City of Austin – Economic Development
Austin Live Music Venue Preservation Fund
REVISED DRAFT Program Guidelines
Updated 12.2.2020

1.0 Purpose

The purpose of the Austin Live Music Venue Preservation Fund is to ensure the long-term survivability of live music venues in the City of Austin and benefit live music venues that:

- Have been closed or operated with significantly reduced operations since March 2020 because of the global COVID-19 pandemic;
- Face a substantial likelihood of closing permanently absent assistance;
- Face uniquely difficult challenges pivoting to alternative operating models for generating revenue sufficient for survival under extended public health emergency orders;
- Would have the greatest detrimental impact on the City's civic infrastructure, economic recovery and preservation of the City's unique culture, character and brand if the venue closed;
- Were adversely impact by the cancellation of South by Southwest and subsequent events;
- Have been impacted by other COVID-19 related disruptions; and/or
- Have virus mitigation and protective equipment needs.

1.1 Community Benefits

The community benefits to be achieved through this program include not only helping live music venues, but also helping the industry's and other industries' survival, job creation and retention, and post-pandemic economic recovery. Community benefits also include maintaining a strong tax base, maintaining civic infrastructure, and preserving the City's unique culture, character, heritage and brand. Awardees will receive support to help ensure success since this investment will germinate broader economic recovery and job growth in Austin, including but not limited to:

- Preventing iconic Austin businesses, which attract in-state and out-of-state tourists, from closing;
- Improving the quality of life for residents and visitors;
- Spurring economic development opportunities for small business;
- Supporting workers in the targeted businesses and industries that will, in turn, be able to sustain other businesses and industries (including at staging companies, artist service organizations, studio spaces, etc.) that also contribute to the unique character, brand and culture of our city;
- Helping people with low and middle incomes;
- Expanding local audience outreach through collaboration and partnerships;
- Innovating safe live music guidelines for workforce development and growth; and
- Promoting Austin's live music sector and other music industries to tourists and global audiences.

1.2 Definitions

The following definitions shall be used for the purposes of this grant program:

- Live Music Venue: An establishment where live music programming is the principal function of the business and/or the business is a live music destination, and where the venue clearly establishes the ability of an artist to receive payment for work by percentage of sales, guarantee or other mutually beneficial formal agreement for every performance. A live music venue is a destination for live music consumers, and/or its music programming and is the primary driver of its business as indicated by the presence of at least five (5) of the following:
    - Defined performance and audience space;
    - Mixing desk, public address (PA) system, and lighting rig;
    - Back line;
    - At least two of the following: (i) sound engineer, (ii) booker, (iii) promoter, (iv) stage manager, or (v) security personnel;
    - Charges cover charge to some music performance through ticketing or front door entrance fee;
    - Markets specific acts through show listings in printed and electronic publications;
    - Hours of operation coincide with performance times; or
    - Programs live music at least five nights a week.

2.0 Program Fund and Fund Source

Funding in the amount of $5,000,000 is available in the Fiscal Year 2020-2021 General Fund Emergency Reserve Fund. Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funds are not used for this program.

3.0 Eligibility Criteria

Applicant must be a representative of a live music venue meets all the following criteria:

- Meets the definition of a live music venue, as defined in Section 1.2;
- Been closed or operated with significantly reduced operations (operating below 75 percent of operational capacity compared to 2019) since March 2020 as a result of the COVID-19 pandemic;
- A substantial likelihood of closing permanently absent assistance;
- A physical address in a City of Austin City Council District;
- Incurred or plans to incur COVID-19 mitigation and/or protective equipment expenses; and
- Meets or exceeds the City's COVID-19 safety guidelines, which can be found online at www.austintexas.gov/covid19.

3.1 Ineligibility Criteria

Applicants are ineligible for this grant program if any of the following apply:

- Applicant's business does not meet all the eligibility requirements in Section 3.0;
- Applicant's business is permanently closed; or
- Applicants who are full time, permanent City of Austin employees.

