



AGENDA REPORT

Meeting Date: February 5, 2013
Item Number: F-6
To: Honorable Mayor & City Council
From: Nancy Hunt-Coffey, Assistant Director of Community Services
Subject: AGREEMENT WITH ONE RODEO, LLC AND LOUIS VUITTON TO SATISFY FINE ART OBLIGATION AT 201 N. RODEO
Attachments: Agreement

RECOMMENDATION

It is recommended that the attached agreement between the City and One Rodeo Owner, LLC and Louis Vuitton to satisfy the fine art obligation at 201 N. Rodeo be approved by the City Council.

INTRODUCTION

As described at the study session, staff seeks Council's approval of an agreement with Louis Vuitton and One Rodeo LLC, owner of 201 N. Rodeo Dr., to allow the dome atop this building to be destroyed as part of a proposed renovation of the site. The dome originally met the fine art obligation for the building. The owners propose to provide a security in the amount of one hundred fifty thousand dollars (\$150,000) to guarantee the continued fulfillment of the fine art obligation for the building. The Fine Art Commission and the Fine Art Commission liaisons Brucker and Bosse support this recommendation.

DISCUSSION

Louis Vuitton has leased One Rodeo (201 N. Rodeo Dr.) and plans to remodel the façade. They do not wish to retain the dome that is atop the building, and as a result, they have requested the ability to remove the dome. The project valuation for this façade remodel is currently estimated at \$7 million. Since the building had fully met the fine art obligation previously, the proposed project would not normally trigger a new fine art obligation pursuant to an exemption in the Fine Art Ordinance. However, if the dome were to be removed, the building owners would not be covered under this exemption. Based on support from the Fine Art Commission, the Council liaison and Louis Vuitton, staff has crafted the attached agreement that would allow Louis Vuitton to destroy the dome as part of their remodel as long as Louis Vuitton provides a security in the amount of one hundred fifty thousand (\$150,000) to guarantee the fulfillment of their fine art

obligation. In addition, the agreement indicates that if the value of the proposed project results in a Fine Arts obligation that exceeds \$150,000, then the greater amount would be applicable.

The attached agreement lays out the terms of this proposal. Council is asked to approve this agreement.

FISCAL IMPACT

If the value of the art piece approved by the Fine Arts Commission to satisfy the art obligation for the building is less than \$150,000, the difference would be deposited in the Fine Arts fund.



Noel Marquis, Director of
Administrative Services



Nancy Hunt-Coffey

Council will be advised if agreement is
not signed by Tuesday.

Attachment 1

**AGREEMENT WITH ONE RODEO OWNER, LLC AND LOUIS VUITTON
REGARDING FINE ART OBLIGATION FOR 201 N. RODEO DRIVE**

This Agreement Regarding Fine Art Obligation (this "Agreement") is entered into by and among [ONE RODEO OWNER, LLC (the "Owner")], LOUIS VUITTON ("Louis Vuitton"), and the CITY OF BEVERLY HILLS ("City"), collectively referred to herein as the "Parties."

RECITALS.

1. The Beverly Hills Public Art Ordinance, Title 3, Chapter 1, Article 8 of the City's municipal code (the "Fine Art Ordinance") requires any person constructing, reconstructing, or constructing an addition to a commercial, industrial or mixed use building within the City, to either install and maintain fine art or make a payment to be deposited into the City's Fine Art Fund all in accordance with the Fine Art Ordinance (the "Fine Art Obligation").
2. Louis Vuitton is the lessee of the building (the "Building") owned by One Rodeo Owner, LLC and located at 201 N. Rodeo Drive, Beverly Hills, California 90210 (the "Property").
3. In conjunction with the past development of the Building, a dome created by artist Larry Evans (the "Dome") was placed on the Property in 1987, which fulfilled the requirements of the Fine Art Ordinance at that time.
4. With the permission of the Owner, Louis Vuitton desires to reconstruct the Building, which involves the demolition of the Dome.
5. As a consequence of the demolition of the Dome, the Building no longer meets the requirements of the Fine Art Ordinance.
6. The Parties have agreed that Louis Vuitton may destroy the Dome without triggering a violation of the Fine Art Ordinance upon providing a form of security in the amount of one hundred fifty thousand dollars (\$150,000) to guarantee the fulfillment of the Fine Art Obligation for the Building. Such security shall be returned to Louis Vuitton or cancelled upon the fulfillment by Louis Vuitton of the Fine Art Obligation by either providing fine art as defined in the Fine Art Ordinance ("Fine Art"), or depositing cash into the Fine Art Fund, or a combination thereof, in the total value of one hundred fifty thousand dollars (\$150,000); provided however, that if the total construction cost of the Building exceeds ten million dollars (\$10,000,000), then the total value of the Fine Art and/or cash must equal 1.5% of the total construction cost.

WHEREFORE, in consideration of the mutual promises, agreements and conditions contained herein, Owner, Louis Vuitton and City hereby agree as follows:

AGREEMENT

- A. Security. Louis Vuitton shall provide either: (i) a bond or bonds by one or more duly authorized corporate sureties; (ii) an instrument of credit (including a letter of credit) from one or more financial institutions subject to regulation by the state or federal government and pledging that

the funds necessary to carry out this Agreement are on deposit and guaranteed for payment; or (iii) a cash deposit or other security, either with the City or a responsible escrow agent, each in the amount of one hundred fifty thousand dollars (\$150,000.00) and subject to the approval of the city manager and city attorney, within five business days after execution of this Agreement or before the demolition of the Dome, whichever is sooner.

B. Fine Art Obligation. The Parties have agreed that the Fine Art Obligation will be fulfilled upon either the furnishing of Fine Art meeting the requirement of the Fine Art Ordinance, or the deposit of cash or other immediately available funds into the Fine Art Fund, or a combination thereof, in the total value of one hundred fifty thousand dollars (\$150,000.00); provided however, that such Fine Art (including the artist and location thereof) must be approved by the Fine Art Commission; provided, further, however that if the total construction cost of the Building exceeds ten million dollars (\$10,000,000), then the total value of the Fine Art and/or cash must equal 1.5% of the total construction cost.

C. California Law. This Agreement is made and entered into in the State of California and shall in all respects be interpreted and enforced under the laws of the State of California.

D. Integration. This Agreement contains the entire understanding and agreement between the Parties with respect to the matters referred to herein. No other representations, covenants, undertakings or other prior or contemporaneous agreements, oral or written, respecting those matters, that are not specifically incorporated herein, may be deemed in any way to exist or to bind the Parties. Each party acknowledges that it has not executed this Agreement in reliance on any such promise, representation or warranty. This Agreement may not and will not be modified by any party by oral representation made before or after the execution of this Agreement. All modifications must be in writing and signed by authorized representatives of both Parties.

E. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

AGREED, UNDERSTOOD AND ACCEPTED:

DATED: _____, 2013

CITY OF BEVERLY HILLS,
A Municipal Corporation

William W. Brien, M.D.
Mayor of the City of Beverly Hills, California

ATTEST:

(SEAL)
BYRON POPE
City Clerk

OWNER:

ONE RODEO OWNER, LLC

By: _____

Name:

Title:

By: _____

Name:

Title:

LESSEE:

LOUIS VUITTON

By: _____

Name:

Title:

By: _____

Name:

Title:

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

LAURENCE S. WIENER
City Attorney

JEFFREY KOLIN
City Manager

STEVEN ZOET
Director of Community Services