

McMenamins Inc.  
Testimony for HB4040  
Covid-19 impact on Music Industry

I would like to thank you for all of the support you have already provided us and our venues. The CRF funds were fairly and efficiently distributed and without them we would have likely lost the Crystal Ballroom. Because, at the time, there was not a theater option and due to the unique structure of the Edgefield Summer concerts we did not receive any State help for either of those venues. Additionally, those funds covered less than a year. The Crystal Ballroom and the White Eagle, recipients of that relief, had to operate with no support for an additional year and a half. Edgefield missed an entire season and half of the next and the Mission Theater has been shuttered for 2 years, neither having received any State support.

It has been a very difficult time for all of us in the entertainment industry. I am a member of NIVA (national), IVC (Oregon) and WANMA (Washington) as well as PASS (International Performing Arts Security and Safety). I have participated in countless Zoom and conference calls and am acutely aware not only of what we are going through but how Covid has impacted the entire entertainment ecosystem.

While our venues were closed we still had considerable overhead: Utilities, Rent, Maintenance, Staffing, AV leases, ASCAP, etc. Licensing fees (yes, they still charged us saying they would give us a 'future discount') and unforeseen expenses associated with closed buildings such as additional security, graffiti clean-up, etc.

When we slowly reopened some of our places (the Mission Theater has still not yet hosted an event, the Rock Creek Tavern in Hillsboro and the Boon's Treasury in Salem no longer present entertainment) we encountered many new financial hardships. It was very difficult to find staff. We needed to pay considerably more than we did pre-pandemic, we needed to hire additional positions such as Covid Compliance Officers and Vax Checkers. We still aren't fully staffed up and that has prevented us from opening as often as we would have. With low staffing levels we are totally closed down if we lose only a couple employees. In December in tiny Al's Den we lost \$2000 in artist deposits alone as a result of having to close due to staff contracting Covid. We lost thousands of dollars in revenue from shows underperforming, artists cancelling, and inability to open. This is our smallest performance space. That loss is exponential as you look at our larger venues. The White Eagle, twice the size of Al's Den, and still tiny, generates \$10k/week LESS than it did pre pandemic. In order to stay open, be competitive, and look forward we need to pay artist's what they are worth, but with no gauge or metric we rely on historical data, and so do they and therefore refuse to accept less. If we want to be open, and have a chance of covering our bills, we need to hire talent. We lost \$15000 and coupled with loss of projected revenue that jumps to over \$20K on last weeks Crystal show with Mark E Bassy, a show that should have sold out. Last show did 1500, this show did barely 600 ppl. Galactic, Ty Segal, Super Diamond, Magic City Hippies, The Green have all LOST money. Our goal would be to break even but we can't sustain a loss. With ticket sales and attendance down 20-50% we are losing more money by trying to stay open. We have other shows pulling out, rescheduling, or moving to smaller rooms because the tickets just aren't selling. It may seem to many of us that the pandemic is in the rear view but that is not the case, we are very solidly in the middle of it and suffering incredible financial losses as a result.

The concerts and events we present have a ripple effect. We employ 100 people for a show at the Crystal, that is McMenamin employees as well as independent contractors, artists, techs and engineers, security, F&B staff and janitorial. These Oregonians depend on us for their livelihood, to feed their families and pay their bills. All of the surrounding restaurants and communities benefit greatly from our events. Mayor Lauer of Troutdale even wrote a letter to the Governor in support of the Edgefield concerts and their impact on the local economy. We deliver a much-needed escape, we provide art and culture, and we provide commerce and revenue. Music Venues are so much more than a bar and a stage, they can be the heart of a community.

Finally, I would like to address how the bill is carried out and the directive to Business Oregon to determine eligibility. I had mentioned earlier that several of our venues were ineligible for financial assistance based on how the grants were written. Many of you are aware of our issues and problems applying for SVOG. I would

recommend we follow similar eligibility standards as were recently implemented on the Movie Theater side of this support.

We are independent, we are not part of any national chain, we are not affiliated with Live Nation or AEG, we present our own events and partner with other local companies, particularly Monqui Presents, all native Oregonians that have contributed to the regions commerce and culture for over 4 decades. This should be dedicated to independents but not lose site of how that income is generated and reported. This should NOT be based solely on Corp Tax ID (in our case we have ONE, that covers our hotels, restaurants, theaters AND venues), NAICS or DUNS. We may be unique but many businesses set up as a 'bar' vs a venue to comply with OLCC. Many businesses have changed over the years and you would find that a NAICS path would eliminate many of the recipients you intend to support. The eligibility should be based on dba, property address, and/or specific revenue center. We should require documentation and strict standards of oversight but should be looking at the operations of the concert venue, its expenses and its revenue. Below is some language from the application.

Thank you again for all of your support, I am available at any time to answer questions or provide additional testimony.

jimi biron  
McMenamins Inc.

The Oregon Legislative Assembly and OBDD find that small and independent community movie theaters - defined as movie theaters locally owned and operated independent of national chains

- National movie theater chains are not eligible to apply.
- Theater and screens must have been in operation and open to the general public for at least one year prior to March 3, 2020 to be eligible.
- The Theater is currently open or the Business Owner intends to reopen the Theater by December 31, 2022.
- Theater must have been closed to the general public for any period of time on or after March 3, 2020 as a result of the health restrictions related to COVID-19.

At the time of the application deadline, all applicants must:

- Have an active organization registration for the Theater operation with the State of Oregon's Secretary of State;
- Provide Theater services that take place within the State of Oregon;
- Be headquartered in Oregon, meaning having a centralized office location where a company's management and key staff operate and oversee overall business activities;
- Have proof of economic loss for the Theater due to COVID-19 (through tax returns or Profit and Loss Statements);
- The organization's Theater must have been in operation for a minimum of one year prior to March 3, 2020.