



**Division of Small Business  
& Technology Development**



# **SBA Shuttered Venue Operator Grants**

**Empire State Development**

**A Division of Empire State Development**

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# The Shuttered Venue Operators Grant Program

The **Shuttered Venue Operators (“SVO”) Grant program** was established by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, signed into law on December 27, 2020 and then amended by the American Rescue Plan Act signed into law March 12, 2021.

**The program includes over \$16 billion in grants to shuttered venues**, to be administered by the SBA’s Office of Disaster Assistance.

**Eligible applicants may qualify for SVO Grants equal to 45% of their gross earned revenue**, with the maximum amount available for a single grant award of \$10 million. \$2 billion is reserved for eligible applications with up to 50 full-time employees.

*This presentation is based upon the rules as they exist at the time of its creation and further refinements to the program may be made in the future by the Small Business Administration and the United States Congress. It is intended as an overview and not an exhaustive guide to every situation or rule for every business. Please consult [SBA.gov](https://www.sba.gov) for further clarification and guidance regarding the program.*



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# Grant Amounts available to Shuttered Venues

Grant amount will be either:

For an eligible entity in operation on January 1, 2019, grants will be for an **amount equal to 45% of their 2019 gross earned revenue OR \$10 million, whichever is less.**

For an eligible entity that began operation after January 1, 2019, grants will be for **the average monthly gross earned revenue for each full month you were in operation during 2019 multiplied by six (6) OR \$10 million, whichever is less.**

Venues and promoters who received a PPP loan on or after December 27, 2020, will have their grants reduced by that amount.

**The business MUST HAVE BEEN IN OPERATION as of February 29<sup>th</sup>, 2020 to be eligible to apply.**



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# How to Apply:

SBA is in the process of setting up the grant program and is **expected to open applications on April 8, 2021 and will be accepted on a rolling basis until funds are exhausted. Any applicant can submit their application at any time until funds are expended.**

**Applications will be accepted at the SVO Grant Portal <https://www.svgrantportal.sba.gov/>**

Those who have suffered the greatest economic loss will be the *first applications processed* under the following schedule:

## **First Priority (1st 14 days of grant awards):**

- Entities that suffered a 90% or greater revenue loss between April 2020 through December 2020 due to the COVID-19 pandemic.

## **Second Priority (Next 14 days of grant awards):**

- Entities that suffered a 70% or greater revenue loss between April 2020 through December 2020 due to the COVID-19 pandemic.

## **Third Priority (Beginning 28 days after First & Second Priority Awards are made):**

- Entities that suffered a 25% or greater earned revenue loss between one quarter of 2019 and the corresponding quarter of 2020.

## **Supplemental Funding (Available after all Priority Periods have passed):**

- Recipients of First, Second, and Third Priority round awards who suffered a 70% or greater revenue loss for the most recent calendar quarter (as of 04-01-21 or later – this will be a separate application process if the monies are available)

*Note: On January 20, 2021, SBA updated the proposed plan for issuing Shuttered Venue Operators Grants during the first and second priority periods. Priority awardees will not need to satisfy the small employer set-aside. During the first 59 days of opening the SVO Grants, SBA will reserve no less than \$2 billion of program funding for grants to entities that have no more than 50 employees.*



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# Definition of Revenue for the purpose of this program:

- First and second priorities – “gross revenue”
- Third priority – “earned revenue”

## *What is included in Revenue?*

- **Earned Revenue** – monies from the sale of goods and services. Does not include other funds such as donations, sponsorships, government assistance or returns on investment.
- **Gross Earned Revenue** – the total of earned revenue from various sales of goods and services, such as admission tickets, merchandise, food and beverages, advertising sales and contracted presentation income.
- **Gross Revenue** – all revenue in whatever form from whatever source. Including contributions, donations, and grants (except disaster assistance).



# Who can apply for an SVO Grant?

## Eligible entities include:

- Live venue operators or promoters
- Theatrical producers
- Live performing arts organization operators
- Relevant museum operators, zoos and aquariums who meet specific criteria
- Motion picture theater operators (must have fixed seating)
- Talent representatives, and
- Each business entity owned by an eligible entity that also meets the eligibility requirements

**The venue or promoter may not apply for or receive a PPP loan after their receipt of an SVO Grant.**



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# Who will NOT QUALIFY for an SVO Grant?

