tax allocation are calculated. Under Scenario 1, the $488 million in market value translates to $4.9 million in total property tax. The Town receives 7 percent of all property tax generated in the Town, or $342,000 under Scenario 1, as shown in **Table 18**. Scenarios 2 and 3 create $1.4 million and $2.7 million in property tax, respectively.

Table 18
Property Tax by Scenario
Economic Forecast and Revitalization Strategies

	Factor	Scenario 1 (Low Buildout)	Scenario 2 (Medium Buildout)	Scenario 3 (High Buildout)
Market Value				
Hotels		$7,425,000	$161,018,250	$356,126,250
Residential		465,370,000	1,797,725,275	3,288,869,400
Commercial		15,240,000	68,991,750	215,415,000
Total		**$488,035,000**	**$2,027,735,275**	**$3,860,410,650**
Property Tax, All Taxing Entities	1.0%	$4,880,350	$20,277,353	$38,604,107
Mammoth Lakes Allocation	**7.0%**	**$341,625**	**$1,419,415**	**$2,702,287**

Source: Economic & Planning Systems

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Financial Capacity

Over the past five years the Town's major revenue sources totaled approximately $16.7 million, as shown in **Table 19**. These major revenue sources are the sources most directly related to development (land use) and economic conditions in the Town. The economic expansion that can be achieved if the Town can proactively improve the built environment and visitor experience will also expand these revenue sources. These revenues can be used to fund and finance any combination of Town services and public investments, including the Hot Creek judgment bond.

Scenario 1 results in a total of $7.7 million in new revenue at buildout, estimated to be 30 years from today. This translates to revenue growth of only 1.3 percent per year which is less than inflation. Scenario 2 could generate nearly $21 million in new revenue at buildout, implying 2.7 percent annual revenue growth over the next 30 years which nearly keeps pace with a 3.0 percent inflation rate. Scenario 3 could result in 4.0 percent annual revenue growth with nearly $37 million in additional revenue over existing conditions.

Table 19
Summary of Revenues by Scenario
Economic Forecast and Revitalization Strategies

Revenue Source	Existing Conditions [1]	Scenario 1		Scenario 2		Scenario 3	
		New	Total	New	Total	New	Total
1.0% Sales Tax	$1,500,000	$1,604,469	$3,104,469	$2,732,355	$4,232,355	$4,685,125	$6,185,125
0.5% Measure R Sales Tax	750,000	802,234	1,552,234	1,366,177	2,116,177	2,342,563	3,092,563
TOT - Restricted	5,882,000	4,566,000	10,448,000	8,795,000	14,677,000	13,734,000	19,616,000
TOT - Unrestricted	4,313,000	346,350	4,659,350	6,111,300	10,424,300	12,845,325	17,158,325
UUT	917,000	71,168	988,168	342,595	1,259,595	681,749	1,598,749
Prop. Tax	3,370,000	341,625	3,711,625	1,419,415	4,789,415	2,702,287	6,072,287
Total	**$16,732,000**	**$7,731,846**	**$24,463,846**	**$20,766,842**	**$37,498,842**	**$36,991,050**	**$53,723,050**
Growth Rate, 30 Years			**1.3%**		**2.7%**		**4.0%**

[1] 2005-2010 Average

Source: Economic & Planning Systems

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Skier Visits

Skier visits can be estimated by applying a skier participation factor to visitor days during the ski season. A skier participation rate of 75 percent is applied to transient overnight visitor days and second homeowner visitor days. After the skier participation factor, an additional "days skied" factor is applied to account for non-ski days during a trip. For overnight visitors, a days skied factor of 80 percent is used while a lower days skied factor of 65 percent is applied to second homeowner visitor days. Skier visits from residents and other Mono County day skiers are not estimated because the development scenarios are largely visitor-based.

