

# Downtown San Bernardino's REGAL Renaissance



## THEATER SQUARE

SEE · HEAR · TASTE · RELAX · EXPERIENCE · MORE!

**“ My friends and I are excited about being able to see movies and have fun right here in San Bernardino instead of having our parents drive all the way to Ontario or Redlands!”**



### **CRYSTAL MONACO**

San Bernardino High School freshman speaking at the SBEDC board approval of the Regal Theater lease during the SBEDC board meeting.

**The San Bernardino Economic Development Corporation (SBEDC) Board of Directors approved the lease of 14 theaters to Regal Entertainment Group in a unanimous vote on Tuesday night. The new theater will be called Regal Cinemas Stadium 14.**

The San Bernardino City Council recommended in a 4-3 vote, to send the Regal lease to the SBEDC for approval.

“The lease won’t go into effect until the City Planning Commission and City Council approve a Development Agreement for the project,” said Emil Marzullo, the interim Executive Director of the Economic Development Agency, and Chief Executive Officer of the SBEDC.

The Development Agreement is scheduled to go before the Planning Commission on December 14, and if approved on to the City Council for a public hearing on January 9, and again on January 23, 2012 for consideration.

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**“For us, this isn’t a theater deal... this is an economic development deal... Without Regal, you...**



# Theater Square

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**Artist concept of Theater Square shows the historic California Theatre at left, integrated into the exciting new grounds featuring the new Regal Cinemas Stadium 14 at the top of the illustration. Other highlights include restaurants and retail, pocket parks, fountains and more. Also included is a drop off area, plus plenty of parking in the nearby surrounding area.**

**Yavitz has successfully created major retail/entertainment developments in Southern California including the Los Angeles Grove.**



## PROJECT OVERVIEW

- The movie theater currently has 20 screens. The San Bernardino Economic Development Corporation (SBEDC) will retain 2 theaters and a developer will convert the other 4 into restaurants or retail.
- The SBEDC retains ownership of Theater Square including the theater.
- The SBEDC proposes to lease 14 theaters to Regal Entertainment Group, the largest theater operator in the United States.
- One SBEDC retained theater will be used as a flex theater for meetings, events and small venues, such as a comedy night.
- One SBEDC retained theater will be used by the California Theatre of the Performing Arts.
- The San Bernardino City Council recommended in a 4-3 vote on November 21, 2011, to send the Regal lease to the SBEDC for approval.

*For more information, call Kathy Robles at 909-663-1044*

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**...can't get the restaurants. Without the restaurants, you can't get downtown to begin to expand."**

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**About 40 people, including 12 college and high school students, applauded the unanimous vote to lease the 14 theaters to The Regal Entertainment Group.**

Several local area students who spoke at the meeting told the SBEDC Board of Directors that they are ready to see movies at a downtown San Bernardino theater. Many also said the theater will create jobs and bring money into the City.

Marzullo refuted several issues, which were brought up by City Attorney staff.

One issue was whether Regal has to show first-run movies. Marzullo said, "There is no intention of the theater to be a discounted, second-run-only theater, and the economics of the deal would not support a second-run theater model."

As to the risk of the SBEDC subsidizing Regal, Marzullo said, "The lease actually reduces the risk, because the monthly cost of the closed CinemaStar Theater is \$70,000 a month, with no income."

Another concern is that Regal's lease requires the City not to impose a living wage ordinance. "That's not an issue in San



**This drawing represents the Regal Cinemas Stadium 14 in Theater Square from "E" Street.**



**Concept drawings show the approach allowing families to drop off theatergoers at the new Regal Cinemas Stadium 14 Theater. There will also be parking in front of four new restaurants including a Coffee Bean and Tea Leaf.**

Bernardino as we are currently one of the most affordable cities in Southern California. That provision is for cities like Irvine where the cost of living is significantly higher," said Marzullo.

SBEDC Board President Patrick Morris, Rikke Van Johnson, Tobin Brinker and Dennis Craig supported the theater lease

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## PROJECT OVERVIEW

- The Regal lease was unanimously approved by the SBEDC Board of Directors on Tuesday, November 22, 2011.
- The SBEDC Board of Directors unanimously approved an agreement for exclusive rights to negotiate with restaurant/retail tenants at Theater Square with the Yavitz Companies. Yavitz has successfully created major retail/entertainment developments in Southern California including the Los Angeles Grove.
- Once the Regal lease is signed, Regal should start construction in approximately 30 days.
- Restaurant and retail construction could start in approximately 30 days once the Regal lease is signed.
- The SBEDC is responsible for the construction of the public plaza area for Theater Square.
- Regal is responsible for its tenant improvements.
- Restaurants/retail developers will be responsible for their tenant improvements.
- Three additional theaters are within a few blocks of Theater Square.
  - a. The California Theatre of Performing Arts next door
  - b. The Fox Theater on Court and North "D" Streets
  - c. The Sturges Center for the Fine Arts at 780 North "E" Street
- Together the Regal Cinemas Stadium 14, the live theaters, and new restaurants/retail will expand our current downtown entertainment district and will draw more nightlife and create the synergy to bring more businesses to downtown San Bernardino. This strategy has worked effectively for Old Town Pasadena, the Gas Lamp District in San Diego, the Promenade in Santa Monica, and other communities across the country.

