

Reopening Safely

Moderated by George Myers
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Wednesday, April 29, 2020

ART  HOUSE
CONVERGENCE

Obligatory Disclaimer

We are in a period of incredible uncertainty and there is no way to speak with certainty about what will happen. We're not experts in public health, tax law, regional variations in labor law or the particulars of everyone's theater.

The information, models, data and plans reflect our best thinking on the situation and should be seen as case studies on how our organizations are responding to the many unknowns.

COVID-19: What We Know

COVID-19 is a respiratory disease caused by the SARS-CoV-2 virus. It is spread through person-to-person transmission:

- Between people who are in close contact with one another (within approximately 6 feet).
 - Through respiratory droplets produced when an infected person coughs, sneezes or talks.
 - Some recent studies have suggested that COVID-19 may be spread by people who are not showing symptoms.
 - It may be possible that a person can get COVID-19 by touching a surface or object that has the virus on it and then touching their own mouth, nose, or possibly their eyes. This is not thought to be the primary source of transmission.
 - Current research shows that COVID-19 is spreading "very easily and sustainably between people".
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Existing Federal, State and Local Guidelines on Reopening Cinemas.



Conflicting Local and State Guidelines:

As this crisis develops there have been a number of instances where local guidelines have been in conflict with the state leadership, usually in the form of an executive order from the governor that supersedes local directives.

In these cases the state government weakened strong local restrictions on distancing, reopening beaches and redefining what is an essential business to include many businesses, including movie theaters.

Additionally, many of these directives are being made in direct opposition to Federal and CDC guidelines, including states like Georgia reopening their businesses despite not meeting the criteria of the CDC.

Summary of Items w/ Costs:

Looking through a number of directives these are some items that come up consistently that you may not have on site or budgeted for:



- Readily available hand sanitizer for staff and patrons
- Full stock of masks for staff
- Plastic guards at point of sale
- Touchless transaction equipment — swipers, kiosks, scanners
- Modified condiment and concession offerings — single serve and full serve items

Other considerations:

- Increased sick time and absenteeism
- HVAC upgrades
- Staffing changes based on food service and customer flow modifications

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Published State Guidelines for Reopening Cinemas:



Texas:

- Single use condiments at concession stand
- Spacing (every other row, two empty seats between patrons)
- Contactless ticketing and payment encouraged
- Socially distance employees where allowable, wear masks and protection where not possible
- Make wipes and sanitizer available to patrons
- Signage reminding staff and patrons of best practices
- Do not allow staff who are sick to work and staff who had COVID-19 need to be symptom free for 72 hours and 7 days from symptoms



Oklahoma:

- Temperature check of employees before work, sending home over 100°
- Hand washing and sanitizing stations available for patrons and staff
- Employees that come in contact with public should wear masks
- Single use condiments at concession stand
- Six feet of space between patrons in seating
- Contactless customer service interactions
- Signage reminding staff and patrons of best practices

— Published State Guidelines for Reopening Cinemas Cont:



Georgia:

- Groups of 6 or less
- Remain 6 feet apart in seating, ushers in theater before and during screening to ensure separation
- Floors marked for 6 feet of separation at concession stand
- Temperature screening of employees reporting for shifts
- Contactless transactions, removal of PIN requirement where allowed
- 6 feet of distance between terminals
- Limiting overlap of workers, staggering schedules, telecommute, virtual meetings encouraged
- Remove self serve items from food service
- Signage of best practices and disallowing service to patrons with COVID-19 symptoms or a fever
- Have exits separate from entrances
- Provide hand sanitizer for all patrons



Tennessee:

- Monitor employees health and make allowance for sick time
- Limit self-service options
- Dedicated face coverings for all employees at all times (food service)
- Screening customers for fever, asking: Have you been in close contact with a confirmed case of COVID-19? Are you experiencing a cough, shortness of breath, or sore throat? Have you had a fever in the last 48 hours?

— Published State Guidelines for Reopening Cinemas Cont:



Montana (Cinemas are closed):

- Encourage telecommuting, eliminate common areas in workspace
- Distinguishing between “non-family members” in social distancing suggestions
- Statewide but allows localities to implement ordinances not incompatible with state.



