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Full-Service Restaurant Subsidy: Water Availability Charge (WAC) and Sewer Availability Charge (SAC) Program

The Program

This subsidy program is intended to serve as a catalyst for securing new restaurants and to promote the expansion of existing 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 and sewer connection fees. The maximum loan amount would be 70% of the proposed restaurant's Water Availability Charge (WAC fee) and Sewer Availability Charge (SAC 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, or security 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 and SAC 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 (WAC) and Sewer Availability Charge (SAC) Program will come from the EDA Fund.

Eligibility

Eligible applicants are restaurant businesses considering new, additional or the expansion of existing restaurants in The City of Ramsey. Number of SAC Units associated with Restaurant use will be eligible for the Program. 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.

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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. The City will underwrite the loan request to ensure that the business concept is financially viable.

Implementation Procedures

The program does require the applicant pay upfront permit fees, and a minimum of 30% of all applicable Water Access Charges (WAC) and Sewer Access Charge (SAC fees) that the City of Ramsey is required to pay on behalf of the project to the City and 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

There is no Sunset Date on this program and it will remain in place until such date that the City Council determines it is no longer necessary.