



Guadalupe Royal Theatre Project Status

October, 2025

Guadalupe Royal Theatre

Project Status

The Project

The City of Guadalupe, which owns the Royal Theatre, is converting the red-tagged movie theater into a performing arts center. To achieve this, the City has taken several steps to prepare for the project's development. Initially, the City hired an architect to create a comprehensive set of plans for the final design, incorporating significant community input. Simultaneously, to address potential historical design requirements, the City engaged a historic consultant¹ to assess the Royal Theatre's eligibility for the California and federal registries of historic buildings. Since it was deemed eligible, the consultant submitted the necessary application, and the Royal Theatre is now listed on both the federal and state registries.

The city owns the project site along with two adjacent properties, which have now been merged into a single lot (one APN) to allow for greater expansion and additional features. These features include an expansion at the back of the theater building that contains the performing arts center. This center will also allow the movie theater to operate as a multi-use performance venue. To support this, the center will include a green room, electrical systems, and other essential amenities.

The project will also include an amphitheater and a plaza. The plaza will be situated to the south of the theater, in front of the amphitheater. It will be open to the public 24 hours a day, 365 days a year, to accommodate pre- and post-theater events, considering the limited space between the theater and Guadalupe Street. The amphitheater will enable the center to host two events simultaneously and provide an additional venue for rentals or events beyond just the theater.



All Recent City Planning Documents point to the need for the Royal Theatre to be renovated to support the revitalization of the downtown:

*General Plan,
Resilience Guadalupe,
Mobility and Revitalization,
Recreational Economy for Rural
Communities*

The project was fully prepared for the release of the bid package. The EDA approved the bid package, and the plan drawing received approval following the plan check and issuance of permits. The federal historic architect approved the project, confirming that the renovation complied with all historic codes and federal regulations. Additionally, the federal architect was required to approve the new construction, ensuring that it would not overwhelm the historic building.

¹ Carole Denardo, M.A. Provenience Group, Inc. "Historic Resource Inventory and Evaluation Guadalupe Royal Theatre"

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Redesign Reason

The EDA funding originates from the Biden Infrastructure Bill, which has a strict deadline for construction completion set for March 2027. Given this timeline, the City identified a funding gap that needed to be addressed due to time constraints. They estimated this gap to be around \$3 to \$4 million. The City concluded that the only remaining funding option was a General Obligation Bond (GO Bond), as outlined below. Unfortunately, this funding option could not be secured. Consequently, with limited funding alternatives left, the City decided that the best course of action was to redesign the project to reduce costs.

The redesign mainly involved converting the planned three-story performing arts center at the back of the Royal Theatre into a one-story building that would expand its footprint. Additionally, the redesign changed the amphitheater from a concrete venue to a grassy one. This design received all the necessary approvals and was put out to bid in early July 2025, with a due date of September 9, 2025, at 2 PM.

To ensure the project could proceed even if bids exceeded the available funds, the bid package included a base bid and five alternates, with the alternates being elements of the full project that could be completed later when additional funds were secured. At the time of this writing, the city staff will be taking the recommended contractor to the City Council October 2025 for their approval.

Timeline (Revised)

Since the revised design was approved and the city has an identified lowest bid, the timeline has been changed to a construction timeline. The design team, Andrew Goodwin Design, has the following important dates showing progress to start of construction:

November 2025, the Contractor will have signed their contract with the City
 December 2025, Notice to Proceed Issued
 January 2026 Construction will commence.
 January 2027 Certification of Occupancy issued.

Secured Funding

Economic Development Administration (EDA)--\$ 4.8 million

Status: The grant (reimbursement) has been awarded. The redesign has been approved. An amended contract for the City to sign has been received.



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California Arts Council (CAC)--\$5 million²

Status: The funds are in the bank and are being used for pre-construction cost.

City of Guadalupe--\$600,000

Status: With the City and presently being used for pre-construction costs.

Total Available Funds: \$10.5 million

Additional Funding Currently Unsecured

California Historic Rehabilitation Tax Credits (HTC)

Status: This is a new program funded by the California State Parks, Office of Historic Preservation. Funding will be allocated on a first-come, first-served basis until the \$40 million is exhausted. The due date and time were January 6, 2025, at 8:00 AM. The City application was sent at 8:00 AM exactly. However, the time between sending and receiving is depended on how good your WIFI is. The City's position in line was 11th, and the funds were exhausted with the first two applications.

While this was unsuccessful, it is an annual award, and the City will apply when the next round is released.

No date has been set.