The resulting projections for skier visits in the Scenarios are shown in **Table 20**. Scenario 1 does not result in any noticeable gains in skier visits. Scenario 2 could add 300,000 skier visits, bringing annual skier visits to 1.76 million. Scenario 3 would result in 2.1 million skier visits, which is similar to Whistler-Blackcomb in British Columbia, Canada.

Table 20
Skier Visits Forecast
Economic Forecast and Revitalization Strategies

Month	Days	Scenario 1	Scenario 2	Scenario 3
New Skier Visits				
November	15	1,121	11,304	24,476
December	31	5,192	52,358	113,364
January	31	6,114	61,651	133,483
February	28	5,909	59,591	129,025
March	31	6,014	60,645	131,305
April	30	4,484	45,218	97,904
May	15	1,246	12,570	27,216
June	0	0	0	0
July	0	0	0	0
Total	**181**	**30,080**	**303,338**	**656,774**
Existing Skier Visits		**1,460,000**	**1,460,000**	**1,460,000**
Total Skier Visits		**1,490,080**	**1,763,338**	**2,116,774**
Ski Area Employees				
Winter Seasonal, Full Time [1]		1,835	1,835	1,835
Per Skier Visit		0.0013	0.0013	0.0013
Total Under Scenario		**1,873**	**2,216**	**2,660**
New Employees		**38**	**381**	**825**

[1] Average of 2008-2011 seasons.

Source: Economic & Planning Systems

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Ski Area employment is estimated to increase correspondingly at a rate of 0.0013 employees per skier visit. Scenario 1 would require 38 new resort employees, while Scenarios 2 and 3 would require 381 and 825 new seasonal employees, respectively.

Skiers at One Time

Depending on future skier participation rates, Scenario 3 may be constrained against MMSA's National Forest permit limit of 24,000 skiers at one time (modeled at 90 percent lodging and second home occupancy). Scenario 3 would generate approximately 23,000 skiers at one time.

Workforce Housing

The increase in lodging and commercial development under the scenarios will require additional employees in pace with that new development. With the vast majority of the housing constructed in Mammoth Lakes oriented to the visitor and second home market, there will be additional demand for workforce housing over time as the Town transitions to a destination resort. Employment and the resulting housing demand were also forecasted for each scenario. This information establishes a "nexus" between new employment and housing need necessary as an underpinning for any affordable housing mitigation policy that the Town may impose.

Employment and Household Generation Factors

In **Tables 21 through 24**, the employment generated by the three Scenarios is estimated by using employment generation factors for each land use category. For accommodations, 0.75 jobs per room is use for resort hotels, and 0.25 jobs per room for limited service hotels and condohotels. For retail and commercial space, job generation factors range from 2 to 6 employees per 1,000 square feet.

Town employment, or alternatively the demand for Town services, will not increase at a 1:1 ratio with population or visitor growth. Therefore, a 50 percent reduction is applied to this factor, resulting in an employment growth factor of 0.017 FTE's per household. Actual employment growth will vary depending on future budget and hiring policies. Nevertheless, the demand for Town services can be expected to grow if the economy expands.

In resort communities it is common for workers to hold more than one job. The Housing Needs Assessment being conducted by RRC Associates was referred to for job per employee and employee per household factors to convert jobs to employees (people) and to estimate housing demand from new employees. On average, workers in Mammoth hold 1.28 jobs. Further, households largely contain multiple earners with an average of 1.7 employees per household.

Scenario Results – Employee Generation

The increase in lodging and commercial development under the scenarios will require additional employees. With the vast majority of the housing constructed in Mammoth Lakes oriented to the visitor and second home market, there will be additional workforce housing shortages as the Town transitions to a destination resort. Employment and the resulting housing demand were also forecasted for each scenario.

In **Tables 22 through 24**, the employment generated by the three Scenarios is estimated by using employment generation factors for each land use category, at the ratios listed above.