3.2 Previous COVID-19 Grant or Loan Recipients

Applicants who received federal CARES Act funding are eligible for the Austin Live Music Venue Preservation Fund.

4.0 Emergency Support Grants

Applicants that meet the program eligibility in Section 3.0, agree to participate in the technical assistance evaluation, and attest to immediate risk of closure but for emergency financial support will receive a one-time emergency support grant of $20,000. For the purposes of this emergency support grant, "immediate risk of closure" means risk of closure within 30 to 60 days of submitting the application under the business' current operations. The City may clawback the $20,000 grant from applicants that fail to participate in the mandatory technical assistance program, as defined in Section 4.1.

4.1 Mandatory Technical Assistance

All eligible applicants must participate in a mandatory technical assistance evaluation before applying for enhanced support grants, as defined in Section 4.2. If the applicant is identified to need technical assistance, this may include a program orientation, virtual cohort-style courses, and/or one-on-one technical assistance. Because the nature of the COVID-19 pandemic is dynamic, the City Manager shall develop the technical assistance program in partnership with third-party entities to ensure maximum benefit for grant applicants. Applicants for this program must also complete an Equity Strategic Plan during the technical assistance period to apply for an enhanced support grant. See Section 5.0 for more information regarding the Equity Strategic Plan.

4.2 Enhanced Support Grants

Eligible applicants who complete the technical assistance requirements may apply for enhanced support grants, which are monthly disbursements up to $40,000 per month for six months, not to exceed $140,000. The maximum award amount will be based on eligible operating expenses as defined in Section 4.3.

Not all eligible applicants will receive enhanced support grants. All applications for enhanced support grants will be evaluated using a scoring matrix. City staff will publish a final copy of the scoring matrix online prior to accepting applications for enhanced support grants. The enhanced support grants will be allocated to applicants that score the highest according to this matrix.

4.3 Calculating Maximum Possible Enhanced Support Grants

An applicant's maximum possible enhanced support grant amount will be based on the following eligible expenses for calendar years 2019 and 2020, which will require documentation:

- Rent or mortgage for commercial property, including triple net leases
- Utilities
- Payroll, payroll taxes and employee benefit programs such as health and life insurance
- Technology and software
- Sanitation/cleaning services or supplies

- Personal protective equipment (PPE) purchases/rentals
- Business and commercial property insurance
- Permits and regulatory fees
- Maintenance and repair
- Professional services (i.e. CPA, attorney, brokerage, payroll services, etc.)
- Property taxes

Applicants will be asked to submit the following as documentation to verify their expenses:

- 2018 and 2019 Federal income tax return
- Current balance sheet
- Twelve months trailing Profit & Loss statement
- Documentation expenses eligible for reimbursement
- Payroll records (to document number of employees) (Sample)

A larger grant award may be considered if it is determined to be necessary and advisable:

- For an awardee, the Austin Economic Development Corporation, or other similar cultural trust organization, or third party which will then lease to the awardee, to purchase the awardees' location or otherwise to achieve a purpose that allows for greater long term business sustainability, or
- To sufficiently leverage an opportunity to ensure business survival and long term sustainability.

4.4 Termination of Enhanced Support Grant

If the live music venue closes permanently during the grant award period, termination of the grant may be considered.

5.0 Equity Consideration

The City of Austin is focusing on undoing the policies and practices that have led to historic systemic inequities with special attention paid to business ownership, employment, artist of color and genre development, and audience outreach and development. To address these systemic inequities, applicants are required to submit a detailed "Live Music Venue Equity Strategic Plan."

Awardees will be provided training and support to ensure these plans are actionable and implemented within one year of the grant award. These opportunities will be created and administered in collaboration with City of Austin departments, local music venues and businesses operated by people of color, and City's workforce development partners for the music industry.

