

Federal Restaurant Revitalization Fund in NM

Area	Dollars Requested	Dollars Received	Dollar Award Rate	Deficit	Eligible Applicants	Recipients	Grantee Award Rate	Deficit
New Mexico	\$356,389,000	\$169,251,000	47.5%	\$187,138,000	1,529	601	39.3%	928

“In 2020 we shut down for half a year in order to save the planet. To survive, we took on \$600,000 in debt because we took on a maximum SBA loan and mortgaged the property when we didn’t get the RRF. Meanwhile, the two restaurants down the road got \$400,00 in RRF. How can I compete with that? It’s just a miserable place to be. Meanwhile, I have employed a great team that has worked for me for 30 years.”

Andrew Skotting Segal – Chocolate Maven Bakery – Santa Fe. NM

928 New Mexico Restaurants, Bars, Food Trucks, Brewpubs, and Caterers did not receive the federal Restaurant Revitalization Fund (RRF) Grant. Lawmakers in NM can help by making these companies whole.

The RRF allowed restaurants, bars, etc., to apply for money to help make them whole after the pandemic.

The RRF application was straightforward: calculate the amount of money made in 2019, take away the money you made in 2020 minus your PPP loans, which equals your calculated loss or grant award.

The federal government only funded one-third of the applicants; in NM, it was closer to half, but that still left 928 businesses to face colossal debt.

Restaurants and Bars were shut down through no fault of their own by the government. Now they face an average of \$160,000 in debt they did not have before the pandemic. Bars face much more debt because they could not take advantage of any federal funds since they did not have employees. This is a disaster for this critical industry. 70% of restaurants in NM are small independent businesses that need help from the state.

We ask NM to create a relief fund to help these small businesses out of this debt that was not caused by bad business practices or anything in the control of those businesses but by the state government shutdowns. We suggest that the NMFA take applications like the federal government grants worked, then allow these businesses to take a tax holiday/credit until their grant is fully paid.