The household survey conducted as part of the Housing Needs Assessment found that 63 percent of employees who work in Mammoth also live in Mammoth, with 37 percent commuting from other locations (largely Bishop). Scenario 1 would generate an estimated 257 new jobs, as shown in **Table 21**. The majority of the new jobs are projected to be in retail, with 180 new jobs. After adjusting for multiple job holdings, the 306 new jobs are reduced to 247 new employees (people). The 247 new employees form 122 new households using the job per household factor of 1.7. Of the 122 new households, 63 percent are assumed to choose to live in Mammoth, reflecting the current commuting trends. This results in demand for 77 new housing units for Mammoth employees.

The housing demand calculations for Scenarios 2 and 3 are conducted using the same methodology. Scenario 2 has a much larger expansion of resort development and economic activity than the status quo Scenario 1. Consequently, it generates substantially more demand for workforce housing with 1,700 new jobs, 1,370 new employees, 800 new households, and 509 households residing in Mammoth.

Under Scenario 3, 6,500 new jobs are created requiring 5,200 new employees in 3,000 households. The local housing demand is estimated at 1,440 new units in Scenario 3. The totals cited above do not include housing needed for seasonal ski area employees, who would demand an additional 11, 110 and 239 units, respectively.

These housing demand estimates are not included in the "buildout" numbers in the scenarios; they are an output of the scenario modeling independent of the land use based scenario development. Some demand could be accommodated in the construction shown in the Scenarios, depending on the price points of future housing. However, the comparatively high cost of housing in Mammoth suggests that other policies may be needed to ensure sufficient housing choices and opportunities for locals.

Housing Demand by Wage Level and Housing Price

Determining the housing prices that will be affordable to new employees is more challenging because households can form with many combinations of job types. On the extreme, a retail employee could live with a doctor. However, the household survey conducted as part of the Housing Needs Assessment shows that there is a tendency for similar job types to be found in the same household. It is more likely that a retail worker will be paired with another retail or restaurant worker than with a management or professional employee for example. Rather than making assumptions about various combinations of job types in households, it is simply assumed that the second earner (or fraction of an earner on average) holds the same job type at the same wage level.

As illustrated in **Table 25**, Accommodations jobs pay an average of $24,000 per year. Using the employees per household factor of 1.7, the total household income for this job category is estimated at $40,800. Government and office/professional sector employees hold some of the highest paying jobs on average. By comparing the resulting prototypical household incomes to the HUD income limits for Mono County, income by job type can be expressed as a percentage of the Median Family Income, or the more commonly reference term "Area Median Income." Some judgment is applied in this analysis to account for the variety of job and wage levels that can combine in household formation. The affordable rental and sale price for each income range is also calculated from the wage and household income levels.

The analysis shows the number of workforce housing units estimated to be needed by price for each scenario. The majority of the Town's housing needs under these scenarios and in general are expected to be in the 50 to 100 percent of AMI range due to the prevalence of retail, accommodations, and service jobs in the economy. For-sale prices in the $185,000 to $225,000 range are affordable to these households, which is well below market prices. Rental rates of $1,100 to $1,600 per month are supportable by these wage and income levels. Ski area employees would likely utilize a combination of rental housing and dorm style seasonal housing, potentially built by MMSA.

Scenarios 2 and 3 which represent large expansions of the resort economy would require over 600 to 1,700 new workforce housing units, respectively, to support the employment generated by the community's growth. Not addressing the workforce housing needs will create a labor force constraint on the economic expansion. Surrounding less expensive communities would also be impacted by the increase in housing demand and commuting to Mammoth Lakes.

Housing: Conclusions and Strategies

As noted previously, the forecast of housing demand is independent of the land use based scenarios, and it is possible that some of the projected demand could be accommodated in the construction shown in each of the scenarios, which include both new mixed use and infill development as well as buildout of Mammoth's residential neighborhoods. Although the forecast speaks to housing needs at different affordability levels, it is important to recognize that the full spectrum of housing needs will reflect a range of criteria, beyond affordability, including unit size, type (e.g. single family versus apartment or condominium units); and tenure (ownership versus rental units).

