

Members of the Joint Ways and Means Committee,

Independence Cinema opened in 2007 at the request of the Independence City Manager. A cinema serves an important need of providing affordable family entertainment, but unfortunately most movie theater chains are not interested in going into the small communities that need them most. That is where Prestige Theatres steps in. Our mission is to bring family entertainment to small communities, and all three of our Pacific Northwest locations have spurred a trend of community development after opening.

Fast forward to March of 2020, and we felt the impact of the COVID-19 closures very intensely. The movie theater industry took the brunt of these closures uniquely hard because we were completely shuttered, and for an amount of time that was much longer than most other industries. Independence Cinema has been repeatedly closed, reopened, and closed again from March 2020 through Friday, April 9th.

Even today, we can only operate at 25% capacity, which is not feasible. Other movie theaters that were fortunate enough to be allowed to open sooner could not serve concessions until Feb. 24th. New movies keep moving farther and farther down the calendar. We have lost over 95% of our revenue, and 85% of Oregon movie theaters are also running on fumes at 90%+ in revenue loss. Day to day, we do not know if we are an inch away from having to close down again due to rising COVID cases. The situation is dire.

While the Federal Government passed legislation for a grant program for movie theaters, not all were included. Further, the program is riddled with inconsistencies, confusion, and delays from the SBA. To date, not one eligible business has been able to apply for the program. It "launched" on April 8. Meanwhile, some theaters have closed down while waiting for these funds.

HB 3376/ SB 5555 provides Oregon movie theaters a saving grace for the fixed costs from the last year, and on future costs as we move forward into a still-unstable period for our industry. Make no mistake—while not considered "essential businesses," movie theaters ARE essential to community development, connection, and culture. Movie theaters also serve as an economic multiplier—driving foot traffic to local businesses and fostering cultural vibrancy. If theaters are allowed to fail, many businesses that rely on these institutions to bring in customers will likely close as well. Affordable family entertainment is more important than ever before as families head into their first summer after a very hard year of being mostly at home.

The \$8.7 million needed for HB 3376/ SB 5555 would grant at least \$50,000 for every Oregon movie theater. When considering the losses from the past year, this is a small drop in the bucket, but can be the difference between staying open or permanently closing for Oregon theaters.

Please support HB 3376/ SB 5555, a lifeline for Oregon movie theaters.

Thank you for your time and consideration,

Elie Kassab, President and CEO – Prestige Theatres  
Marina Gephart, Director of Communications and Media—Prestige Theatres