Missouri (Guidance, not a mandate):

- Social distancing of six feet in seating
- Use CDC recommendations
- Limit of 10 people in a group/table in restaurants (no guidance on groups in theaters)
- Limit capacity in retail environment to 25% of fire code for buildings under 10,000 sq feet
- Statewide but allows localities to implement ordinances not incompatible with state.



Colorado (Cinemas not open):

- Not a return to normal life, virus still presents significant risk
- Employers with more than 50 people subject to strict health and safety guidelines
- Reasonable work accommodation for at-risk employees, cannot be compelled to work
- 50% of employees can return to work, meetings must be less than 10 people
- Localities meeting CDC guidelines can apply for variance with fewer restrictions

— Published Federal Guidelines for Reopening Cinemas Cont:

CDC:

- Develop plans around sick time
- Communicate with employees about their concerns
- Flexible worksite: virtual meetings, limited overlap
- Encourage best practices
- Limit face to face interactions with coworkers and patrons

OSHA (<https://www.osha.gov/Publications/OSHA3990.pdf>):

- Provide staff training on proper use of PPE
- Make allowance for additional sick time
- Flexible worksite: virtual meetings, adjusted work week, staggered schedule
- Reduction in shared workplace spaces and equipment
- Consistent policies with contracted workers and others in space
- Installation of physical barriers at POS
- Limiting physical contact
- High efficiency air filters and increased ventilation
- Discontinue non-essential travel to high-risk areas

Curbside Pickup.

Case Studies: Denver, Dallas, Iowa City

As communities are able to provide some level of retail safely, curbside pickup of concessions allows theaters to generate some revenue before opening, check on their equipment, and work through inventory.

Denver Film is preparing to offer curbside pickup this week, FilmScene in Iowa City and Texas Theater in Dallas offer feedback on their experience.

Texas Theater

Preparation and Fulfillment:

- Use exterior old school box office we never use. It's great for social distancing and talking to walk-up customers from a window! If they call we deliver to their car. Usually two people can handle this: one for communication/ phone, one for preparing the items.
- Staff wear masks while inside the building and wash their hands constantly. we have a large lobby so it's easy to space out appropriately.

Any Unexpected Situations, Good or Bad?

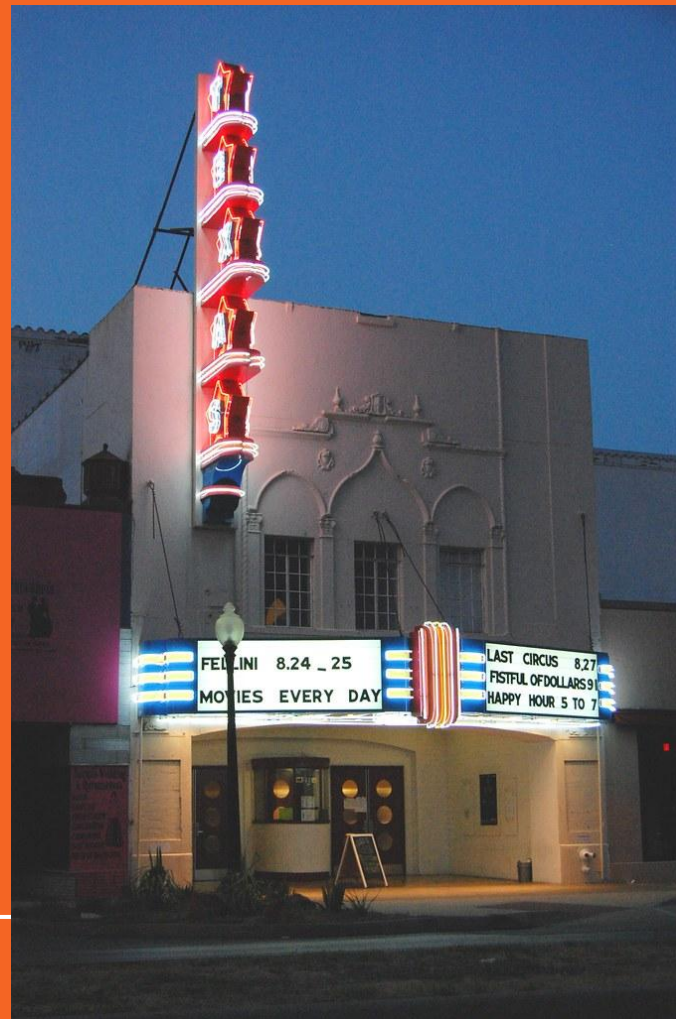
- Been smooth, we've received some nice hand-written notes from patrons saying how much they love us.

