



WESTERN FAIRS ASSOCIATION

Shuttered Venue Operator Grant Is Your Fair Eligible?

As you may be aware, a group of over 3,000 independent venues formed the National Independent Venue Association to lobby Congress for relief under the banner “Save Our Stages.”

Western Fairs Association, through its federal lobbyist was successful in ensuring that **fairs** were included in the Save Our Stages Act. The Act has resulted in the Shuttered Venues Grant program, administered through the Small Business Administration.

Congress has earmarked \$15 billion in grants for live venue operators, museums, cultural institutions, zoos, movie theaters, and other entities and individuals. While the process for applying for the shuttered Venue Operator grant is still in development, we are learning more about how **fairs** may qualify and take advantage of this opportunity.

The Save Our Stages Act program is not a loan – it is a **grant**. It also clearly states that to be eligible the entity must NOT have received a PPP loan on or before December 27, 2020. If you are considering the next round of PPP loans, per the Economic Aid Act, as well as how the PPP loan system operates, entities cannot apply for a PPP loan and SVOG at the same time. Entities must make an informed business decision as to which program will most benefit them and apply accordingly. If an applicant is rejected by one program, it will then be eligible to apply for the other. PPP loan(s) and Save Our Stages Act grant, but make sure you do not accept PPP funds yet. This approach may give you options that best meet your needs.

Recently the SBA created a set of FAQs regarding the Shuttered Venue Operator Grant program. (Attached for your review and consideration.)

In an effort to help our members understand and navigate this process, below is a summary of the key highlights which we are aware of today.

Who is Eligible?

The shuttered venue grant program is available to the following categories of entities and individuals:

1. Live venue operators and promoters
2. Theatrical producers
3. Live performing arts organization operators
4. Relevant museum operators
5. Motion picture theatre operators
6. Talent representatives

The venues where a live venue operator operates, or a promoter, producer, performing arts organization, or talent representative perform or where their clients perform need to have the following characteristics:

- A defined performance and audience space
- Mixing equipment, a public address system, and a lighting rig
- Engages one or more individuals to carry out not less than two of the following roles: sound engineer, booker, promoter, stage manager, security personnel or box office manager
- There is a paid ticket or cover charge to attend most performances and artists are paid fairly and do not play for free or solely for tips, except for fundraisers or similar charitable events
- For a venue owned and operated by a nonprofit entity that produces free events, the events are produced and managed primarily by paid employees, not by volunteers
- Performances are marketed through listings in printed or electronic publications, on websites, by mass email, or on social media

Venues owned by governmental agencies are eligible for the grant if they meet the other eligibility requirements.

We recommend that you discuss eligibility with your local SBA office, Western Fairs Association, or consultants to assist you with your application.

What Are the Requirements?

To qualify for a grant, an eligible entity or individual must satisfy general requirements and other requirements specific to the type of recipient.

Generally, an eligible recipient must demonstrate that it:

1. Was fully operational on February 29, 2020;
2. Had a 25% gross revenue decline in any 2020 quarter compared with the same quarter in 2019;
3. Is open or intends to reopen as of the date the grant is received;
4. Is not owned or controlled by an entity that is publicly traded or received more than 10% of its gross revenue from federal funding during 2019; and
5. Has not received a PPP loan on or after December 27, 2020.

Similar to a PPP loan, eligible recipients must also submit a good-faith certification that the uncertainty of current economic conditions make the grant necessary to support ongoing operations.

How Much Could My Grant Be?

Eligible entities may receive a maximum initial grant of 45% of gross revenue for the 2019 calendar year, with a cap at \$10 million.

A recipient may be eligible for a supplemental grant in the amount of 50% of its initial grant if, as of April 1, 2021, its gross revenue for the most recent calendar quarter is no greater than 30% of the gross revenue for the same quarter in 2019 due to the COVID-19 pandemic.

What Are the Allowed Uses for Grant Funds?

Initial grants may be used for allowable expenses incurred between March 1, 2020 and December 31, 2021, and supplemental grant funds may be used for allowable expenses incurred between March 1, 2020 and June 30, 2022.

Allowable expenses under the program include:

1. Payroll costs;
2. Payments on covered rent obligation(s);
3. Covered utility payments;
4. Scheduled payments of interest or principal on covered mortgage obligations, except for prepayment of principal;
5. Covered worker protection expenditures;
6. Payments to independent contractors;
7. Maintenance expenses;
8. Administrative costs and expenses;
9. State and local taxes and fees;
10. Operating leases in effect as of February 15, 2020;
11. Insurance premiums; and
12. Costs related to producing a theatrical or live performance, including advertising, transportation, and capital expenditures.

The Shuttered Venue Operator Grant is a relief opportunity that may be available to fairs that produce live entertainment. We encourage you to learn more about this opportunity by reading the Shuttered Venue Operator Grant FAQs, reaching out to your local SBA office or local bank who administer SBA programs, or to WFA. There are fairs pursuing this opportunity and questions are being filtered through the WFA Communications Committee. In addition, there are fair colleagues or consultants who can assist with your application.

The application does request a DUNS number. To locate your fairs DUNS numbers simply click <https://www.dnb.com/duns-number/lookup.html>, select "my company" and then "business phone" and type in your fair phone number.

Due to the lobbying efforts of Western Fairs Association and many others in the National Independent Venue Association, a relief package exists that can help sustain our fairs as we move towards recovery and reopening of events.

Again, we recommend that you discuss eligibility with your local SBA office, Western Fairs Association or consultants to assist you with your application or with any questions you may have.