

# Long Island Business News

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## Eating on the run

By: [Adina Genn](#) March 27, 2020

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At Rachel's Waterside Grill in Freeport, you can now order family meal packages for pickup or delivery. For \$45, you can feed four to six people. You'll get a salad, a pasta and an entrée. A bottle of wine costs another \$15. And with each order, you'll score a free roll of toilet paper.

Customer response has been great, owner Ivan Sayles said.

"I've gotten emails and texts, and an elderly couple said "Thank your generosity. I can stay home extra days, and the toilet paper gave me a much-needed laugh," Sayles said.

Rachel's Waterfront Grill is just one of about 100,000 small businesses on Long Island. These eateries are a large economic driver for the region, and all told, consumers spent nearly \$5.9 billion at restaurants, hotels and other attractions in 2017, according to a 2019 New York State Comptroller's Office report.

But now, like other small businesses that dot the region's Main Streets, these eateries are hurting. This week, New York State declared that restaurants are "essential businesses," and are permitted to stay open to provide takeout and delivery.

With this pandemic, U.S. restaurants could lose as much as \$225 billion and 7 million jobs in the next three months, the National Restaurant Association said. The organization asked the federal government for \$145 billion for relief payments to restaurants and foodservice outlets.

"It's one of the industries among others that's been crushed," said Lou Biscotti, the national practice leader for the food and beverage group at Marcum, an accounting and advisory firm with offices in Melville.

"Restaurants are not usually well-capitalized," he added. "There's tremendous pressure on them right now."

Meanwhile, Long Island's Main Streets remain indefinitely empty.

"It's not like Hurricane Sandy," which hit Freeport badly, Sayles said. "With Sandy, it was over. And we rebuilt. This is endless."

Eric Alexander, the director of Vision Long Island, a smart-growth organization, said with the organization's Main Street revitalization programs, he communicates with about 40 different downtowns. And in the last week, he's spoken with more than 225 small business owners. Half are currently closed.

"What we're seeing is that the restaurants with deep roots in the community are getting support," Alexander said.

Just before the shutdown, restaurants were seeing about a 40-percent drop in business “because of fears,” Alexander said. Now it’s “80 percent on average. Restaurants are not making money, and keeping a skeletal crew.”

And the timing hurt.

“January and February are slow months,” Alexander said, noting that the money they save over the busy summer months usually carries restaurateurs through March, when business starts humming again.

“By April, May, June, everything fires up. It’s a double hit for those scraping by till the warm weather,” Alexander said. “The timing is particularly devastating. “

And it’s the small businesses, Alexander said, that consistently give to local sports teams and nonprofit service organizations.

Independent restaurants, he said, “were there to pay it forward. It’s time now to help back. Panera will come back. Wendy’s will be back. I don’t want this crisis to destroy the small business community in our downtowns.”

Now the way of doing business is a bit surreal. The kitchens are largely empty. The dining floors are quiet. And delivery trucks no longer regularly roll in. Some eateries, including Rockin Fish in Northport, pivoted toward pop-up markets at least until their inventory runs out, or donate meals to hospitals workers and other causes. And the State Liquor Authority now permits restaurants to sell liquor to go with takeout orders.

“Our license was for on-premise consumption,” Sayles said. “It’s now exactly opposite.” Meanwhile, Domino’s Pizza is hiring 10,000 employees to meet a surge in delivery demand.

**“Chains are all shifting to drive-through and take-out,” Biscotti said.**

Alan Feinstein, the owner of H on the Harbor, a catering firm in Port Washington, points out that national chains can appeal to the consumer because they are “carefully supervised,” and because they “own their own farms have complete control of the entire process.”

### **Regroup, donate**

In some instances, navigating the virus can provide an opportunity for a restaurateur to regroup. Just ask Frank Bono, the general manager at Primi Italian Steakhouse.

The restaurant was rated tops in the most recent Best of Long Island’s Steakhouse ranking, and for the last six weeks or so, business was robust. That all came to a halt with COVID-19.

But Bono sees this stretch as a time to complete some projects, while also giving back.

“We are taking this opportunity to move out our inventory while also supporting some of the local veteran organizations [United Veterans Beacon House], and hospital personnel who have been working overtime handling this crisis,” he said. “This has also helped us to keep many of our employees working and on the payroll.”

And, he said, “while it’s a tragic set of circumstances for us and many other small businesses, we are trying to look at this as an opportunity to improve. Our goal is to utilize the time we now have to regroup and focus on making improvements that we have been putting off.”

This includes any necessary repairs, updating and refreshing the décor of the restaurant and other maintenance projects.

And employees will work remotely “to improve and refine our systems of operation,” for staff training, Bono said.

Meanwhile, over in Bethpage, Don Schiavetta is trying to give patrons their regular Campagne House experience. Twice a week he brings in guitar players who, while maintaining social distancing, perform music on Facebook Live. This way, Campagne House diners can pick up their to-go order, which they eat at home, watching streaming music.

“It’s uplifting,” Sciavetta said, adding word-of-mouth about the streaming concerts is good for business.

“It keeps some key people paid instead of on unemployment,” he said.



Lou Biscotti: The restaurant business is “one of the industries among others that’s been crushed” in the COVID-19 crisis.

### **8 survival steps for restaurant owners**

The restaurant business is “one of the industries among others that’s been crushed” in the COVID-19 crisis, said Lou Biscotti, the national practice leader for the food and beverage group at Marcum, an accounting and advisory firm with offices in Melville.

He offers these steps for owners as they fight to save their business:

Take immediate action to deal with the precipitous drop in business. It’s already meant furloughs and layoffs across Long Island.

Contact all vendors now to say cash flow is severely impacted, and ask that they please work with you to the best extent possible. Ask your landlord to delay rent payment.

Communicate with staff and customers with updates and plans. Staff needs to know if their jobs will come back and if they still have medical benefits. Keep customers informed, too, about hours of operations, delivery specials, discounts and business status.

Explore assistance. Look into U.S. Small Business Administration loans, and potential grants to assist with payroll tax credits and so on. Lean on advisors – attorneys, insurance experts, financial professionals and trade associations – to learn what assistance is available.

Look into tax benefits – again, payroll tax credit, as well as paid sick leave, and areas such as research and development. And yes, menu creation qualifies as research and development, Biscotti said. Sales tax delays at the federal, state and local level would certainly help, too, he said.

Consider vendor and staffing levels. If some vendors or employees were extraneous, this is the time to take a hard look, and consider alternatives for when business picks up again.

Stay informed. “There’s a lot of information out there,” at the federal, state and local level, and from trade associations, Biscotti said.

Keep nimble to navigate the longer-term impact. Among the post-crisis norms, work-at-home employee arrangements may become even more routine, so the businesses that serve them will “have to adjust,” Biscotti said.