

**New Jersey Economic Development Authority (NJEDA)  
NOTICE OF FUNDING AVAILABILITY  
New Jersey Community Stages Relief Grant Program**

The New Jersey Economic Development Authority (NJEDA) hereby announces the availability of grant funding under the New Jersey Community Stages Relief Grant Program, which is designed to assist for-profit establishments that organize, promote, produce, manage, or host live events or performances by performing artists, and have experienced a revenue loss from Q2 2019 to Q2 2020.

Applications will open on Tuesday August 17, 2021 at 9:00 am and will close on Tuesday September 7, 2021 at 5:00pm. Applications will be accepted for twenty one (21) days after the opening of the application. Applications for this program will be accepted on a first-come, first-served basis, based on the date and time in which the Authority receives the application.

***Background***

This funding opportunity is available as part of Governor Murphy's campaign to build a stronger and fairer New Jersey and to facilitate recovery from the COVID-19 pandemic with substantive investments in New Jersey's people, communities, Main Streets, and businesses.

On April 8, 2021, Governor Murphy signed into law P.L. 2021, c. 43, which allocates \$15 million of CRF funding to support arts and culture organizations impacted by COVID-19. Of that \$15 million, \$7.5 million was allocated to the Authority to make grant funding available to for-profit arts and culture organizations. The remaining funding was allocated to the New Jersey Council on the Arts to provide funding to not-for-profit arts and culture organizations. On July 21, 2021, Governor Murphy signed into law, P.L. 2021, c. 173, \$10 million of American Rescue Plan funding was allocated as additional funding to the Authority to supplement the original \$7.5 million funding to for-profit arts and culture grants.

***Purpose***

The New Jersey Community Stages Relief Grant Program will provide grant funding based on 30 percent of operating revenue loss between 2019 and 2020, capped at \$300,000, to for-profit businesses that involve the organization, hosting, promotion, production, or management of live music or performances.

***Eligible Uses***

The sole use is grant funding to for-profit businesses that involve the organization, hosting, promotion, production, or management of live music or performances for business interruption revenue replacement.

## ***Grant Amounts***

Under the program, grants will be made on a first come first served basis. Awards will be calculated based on 30% of revenue loss up to a maximum grant award of \$300,000, net of any duplication of benefits or Federal award requirement reduction.

Grant calculation:

- Grants amounts will be calculated as 30 percent of the decline in operating revenue in 2020 versus 2019.
- The total grant amount cannot exceed the establishment's unmet need based on duplication of benefits analysis. The maximum grant request amount is \$300,000 and the minimum amount is \$10,000 contingent on the total unmet need being at least \$10,000. Any total unmet need below \$10,000 will be funded up to the level of that unmet need.

## ***Funding Disbursement***

Disbursements to grantees will be made pursuant to the following disbursement schedule: 100 percent of the award will be made following the execution of the grant agreement. Automated processes, where applicable, are being implemented to ensure the rapid issue of the disbursements.

## ***Eligibility Requirements***

Applicant eligibility will be determined through one of two specific criteria:

1. An eligible North American Industry Classification System (NAICS) code, based on its most recent business tax filing, to ensure the establishment could realistically host, organize, promote, produce, or manage live events with performing artists.
2. The ability to certify that fifty percent or more of the primary business activity-operating revenue is from organizing, promoting, producing, managing, or hosting at least two regularly occurring live performances per week.

All applicants must meet Eligibility Criteria 1 or Eligibility Criteria 2 in order to be eligible for the grant.

All applicants must meet the Applicant Eligibility Criteria-Establishment Venue Capacity in addition to meeting either Eligibility Criteria 1 or Eligibility Criteria 2.

### **Applicant Eligibility Criteria 1 – NAICS Eligible Establishments**

An eligible applicant shall operate under a NAICS code that demonstrates that their primary business involves live events or performing arts, as follows:

<b>NAICS Code</b>	<b>Business Type</b>
711410	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures
711310	Promoters of Performing Arts, Sports, and Similar Events with Facilities
711320	Promoters of Performing Arts, Sports, and Similar Events without Facilities
711110	Theater Companies and Dinner Theaters
711130	Musical Groups and Artists

Establishments that have one of these NAICS codes would still need to meet the establishment venue capacity criteria as well as the other statutory requirements for eligibility (explained further below).