How Are You Handling Payment?

- We built a new [square page](#) just for this purpose. All transactions have gone through this way and are paid in advance (with tip!)

What Has The Customer Response Been?

- It's been great so far. We're going into weekend 3 of this so I expect the fall off to increase a bit. Some businesses in Dallas are re-opening this weekend but most are not.



FilmScene

Preparation and Fulfillment:

- We are pre-popping the corn a day early, typically 8 hours of straight popping. We have been popping in shifts, so managers will work solo, just popping for 3-4 hours, then hand off to the next person. We have been using THESE BAGS for the popcorn and have found them to work great for keeping the product fresh. We fill each bag with 4 large tubs-worth of popcorn and people seem to love the stockpile they receive. We use nitrile gloves, sanitize surfaces before and after popping and wear masks as well.
- For the actual day-of pickup, our building has a good drive up awning on the side of the building where we meet folks at their car and deliver the bundles to them, some of them just pop the trunk.
- Our sales are strictly online, so there is no cash handling, POS transactions, etc. I also send an email to each of the buyers the day of pickup to guide them through the pick up process.

What Has The Customer Response Been?

- We have had an overwhelming positive response from our patrons. We have a handful of regulars who give us weekly shout outs on social media and have posted pics of their at-home setup.



FilmScene

Who on Staff is Handling the Work?

- For Thursday pre popping we've been having managers come in to pop, usually there are a total of 3 or 4 who volunteer for a popping shift—they've been eager to come back to the theater. Friday pickups we have 3 people, 2 are out front meeting folks at their cars and one is inside helping organize the bundles. We have 4 6" tables set out toward the front of our building, so the most time consuming task is running back to our concessions area and filling up sodas. For wine or beer bundles, everything is right out in front and ready to hand off.

Any Unexpected Situations, Good or Bad?

- The majority of purchasers add an extra donation onto their concessions bundles—we have made anywhere from \$100-\$500 in extra donations per week. Unexpected—the first week we were a bit overwhelmed, we added extra bundles last minute. Popping the day beforehand was pretty key to solving the craziness.

How Are You Handling Payment?

- We process all orders online via our website, there are a handful of folks who walk up because they see what we're doing and ask to buy, if we have a extra bundles on hand, we typically take cash donations for those.



Staffing and Scheduling

Unemployment and Reopening (too soon)

Unemployment:

The Department of Labor's website explicitly states that “voluntarily deciding to quit your job out of a general concern about exposure to COVID-19 does not make you eligible for [Pandemic Unemployment Assistance].”

But under the CARES Act, the new Pandemic Unemployment Assistance (PUA) program provides benefits access to groups including those who are diagnosed with or live with someone who has COVID-19, those who have come into direct contact with someone who tested positive and are told by a doctor to self-quarantine, and those with compromised immune systems.

Modified Film Schedules

Modifying our film schedules and reducing the number of films in a day will allow adequate time for cleaning of theaters, reduce opportunity for co-mingling of groups coming and going, and reduce crowds in lines allowing for proper social distancing.

Sie FilmCenter Showtime Schedule (COVID)					
H1	Option 1		Option 2		Option 3
Clasen Screening Room					9:00-11:00 Film 1
	2:00-4:00	Film 1	12:00-2:00	Film 1	12:30-2:30 Film 1
			3:30-5:30	Film 1	4:00-6:00 Film 1
	6:30-8:30	Film 1	7:00-9:00	Film 1	7:30-9:30 Film 1
H2					
Maglione Theatre					9:30-11:30 Film 2
	2:30-4:30	Film 2	12:30-2:30	Film 2	1:00-3:00 Film 2
			4:00-6:00	Film 2	4:30-6:30 Film 2
	7:00-9:00	Film 2	7:30-9:30	Film 2	8:00-10:00 Film 2
H3					
Fries Theatre					10:00-12:00 Film 3
	3:00-5:00	Film 3	1:00-3:00	Film 3	1:30-3:30 Film 3
			4:30-6:30	Film 3	5:00-7:00 Film 3
	7:30-9:30	Film 3	8:00-10:00	Film 3	8:30-10:30 Film 3