Available Funds: 20% of Qualified Rehabilitation Expenses (\$4.5 million X 20% =\$900,000)

Foundations

Status: To date there are two Foundations in Santa Barbara County that have made commitments to contribute to the project. Others have taken the project to the board. None have committed to an amount. From the conversation it is likely the donations will be in the \$100,000 range. Names of the foundations are not available currently due to confidentiality.

Capital Campaign

Status: The City Council approved this fund-raising opportunity on January 14, 2025. While it has been approved, and a committee was created, the work was not able to get going. Since then, the Council has disbanded the committee, the City staff are moving forward with the same approach

² These funds were awarded via the state budget based on Senator Monique Limón.

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that was used for the LeRoy Park project. Numerous steps are being developed to get the campaign off the ground. It is expected by the start of December to be fully operational. It should be noted; however, donation have started coming in with a dedicated webpage being in the process of having all the information available on one page. A fully detailed campaign will be up on the website within the next couple of months. This includes:

- [Volunteer Sign Up](#),
- [Gift for Donations](#)
- [History of the Theatre](#)
- [Donation Link \(live now\)](#)
- [Pictures](#)
- [Thermometer Showing Donation Totals](#)
- [News Articles](#)
- [And More...](#)

One notable funding need that does not directly align with the current funder's eligibility costs is startup and operational costs. The capital campaign will be used to cover these expenses, once, and if, all construction costs are met or should a donor require their donation be directed to Royal Theatre operational costs.

Funding that the City was Unsuccessful in Being Awarded

Federal Historic Tax Credits (HTC)

Status: The City has been unable to persuade the EDA to allow this funding source to be included in the project. This is due to federal HTC funds are required to go to for-profit entities, and the EDA believes this violates its rule that federal funds cannot used to benefit individuals or corporations.

New Market Tax Credits (NMTC)

Reason: I have placed this source of funds in this section due to the likelihood that the City Council will approve the use for two reasons related to the NMTC requirements. Firstly, NMTC requires a portion of the investment be in the form of a loan. In this case in was estimated that the loan amount would be \$650,000 at 7% interest. The second concern is the project would require a partial redesign. In addition, the architect team, Andrew Goodwin Designs, felt it was unlikely the design would work and the size of the new building, replacing the amphitheater. This was explored as a performing art center is not fundable, and the project would need to add in a commercial element.

Additional investment funding would have been \$1.3M but the cost to be would have to be considered (\$5-600,000). The City staff will present the use of these funds to the City Council, likely October 14, 2025, for their final say.

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General Obligation Bond (GO Bond)

Reason: This bond requires several steps before the final step, which is a vote by the community. The first part of the process involves two readings and two votes by the City Council. The requirements also state that a 2/3 majority is necessary for the vote to pass; otherwise, it cannot be placed on the ballot. In the first City Council vote, the outcome was 4-1, allowing for the second vote. However, the second vote ended in a 3-2 result, meaning it could not proceed. Had it moved forward to the election on November 5, 2024, the available funds might have filled the gap.

Loan Funding Was Ruled Out

- Commercial Bank
- I-Bank (Loan and Bond programs)
- USDA Rural Loan

The debt service on the loan programs mentioned above, particularly the commercial loan, would not be financially feasible or sustainable over the long term. Although the i-Bank and USDA Loan offer better terms, they would still require the City and therefore the Theater to pay a debt service that exceeds what is feasible for the City. For instance, the I-Bank Loan Program term sheet would have mandated the City/Theater to pay \$376,000 annually.

The Theatre's goal is to establish a performing arts center, community center, and art education center for the community. While hosting ticketed events will be crucial to support the free community enrichment activities and generate additional revenue for downtown Guadalupe, balancing loan repayments with the operating budget would be too challenging. Balancing the need to pay the cost to operate and proving a performing art center to enriches the community would be unbalance with the need to include debt service over a 30-year period.

The long-term plan for the theater is to operate without the need for City funds. Private rentals, ticketed events, will bring in the funding to allow for local nonprofits to use the facilities at no or low cost, ensure the operating cost are paid, and the community can take advantage of this performing art center.