It is also likely that a proportion of the existing housing stock currently used as second homes or transient rentals, particularly condominiums, will be converted to housing for full-time residents. Many older condominium complexes have relatively low-priced units, compared to new construction, and thus are affordable to local families.

That said, the Town will need to continue to engage with the issue of how best to meet workforce housing needs, and what the most appropriate tools and methods are to meet those needs. The following three elements will be integral to addressing long-term workforce housing needs:

- Update of the Housing Ordinance and Inclusionary Housing Requirements: The existing housing ordinance is outdated, excessively complex, and difficult for the Town and development community to implement. The Town is in the process of updating the Housing Ordinance to reflect a more typical "inclusionary" housing approach, based on a percentage of workforce units that must be included in a market-rate project. The Ordinance should also include an appropriate degree of flexibility to allow developers to propose alternatives that can meet the goals of the inclusionary policy, and effectively mitigate new housing demands.
- The percentage of housing affordable to local employees in an inclusionary zoning ordinance, or in an employment linkage mitigation program is ultimately a policy decision. It is based on the percentage of employees the Town wishes to have living locally. Currently 63 percent of employees live locally; this high of a mitigation rate or inclusionary percentage will not be economically viable. The inclusionary rate needs to be balanced with development feasibility; if no development occurs no affordable units will be produced from an inclusionary zoning or employment linkage ordinance. In other mountain communities, the mitigation rates range widely from 10 percent to 50 percent depending on the degree of the affordability gap, development market tolerance, and political acceptance.
- Leverage Existing and Future Revenues: Currently, one percentage point of TOT is dedicated to workforce housing. As summarized in **Table 14**, Scenarios 2 and 3 could realize between $815,000 and $1.73 Million in new TOT revenues annually for workforce housing. This significant sum could be leveraged with grant funds, bonding capacity, and developer-provided mitigation to assist towards meeting the community's long term housing needs.

- Cost-effective organization and administration. The Town must continue to work with non-profit and private sector partners to ensure that housing, and housing-related services are delivered in the most cost effective and efficient manner possible.
- Complete toolkit. As raw land for construction becomes less available and more expensive, strategies such as acquisition and rehabilitation of existing units, rental or mortgage subsidies, and homebuyer assistance programs are likely to provide a more cost-effective way to meet housing needs.

Table 21
Employee Housing Demand Forecast – Scenario 1
Economic Forecast and Revitalization Strategies

	Employees					Households		Residents & Commuters			
Land Use	**New Development**	**Employee Generation Factor**	**New Jobs**	**Jobs per Employee [1]**	**New Employees**	**Jobs per Household**	**New Households**	**% Residents**	**% Commuters**	**Resident Households**	**Commuter Households**
Accommodations	**Rooms or units**										
Hotel	0	0.25/room	0	1.28	0	1.7	0	63%	37%	0	0
Resort Hotel	27	0.75/room	20	1.28	16	1.7	9	63%	37%	6	3
Condohotel	27	0.25/room	7	1.28	5	1.7	3	63%	37%	2	1
Totals	**54**		**27**		**21**		**12**			**8**	**5**
Retail	**Sq. Ft.**										
Convenience Goods	24,000	3.00/1,000 sq. ft.	72	1.28	56	1.7	33	63%	37%	21	12
General merchandise stores	0	2.50/1,000 sq. ft.	0	1.28	0	1.7	0	63%	37%	0	0
Shoppers' Goods & Resort Retail	12,000	3.00/1,000 sq. ft.	36	1.28	28	1.7	17	63%	37%	10	6
Eating and Drinking	12,000	6.00/1,000 sq. ft.	72	1.28	56	1.7	33	63%	37%	21	12
Building Material and Garden	0	2.00/1,000 sq. ft.	0	1.28	0	1.7	0	63%	37%	0	0
Total Retail	**48,000**		**180**		**141**		**83**			**52**	**31**
Other Commericial & Service	**Sq. Ft.**										
Office	7,200	3.00/1,000 sq. ft.	22	1.00	22	1.7	13	63%	37%	8	5
Service Commercial	7,200	3.00/1,000 sq. ft.	22	1.28	17	1.7	10	63%	37%	6	4
Total Commercial	**14,400**		**43**		**38**		**23**			**14**	**8**
	Households										
Town Government	**376**	**0.017 FTE/Household**	**6**	**1.00**	**6**	**1.7**	**4**	**63%**	**37%**	**2**	**1**
Totals			**257**		**207**		**122**			**77**	**45**
Ski Area (Seasonal) [2]	**---**	**---**	**38**	**1.28**	**30**	**1.7**	**17**	**63%**	**37%**	**11**	**6**

