LIVE EVENTS COALITION

New York & New Jersey

NOTES FROM LECNYNJ REGARDING THE "RESTART" ACT

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Summaries of each bullet point are shown in green.

• PPP timing extension: This element can be removed as Congress has acted on it already.

• For many of us, this may still not offer enough relief to help most of our industry's businesses survive the prolonged shutdown…but we understand that it's a big ask from a "forgivable loan" standpoint.

However, if 1 or 2% interest loans were available (1-3% interest, 15-30 year term) in *addition* to the forgivable PPP option that this bill proposes, this would help us build financial bridges needed to keep our doors open. These loans should be made available even to businesses who have already received EIDL or PPP loans, since in most instances those loans won't be sufficient to bridge us on their own.

>>> We would ask for, in addition to forgivable funding, some sort of mandated access to *additional* EIDL loans to *compliment* the forgivable funding in this bill.

• We believe that for all businesses who have lost 25% or more year-over-year revenues to receive the *same* level of new PPP funding is too broad.

>>>We recommend, instead of a flat 45% loan basis for all, using a sliding scale as a basis to determine the loan amount. The aid offered between 25 and 50% revenue loss could be reduced to perhaps a 25% basis, 50-75% to a 50% basis, and over 75% could be on a 75% basis. The goal is to help the hardest-hit businesses first and most generously, and the lesser-hit with more scaled levels of help.

• The fact that aid expires on 12/31/20 will be too short-sighted for the Events Industry. We don't show signs of being out of trouble any time before Summer of 2021, and could underperform at a still-threatening level for well beyond that.

>>>If possible, the bill could allow for an extension based on quarterly performance, after 12/31. You'd need, of course, to compare projected Q1 2021 to actual Q1 2019, and based on the appropriate percentage then apply for an additional operating loan. Then, if you exceed the projections, less of the loan would be forgivable.

>>>There could, if needed, also be a post-12/31/20 rule that makes the 2021 quarterly added loans only available to the hardest hit, likely just businesses who are still down over 50%.

• The interest rate call-out for non-forgivable amounts due is too broad, and could potentially be quite high with basis points added in.

>>> We recommend fixing the rate at 3%.

• If a business has already received PPP or EIDL money prior to this new act, it has to back those amounts out of the amount of this loan. We believe this is an issue.

>>>We'd rather see only verified forgiven amounts backed out, not amounts that we are paying debt service on.

>>>Since for the majority of us this bill provides (really) only *some* of what we'll need to stay in business, the availability of EIDL funding is, once again, going to be key.

• We have a general concern that this bill may need to limit itself to smaller businesses than as written, perhaps 500 employees or fewer, but we are well aware that our view may be too narrow on this score, due to the fact that our industry is comprised of mainly micro to small businesses.

Some quick Kudos for this bill, as written:

• We applaud the repayment period forbearance terms, the interest waiver terms, the streamlined application process, the approval process, and the application fee forgiveness rules.

• Allowing "first access" to the smallest businesses is a positive as well.

• Because the cost structures for Events Industry businesses vary wildly, we also applaud the fact that there is no "75/25" or "60/40" forgiveness rule in this bill. Some of our businesses have a "high asset-low labor" footprint (see: rental or AV companies), or "high rent-low labor (see: venues).