



Memo:

To: **Local Arts Agencies Who Own Or Operate Performing Arts Venues, Theaters & Museums**
From: Government Affairs Department
Americans for the Arts
Date: December 22, 2020
Re: Save Our Stages (SOS) Assistance for Your Venue(s)

On December 21, 2020, the Congress approved a major COVID-19 relief package. Among the various items that will assist the creative economy and its workforces is a new section modeled after the Save Our Stages (SOS) legislation. This bill, introduced by Senators John Cornyn (R-TX) and Amy Klobuchar (D-MN), and substantially enhanced by Minority Leader Chuck Schumer (D-NY) provides grants from the Small Business Administration (SBA) to live entertainment venues and cultural institutions.

This memo serves to notify Local Arts Agencies of this new federal program, and to request your help in ensuring that the SBA properly administers it to municipal governments.

The COVID-19 relief package is expected to be signed by the President over the course of the next week. The original SOS legislation was written to provide \$10 billion to independent venues (primarily music), including those in the non-profit, for-profit and government-owned sectors. The final version of this legislation provides \$15 billion in support to ‘performing arts organizations’, independent movie theaters, talent agents and museums. In reviewing the final text we can see that the legislation maintains the eligibility for “government-owned” entities to be eligible.

As with any federal legislation, there will be a gap between the directives included in the legislation as passed, and the methods for which the federal agency carries out the instructions. The SBA typically provides support to the for-profit and entrepreneurship sector, and less frequently the non-profit sector. During the pandemic, it has not administered programs engaging with local government agencies – this legislation will be breaking new ground at the agency. Early reports indicate that the SBA will collect feedback within 10 days from being signed into law from stakeholders seeking to provide input into how the agency should administer this program. Americans for the Arts, with your feedback, and guidance from our lobbying firm Brownstein Hyatt plans to file a comment.

Attached is the 30 page section of the SOS legislation (Pages 2124-2153). **We request that you review this text and consider the following preliminary questions involving venue ownership, operations, and revenues:**

- 1) Does your municipality own and operate as a live venue or promoter, theatrical producer, or live performing arts organization operator, a museum operator, a motion picture theatre operator, or a talent representative?
- 2) Who owns your venue(s) and who is legally responsible for operating the venue? There can be multiple answers.
- 3) If your municipality fully operates the venue, can you identify your staffing size, and ‘gross earned revenue’ for the venue?
- 4) If a 3rd party, nonprofit, or other entity is leased the venue, are they able to account for ‘gross earned revenue’ and fulfill the staffing criteria laid out on Pages 4-6 (204-206)?

- 5) Can your municipality, and renters, assemble a list of potential eligible expenses, such as, payments to independent contractors (not to exceed \$100K annual pay), maintenance costs, licensing, insurance premiums, advertising, theatrical production costs, and capital expenditures incurred 3/1/20 to 12/31/21?

Because of the limited time for providing comment to the SBA, Americans for the Arts' staff will set up a meeting the first week of January to review these issues and ask for your feedback on how your government-owned, or operated, venues may benefit through the SOS program.

Please feel free to email your feedback to advocacy@artsusa.org as well.

Relatedly, there will be Zoom "Office Hours with Nina" throughout 2021 every Friday at 11am ET where our Chief Counsel Nina Ozlu Tunceli provides customized technical assistance on the full range of COVID relief opportunities.

Summary of Sec. 324 -- New Program of Grants for Shuttered Live Venue Operations for live entertainment venues, cultural institutions, and agents

- \$15 billion to support live entertainment venues, agents, cultural institutions such as theaters and museums with 500 or fewer FTE employees and cannot also apply for a new PPP loan.
- \$2 billion of these funds are reserved for entities with 50 or fewer FTE employees.
- Initial grant can total up to \$10 million per eligible business. A supplemental second grant, worth half the amount of the first, may also be available if funds are available.
- Grant amount based on 45% of recipient's 2019 gross earned revenue.
- Priority in the first 14 days are given to those businesses who have faced 90% or more of losses of revenue between 4/1/20 to 12/31/20, compared to the same time period in 2019.
- Priority for the next 14 days are given to those companies who faced 70% or more of losses of revenue between 4/1/20 to 12/31/20, compared to the same time period in 2019.
- Special formula allowances available for seasonal businesses.
- 20% Funding reserve for applications after these two 14-day priority periods for the hardest hits companies.
- Funds can be used to cover all the same new covered costs of a PPP loan plus payments to independent contractors (not to exceed \$100K annual pay), maintenance costs, licensing, insurance premiums, advertising, theatrical production costs, and capital expenditures incurred 3/1/20 to 12/31/21.
- Business entity must have been in operation on or before 1/1/19.
- Recipient would not include grant funds in their taxable gross income.
- Grant funds cannot be used to purchase real estate, pay loans taken out after 2/15/20, investment or re-lend, or for electoral activity and lobbying expenditures.
- Applications are made to the SBA and the SBA Administrator to issue guidance within 21 days of bill's enactment.