For Immediate Release
October 28, 2016
Therese Kosterman
(310) 285-2456

City Negotiates Unmatched Agreement with Wanda Group
Additional $560 million in payments to the City Over 30 years

BEVERLY HILLS, Calif. - The City of Beverly Hills ad hoc committee concerning the One Beverly Hills site has negotiated a tentative Development Agreement with the Wanda Group. The amendment to the Development Agreement provides for lucrative public benefits in exchange for vesting Wanda's development rights at the One Beverly Hills site, which is located at the intersection of Santa Monica and Wilshire Boulevards. The agreement far surpasses the original agreement that was approved in 2008, and includes an additional $30 million dollars in upfront fees for a total of $60 million dollars; a quadrupling of the Environmental Mitigation and Sustainability (EMS) Fee; and a Municipal Surcharge of 5% of the gross room revenue of the Hotel, in addition to the Transient Occupancy Tax of 14%.

The agreement now must be considered by the entire Council along with the Specific Plan and the Supplemental Environmental Impact Report. If the Project is approved by the City Council, the entire development will bring in an estimated $820 million dollars in total revenue to the City over the next 30 years, in which is in excess of $560 million over the previously approved development.

"Without any doubt this is by far the best development agreement ever negotiated for Beverly Hills, and possibly the richest development agreement per square foot negotiated anywhere by a municipality," said Mayor John Mirisch. "If approved, the revenue will help fund infrastructure improvements, public safety and cultural programs that will ensure that Beverly Hills remains an ideal city for residents, businesses and visitors."

The deal was negotiated by a City Council ad hoc committee of Mayor Mirisch and Councilmember Lili Bosse with assistance from the law firm of Greenberg, Glusker.

"If approved, our residents and businesses will benefit from this agreement for generations," said Councilmember Bosse. "I am so thrilled that we were able to negotiate this extraordinary agreement recognizing the unique value and appeal of investing in the future of Beverly Hills."

"Wanda Beverly Hills Properties, LLC is proud to be a part of the Beverly Hills community," said Rohan à Beckett, Deputy General Manager of Wanda Beverly Hills Properties, LLC. "We are very pleased that the modifications to the Development Agreement will make the One Beverly Hills project even more beneficial to the City."

"We are pleased to have finalized the amended Development Agreement with the City as we move into our City Council hearings," said Jay Newman, Chief Operating Officer of the Athens Group, which is a partner in the project. "This agreement further solidifies the strong partnership between One Beverly Hills and the City and makes it clear that One Beverly Hills is a valuable partner. We look forward to the important City Council hearing process and improving upon this gateway site after all these years."

Here is a brief summary of the agreement by the numbers:

	Previous Agreement	Current Agreement
Up-front payment	$30 million	$60 million
EMS fees	.45% upon the sale of any portion of the property, including the condominiums	1.25% upon first sale of any portion of the property, including the condominiums and 2% for each subsequent sale
Municipal Surcharge	--	5% of gross room revenue of the Hotel (In addition to the Transient Occupancy Tax of 14%)

The City Council will take up the new agreement at its upcoming meetings beginning on November 7, 2016.

The original project, approved in 2008, was a mixed-use, retail/residential project designed by architecture firm Richard Meier & Partners. The new project replaces the retail element with a hotel/restaurant complex. The Planning Commission approved the revised project design at its meeting last week.

###