**Applicant Eligibility Criteria 2 – Eligibility for Other Establishments Outside of Allowable NAICS Codes**

If the applicant does not fall into one of the eligible NAICS codes as listed above, they may still be eligible for the program. The establishment must certify that their principal business operating revenue (50 percent or more) involves the organization, hosting, promotion, production, or management of live music or performances, with a brief narrative description making the case as to why the establishment’s primary business meets that definition. The applicant will then be asked to provide yearly income and expense statements for 2019 or 2020 providing a breakdown substantiating the operating revenues, identified by source, specific to the arts and culture establishment.

The Authority will accept management prepared financial reports, financial reports generated by an accounting system or software package or financial reports prepared by a third-party (CPA, accountant, or bookkeeper). The self-reported revenue statements must be certified by an owner, officer or an authorized representative of the organization. These statements can also be known as income statement, profit and loss (P&L) statement, or statements of revenue and expense

Applicants must show that at least 50 percent of their operating revenue is derived from ticket sales and/or admissions fees of live performances. Establishments that have verified that their primary business involves the organization, hosting, promotion, production, or management of live music or performances would still need to meet the establishment venue capacity criteria as well as other statutory requirements for eligibility

***Program Eligibility Requirement-Establishment Venue Capacity***

All applicants must certify venue capacity with the presentation of a Certificate of Occupancy issued by a New Jersey municipality, county or state agency. Establishments with a leased or owned venue capacity of greater than 2,500 are not eligible for the program. Applicants that do not own or have a lease on a performance space must certify that as of the date of application

they do not own or lease a performance space. Applicants who utilize a leased performance venue must provide a Certificate of Occupancy the primary performance space.

Applicants must also meet the statutory criteria as listed below:

***Two Live Performances per week***

Pursuant to P.L. 2021, c. 43, the Authority shall verify the establishment hosts two live performances per week. The Authority will collect documentation demonstrating the establishment has organized, promoted, produced, managed, or hosted at least two live performances or events per week across any three-month (quarterly) period beginning no later than January 1, 2019, through the date of application. Given that this program is intended to support establishments negatively impacted by the COVID-19 pandemic, this timeframe will ensure that funding is reserved and available to establishments that were operational and regularly hosting, producing, promoting, organizing or managing events immediately preceding the COVID-19 pandemic.

The types of documentation the Authority would expect to collect to evidence the live performances include: live event calendars, public advertisements of live events, evidence of ticket sales for live events, ledgers, income statements, box office reports and other documents showing show dates, artists or events, ticket prices, and number of tickets sold, marketing or promotional materials, or any other documentation sufficiently demonstrating bi-weekly live events were supported over a three-month period.

***Statutory Eligibility Requirements-Event Admissions Fees***

The applicant must show that admission fees were charged for any events organized, promoted, produced, managed, or hosted by the applicant. The determination measure will spread over any three-month (quarterly) period beginning no later than January 1, 2019, through the date of application. Documentation will be collected as part of the application which must demonstrate the collection of admission fees for each event that is part of the three-month reporting period. This may include reports provided by a third-party ticket seller or payment processor, copies of receipts or tickets/ticket stubs sold at an event, in house administrative documentation, marketing materials or third-party media demonstrating a fee for admission was collected for live events reported during the three-month sample period.

***Statutory Eligibility Requirements-Artist Payment for Events***

The applicant must also show that the performing artists performing at live events over any three-month (quarterly) period beginning no later than January 1, 2019, through the date of application are paid through one of the following wage structures: payment based on a percentage of sales, a guaranteed payment, a contract or other mutually beneficial formal arrangement, or the sale of tickets for which performers are paid based on a percentage of ticket sales.