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# Downtown San Bernardino's REGAL Renaissance



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as a catalyst to help downtown San Bernardino attract more restaurants and businesses.

“For us, this isn’t a theater deal, for us this is an economic development deal,” said Marzullo. “Without Regal, you can’t get the restaurants. Without the restaurants, you can’t get downtown to begin to expand.”

“Regal Entertainment Group proposes to open 14 renovated theaters in May of 2012. Five national restaurant chains are slated to open at the same time,” said Marzullo.

At the same meeting the SBEDC also approved an agreement for exclusive rights to negotiate with restaurant/retail tenants at Theater Square with the Yavitz Companies. Yavitz has successfully created major retail/entertainment developments in Southern California including the Los Angeles Grove.

Sandra Yavitz, company president said, “Five national restaurant chains are currently interested in Theater Square. The restaurants include: Coffee Bean and Tea Leaf, a sports bar, a Mexican restaurant, an upscale hamburger restaurant, and a sandwich/deli restaurant chain.”

“Together with the 14 Regal theaters, the area’s three live theaters, along with new restaurants and retail, will expand our current downtown entertainment district and will draw more nightlife while creating the synergy to bring more restaurants, night clubs and other businesses to downtown San Bernardino,” said Marzullo.

He added, “This strategy has worked effectively for Old Town Pasadena, the Gas Lamp District in San Diego, the Promenade in Santa Monica, and other communities across the country.”

Parking will not be a problem at Theater Square. “There are more than 1,500 free parking spaces available within two blocks including: parking in front of the theater and restaurants, on-site parking immediately west of the theater, parking across Fourth Street in the Carousel Mall parking structure, and on “E” Street in the Caltrans parking structure. The Caltrans parking structure will be used for evening and weekend performances,” said Marzullo.



**National chains are interested: Coffee Bean and Tea Leaf, a sports bar, a Mexican restaurant, an upscale hamburger restaurant, and a sandwich/deli restaurant chain.”**

## RESTAURANTS *from page 3*

Restaurants/retail are projected to be in former theaters 2, 20, 18 and 19 along the north face of Theater Square.

The Yavitz Companies currently has five national brand name chain restaurants interested in opening at Theater Square. They include:

- Coffee Bean and Tea Leaf
- Sports bar
- Mexican restaurant
- Upscale hamburger restaurant
- Sandwich/Deli restaurant

## EXTERNAL CONSTRUCTION

- Construct access to the front 4 theaters.
- Remove and replace all paving stones. Old paving stones going to the San Bernardino Parks and Recreation Department for additional projects.
- Replace and expand underground utilities.
- Add 75 parking spaces on North “F” Street.
- Add 20 – short term (20 min) parking spaces in Theater Square close to restaurants.

- Create pads for additional restaurants and retail opportunities.
- On the west side of Theater Square, create a new temporary pocket park with trees, landscaping, benches, etc. for families to relax between performances.

## REGAL INTERNAL CONSTRUCTION

- New box office attached to the theater.
- New concession stand in the newly renovated lobby.
- Remove side concession stands and build additional bathrooms.
- New large format theater RPX.
- New state-of-the-art digital projectors, THx and Dolby Sound Systems.
- New seats, carpets, lighting, paint, décor, and more.



**PARKING** On-site just west of the theater a new parking on North “F” Street (75 spaces); Parking on Fourth Street in the Carousel Mall parking structure; Parking in the Caltrans parking structure for evening and weekend performances.

## COSTS

- New parking lot on “F” Street.....\$260,000  
(Now under construction) Source: Tax Increment
- Theater Square Design/Engineering Construction.....\$3,450,000  
(Now under construction) Source: 2010 Recovery Act Bond Funds

## FINANCING

	SOURCE
SBEDC.....\$1.41 million	New Market Tax Credit
\$3.29 million	2010 Recovery Act Bond Funds

Subtotal.....\$4.7 million

REGAL.....\$1.24-\$3 million .....Regal Corporate

Total .....\$7.7 million

REVENUE ....\$8.5 million over 10 years

## TARGET OPENING DATE

Estimated theater and restaurant opening May of 2012