



## CITY OF BEVERLY HILLS STAFF REPORT

**Meeting Date:** September 10, 2013  
**To:** Honorable Mayor & City Council  
**From:** Susan Healy Keene, AICP, Director of Community Development  
**Subject:** Request from Mayor Mirisch to Discuss Collection of Fees  
Associated with Development Agreements

---

### INTRODUCTION

At the request of Mayor John Mirisch the following is a discussion of when the City collects development agreement fees.

### DISCUSSION

Development agreements are contracts between a local jurisdiction and a developer or landowner. The development agreement provides assurance to the developer that he/she may proceed to develop the project subject to the rules and regulations in effect at the time of approval. As the development agreement is a contract, the City may negotiate terms in the agreement that benefit the City. Some development agreements require payment of fees. These fees vary greatly in type and amount. The fees associated with two recent development agreements are provided below:

9900 WILSHIRE BLVD (Rob-May Site)

1. Public Benefit Contribution (\$30,000,000 - \$3,000,000 for affordable housing)
  - Payment
    - \$13,000,000 within 90-days of building permits
    - \$6,500,000 within 455-days of building permits
    - \$10,500,000 at time of certificate of occupancy
  - Security of Payment – irrevocable standby letter or credit
2. Environmental Mitigation and Sustainability Fee (concurrent with each sales transaction, \$4.50 per \$1,000 of value)

## Development Agreement Fees

### BEVERLY HILTON HOTEL SITE

1. Public Benefit Contribution (\$10,200,000 - \$1,500,000)
  - Payment
    - \$5,000,000 concurrent with building permits for Waldorf-Astoria Hotel
    - \$5,200,000 concurrent with building permits for residential condominiums
2. Environmental Mitigation and Sustainability Fee (concurrent with each sales transaction, \$4.50 per \$1,000 of value)

The type of fee and the timing of payment can greatly impact the cost of the fee to a developer. As development agreements are negotiated transactions, the structure of any fees to be paid are often a topic of negotiation, as both the City and the developer each seek to maximize benefit and minimize cost.

### **FISCAL IMPACT**

There is no fiscal impact associated with this report.

### **RECOMMENDATION**

This report is provided at the request of the Mayor. Staff will proceed with this item based on direction from the City Council.

Susan Healy Keene  
Director of Community Development

---

Approved By

