

CITY OF LOS ANGELES

CALIFORNIA

TONY M. ROYSTER
GENERAL MANAGER
AND
CITY PURCHASING AGENT



DEPARTMENT OF
GENERAL SERVICES
ROOM 701
CITY HALL SOUTH
111 EAST FIRST STREET
LOS ANGELES, CA 90012
(213) 928-9555
FAX No. (213) 928-9515

KAREN BASS
MAYOR

June 27, 2024

Honorable City Council
City of Los Angeles
c/o City Clerk
Room 395, City Hall
Los Angeles, CA 90012

Attention: Jason Lopez, Legislative Assistant

REQUEST AUTHORIZATION TO EXECUTE A JOINDER TO ASSIGNMENT AND ASSUMPTION OF THEATRE LEASE (DOLBY) BETWEEN H&H THEATRE OWNER, LLC (ASSIGNOR) AND JEBS HOLLYWOOD ENTERTAINMENT LLC (ASSIGNEE)

The Department of General Services (GSD) requests authorization to execute A Joinder to Assignment and Assumption of Theatre Lease (Consent Document) between H&H Theatre Owner, LLC (Assignor/H&H) and Jebs Hollywood Entertainment LLC (Assignee/Jebs) for the continued use of the Dolby Theatre for its current functions, including hosting live entertainment events and film premiers.

BACKGROUND

The Dolby Theatre is located at 6801 Hollywood Boulevard at the intersection of Hollywood and Highland Avenue and is owned by the City of Los Angeles (City). On May 10, 1999, the City entered into the "Performing Arts Center Lease" (Lease) as landlord, as successor-in-interest to the Community Redevelopment Agency of the City of Los Angeles (CRA) and TrizecHahn Hollywood LLC (THL).

The original term of the Lease is ninety-seven (97) years, at \$1.00 per year, expiring on January 31, 2098, with the commencement of the Lease taking place after the Dolby's start of operations and much after May 10, 1999. Since then, the Lease has been reassigned over the years, and H&H Theatre Owner, LLC (H&H) is the current lessee. H&H is now requesting the City's consent to assign its Lease to Jebs. City's consent is a requirement per their lease. No modifications to the terms of the lease, including rents, are requested through this report and will not be impacted.

Immediately prior to execution of the May 10, 1999 Lease, the CRA entered into a Disposition and Development Agreement with THL on February 10, 1999, the same entity that signed the subsequent Lease for the development of a mixed-use, entertainment/retail destination project and public space (Project). The overall Project



included multiple properties in the immediate area of the Dolby Theatre. Council approved the Project by Ordinance No. 1611202 on April 8, 1986. The premises under the Lease included both the Dolby Theatre property and a Retail Parcel.

Pursuant to Section 15.2 of the Lease, Tenant has the right to assign the Lease with the City's prior written consent. Under normal circumstances, the General Manager of General Services is authorized to consent to such Lease transfer under Section 15.2 of the Lease without further City Council Approval. However, under Section 15(d) of the Lease, the Landlord [City] may withhold its consent to any assignment or other transfer if "such proposed transferee does not simultaneously acquire all or substantial portion of the Retail Parcel and the improvements thereon."

Since the Retail Parcel is not under the ownership or control of H&H, and is not being transferred simultaneously to Jebb under the Assignment and Assumption of Theatre Lease, the City could withhold its consent to the transfer of the Lease by not signing the Consent Document. However, because the Theater and the Retail Parcels are currently under separate ownership, it is recommended that the City execute the Joinder to Assignment and Assumption for the theater as these are currently two separate entities.

It is in the best interest of the City to consent to the Lease transfer in order to facilitate the seamless operation of the Dolby Theatre regardless of the fact that the Retail Parcel is not being transferred simultaneously.

FISCAL IMPACT

There is no fiscal impact resulting from the execution of the Consent Document.

RECOMMENDATION

That the Los Angeles City Council authorize the Department of General Services, with the assistance of the City Attorney, to execute the Joinder to Assignment and Assumption of Theatre Lease between H&H Theatre Owner, LLC (Assignor) and Jebb Hollywood Entertainment LLC (Assignee) and all documents necessary to effectuate City's consent thereof.



Tony M. Royster
General Manager