Modified Film Schedules

Monday, March 9, 2020

Theater 1

Film	Start	Finish
Hope Gap	2:15 PM	4:05 PM
Parasite	5:00 PM	7:22 PM
Portrait of a Lady on Fire	8:20 PM	10:32 PM

Theater 2

Film	Start	Finish
Times of Bill Cunningham	1:45 PM	3:12 PM
Portrait of a Lady on Fire	4:00 PM	6:12 PM
Times of Bill Cunningham	7:15 PM	8:42 PM
Swallow	9:30 PM	11:15 PM

Theater 3

Film	Start	Finish
Portrait of a Lady on Fire	2:45 PM	4:57 PM
Hope Gap	6:15 PM	8:05 PM
Parasite	9:00 PM	11:22 PM

Studio

Film	Start	Finish
Once Were Brothers	4:20 PM	6:10 PM
Once Were Brothers	7:00 PM	8:50 PM

Modified Staff Schedules

	Sie FilmCenter Schedule							
		Fri 03.13	Sat 03.14	Sun 03.15	Mon 03.16	Tues 03.17	Wed 03.18	Thurs 03.19
House Managers	1-10PM	1-10PM	x	x	1-10PM	1-10PM	Usher	1-10PM
	1-10PM refresh	1-10PM refresh	1-10PM	1-10PM	x	x	1-10PM	Usher
	3-9PM bar	3-9PM bar	3-9PM bar	x	x	1-10PM	3-9PM bar	3-9PM bar
	all day	all day	all day	3-9PM bar	3-9PM bar	3-9PM bar	x	all day
FOH	1-8PM	1-8PM	1-8PM	1-8PM	x	1-930PM	1-930PM	x
	2-930PM	2-930PM	2-930PM	2-930PM	1-930PM	x	x	1-930PM
Booth	1-10PM	x	x	x	1-10PM	1-10PM	x	x
	x	1-10PM	1-10PM	1-10PM	x	x	1-10PM	1-10PM
Usher	Office Staffer 1-8PM	Kevin	Adrian	Taylor	Britta	Becca	Katherine	Courtney
	Office Staffer 1-8PM	Suzanne	Keith	Hannah	Halea	Matt	Faith	Adrian
	Special Events, Rentals, Info							

Modified Staff Schedules

Modifying our film schedules and reducing the number of films in a day will allow adequate time for cleaning of theaters, reduce opportunity for co-mingling of groups coming and going, and reduce crowds in lines allowing for proper social distancing.

	Friday Sep-4	Saturday Sep-5	Sunday Sep-6	Monday Sep-7	Tuesday Sep-8	Wednesday Sep-9	Thursday Sep-10
5 shifts 40.50 hours	1pm - 9pm AC BOX/CON - AC "Ten o'clock" duties/help with closing box/sanitizing theaters			12:45pm - 9pm AC SUP - AC Opening Sup/Closing Box	1pm - 9pm AC BOX/CON - AC Opening box/Closing Sup	12:45pm - 9pm AC SUP - AC Opening Sup/Closing Box	1pm - 9pm AC BOX/CON - AC Opening box/Closing Sup
4 shifts 32.75 hours	12:45pm - 9pm AC SUP - AC Opening Sup/Closing box				12:45pm - 9pm AC SUP - AC Opening Sup/Closing Box	1pm - 9pm AC BOX/CON - AC "Ten o'clock" duties/help with closing box/sanitizing theaters	12:45pm - 9pm AC SUP - AC Opening sup/closing box
3 shifts 24.00 hours		1pm - 9pm AC BOX/CON - AC "Ten o'clock" duties/help with closing box/sanitizing theaters	1pm - 9pm AC BOX/CON - AC "Ten o'clock" duties/help with closing box/sanitizing theaters	1pm - 9pm AC BOX/CON "Ten o'clock" duties/help with closing box/sanitizing theaters			
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Financial Projections Upon Reopening.

