

La Jolla restaurants fight to survive in corona-verse

More than half of San Diego County restaurants have completely closed, industry leaders say

BY COREY LEVITAN
AND DANIEL K. LEW

While the majority of La Jolla's residents are not yet sick with coronavirus, the lockdown has forced many of its restaurants into a near-death experience. Most have closed, some possibly forever. Others are staying open, offering pickup and delivery orders in accordance with the County's March 17 emergency regulations that "all food service shall be by delivery, pick-up or drive-through" only.

La Jolla Light called and e-mailed more than a dozen eateries that appeared to still be open, asking how business was. Most of those who agreed to be interviewed did not have great news to share.

Harry's Coffee Shop, a staple of La Jolla since it opened at 7545 Girard Ave. in 1960, said it's severely

struggling since being forced to switch to takeout and curbside pick-up orders only.

"It was like a 98 percent drop in revenue overnight," said John Rudolph, who owns the diner along with his sister, Elizabeth. "All the bills keep coming in, and once the revenue stops coming in, it's hard to pay those bills."

Rudolph noted that the cost of milk and bacon has doubled in the past eight years, as have wages.

"We've had to lay off pretty much everybody on the staff until, hopefully, it all gets sorted and we can fully reopen as soon as possible," he said. "But that's the problem. This could go on for several weeks, a few months, who knows?"

When the County banned onsite dining, Richard Walker's Pancake House, 909 Prospect St., made a go of offering pickup orders and delivery via services like DoorDash and GrubHub. Three days later, it stopped — seeing only 10 to 15 percent of normal revenue for this time of year, and has since completely closed temporarily.

"As of this afternoon, we have been forced to lay off our entire

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DANIEL K. LEW

Harry's Coffee Shop manager Tom Frankenberger has an order ready for curbside pickup. He said some of the local hangout's longtime customers still stop by for takeout, but County regulations not allowing onsite dining has put a major dent in business.



PHOTOS BY DANIEL K. LEW

Fabio Spezioli, owner of Osteria Romantica in La Jolla Shores, readying an order, as the Italian restaurant now only offers takeout, due to County regulations banning onsite dining to help reduce the spread of coronavirus.

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organization," owner Richard Walker Jr. told the *Light* on March 20. "Between all (five) locations, that's approximately 75 fantastic and very hard working people."

Walker said the company has cash reserves that will float them in the short term, although "medium-term will be harder and long-term is uncertain."

Walker said he submitted a detailed claim to his company's insurer, but isn't hopeful. The precedent of the 2003 severe acute respiratory syndrome (SARS) outbreak, he said, caused insurers to routinely insert clauses into their policies protecting them from anything similar.

"Our incredible workers will absolutely not survive," Walker said. "And there is no sugar-coating that. Almost without exception, every restaurant worker is one-to-two paychecks from being down to their last penny. The toll on my workers is what keeps me up at night."

Dave Heine — owner of both Brockton Villa, 1235 Coast Blvd. in The Village; and Beaumont's Eatery, 5662 La Jolla Blvd. in Bird Rock — had to lay off more than 100 workers.

"That was gut-wrenching as they are family," Heine said, "but under the circumstances and immediately zero revenue, we felt by expediting the decision and advising them to



Some fine-dining establishments like NINE-TEN at the Grand Colonial Hotel are still offering gourmet items, like this Smoked Salmon BLT sandwich, but only for delivery or takeout.

quickly file with the state, their benefits would come soon after their last paychecks."

Heine said he plans to launch a pick-up menu beginning April 1 at both restaurants. (Beaumont's will also have delivery.) He said he expects both establishments to re-emerge from their current quicksand, but "if every layer of the operational relationships connected to restaurants — from landlords to trash companies — don't assume some of the burden, many won't survive this unprecedented crisis."

Walker echoed that sentiment, saying: "Businesses will likely shoulder the entire burden of this

economic calamity, unless local and/or state and/or the federal government steps in."