To evidence this, the Authority will require documentation proofs provided by the applicant for four different artists or their representatives evidencing a mutual agreement between the

performing artist or the artists' agent, representative or other person or establishment responsible for arranging an artists' performance and the applying establishment or host venue that clearly demonstrates the performing artist was paid based on one of the wage structures identified above.

It is expected that a contract be executed by both the performing artist and the applicant establishment/hosting venue that clearly stipulates the basis by which the performing artist is paid. However, recognizing the nature of how the industry works which is sometimes outside of formal contractual agreements, staff will accept other forms of documentation such as written or electronic copies of agreements such as copies of emails, electronic messages, and dated text messages if it is clear to the Authority that the compensation was mutually agreed upon, and the compensation is consistent with the statutory requirements.

### ***Statutory Eligibility Requirements-25 percent or Greater Operating Loss When Comparing Q2 2019 and Q2 2020***

The applicant must verify that the establishment has a 25 percent or greater operating revenue loss in Q2 2020 compared to the Q2 2019. The Authority is currently exploring if there are ways to automate this review using information from the Division of Taxation; however, this is complicated by the fact that not every applicant may be a Corporate Business Tax filer. At a minimum, the Authority may first ask the applicant to self-report its operating revenue specific to the arts and culture establishment on a quarterly basis over calendar years 2019 and 2020. Any application whose self-reported revenue numbers do not meet the 25 percent requirement over the Q2 2020 to Q2 2019 comparison will not advance to the documentation review process on the basis that the statutory requirement for operating revenue loss was not met.

For establishments with self-reported operating revenue numbers that demonstrate a 25 percent or greater loss, the applicant will then be asked to provide 2019 and 2020 business income tax filings specific to the arts and culture establishment, so the Authority may compare the operating revenue reporting annually on the business filings to ensure consistency with the revenue reported on the management or third-party prepared financial statements.

For applicants whose self-reported operating revenue numbers demonstrate a 25 percent or greater loss but do not have 2019 and 2020 business income tax filings specific to the establishment for which the applicant is seeking grant funds, the applicant shall provide quarterly income and expense statements for all quarters of 2019 and 2020 providing a breakdown substantiating the operating revenue numbers specific to the arts and culture establishment. These statements must identify revenue by source. The Authority will accept management prepared financial reports, financial reports generated by an accounting system or software package or financial reports prepared by a third-party (CPA, accountant, or bookkeeper). The self-reported revenue statements must be certified by an owner, officer or an authorized representative of the organization. These statements can also be known as income statement, profit and loss (P&L) statement, or statements of revenue and expense.

### ***Application Process***

Applications will be accepted for 21 days after the opening of the application. Applications for this program will be accepted on a first-come, first-served basis, based on the date and time in which the Authority receives the application. Only applications that are fully complete will be considered for funding. Applicants will be given five business days for an opportunity to correct or preserve their application by providing missing documentation. Applicants who fail to provide the requested application information will be rejected on the basis of insufficient or incomplete documentation.

Given the volume of applications the Authority expects to receive, only applicants that provide a NAICS code as listed in Eligibility Criteria 1 and self-report revenue figures showing at least a 25 percent operating revenue loss over the Q2 2020 to Q2 2019 comparison *or* can demonstrate that fifty percent or more of the primary business activity-operating income is from organizing, promoting, producing, managing, or hosting at least two regularly occurring live performances per week and self-report revenue figures showing at least a 25 percent operating revenue loss over the Q2 2020 to Q2 2019 comparison will advance to a manual review of documentation by Authority staff. Applicants with greater than 2,500 capacity will not proceed.

The Authority will implement additional automation and interactivity such that businesses are immediately alerted if they enter information that may indicate ineligibility or trigger a manual review, giving them the opportunity to confirm that their responses are correct or choose not to proceed if they are ineligible.

### ***Fees***

Due to financial hardship, no fees will be collected by the Authority for this program.

### **Questions**

Please direct all program related questions to [NJCommunityArts@njeda.com](mailto:NJCommunityArts@njeda.com)