## Examples of ineligible entities include:

- Most mobile entities with no fixed performance space (certain traveling tent shows, circuses and festivals that meet space related requirements COULD be eligible).
- A publicly traded corporation, of an entity majority owned and controlled by such.
- Organizations that present live performances or sells products or services of a prurient sexual nature.
- An entity that received more than 10% of its 2019 gross revenue from the federal government (disaster assistance NOT included).
- Entities that own or operate venues, theatres, museums, talent agencies outside the United States OR in more than 10 states AND have more than 500 employees as of February 29, 2020.
- An entity whose PRINCIPAL LINE BUSINESS is not the organization, promotion, management of hosting of live concerts, comedy shows, theatrical productions or other events by performing artists (examples: restaurants, bars, wedding venues, operations with a multipurpose room).
- Drive-in movie theaters, agricultural fairs, wedding venues, athletic venues that sometimes support concerts, air shows, party boats.



# Other eligibility requirements

- **Only application or award allowed per EIN.**
- A **maximum of five business entities related by affiliation** (example: one parent firm and four subsidiaries) can receive an SVOG.
- An **eligible museum**, and all other museums it operates as subsidiaries may receive no more than \$10 million combined under the program.
- A firm's **“Principal Business Activity”** is the activity in which it has the greatest combined amounts of revenues, expenses, employees, work hours, assets, and contracts.
- Entity must operate primarily in the United States.
- Entities must be pre-registered in the System for Award Management ([SAM.gov](https://www.sam.gov)).
- Organizations are **required** to have a D-U-N-S number ([www.dnb.com](https://www.dnb.com)).



# What can the Grant be used for?

Funds may be used for specific expenses, which include:

- Payroll costs;
- Rent payments, Utility payments and Insurance payments;
- Scheduled mortgage payments (not including prepayment of principal);
- Scheduled debt payments (not including prepayment of principal) on any indebtedness incurred in the ordinary course of business prior to 02-15-20);
- Worker protection expenditures;
- Payments to independent contractors (not to exceed \$100K in annual compensation per contractor);
- Other ordinary and necessary business expenses, including maintenance costs;
- Administrative costs (incl. fees and licensing);
- State and local taxes and fees;
- Operating leases in effect as of 02-15-20; and
- Advertising, production transportation, and capital expenditures related to producing a theatrical or live performing arts production (May not be primary use of funds).



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# SVO Grant Uses (continued)

Grantees **may not** use award funds to:

- Buy real estate;
- Make payments on loans originated after 02-15-20;
- Make investments or loans;
- Make contributions or other payments to, or on behalf of, political parties, political committees, or candidates for election; and
- Any other use prohibited by the Administrator (see [SBA website](#) for further guidance).

## **Grantee Recordkeeping:**

Grantees will be required to maintain documentation demonstrating their compliance with the eligibility and other requirements of the SVO Grant program. They must retain employment records for four years following their receipt of a grant and retain all other records for three years.



# Requirements for all businesses

<b>General Requirements</b>	<ul style="list-style-type: none"><li>• Was fully operational on February 29, 2020.</li><li>• Had gross earned revenue during any of the first, second, third, or fourth quarter in 2020 that demonstrated not less than a 25 percent reduction from the gross earned revenue of such business during the corresponding quarter in 2019.</li></ul>
<b>Ownership Restrictions</b>	<ul style="list-style-type: none"><li>• Is not listed on a stock exchange or majority owned and controlled by an entity listed on a stock exchange.</li><li>• Does not have, or is not majority owned and controlled by an entity with, all three of the following characteristics:<ol style="list-style-type: none"><li>1. Owns or operates venues, relevant museums, motion picture theatres, or talent agencies or talent management companies in more than one country;</li><li>2. Owns or operates venues, relevant museums, motion picture theatres, or talent agencies or talent management companies in more than ten States; and</li><li>3. Employs more than 500 employees as of February 29, 2020, determined on a full-time equivalent basis.</li></ol></li><li>• Not majority owned or controlled by an entity that received more than 10% of gross revenue from federal funding during 2019, excluding amounts received by such business under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.</li></ul>
<b>Prohibited Activities</b>	<ul style="list-style-type: none"><li>• Does not (i) present live performances of a prurient sexual nature or (ii) derive, directly or indirectly, more than de minimis gross revenue through the sale of products or services, or the presentation of any depictions or displays, of a prurient sexual nature.</li></ul>



