

Restaurants fear holiday revenue loss if second COVID-19 wave hits

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EGG HARBOR TOWNSHIP — While restaurants were finally allowed to reopen indoors at 25% capacity in September, the question of when that percentage will be increased looms in every restaurant owner's mind as we head deeper into fall.

According to Gov. Phil Murphy, we're just not there yet.

"I hope at the right time we can continue ratcheting it up," Murphy said of indoor dining during a COVID-19 briefing last week.

The state has seen an increase in cases over the past few weeks, but the governor said it's not due to indoor dining. Still, though, he said he's not yet ready to move that needle. The state Department of Health even said it's anticipating a second wave of the virus as temperatures continue to fall.

If things stay the way they are, the owners at Vagabond Kitchen and Tap House in the township are afraid they may not survive the winter without federal or state assistance.

"That would be pretty devastating," said Tom Harris, a co-owner of the restaurant. "After what everyone went through, I think a lot more businesses would end up folding. Takeout is maybe 2% of business; a lot of businesses cannot survive with takeout only."

On Tuesday, Murphy announced that an additional \$100 million in Coronavirus Aid, Relief and Economic Security Act funding will go to support New Jersey residents and businesses affected by the pandemic. He did not detail a timeframe for distribution of the funds.

Of the total aid announced, \$70 million will be distributed to restaurants and small businesses, \$10 million will go toward small businesses' purchase of personal protective equipment, \$15 million will support renters through the Department of Community Affairs COVID-19 Emergency Rental Assistance Program and \$5 million will support food banks and other hunger relief efforts.

"Small businesses and the people they employ are the backbone of New Jersey's economy, yet they have borne a disproportionate share of the burden of the COVID-19 pandemic," Murphy said. "If we are to emerge from this pandemic stronger and more resilient than we were before, it is incumbent on us to support them in any way possible. This additional funding helps us accomplish that goal."

While some aid may help restaurants such as Vagabond, they're still pushing for increased capacity.

"With 25% indoor capacity, you're not giving the opportunity to restaurants to generate revenue and get people back to work in a safe and responsible manner," said Michael Chait, president of the Greater Atlantic City Chamber.

Harris, Kathy Ebert, Elvis Cadavid, Jessica Mai and Ken Klein all own Vagabond on Ocean Heights Avenue, which opened only eight days before the stay-at-home order came down in March. Harris and Cadavid also own the restaurant's Atlantic City location in Chelsea Heights. Cadavid stressed that if all health and safety measures are followed, he doesn't see why indoor capacity can't be increased.

"As long as we continue to follow all protocols that are set in place with sanitation and coverings over your face ... we'll be fine," Cadavid said.

If, or when, a second wave hits, Chait would hate to see the state go back into a complete shutdown. Even though some businesses are seeing cases, they're not seeing a spread, he said.

Paula Pisano, owner of Valentina's Trattoria in Northfield, had an employee contract the virus a few weeks ago. The restaurant closed for 10 days.

"We definitely would not survive the winter at 25%," Pisano said. "Even if it's at 50% capacity, we do not have additional space. We're still dealing with a 6-foot restriction."

To attract customers, Pisano is looking to reopen for lunch on Wednesdays, Thursdays and Fridays and even begin opening earlier for brunch. She also plans to reopen her market and offer pre-packaged food.

Both Valentina's and Vagabond have rooms for special events, a huge revenue generator they're afraid they'll lose as we inch toward the holiday season.

"We're all going to struggle with these restrictions," she said. "I'm losing parties. With the unknown, I still can't take a party. And not being able to cater to parties is really hurting our numbers at this time."

She has had a few party requests for November and December but had to turn them down due to the many restrictions and capacity limits in effect.

While Vagabond hasn't booked many holiday parties yet, Ebert had a feeling the restaurant won't see many if the current rules stay in place.

"Our banquet menu is totally buffet, and we're not allowed to do buffets right now with the rules," she said. "We've gotten creative in that we serve all of the food. The guests cannot serve themselves. But it's a deterrent for people. People want to walk around and socialize (during a private event) and you're not allowed to stand up and walk around with a cocktail in your hand. You have to be sitting."

Last week at his briefing, Murphy played with the idea of increasing capacity by 10% increments.

While Ebert said any increase would be helpful, Harris said it doesn't make sense.

"You're limited in your space," he said. "It wouldn't matter if you're at 25% or 40%, there's not going to be a difference. With the social distancing intact, you're not actually getting more people in the door with such a small increase."