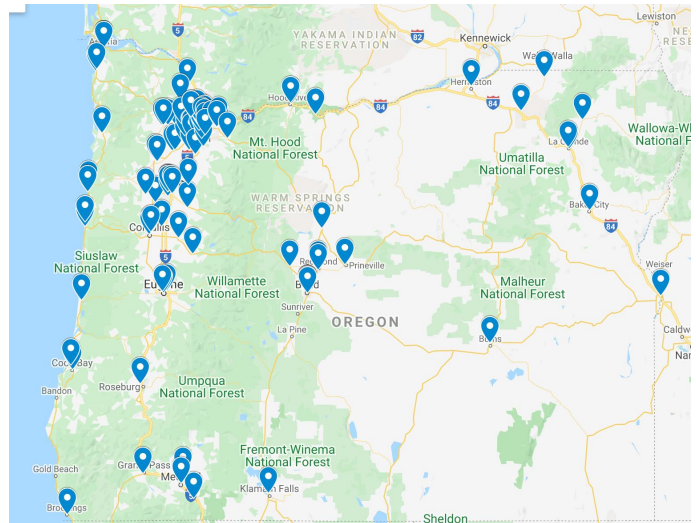


Subject: Please Fund HB 3376
To: Co-Chair Betsy Johnson
 Co-Chair Elizabeth Steiner-Hayward
 Co-Chair Dan Rayfield
From: Sal Peralta, on Behalf of the National Association of Theater Owners
CC: Joint Committee on Ways and Means
Date: 4/2/2021

Chairs Johnson, Steiner-Hayward, Rayfield and members of the committee,

I am writing on behalf of the National Association of Theatre Owners and Pacific Northwest Theatre Owners to ask that you provide \$9.2 million in funding for the Oregon Theater Operators Grant Program outlined in HB3376-2, either from the Federal American Rescue Plan allocation that Oregon is receiving, or through the state’s traditional Ways and Means Process.

HB 3376-2 received more than 150 written and verbal pieces of testimony from theater operators and patrons in the policy committee and passed out of the House Economic Recovery and Prosperity Committee on a unanimous vote with a “Do Pass” recommendation. It would allow for up to 118 movie theaters that were shut down due to COVID19 to apply for grant funding in the amount of \$50,000 per theater with up to 2 screens and \$10,000 per screen thereafter, with provisions that cap the maximum award at 80 total screens, prevent double-dipping, and allow Business Oregon to reduce the award amount to ensure that all eligible businesses receive funds.



Oregon’s movie theater industry operates in every geographic region of the state and provides a cultural and economic anchor that serves as a mainstay for mainstreets, malls, restaurants and retail establishments. Many of Oregon’s most iconic downtowns are anchored by small theaters. Losing *any* of these operations will tear a hole in the fabric of the community where it happens.

No industry has been more impacted than Oregon’s movie theater industry, which has been shut down for the entirety of the pandemic. Oregon’s theater industry has operated under guidelines that are among the most restrictive in the country, and, for most of the last year, were more restrictive than performance venues, bars and restaurants.

The 6’ social distancing requirements currently recommended in most situations means that theaters will continue to operate at only approximately 25% capacity even as occupancy restrictions are relaxed to 50% or more as the number of Oregon’s COVID cases begins to drop.

And yet, the theater industry has received no state financial support to help offset these costs, unlike live venues and similar institutions, which received \$35 million in grant funding from two programs allocated through the Emergency Board in 2020.

Without this emergency lifeline, many Oregon movie theaters that have been shut down for more than a year by the state's COVID19 regulations, will not survive. Our industry desperately needs your support.

For your convenience, I have attached a copy of findings that justifies financial support for the movie theater industry. Should you and your staff have any questions, please don't hesitate to reach out.

Thanks,

Sal Peralta

On behalf of the National Association of Theater Owners

503.437.2833



Oregon Movie Theatre Industry

The Exhibition Industry in Oregon

Industry research shows there are approximately 118 theatre locations in Oregon operating over 600 screens. The exhibition industry employs nearly 2,400 Oregonians directly, along with thousands more in companies that support theatre operations.

However, the exhibition industry is currently fighting for its survival due to the COVID-19 health crisis. In addition to government-mandated closures and capacity restrictions, many studios are bypassing theatres or delaying their tent-pole movies into 2021 and beyond leaving theatres that remain open without new films to show.

Eighty-five percent of Oregon exhibitors report losses of over 90 percent year-to-year from 2019 to 2020. Without substantial aid to the theatre industry, 77 percent of the theatres in the state are facing permanent closure or bankruptcy in the near future.

Movie theatres in Oregon have faced two prolonged shutdowns, and have only recently been allowed to open throughout most of the state and face significant restrictions when they do. According to research provided by Gower Street, only 39 percent of movie theatres have reopened since the end of February 2021.

Although the theatre industry looks forward to the easing of capacity restrictions as the pandemic subsides and vaccine rates increase, the nature of theater seating and 6-foot social distancing rules will continue to limit capacity to 20 to 25 percent.

Oregon is unique among other states because of its high number of independent, small cinemas serving diverse and rural communities. Sixty-two percent of Oregon's theatres have 5 or fewer screens. These neighborhood, often historic, theatres are in desperate need of substantial relief in order to get on the road to recovery.

Theatres act as a business multiplier, drawing moviegoers and families to local restaurants and other businesses in their area. Without the increased foot traffic brought by movie theatres, these businesses are also facing reduced sales and fewer customers. For many towns and smaller cities throughout the state, theatres act as a cultural anchor for downtowns and remain important institutions.

A state-based grant program would provide a crucial lifeline for theatres. Without substantial financial assistance, the future of moviegoing in Oregon and the unique nature of the industry in the state are in jeopardy.