[1] RRC Associates 2011 Housing Needs Assessment

[2] See Table 20 for ski area employment generation estimates.

Source: Economic & Planning Systems

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Table 22
Employee Housing Demand Forecast – Scenario 2
Economic Forecast and Revitalization Strategies

	Employees					Households		Residents & Commuters			
Land Use	**New Development**	**Employee Generation Factor**	**New Jobs**	**Jobs per Employee [1]**	**New Employees**	**Jobs per Household**	**New Households**	**% Residents**	**% Commuters**	**Resident Households**	**Commuter Households**
Accommodations	**Rooms or units**										
Hotel	-591	0.25/room	-148	1.28	-115	1.7	-68	63%	37%	-43	-25
Resort Hotel	800	0.75/room	600	1.28	469	1.7	276	63%	37%	174	102
Condohotel	1,400	0.25/room	350	1.28	273	1.7	161	63%	37%	101	60
Totals	**1,610**		**803**		**627**		**369**			**232**	**136**
Retail	**Sq. Ft.**										
Convenience Goods	21,801	3.00/1,000 sq. ft.	65	1.28	51	1.7	30	63%	37%	19	11
General merchandise stores	112,500	2.50/1,000 sq. ft.	281	1.28	220	1.7	129	63%	37%	81	48
Shoppers' Goods & Resort Retail	43,538	3.00/1,000 sq. ft.	131	1.28	102	1.7	60	63%	37%	38	22
Eating and Drinking	39,449	6.00/1,000 sq. ft.	237	1.28	185	1.7	109	63%	37%	69	40
Building Material and Garden	0	2.00/1,000 sq. ft.	0	1.28	0	1.7	0	63%	37%	0	0
Total Retail	**217,287**		**714**		**558**		**328**			**207**	**121**
Other Commericial & Service	**Sq. Ft.**										
Office	32,600	3.00/1,000 sq. ft.	98	1.00	98	1.7	58	63%	37%	36	21
Service Commercial	32,600	3.00/1,000 sq. ft.	98	1.28	76	1.7	45	63%	37%	28	17
Total Commercial	**65,200**		**196**		**174**		**102**			**65**	**38**
	Households										
Town Government	**784**	**0.017 FTE/Household**	**14**	**1.00**	**14**	**1.7**	**8**	**63%**	**37%**	**5**	**3**
Totals			**1,726**		**1,373**		**807**			**509**	**299**
Ski Area (Seasonal) [2]	**---**	**---**	**381**	**1.28**	**298**	**1.7**	**175**	**63%**	**37%**	**110**	**65**

[1] RRC Associates 2011 Housing Needs Assessment

[2] See Table 20 for ski area employment generation estimates.

