



## **Full-Service Restaurant Subsidy: Water Availability Charge Program**

### **The Program**

This subsidy program is intended to serve as a catalyst for securing new restaurants in Ramsey by providing financial assistance to qualified restaurant businesses. The full-service restaurant must be located in The City of Ramsey.

To facilitate new full-service restaurants, the EDA would provide zero interest, forgivable loans to eligible full-service restaurants for the purpose of financing their water connection fees. The maximum loan amount would be 70% of the proposed restaurant's Water Availability Charge (WAC fee). The 70% cap would ensure that the businesses are covering some of the fixed capital costs for the City's water system. The loan would be recorded as a subordinated mortgage and the principal would be forgiven if the restaurant remained in operation and in good standing with the City for five years. The loan principal would be forgiven at a rate of 20% per year.

In establishing the loan amount and the percentage of WAC subsidy, the EDA would advise the Ramsey City Council regarding several factors. The factors are (1) the size of the restaurant's capital investment, (2) the financial need and potential for long-term viability, and (3) the quality of the restaurant's concept. A full-service restaurant is defined as one that has washable plates, cups and utensils, wait staff, food served at tables, and whose projected SAC/WAC fees are charged at a rate of X unit per seat.

### **Funding Source**

The funding for the Water Availability Charge Program will come from the EDA Fund.

### **Eligibility**

Eligible applicants are for-profit restaurant businesses considering new or additional restaurants in The City of Ramsey. The City is willing to consider exceptions for existing business who are relocating or expanding.

Eligible businesses must devote a majority of their floor space to the restaurant concept. All applicants must be a permitted use in compliance with all laws, zoning ordinances, rules and regulations applicable to the business. The Ramsey EDA will review each application on a case-by-case basis and reserves the right to exclude activities not consistent with the City's Comprehensive Plan, or if the concept does not benefit the health, safety and welfare of the community.

### **Application Process**

The applicant must submit a completed Business Assistance Application and all required attachments to the City's Economic Development Department. The Ramsey Economic Development Authority will make a recommendation on the full-service restaurant subsidy to the Ramsey City Council. Applicants will be notified of EDA and City Council meetings and may be asked to attend to present their request for assistance. Any financial assistance to full-service restaurants as part of this program is subject to City Council approval. Moreover, such financial assistance is limited by the availability of City Water Funds.

### **Implementation Procedures**

The program does require the applicant pay upfront permit fees and all applicable Sewer Access Charge (SAC fees) that the City of Ramsey is required to pay on behalf of the project to the Metropolitan Council. To be in good standing with the City, applicant and/or landlords must be current on all municipal taxes, special assessments, City utility bills, or EDA loans. Principal forgiveness will cease if the applicant and/or landlords fail to be current on these obligations. Principal forgiveness will cease if the applicant discontinues the business, moves the business, or fails to comply with any and all building, fire, health, or zoning codes or regulations.

### **Sunset Date**

The Full-Service Restaurant Subsidy Policy and Program Guidelines will expire three years (and at the end of the month) from the date this policy is approved. Financial assistance that has been approved for projects that have not yet begun by the sunset date would still be valid, unless otherwise determined by the City Council.