MEASURE: <u>HB 2167</u> EXHIBIT: <u>BB</u> Joint Committee on Tax Credits 76thSession

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HB 2167

Dear Members of the Committee:

Two hundred and sixty miles to the southeast of Salem are the cities of Burns and Hines, Oregon. A combined population of less than 5,000. While our high desert is a destination for those seeking nature and solitude, majority of our traffic is just that, people passing through.

In recent decades our local economy has encountered blow after blow, beginning with removal of the railroad, then access to forests denied forcing the mill to shut down, and most recently a national manufacturing facility closed its doors. The unemployment rate sky-rocketed (currently 14%), forcing more businesses to close their doors and many families to follow jobs and move away. The trickledown effect is still impacting local commerce. Driving through our towns you will see many establishments with reduced hours or seasonal operations. More common than "open" signs are "for sale" signs.

The depressed economic times are reflected in the vacant buildings, but not in the spirit of the people. The "never say die" attitude of our business owners rings tried and true as most of our residents are generations deep, many descendents of homesteaders, and none afraid of hard work in tough times.

When the Meek's Cutoff production began to take shape in the summer and fall of 2009, our entire community rose to the occasion to assist this endeavor in any way we could. It was the producer's interest in our land, our history, which renewed our ownership and pride. It was the anticipation that this could make us just a slightly bigger dot on the map and entice more passersby to stop and stay awhile. It was the hope that many businesses could keep their doors open for even just a few more months than anticipated. And it did all of those things.

Our businesses reflect fondly on the year 2009, and they'll take that all the way to the bank! Hotels that hosted the cast and crew directly benefitted from this production with a full house for several months. Horseshoe Inn housed majority of the cast and was able to hire additional employees and extend everyone's hours during this time. Horseshoe Inn's revenues were up almost 200% from 2008 which allowed the owners to tend to some deferred maintenance. Other lodging accommodations were happy to handle the overflow of "regular" guests. Comfort Inn recorded a \$14,000 increase in revenue for the month of September alone compared to the prior year. Comfort Inn was also able to provide fulltime employment to the staff that typically decreases that time of year. Finally, a percentage of the "hotel tax" collected from each stay is mandated to the respective City of Burns or Hines and also to the Harney County Chamber of Commerce.

Some local restaurants such as Bella Java and Bistro were enlisted to cater meals specifically for the Meek's group, and many cafés like The Book Parlor served that many more daily espressos. While the locals already knew, the rumor spread like wildfire that the Meat Hook Steakhouse has the best cheeseburger in town. Big R ranch supply store reaped the benefit of Harney County's "typical" inclement weather, when one day the cast and crew were getting sunburns, the next they found

themselves in desperate need of a heavy coat to withstand the frigid temperatures. One of the "hottest" attractions in our area, Crystal Crane Hot Springs, watched people soaking up the high desert experience in an otherwise potentially empty pond.

Filming Meek's Cutoff created employment for many locals directly with the production, but more importantly, the hometown businesses either brought on more staff or did not layoff as the seasonal norm. And again, basic economics proved true in this town's story that with more people employed with money in their pockets creates a ripple effect, benefitting grocery stores, movie theater, salons, retailers and of course, restaurants.

Not only did the film production stimulate our local economy, it also refueled the coffee talk! Locals were abuzz with star sightings and even interactions. Many were involved as employees and were able to learn about film production. It was a much needed morale booster to our depressed residents, and created stories that will be retold over the years.

More than a year has passed since Meek's was here, so now we can even better reflect upon the impacts of our movie guests. Broadway Deli, which has always operated year-round, just reopened this month after a long 2010-2011 winter seasonal closure which forced a layoff of the small staff. Pine Room restaurant and lounge, one of the only remaining nightlife establishments often featuring live music, was just listed on the market. Perhaps these two situations were postponed by one year because of the economic impact of the movie production.

While a single event like Meek's Cutoff will not save our economy, it will get us over short-term hurdles. Can you imagine what a relatively steady influx of film production could do? We can.

Thank you for your support of the Oregon Film Commission and for taking the time to read this letter.

Sincerely,

Julia Olam

Julia Olson Former Director Harney County Chamber of Commerce Burns, Oregon ojulias@gmail.com 541-589-3275