

# MinnPost Article: Who got shuttered venue grants in Minnesota

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The program, which was established by Sen. Amy Klobuchar's Save Our Stages Act, makes payments to entertainment venues to cover losses sustained during pandemic shutdowns.

When the COVID-19 pandemic shuttered St. Paul's Ordway Center for Performing the Arts last year, the nonprofit was left without ticket sales — its main form of revenue — and was forced to make some difficult changes, including laying off some staff and taking on debt in order to not fold completely.

Repairs were costly, too. Christine Sagstetter, interim president, and CEO of the Ordway, described the conditions the Ordway building was in after months of unuse, saying that their engineer had to monitor appliances and elevators to make sure they didn't break down, even pouring vegetable oil down the toilets at times to make sure they didn't all stop working. Though many Minnesota venues lost staff and morale during the pandemic, some are now receiving grants through the Shuttered Venue Operator Grant (SVOG) program, which includes \$16 billion in grants to venues like concert halls, movie theaters and museums that were forced to close during the pandemic.

The SVOG program came as a result of Minnesota Senator Amy Klobuchar's bill, the "Save Our Stages Act," which was bundled into the January coronavirus relief package and received additional funding through the American Rescue Plan.

"From Minneapolis to Moorhead, independent venues are the heart and soul of communities across our state," Klobuchar said. "This pandemic dealt a gut punch to these businesses, but I knew we couldn't let the music stop."

Klobuchar decided to pursue this project after a conversation she had with Dayna Frank, president and CEO of the popular Minneapolis concert venue First Avenue, who said that First Ave needed federal funding to stay afloat.

The SBA says that a majority of the grants will start reaching venues soon, after the [early phases of the project were best by technical glitches](#). The agency [missed its June 9 deadline](#) to grant funds to businesses facing 90 percent or more revenue losses, and money trickled out slowly after that. On June 16, Sen. Klobuchar joined Sen. John Cornyn (R-TX) [in sending a letter](#) to SBA Administrator Isabella Casillas Guzman urging her to disburse SVOG funding as soon as possible. “It has been nearly six months since Congress passed the Save our Stages Act, nearly two months since the second launch of the program, and 51 days since the Small Business Administration (SBA) began receiving applications,” the senators continued. “Bureaucratic process cannot stand in the way of getting these desperately needed funds out the door.”

Now, after seven months of delays, SVOG money is starting to reach venues in need. Here’s where the money is going, and what it means for Minnesota venues.

### *Who got the money*

The Small Business Administration, the agency administering the funds, [released a dataset](#) this week with information on which venues received grants and how much money they were allotted. In total, Minnesota entertainment venues received nearly \$165 million, with an average of \$808,017 per venue. The highest grant awarded was \$10 million, and the lowest \$2,348.

In Minnesota, the SBA recorded that 204 venues received an SVOG, but they did not provide the number of applications received for the state. However, the [most recent data](#) from the SBA shows that nationwide, the agency has approved 93 percent of the applications submitted for the SVOG money.

### **Shuttered Venue Operator Grant recipients, Minnesota**

Source: U.S. Small Business Administration

Unlike the SBA’s [Restaurant Revitalization Fund](#), the venues applying for and receiving the SVOG did not have to qualify for “prioritized” standards — the [qualifications](#) for this money were businesses that are live venue operators, theatrical producers, live performing arts organizations, museums, motion picture theatre owners and talent representatives that had fewer than 500 employees as of February 29, 2020. The venues could apply for money to cover basic costs like payroll, rent, administrative fees and taxes that venues incurred when they were required to be closed.

And the application process was rigorous. Sagstetter said her team dedicated over 400 hours to the application.

The Ordway received just over \$5 million from the SVOG program, making it the 11th highest recipient in Minnesota. Despite the high value of the Ordway’s grant, the performing arts center will still need more to offset the full cost of shutting its doors during the pandemic.

### **Are the funds enough?**

Many venues that closed during the pandemic did so to comply with social distancing rules and government-enforced shutdowns, and this often had a ripple effect throughout the entire team.

“It was really hard knowing you’d have to let people go and you didn’t know when you’d see them again,” Sagstetter said. “There’s the emotion, and then there’s the money. We did what we could to keep expenses down... Pay cuts, substantial pay cuts across the board. And we did lay off staff. We kept thinking [the pandemic] would be over soon. We never thought it would last this long.”

Overall, Sagstetter said the Ordway lost \$4.6 million in revenue and depreciation in fiscal year 2020, which only included about three months of the pandemic. In fiscal year 2021, after cutting costs and adjusting for the pandemic, as well as receiving some other coronavirus recovery grants, Sagstetter said the theater company lost over \$2 million. She said the \$5 million awarded from the SVOG was allotted to cover losses from fiscal year 2020 and 2021.

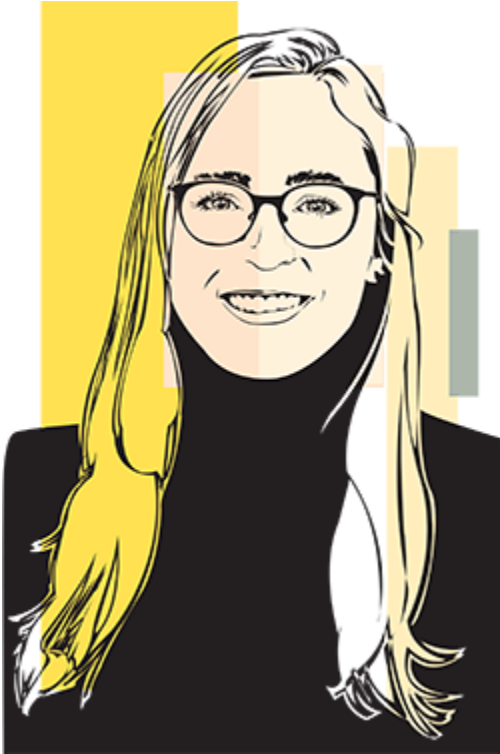
The Minnesota Zoo received just over \$7 million from the program. The zoo, a popular place for field trips and kids’ summer vacation days, was forced to close for a significant portion of 2020. The zoo is also a major music venue.

“Clos[ing] our doors to the public resulted in staff and programming reductions, contractual cancellations, and project delays campus-wide,” said Zach Nugent, communication, and media relations specialist at the Minnesota Zoo. Nugent said the zoo would use the SVOG funds to finance recovery projects to offset a huge revenue loss and “the challenges presented by the pandemic.”

Nonprofit organizations also faced unique challenges in loss of funding during the pandemic — nonprofits often have rules surrounding their finances, meaning that some of their profits can only be used for specific categories, and cannot just go into recovery efforts.

Overall, though the SVOG funding can’t fully make up for the financial — and emotional — losses that hit employees and companies, it’s setting some Minnesota venues back on the right track. The Ordway will ease its way back into reopening in September, where the St. Paul Chamber Orchestra will begin performing again.

“One of my biggest worries is that people are going to think that this is a windfall for us,” Sagstetter said. “But these [funds] are necessary just to get us to survive. I also don’t want to dismiss that there have been other people who’ve tried to help us survive, and we’ve been grateful. This community in the Twin Cities is very philanthropic, and it’s been so heartwarming.”



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