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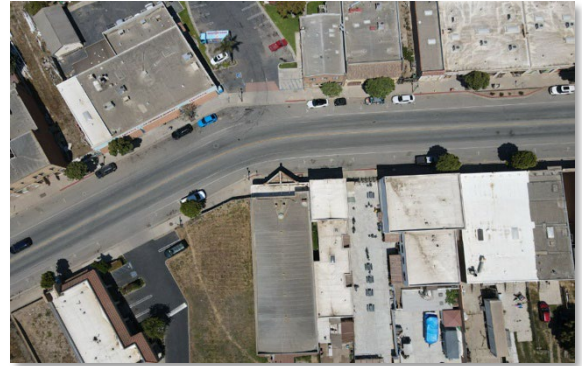
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Total Project Costs/Available Funds

With the construction bids in, the report can show the actual cost of the project and the gap in funding to complete the project. Firstly, the following are the five alternates, which will “added” to the contract when funding becomes available:

Alternates

- | | |
|---|-----------|
| 1. Existing building Audio Visual full build-out. | \$762,000 |
| 2. Exterior Front Plaza, Exterior Amphitheater, Exterior Stage, and perimeter walls. | \$142,000 |
| 3. New Building Interior floor finishes, wall finishes, ceiling finishes, fixtures, interior doors, and mechanical equipment for Kitchen, Restrooms, Green Room, Classrooms, Lobby, and Concessions | \$222,000 |
| 4. New building Kitchen full build-out. | \$310,000 |
| 5. New building Audio Visual full build-out. | \$128,000 |



Arial image of the Royal Theater property.

Total Price for Alternates	\$1,564,000
Base Bid Price	\$9,780,000
Total Construction Cost	\$11,334,000
Estimates Soft Cost Total	\$2,100,000
<u>Total Project Cost</u>	<u>\$13,434,000</u>
Total Available Funds To Date	\$10,500,000
<u>Total Funds Needed (Gap)</u>	<u>\$2,954,000</u>

Notes:

- The gap in funding does not stop the project from moving forward. However, it is essential for completing the construction project in whole.
- The EDA's portion of the project must be completed before March 2027. This is not moveable without altering the law.
- With a real cost of the project, while significantly high it is a target that is identified, and we can work towards filling it.

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Investment Potential Results

In completing the EDA application, the City was required to survey the businesses in downtown to determine the impact that reopening the Royal Theatre as a performing arts center would have on their operations, based on two data points: financial investments in their businesses and job creation. The following are the totals:

Financial Investment: \$10,400,000

Job Creation: 500

Saving Existing Jobs: 170

While the financial investment and job creation data may seem high, it should be noted that there was a significant belief that the theater reopening would have a positive impact on their business.



Planned Events and Activities³

- A varied event calendar (from comedy shows bands, film festivals and more).
- Educational classes for residents on performing arts
- Community event access by the local school and non-profits
- Open Mic Nites and more.
- local organizations will be able to use the center for their events and fundraisers.

³ These are just a few examples. A business plan will be developed once an operator is chosen that will develop a larger list of Activities for the performing arts center.

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History of the Royal Theatre

Guadalupe's Royal Theatre was recognized on National and State historic registries March 11, 2022, and has long been the unofficial anchor of Guadalupe's downtown corridor.

The Theatre's eligibility to be placed on historic registries is based on its architectural and cultural significance to the community. Architecturally, the building's brick structure and design align seamlessly with the architectural theme of the downtown area. The cultural significance of the Royal Theater is prevalent in the role it has played in the lives of the culturally diverse population for decades.



From the turn of the century, Guadalupe had a burgeoning Japanese community that was thriving by the mid- 1930's. Most noteworthy, was the initiative taken by some Japanese immigrants that turned to developing farming operations that impacted agricultural development in the Santa Maria Valley and throughout the country.

Finding an entertainment niche waiting to be filled, Arthur Fukuda and Jack Takeuchi planned a 'Royal Theatre' chain, starting with the small California towns of Guadalupe and Sanger. Guadalupe's Royal Theatre opened for business on August 30, 1940, after just than three months of construction. With the United States' entry into World War II and the signing of Executive Order 9066, the Fukuda family's plans came to end when the family was ordered to an internment camp in 1942. All three Royal theatres in Hanford, Sanger, and Guadalupe closed on March 27, 1942. Months later, Robert Lippert, head of Statewide Theatres, Inc. of San Francisco, took over operation of each of the theaters. In their postwar life that saw the Fukuda family returning to Hanford, Arthur no longer owned or managed any of his former theatres. Throughout the decades, the Royal would be intertwined in the town's diverse tapestry as a natural center for entertainment. The town's Filipino community experienced significant growth after the 1940s and marked a strong engagement in the theater, particularly when culturally relevant shows and performances in their native language were featured.

Concurrently, the Royal also saw in increase a variety of Spanish-language films that were added to screenings, when 1942's Bracero program brought a substantial influx of Latino and Mexican laborers.

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Incidentally, the Latino population would continue to expand through the decades, most notably with the 1987 Immigration Reform and Control Act and the H-2A farmworker program. This demographic shift is particularly noteworthy, especially considering that Guadalupe's Latino population constitutes a significant segment of underserved and low-income residents.

