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Restaurateurs: 'American Rescue Plan is beacon of hope'

When the House passed the American Rescue Plan stimulus package Wednesday, some restaurateurs said it was the moment they finally were able to see light at the end of a long, dark tunnel.



Photo: iStock.

March 11, 2021 | by [S.A. Whitehead](#)

As the House voted 220-211 in favor of the [\\$1.9 trillion American Rescue Plan stimulus package Wednesday](#), restaurant operators said they could finally see a light at the end of the dark tunnel created by the pandemic.

The act, which President Biden is expected to sign by Friday, includes the Restaurant Revitalization Fund, giving \$25 billion in grants to operators in need.

"Unlike the band-aid on a gun-shot wound that was the first round of PPP, the second round of PPP in early 2021 helped many of the struggling small restaurants and chains that had not closed permanently to finally see a real path for survival through the end of the pandemic," said John Pepper, co-founder of Boloco, based in Boston. "With the expected passage of the American Rescue Plan, those restaurants who qualify will be even more likely to reach the end of COVID not just in survival mode, but operating on full cylinders with healthier balance sheets and the ability to make important investments in a viable future.

"As sales and traffic increase in the coming months — as opposed to limping along in a near-catatonic state, — many restaurants will be able to operate with less fear and more optimism. We're not out of the woods by any means, but the passage of the \$28 billion-plus for restaurants will bolster the futures of thousands of restaurants and their employees."

Letha Tran — a multi-unit franchisee of Togo's — a chain based in California, agreed, saying that although she was awaiting word on receiving money from

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business afloat for a few months," Tran said in an email to QSRweb. "I was able to pay my employees and it also helped with rent. I was able to keep 80% of staff employed thanks to the loan. I applied for the second PPP loan, but I have not gotten approval yet. ... I believe things will get back to normal soon and these loans are helping us keep our doors open until they do."

The grants available through the Restaurant Revitalization Fund will be administered by the U.S. Small Business Administration, with \$5 billion of the \$25 billion already earmarked for smaller restaurant businesses with annual gross revenue of under \$500,000, while the remaining funds will be parsed out equitably, according to the act, "to eligible entities of different sizes based on annual gross receipts."

Expenses covered include those incurred from Feb. 15, 2020, until the end of 2021 and include:

- Rent, mortgage.
- Utilities
- Supplies including PPE and sanitation aids.
- Paid sick leave.
- Payroll (for employees making less than \$100,000 annually).
- Operational costs.
- Covered supplier expenses.
- Normal business food and beverage costs.
- Maintenance.
- Outdoor seating construction.

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-Letha Tran

Those businesses eligible for the funds include food trucks, restaurants, bars and other businesses devoted to serving food and drink, except for 20-plus location entities, government-operated businesses, airport-located businesses and previous aid recipients under the Small Businesses, Nonprofits and Venues act.

In response to the House passage Wednesday, National Restaurant Association Executive Vice President of Public Affairs said, "Today Congress spoke with one voice in support of the restaurant industry. The Restaurant Revitalization Fund will keep doors open in restaurants large and small in every community. We thank the leadership of Speaker Nancy Pelosi and Majority Leader Chuck Schumer in guiding this legislation, and the bipartisan efforts of Sens. Roger Wicker and Kyrsten Sinema and Reps. Earl Blumenauer and Brian Fitzpatrick. Their work in refining the Restaurants Act on behalf of all restaurants gives chefs, owners, and employees around the country new hope."

The act also calls for direct payments of up to \$1,400 to those earning \$80,000 or less annually, single parents making \$120,000 or less and couples earning \$160,000 or less. Benefits for the unemployed were also extended, as well as funding for vaccines and vaccine administration along with state, school and other small business relief.

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"A long time coming," Pepper said. "This is the least we can do for our team members who have stuck with us through the pandemic and helped us crawl out from a pretty serious situation.

"There is simply no way we could have had the confidence to make those wage increases during such an abysmal time — where sales in our urban locations are still down 50% to 90% versus last year — without support from the Federal government.

[Operations](#)

S.A. WHITEHEAD

Pizza Marketplace and QSRweb editor Shelly Whitehead is a former newspaper and TV reporter with an affinity for telling stories about the people and innovative thinking behind great brands.

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