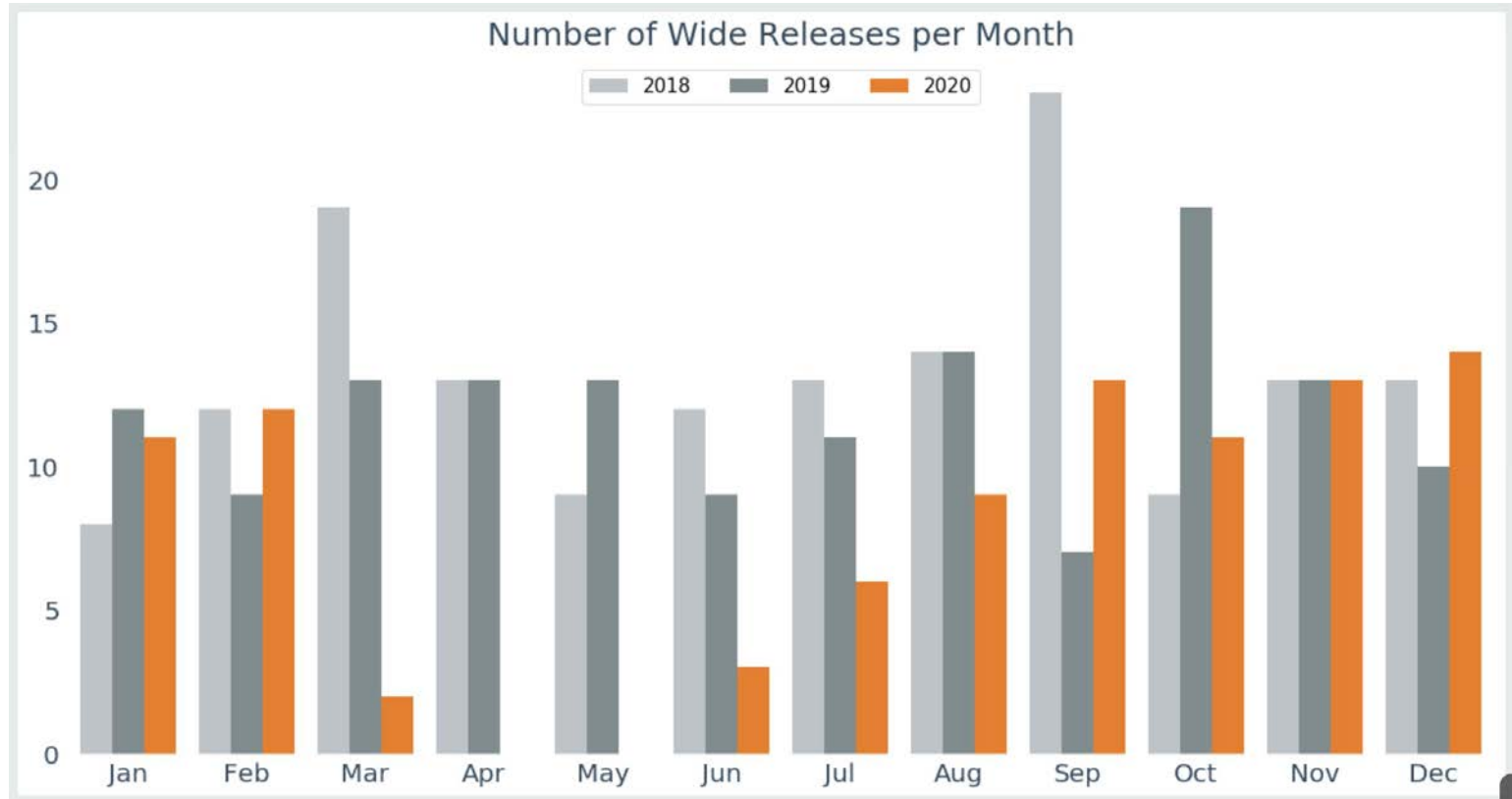
Another Disclaimer

This data is specific to Amherst Cinema, our financial history, and speculation about behaviors of our audiences. Usually our projections look at data over a three year average and makes estimations and sets goals and plans based on our ability to meet each budget line.