Guadalupe's multicultural migration has often been driven by the agricultural needs of the region, with many residents—particularly today—working as farm laborers. Naturally, Guadalupe remained a farm-working community with its families regularly visiting the theater. Overall, the enduring legacy of agricultural work and the celebration of diverse cultures make Guadalupe a unique town, where the contributions of its Japanese, Latino, and Filipino and other populations are pivotal in shaping its identity and economic landscape. The cultural intertwining enriches the fabric of the community, creating a vibrant space where various cultural expressions can thrive amidst agricultural roots. And the Royal Theatre played an important role in each of these periods entertaining with culturally relevant films, school plays, and events.

The Royal Theatre entertained generations of Guadalupe residents and was managed by different owners over the years and eventually fell into disrepair in 2015.

The City's Community Redevelopment Agency purchased the Royal Theatre property, along with two adjoining, undeveloped properties from the owners at that time, the Garcia family in 2001. However, with the statewide elimination of Redevelopment Agencies, the theatre's ownership was transferred to the City of Guadalupe, and a "Successor Agency." The City chose to retain ownership, with the only requirement from the Successor Agency being that the Royal's renovation and disposition must result in the creation of a performing art center.

Numerous City Planning studies (See Page 1) all pointed to the importance of the renovation of the Royal Theatre to the community, especially to the revitalization of the City center business core.



Staying true to that notion, the plans for the Royal's revitalization to entertain, educate and inspire, will continue its tradition of serving this multicultural community for generations.

In 2020, the City of Guadalupe began a process to renovate the Royal Theatre and create the community's first Performing Arts Center, the start of a new era for the Royal Theatre.

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Renderings of the Revised Project Design

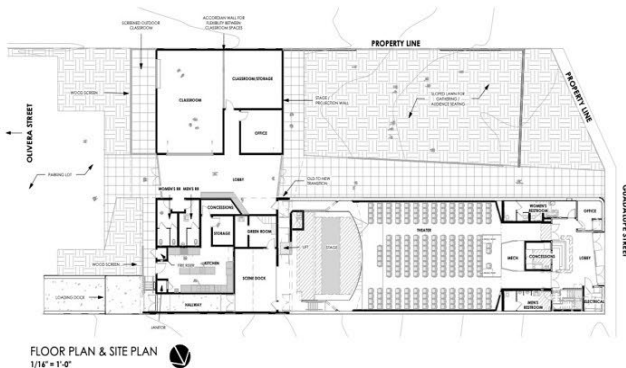
GUADALUPE ROYAL THEATER



VIEW FROM GUADALUPE STREET ENTRANCE



VIEW FROM OLVERA STREET ENTRANCE

FLOOR PLAN & SITE PLAN
1/16" = 1'-0"NORTHWEST ELEVATION
1/16" = 1'-0"SOUTHEAST ELEVATION
1/16" = 1'-0"

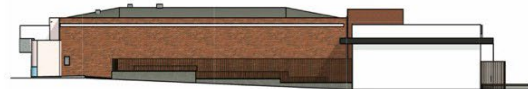
THEATER REMODEL

The Guadalupe Royal Theater preservation and renovation project aims to restore, remodel, and expand the historic Royal Theater, blending its rich history with modern amenities to serve the community of Guadalupe, CA. In order to preserve the original historic design, the existing interior and exterior of the Royal Theater will be meticulously restored. Alongside minimal changes to the aesthetics of the Royal Theater, a new ADA compliant men's and women's restrooms will be added, new concessions and seating area will enhance the guest experience, and a multipurpose area will be introduced on the second floor, partially extending into the existing theater seating space. The updates will also allow for the theater space to be structurally reinforced to meet current code requirements. The stage area will be

expanded and improved, featuring a larger stage and modern fly system while retaining the historic proscenium. Additionally, a 1-story rear addition at approximately 4,549 SF, will allow for a new lobby space to welcome visitors to a new performing arts center. This center will include a commercial kitchen to support events, two additional ADA compliant restrooms, as well as two large classroom spaces and an office. Furthermore, part of the renovation takes into consideration the need for accommodative parking that will include 12 spaces, 2 ADA-compliant spaces, and a commercial loading dock. A new landscaped plaza and outdoor area will help bring events outside throughout the year. The Guadalupe Royal Theater Preservation and Renovation project is a testament to the city's commitment to preserving its historical treasures while embracing the future.

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1/16" = 1'-0"

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Rendering 1- West (left) and South (right) elevations (Andrew Goodwin Designs, 2024)



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