## Additional Requirements by business type (must satisfy all per category)

	<i>Live Venue Operator or Promoter, Theatrical Producer, or Live Performing Arts Organization Operator</i>	<i>Motion Picture Theatre Operator</i>	<i>Museum Operator</i>	<i>Talent Representative</i>
<b>Business Requirements</b>	<ul style="list-style-type: none"> <li>One of its principle business activities is operating or using venues for Eligible Live Events for which (i) a cover charge through ticketing or front door entrance fee is applied, and (ii) performers are paid in an amount that is based on a percentage of sales, a guarantee (in writing or standard contract) or another mutually beneficial formal agreement.</li> </ul> <p>Either:</p> <ul style="list-style-type: none"> <li>Not less than 70% of the earned revenue of the business is generated through, to the extent related to a live event described immediately above, cover charges or ticket sales, production fees or production reimbursements, nonprofit educational initiatives, or the sale of event beverages, food, or merchandise; or</li> <li>One its principle business activities is making available for purchaser by the public an average of not less 60 days before the date of the event tickets to live events described immediately above.</li> </ul>	<p>One of its principle business activities is owning and operating at least one place of public accommodation for the purpose of motion picture exhibition for a fee.</p>	<p>Operates museums that are Relevant Museum as its principal business activity.</p>	<p>Not less than 70% of its operations are engaged in representing or managing two or more artists and entertainers.</p>
<b>Operational Requirements</b>	<p>Has resumed or intends to resume organizing, promoting, producing, managing, or hosting future Eligible Live Events.</p>	<p>Is open or intends to reopen for the primary purpose of public exhibition of motion pictures.</p>	<p>Is open or intends to reopen.</p>	<p>Is representing or managing artists and entertainers.</p>
<b>Facility Requirements</b>	<ul style="list-style-type: none"> <li>Has a defined performance and audience space.</li> <li>Has mixing equipment, a public address system, and a lighting rig.</li> <li>Engages one or more individuals to carry out not less than two of the following roles: a sound engineer; a booker; a promoter; a stage manager; security personnel; or a box office manager.</li> <li>Requires a paid ticket or cover charge to attend most performances and artists are paid fairly (rather than performing for free or for tips, except for fundraisers or similar charitable events).</li> <li>If owned or operated by a nonprofit entity that produces free events, the Eligible Live Events are produced and managed primarily by paid employees, not by volunteers.</li> <li>Markets performances in printed or electronic publications, on websites, by mass email, or on social media.</li> </ul>	<ul style="list-style-type: none"> <li>Has at least one auditorium that includes a motion picture screen and fixed audience seating.</li> <li>Has a projection booth or space containing not less than one motion picture projector.</li> <li>Requires a paid ticket charge to attend exhibition of motion pictures.</li> <li>Markets motion picture exhibitions through showtime listings in printed or electronic publications, on websites, by mass mail, or on social media.</li> </ul>	<ul style="list-style-type: none"> <li>Has indoor exhibition spaces that are a component of the principal business activity and which have been subject to pandemic related occupancy restrictions.</li> <li>Has at least one auditorium, theater, or performance or lecture hall with fixed audience seating and regular programming.</li> </ul>	



# Cross Program Eligibility for SBA COVID-19 Relief Options

	PPP Applicant	Shuttered Venue Operators Grant Applicant	COVID-19 EIDL Applicant
PPP Recipients	First Draw PPP borrowers may be eligible to apply for Second Draw PPP loans.	May not apply for PPP if they received a SVOG Grant	May apply for EIDL; PPP and EIDL can't be used for the same purpose/costs.
Shuttered Venue Operators Grant Recipients	<u>Eligible to apply if they have NOT yet received a grant.</u>	May be eligible to receive a supplemental SVOG award	May apply for EIDL; SVOG and EIDL can't be used for the same purpose/costs.
COVID-19 EIDL Recipients	May apply for PPP; EIDL and PPP can't be used for the same purpose/costs.	May apply for SVOG; EIDL and SVOG can't be used for the same purpose/costs.	The same business cannot apply for more than one EIDL.

*NOTE: The New York Forward Loan Fund (NYFLF) IS COMPATIBLE with Shuttered Venue Operators Grants, subject to the other requirements of that program. Visit the [NYFLF website](#) for more information on the NYFLF program.*



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# Free Assistance Preparing Applications

Free assistance to prepare and submit the grant application is available from:

- SBA Small Business Development Centers (SBDC):  
<http://nysbdc.org/>
- Entrepreneurship Assistance Centers (EAC):  
<https://esd.ny.gov/sites/default/files/EACContactListJuly2020.pdf>
- Community Development Financial Institutions (CDFI):  
<https://esd.ny.gov/sites/default/files/CDFI%20List.pdf>
- Business Mentor NY COVID-19 Volunteer Task Force:  
[www.businessmentor.ny.gov](http://www.businessmentor.ny.gov)
- ESD Small Business Division: <https://esd.ny.gov/doing-business-ny/small-business-hub>



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Thank you for supporting Small Business in New York State

