Hotel Lawyer on eco-friendly hotel financing in Hollywood California. Today, JMBM issued a press release announcing that its Global Hospitality Group® closed the senior debt portion of the capital stack on one of the largest single hotel mixed-use projects in the country — and one bound to be a “Green” project at that! The complex construction loan transaction was for JMBM client, HSH Nordbank AG, a leading credit institution headquartered in Hamburg, Germany, and particularly renowned for very large construction loans on luxury hotel projects.

This is a significant transaction for several reasons.

A flagship, lifestyle, hotel mixed-use development.

“This is going to be one of Hollywood’s flagship developments,” said attorney Guy Maisnik, lead counsel specializing in hospitality transactions. “This is a very high-profile asset, backed by two of the most respected developers in the hospitality arena. Their expertise, combined with JMBM’s experience in hotel transactions and HSH Nordbank’s hands-on approach to construction lending, is exactly the kind of synergy that will make a development project of this magnitude a success.”

One of the first major hotel projects to be LEED certified as eco-friendly.

Here at www.HotelLawBlog.com, we have increasingly devoted more attention to the GREEN hotel phenomenon, because we think it is one of the most important developing trends in the industry. (See, for example, “Hotel Lawyer on developing GREEN hotels”). And the Hollywood W Hotel & Residences will be a Leadership in Energy and Environmental Design (LEED) certified project. This places it at the forefront of the “Green” hotel movement sweeping the country.

A joint venture planned by developers HEI Hospitality, a hotel investment and operating company, and Gatehouse Capital Corporation, the largest owner and developer of W hotels in the United States, the all new luxury hotel mixed-use development will be located on a 4.5 acre site at the world-famous intersection of Hollywood and Vine. Featuring more than 60,000 square feet of street-level retail space, the all-inclusive structure will include spectacular views of the Hollywood Hills, a 300 room hotel, with 143 luxurious condominiums and 374 apartments as well as a 9,200-square-foot Bliss® Spa.

The “Green” movement is just beginning to gain traction with hotels.

According to Guy Maisnik, “Our research shows that, as of today, there are only 3 LEED certified hotels in the United States. And they have tended to be smaller properties like the 132-room Gaia in Napa, and the 86-room Orchard Hotel in San Francisco.” But Maisnik, like other members of the Global Hospitality Group® think this is just the beginning of a tidal wave of “Green” hotel development, and the Hollywood W Hotel & Residences is further evidence of the powerful trend.

This is not a boutique hotel. This is mainstream, branded product — one of the hottest hotel brands in the country. It is a large project, and one built by some of the most respected, business savvy developers around. And obviously, they are
able to make commercial sense with the sustainable hotel mixed-use building as well, as confirmed by the capital markets.

**Complex transaction.**

The complexity of the financial transaction required a multidisciplinary understanding of standards unique to a hotel/residential/retail mixed-use property, such as shared facility issues and maintenance obligations. Drawing on practical experience and resources that the Global Hospitality Group® has developed in advising clients on more than 100 hotel mixed-use projects over the past 5 years alone, the team led by JMBM hospitality partner Guy Maisnik was able to guide the transaction to a successful on-time closing.

“The Hollywood W will add a whole new element of class to one of the most celebrated intersections in the world,” continued Maisnik. “Its construction is expected to give a significant lift to the exciting ongoing revitalization of Hollywood.”

Expect to see a lot more on this subject in the near future, and start making your reservations to attend The Hotel Developers Conference™. It will focus entirely on all the pragmatic issues of green hotel development.

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**Our Perspective.** We represent developers, owners and lenders. We have helped our clients as business and legal advisors on more than $50 billion of hotel transactions, involving more than 1,000 properties all over the world. For more information, please contact Jim Butler at jbutler@jmbm.com or 310.201.3526.

Jim Butler is one of the top hotel lawyers in the world. GOOGLE “hotel lawyer” or “hotel mixed-use” or “condo hotel lawyer” and you will see why.

Jim devotes 100% of his practice to hospitality, representing hotel owners, developers and lenders. Jim leads JMBM’s Global Hospitality Group® — a team of 50 seasoned professionals with more than $50 billion of hotel transactional experience, involving more than 1,000 properties located around the globe. In the last 5 years alone, Jim and his team have assisted clients with more than 100 hotel mixed-use projects, all of which have involved at least some residential, and many have also involved significant spa, restaurant, retail, office, sports, and entertainment components — frequently integrated with energizing lifestyle elements.

Jim and his team are more than “just” great hotel lawyers. They are also hospitality consultants and business advisors. They are deal makers. They can help find the right operator or capital provider. They know who to call and how to reach them. They are a major gateway of hotel finance, facilitating the flow of capital with their legal skill, hospitality industry knowledge and ability to find the right “fit” for all parts of the capital stack. Because they are part of the very fabric of the hotel industry, they are able to help clients identify key business goals, assemble the right team, strategize the approach to optimize value and then get the deal done.

Jim is frequently quoted as an expert on hotel issues by national and industry publications such as The New York Times, The Wall Street Journal, Los Angeles Times, Forbes, BusinessWeek, and Hotel Business. A frequent author and speaker, Jim’s books, articles and many expert panel presentations cover topics reflecting his practice, including hotel and hotel-mixed-use investment and development, negotiating, re-negotiating or terminating hotel management agreements,
acquisition and sale of hospitality properties, hotel finance, complex joint venture and entity structure matters, workouts, as well as many operating and strategic issues.

Jim Butler is a Founding Partner of Jeffer, Mangels, Butler & Marmaro LLP and he is Chairman of the firm’s Global Hospitality Group®. If you would like to discuss any hospitality or condo hotel matters, Jim would like to hear from you. Contact him at jbutler@jmbm.com or 310.201.3526. For his views on current industry issues, visit www.HotelLawBlog.com.