Added Rudolph: "The stronger businesses will survive, but I wouldn't blame anybody for just closing the doors permanently and not coming back."

Another problem facing restaurants that attempt to remain in business for takeout or delivery only is many patrons may not know the eateries are still operating, said Fabio Spezioli, owner of Osteria Romantica Italian restaurant, 2151 Avenida de la Playa in La Jolla Shores, which opened in 2004.

With the majority of eateries closing temporarily during the state lockdown, plus most citizens following the stay-at-home order and having stocked up on groceries, it's taking time for people to venture out and discover their favorite food places are still open — especially with many restaurants operating on limited or changed hours, Spezioli said.

In his case, Osteria Romantica has discontinued lunch service for now, but remains open daily for dinner takeout.

The unpredictability of whether or not there will be steady business is also of major concern to restaurant owners, Spezioli said. Before, he could rely on things picking up on weekends, holidays

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and seasons like spring break, but “it’s very random and different now. This is the time to support the restaurants you love.

“Under the circumstances, it’s probably easier for me to temporarily close, but I am keeping open primarily to give something to the people who work here and let them still have jobs,” said Speziali, who nevertheless had to furlough some employees.

“Those who are still working have less hours than before, but it’s better than nothing.

“If there is just enough business to cover expenses — or at least not lose too much — I want to stay open for them and also because it’s a service to the community.” Speziali is commonly seen in front of Osteria Romantica catching up with regular customers — from a safe distance — or chatting with locals out for a walk.

He said many have told him they want a break from supermarket meals and need some comfort food.

“People seem to be happy when they find out we’re open because choices for restaurants are getting fewer,” he said.

Susan Wiczynski, a longtime La Jolla Shores resident, echoed Speziali’s sentiments about the neighborly atmosphere while picking up a takeout order.

“We’ve known Fabio ever since he opened the restaurant here. His kid

goes to school with our kid, and we want to help out. I usually try to cook at home, but right now, we are trying to support local businesses whenever we can.”

Other restaurants, like Catania, 7863 Girard Ave., have majorly cut back hours — from lunch and dinner, daily to only Thursday to Sunday for dinner takeout or delivery.

A spokesperson said it’s “hard to say” what percentage of normal business Catania is doing since switching to only carry-out and delivery through DoorDash, “but it is marginal in comparison.” The restaurant has temporarily laid off almost all its staff, said the spokesperson, “but we’re looking to hire them all back.”

A spokesperson for Eddie V’s Prime Seafood, 1270 Prospect St., which currently only offers delivery and takeout, referred the *Light* to the transcription of the Q3 2020 earnings call for Darden, parent company to Eddie V’s and also to many other U.S. chains including Olive Garden.

During the call, Darden CEO Gene Lee said: “While we have a strong balance sheet and a strong cash position, given the material declines we’re seeing in our business, we’ll have to make dramatic change to our cost structure and cut non-essential spending. I’d like to emphasize that this is a rapidly changing environment. And as such, we’re not able to reasonably estimate the impact

to our business.”

An estimated 60 percent of restaurants in San Diego County have chosen to close completely during the coronavirus (COVID-19) crisis, instead of continuing operations focused on take-out and deliveries, the California Restaurant Association said March 23; ever since recent County and City regulations have banned restaurants from offering dine-in.

Restaurant closures and the impact on their employees were the primary focus of a news conference held March 23 at the County Administration Center on Pacific Highway.

“We are estimating that about 60 percent of all of our restaurants have closed,” said Jeff Rosssman, president of the local chapter of the California Restaurant Association. “You can imagine how many thousands and thousands of employees have been affected.”

One positive has been loosened state regulations allowing restaurants to deliver beer, wine and cocktails during the pandemic to boost their revenue, he said.

Many restaurants also have had to increase their sanitizing efforts and implement new safety procedures to recognize social distancing.

“We’re an extremely safe environment,” Rosssman said. “We are going to come out of this, but please, please help out your restaurants.”

— *David Garrick contributed to this report.* ♦