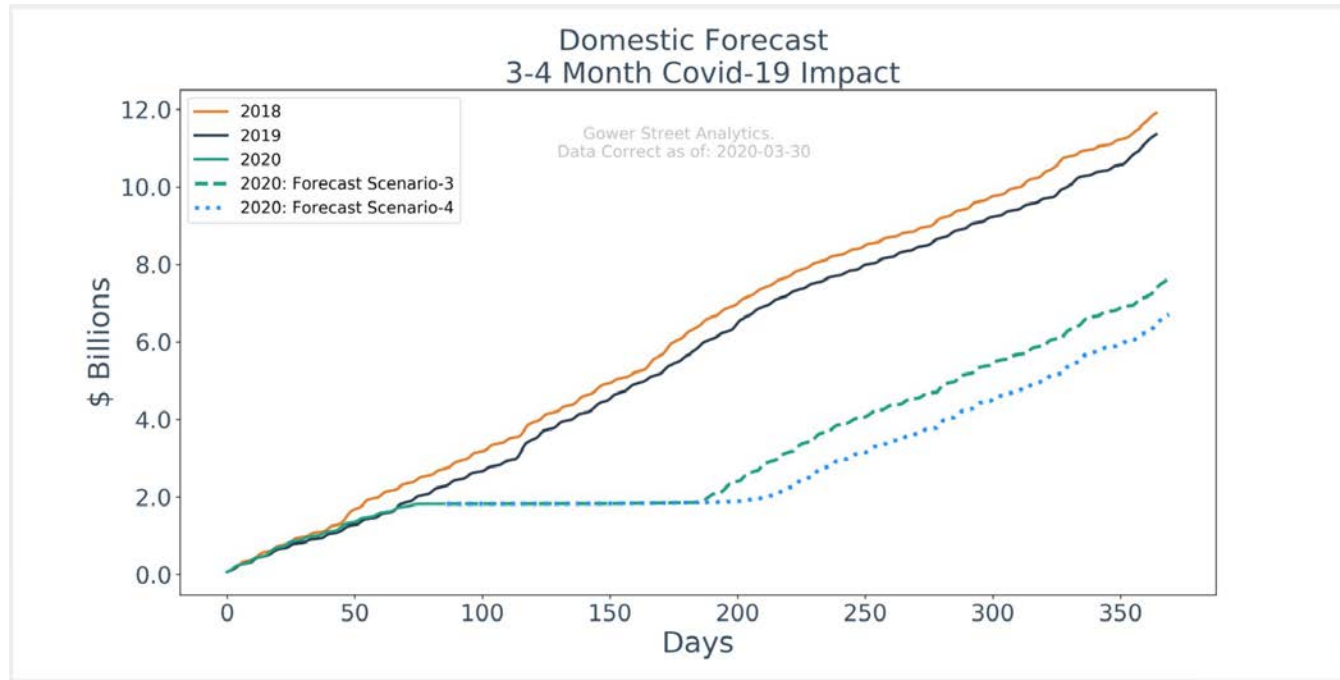
Even in years where business is proceeding normally there's a bit of an unknown in the planning, to say there are assumptions being made in these figures would be generous.

In addition to year over year performance as an indicator of your theater's performance, I regularly look at the reporting at Gower Street (<http://www.gower.st>). Although their focus is on mainstream content I think you can extrapolate the data into the art house market.

Gower Street's Projections of Releases Per Month



Gower Street's Revenue Projections



This projection, their pessimistic view, puts global box office totals back to levels not seen since 2000 but along with their projections for releases shows consistent growth and attendance.

Amherst Cinema Revenue Projections and Assumptions

In order to develop a budget and plan for the unexpected drop in revenue during closure and the long road to recovery we've made estimates about what we can expect for revenue from ticket sales based on a number of factors including: limited content, reduced capacity, and customer confidence.

Using these projections we can then modify our budget lines where we have the ability — making appropriate staffing choices, programming, marketing, and other expenses.

Our theater has four screens of drastically different size, from 25 to 182, so the average occupancy of each theater varies significantly but our average occupancy across all theaters is 26%. In our two models we estimated the following:

Scenario 1: Capacity reduction to 50%. This results in an estimated 16% reduction in gross revenue.

Scenario 2: Capacity reduction to 30%. This results in an estimated 34% reduction in gross revenue.

The lower your average occupancy, the less impact capacity limitations will have on gross. This assumes that you'll see a certain amount of redistribution of your audience across showtimes. We've discussed incentives for those showtimes which we've resisted in the past, such as discounted weekdays.

Projections and Assumptions

Any model or projection is going to be based on a number of assumptions, some intrinsic to our business such as availability of films, competition for available films from nearby chains, and weather, to name a few.

Assumptions about attendance are difficult but will certainly be affected by how safe an audience feels, which is why thinking through, preparing, and communicating what you're able to do to keep patrons safe is so important.

In addition to financial incentives we've also discussed dedicated screenings for at-risk populations which may help move audiences to otherwise under-attended show times and help get our average occupancy numbers up.
