

REFERENDUM AGAINST AN ORDINANCE PASSED BY THE CITY COUNCIL

AN ORDINANCE OF THE CITY COUNCIL APPROVING A DEVELOPMENT AGREEMENT FOR THE CHEVAL BLANC PROJECT: ORDINANCE NO. 22-O-2867

OVERVIEW: This referendum measure seeks to overturn Ordinance No. 22-O-2867, approving a Development Agreement for the Cheval Blanc project. The Development Agreement is between the City of Beverly Hills (“City”), the property owners and LVMH MOËT HENNESSY LOUIS VUITTON Inc., (“LVMH”) a Delaware Corporation (collectively, the property owners and LVMH are referred to as “Cheval Blanc”). The Development Agreement vests development rights in accordance with the **Cheval Blanc Beverly Hills Specific Plan** and was adopted by the City of Beverly Hills City Council on November 15, 2022. The Cheval Blanc Beverly Hills Specific Plan (“Specific Plan”) was separately adopted by City Council by Resolution No. 22-R-13431 on November 1, 2022. The Development Agreement vests rights to develop a luxury 115 room hotel, 500 member private club, with restaurants and other retail uses (“Project”) on an approximate 1.28 acre site located at the northern portion of the Beverly Hills Business Triangle (“Site”) in exchange for various public benefits to the City set forth in the Development Agreement. Those public benefits include: an additional Municipal Surcharge paid to the City of 5% of the gross room revenue, an arts and cultural contribution to the City of \$2 million, a public benefit contribution to the City of \$26 million and a contractual commitment to maintaining the Cheval Blanc Hotel at a minimum luxury standard. Under various land use approvals that accompanied the Development Agreement and Specific Plan, Cheval Blanc would more than double certain development rights, as described below, in exchange for public benefits, as mentioned above.

By signing this petition for referendum, you are requesting an election on the adopted Development Agreement.

PROJECT LOCATION AND EXISTING ZONING DESIGNATIONS: The Project location consists of seven lots totaling 55,600 plus square feet located at 456 and 468 North Rodeo Drive; 449, 451, and 453 North Beverly Drive; and 461 through 456 North Beverly Drive in the City of Beverly Hills. The Site is roughly 1/3 of a city block that is bounded by S. Santa Monica Blvd. (to the north), North Beverly Drive (to the east), North Rodeo Drive (to the west) and commercial buildings (to the south). The Site is presently occupied by approximately 56,787 square feet of commercial and institutional uses within a variety of one, two and three story buildings. Under current City zoning regulations, the Project Site has a general plan land use designation of Low Density General Commercial and is zoned C-3 Commercial, which limits development to a floor area ratio (“FAR”) of 2.0 to 1 (equivalent to roughly 110,000 square feet of floor area) and a building height of 45 feet, and allows for a 35 room hotel development (according to the City’s environmental analysis).

PROPOSED CHEVAL BLANC LUXURY HOTEL PROJECT: Cheval Blanc is proposing a single, multi-use building that contains a luxury hotel with restaurants, a private club, and street level retail facing North Rodeo Drive. To this end, Cheval Blanc proposed various changes to the City’s zoning regulations, including a Zone Text and Map Amendment to change the zoning of the Project Site to “Specific Plan”. The Specific Plan allows a maximum of 4.2 to 1 FAR, up to 220,950 square feet of floor

area, buildings heights ranging from 51 feet on North Rodeo Drive and up to 115 feet along North Beverly Drive, and up to 115 hotel guest rooms.

PROJECT APPROVALS: In furtherance of the Project, and to vest the above development rights, Cheval Blanc requested the City’s approval of the Development Agreement. Under the Development Agreement, Cheval Blanc secures a vested right to develop the hotel and other uses in accordance with the Specific Plan, the General Plan and other zoning approvals at the above height and density in exchange for various public benefits to the City. The public benefits provided by the Development Agreement include: an additional Municipal Surcharge paid to the City of 5% of the gross room revenue, an arts and cultural contribution to the City of \$2 million, a public benefit contribution to the City of \$26 million and a contractual commitment to maintaining the Cheval Blanc Hotel at a minimum luxury standard.

A REFERENDUM ON ORDINANCE NO. 22-O-2867 (DEVELOPMENT AGREEMENT FOR THE CHEVAL BLANC PROJECT): The proposed referendum measure applies only to Ordinance No. 22-O-2867 adopted on November 15, 2022, which approved the Development Agreement for the Cheval Blanc Project. The Development Agreement vests development rights in Cheval Blanc to develop the Project in accordance with the Specific Plan, as described above, in exchange for certain public benefits, as described above.

The full text of Ordinance No. 22-O-2867 is included as “Attachment 1” of the City’s Agenda Report for Item E–3 dated November 15, 2022 which can be found at the following city website link (pages 3 through 53 of the 72 page document):

https://beverlyhills.granicus.com/MetaViewer.php?view_id=49&event_id=5754&meta_id=542230

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