Source: Economic & Planning Systems

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Table 23
Employee Housing Demand Forecast – Scenario 3
Economic Forecast and Revitalization Strategies

	Employees					Households		Residents & Commuters			
Land Use	**New Development**	**Employee Generation Factor**	**New Jobs**	**Jobs per Employee [1]**	**New Employees**	**Jobs per Household**	**New Households**	**% Residents**	**% Commuters**	**Resident Households**	**Commuter Households**
Accommodations	**Rooms or units**										
Hotel	-491	0.25/room	-123	1.28	-96	1.7	-56	63%	37%	-36	-21
Resort Hotel	1,474	0.75/room	1,105	1.28	863	1.7	508	63%	37%	320	188
Condohotel	2,767	0.25/room	692	1.28	541	1.7	318	63%	37%	200	118
Totals	**3,750**		**1,674**		**1,308**		**769**			**485**	**285**
Retail	**Sq. Ft.**										
Convenience Goods	115,180	3.00/1,000 sq. ft.	346	1.28	270	1.7	159	63%	37%	100	59
General merchandise stores	112,500	2.50/1,000 sq. ft.	281	1.28	220	1.7	129	63%	37%	81	48
Shoppers' Goods & Resort Retail	251,480	3.00/1,000 sq. ft.	754	1.28	589	1.7	347	63%	37%	218	128
Eating and Drinking	199,260	6.00/1,000 sq. ft.	1,196	1.28	934	1.7	549	63%	37%	346	203
Building Material and Garden	0	2.00/1,000 sq. ft.	0	1.28	0	1.7	0	63%	37%	0	0
Total Retail	**678,420**		**2,577**		**2,013**		**1,184**			**746**	**438**
Other Commericial & Service	**Sq. Ft.**										
Office	101,800	3.00/1,000 sq. ft.	305	1.00	305	1.7	180	63%	37%	113	66
Service Commercial	101,800	3.00/1,000 sq. ft.	305	1.28	239	1.7	140	63%	37%	88	52
Total Commercial	**203,600**		**611**		**544**		**320**			**202**	**118**
	Households										
Town Government	**1,262**	**0.017 FTE/Household**	**22**	**1.00**	**22**	**1.7**	**13**	**63%**	**37%**	**8**	**5**
Totals			**4,884**		**3,887**		**2,286**			**1,440**	**846**
Ski Area (Seasonal) [2]	**---**	**---**	**825**	**1.28**	**645**	**1.7**	**379**	**63%**	**37%**	**239**	**140**

[1] RRC Associates 2011 Housing Needs Assessment

[2] See Table 20 for ski area employment generation estimates.

Source: Economic & Planning Systems

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Table 24
Housing Demand Forecast by Price Range
Economic Forecast and Revitalization Strategies

Job Category	Avg. Ann. Wage [1]	Earners per Household	Household Income	Approx. AMI Range	Monthly Rent [2]	Max. Sale Price [3]	Units Needed in Mammoth		
							Scenario 1	Scenario 2	Scenario 3
Accommodations	$24,000	1.7	$40,800	50%-80%	$1,120	$206,000	8	232	485
Retail	$25,000	1.7	$42,500	50%-80%	$1,170	$215,000	52	207	746
Office [4]	$44,000	1.7	$74,800	100%	$2,060	$378,000	8	36	113
Service Commercial	$29,000	1.7	$49,300	50%-80%	$1,360	$249,000	6	28	88
Town Employment	$63,000	1.7	$107,100	80%-150%	$2,950	$541,000	2	5	8
Total Housing Demand							**77**	**509**	**1,440**
Ski Area (Seasonal)	$15,000	1.7	$25,500	30%-50%	$700	---	11	110	239

[1] Bureau of Labor Statistics, Mono County, 2009
[2] 33% of monthly household income
[3] Present value of 33% of monthly household income at 6.0 percent for 30 years, and a 10% down payment. Does not include HOA payments.
[4] Average of Professional and Technical Services and Finance and Insurance wages for Mono County.
Source: Economic & Planning Systems

H:\20111-Mammoth Lakes Development Forecasts\Models\[20111-model-09-08-2011.xls]Report I - Housing by Price