Applicants should consider the following concepts for creating a customized and detailed "Live Music Venue Equity Strategic Plan" as part of their application:

Undoing Systemic Racism Training and Equity Process with Musicians (Required):

- Participation in workshops for live music venue leadership and staff with topics covering equity in hiring, institutional racism, and implicit bias, or

- Participation in a community-led process alongside musicians from historically marginalized backgrounds, with the goal of improving racial equity and inclusivity in the industry and better establishing professional standards to address issues raised by musicians of color such as timely pay and the elimination of any disparate treatment.

Live Music Professional Development:
Participation in professional development workshops and trainings to increase access and opportunities for people of color to develop within live music venues, including the following:

- Entrepreneurship, business planning, budgeting, insurance, and strategies for sustainable growth.
- Technical training in live sound mixing and audio engineering.
- Venue Internships for local high school and undergraduate students of color.
- Marketing and outreach development to increase communities of color patronage of local artists and live music venues.

Genre Diversity Development and Promotion:

- Developing ongoing Artist Residencies featuring emerging artists of color in all genres.
- Participating in "Genre Development Town Halls" featuring artists of color in all genres streamed from music venues and/or creative spaces in each City Council district. Additional marketing assistance from City and cultural tourism partners will be provided to promote these shows.

ATX Music Export and Exchange:

- Developing an export and exchange program with strong Black, Indigenous, and People of Color (BIPOC) music markets to provide Austin artists of color with touring opportunities to perform in new and diverse markets, while also bringing visiting artist of color to perform in Austin venues and creative spaces. Additional marketing assistance from City and cultural tourism partners will be provided to promote these shows.

Talent Buying, Co-production and Co-Marketing Collaboration:

- Collaborating with local BIPOC talent buyers/promoters to create and promote showcases of underrepresented genres and artists of color. Additional marketing assistance from City and cultural tourism partners will be provided to promote these shows.

Support Act Opening Slots:

- Venue talent buyers securing paid opening support slots for Austin artists of color in shows of local talent, as well as national and regional tours to grow the audience base and ticket sales of both the venue and the featured artists of color. Additional marketing assistance from City and cultural tourism partners will be provided to promote these shows.

Destination Events:

- Collaboration with community partners of color to produce scaled events highlighting and promoting the artistic diversity in Austin with a focus on ethnic cultural holidays and

regular annual events. Additional marketing assistance from City and cultural tourism partners will be provided to promote these shows.

Co-Located "Music Hubs" and Venues:

- Collaboration with community partners of color to establish and promote co-located "Music Hubs" and venues through public-private partnerships that boost local creative industry capacity. Venue stakeholders participate in these Music Hubs to create the synergy critical to developing and growing a wide array of genres and Austin artists of color, as well as venue/music business ownership by people of color.

6.0 Commercial Tenants

As part of the Mandatory Technical Assistance Program (see Section 4.1), applicants who rent or lease their property should demonstrate an attempt to secure a commitment from their property owner to enter into a more favorable and/or more long-term rent or lease agreement or sale agreement with the applicant.

6.1 Workers Rights and Labor Issues

Applicant will adhere to worker safety protections and workers' rights as applicable to the facility and business operations in accordance with local, state, and federal laws. The City may find a breach of the program guidelines if a program participant is found to have violated workers' rights for a period of one year from grant award, either because of a substantiated finding as determined by the City and is not cured by the participant, of unfair labor practices, worker safety violations, violation of anti-discrimination laws, or violation of other applicable worker rights laws.

6.2 Anti-Discrimination Agreement

Applicants agree to comply with policies to support anti-harassment and anti-discrimination practices for business operations and work environment in the City of Austin. Applicants receiving grant awards shall be required to sign and comply with a City-provided form specifying non-discrimination and anti-harassment policies and practices. Evidence of noncompliance may be grounds for terminating a grant award and demanding repayment. At its discretion, the City may work with the recipient to develop a plan and timeline for becoming compliant.

7.0 Funding Disbursement

The City of Austin or a third-party program administrator will make every effort to distribute funding as soon as possible following the rapid completion of the final application process, including the technical assistance.

8.0 Public Disclosure

All information submitted by applicants as part of the grant application and administration are subject to the Texas Public Information Act.