

In Development

Greenlighting the future of Laemmle

As the Laemmles look toward the future and plan for new venues, they bring along a new business model, one that includes a shift from property leasing to property ownership. Back when Max and Kurt Laemmle started out, leasing was the natural option. Over the years, Laemmle rented different locations, allowing them to open multiple theaters with lower capital investment.



Jay Reisbaum (far right), with Bob and Greg Laemmle

But with leasing comes landlords, and ultimately, lack of control. Landlords always want more and theaters can only afford so much and remain viable.

So, when Jay Reisbaum, first cousin to Greg Laemmle, joined the business in 1991 after earning a Master's Degree in Real Estate Development, he thought it made eminent sense for the company to become its own landlord. "Owning property allows us to control our own destiny and develop and manage our own facilities," Jay explained. "As time goes on, we don't have to worry about lease negotiations.

We determine our occupancy cost. And it allows us to grow our capital base by building equity in property over time."

For city planning types, there are multiple benefits to bringing in a Laemmle Theatre. "It's not just the quality of the movies we play, but also the quality of customer we attract," said Reisbaum. "Going to the movies is a social experience. Often a movie is followed by dinner, a cup of coffee or a glass of wine." A Laemmle Theatre can also be a catalyst in creating a district of arts-oriented uses. "Our job is to attract people. Adjacent to us should be restaurants, coffee houses, bookstores, art galleries, uses for a sophisticated customer to enjoy and add to the movie going experience."

In February 1999, Laemmle opened the Playhouse 7, the first multi-plex owned and developed by the family. "We knew the community of Pasadena, having previously run theaters in the city since 1964." There was a burgeoning arts district that centered around the Pasadena Playhouse and Vroman's, a 100+ year-old bookstore. "It was a good community in which we could be an arts anchor in an up-and-coming district."

Following Pasadena, the city of Claremont and the Tolkin Group assisted Laemmle in acquiring land and helping with the high construction cost of building a new movie theater as part of the Claremont Village Expansion. In July 2007, the Claremont 5 became part of the independent-minded, highly educated college town.

Next, the family was courted by L.A. City Councilman Tom LaBonge's office along with staff from the North Hollywood Community Redevelopment Agency. Although it took time, these meetings bore fruit in December 2011 with the opening of the NoHo 7. Located within blocks of the North Hollywood Metro Station, this is a neighborhood where the arts and public transportation converge.

Finally, in 2009 the family was able to purchase the property that housed the Royal theatre in West Los Angeles, where they had been tenants for over thirty-five years. After shutting down in July of 2012, the Laemmle team moved quickly to convert the old single-screen theatre. In December 2012, it reopened as a tri-plex with its original screen and vintage proscenium arch intact.

Looking to the future, the Laemmles are working with the City of Glendale and Mapleton Investments to build the next arts-district with the construction of a mixed-use development that would include 42 apartment units, a restaurant and a five-screen Laemmle Theatre. They have their eye on renovating and improving their Santa Monica location, and in developing



Rendering of the proposed Laemmle project in Glendale

something new in Santa Clarita. Discussions have also begun about resurrecting the Fox Theatre in Inglewood as a multiplex that will respect the historic single-screen's palatial attributes. And finally, Laemmle has vowed to return to the West San Fernando Valley. Says Reisbaum, "We were heartbroken that we had to vacate the Fallbrook. The community of filmgoers that frequented the theatre felt abandoned. We owe it to them to find a way back."

"Our interest is to locate in cities where the community and city officials want to create a different vibe. Anybody can operate a theater in a mall, filled with the same national credit tenants that occupy every other mall. Laemmle is something different. We're about an authentic, local, independent experience." - *Written by Allison Levine*