



Emerald Media

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*Week of Welcome*

# 'Chaotic and Overwhelming'

**HOW SOME EUGENE RESTAURANTS HAVE MADE IT THROUGH UNEXPECTED CLOSURES, RELIEF LOANS AND LAYOFFS.**

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# A YEAR IN: LOCAL EATERIES ON SURVIVING THE PANDEMIC

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Business remains steady during the pandemic at Morning Glory Café as owner Josh Aldersong stands amidst a morning rush. Morning Glory Café is located on Willamette Street, close to Downtown Eugene, Ore., on Mar. 26, 2021. Restaurants around Eugene remain open despite the pandemic, providing a space for community and food. (Madi Mather/Emerald)

## From discontinuing indoor dining to navigating closures and relief loans, Eugene eateries faced a chaotic year that's changed the food scene.

March 16, 2020: the last day that in-house dining was permitted before Gov. Kate Brown's four-week dine-in ban forced eateries across Oregon to either close or switch to exclusively offering take-out. It's a date that marked the beginning of innumerable changes to the restaurant scene, and many eatery owners who spoke with the Emerald cited this date as when everything changed.

Over one year later, eatery owners agree that this past year can be summed up as "chaotic." From lay-offs and temporary closures to navigating Payment Protection Program loans, many of the local eateries that have survived have overhauled their pre-pandemic business models to stay afloat.

### The First Closure: Tough decisions and layoffs

One of the first major dilemmas that restaurants confronted was choosing whether to remain open during the initial dine-in ban issued March 16. Those that remained open had to figure out how to move to exclusively offering takeout, which was especially difficult for the larger brick and mortar establishments.

"We found out on a Monday morning that we'd be going into that model on Tuesday, so it wasn't a lot of time but we went into it," Josh Aldersong, Morning Glory Cafe owner, said.

Hot Mama's Wings owner Michael Marzano described how it took about

four renditions of their takeout model to get to where they are now, including cutting the menu in half plus changing staffing and restaurant layout to "get to a model that was sustainable."

The transition for other restaurants wasn't difficult solely because of the lack of in-house dining, but because of decreased foot traffic around the city.

Before the pandemic, Chi's Korean Tacos, which sits in front of the West 10th Avenue bus station, saw a lot of traffic from commuters and office workers who would grab a quick bite. When the offices downtown were shut down, the lack of commuters led to an 80% decrease in customers during the first two months of lockdown, Chi Shin, Chi's Korean Tacos owner, said.

The beloved Pegasus Pizza campus location was forced to close temporarily in December, because 75% of its business was dependent on UO students and staff walking in and dining in large parties, Pegasus Pizza general manager Nat McGowan said. The other smaller locations in Oakway and on Willamette remain open.

"With no school open, it was brutal," McGowan said. "We'd be selling maybe \$100 of food a day [from the campus location], and that wouldn't even keep the lights on."

Scream'n' Jay's Hot Lunch owner Fiona Gledhill said the impact of the UO shutting down campus and the exodus of students from campus felt like "the rug getting pulled out from underneath," since the previous fall's sales were record-breaking for the

small red cart.

Some of the restaurants that remained open had to undergo massive layoffs or changes in staffing due to capacity constraints. Morning Glory Cafe had to lay off 17 employees (who have now been rehired), Hot Mama's laid off 10 and Chi's laid off two, while others restaurant owners declined to say.

"When it first happened last March, I sat down with management and said that I have a lot of young people working for me that live paycheck to paycheck," Michelle Reid, Jazzy Ladies Cafe & Coffeehouse owner, said. "I didn't know what unemployment benefits were available, and I was concerned about laying off my staff, so we made accommodations."

### Seeking Help: Paycheck Protection Program loans

In late March, the Small Business Administration announced the Paycheck Protection Program, a federal program created in response to COVID-19. Starting April 3, small businesses could apply for PPP loans to cover their payroll and other specific expenses.

In juggling staffing and employment statuses, business owners also were in a pinch when trying to apply for the first round of Paycheck Protection Program loans. Due to the specific application requirements, including details about future loan forgiveness, the limited scope of banks able to give the loans and the number of loans

available, many restaurants struggled to get the first round of PPP loans.

"I don't have a financial advisor or a CPA, so I had to sort everything for myself," Holly Muckerman, Bounty Meat and Cheese owner, said. "It was chaotic and overwhelming, especially for tax code, and a lot of it is not meant for the regular person to understand. I had some trouble with getting a bank to process me too, but eventually I found a local bank that could help me with getting the first round and the second round. Without that, I don't think Bounty would still be open."

Reid initially faced similar challenges in finding a bank to process her PPP loan application. Many banks turned her away due to the sheer volume of people in the same situation before she found a bank online and was able to apply and receive the first two rounds of PPP loans.

Other businesses were not so fortunate or opted not to apply for the loans completely, due to specific requirements detailed in the fine print or other circumstances.

Shin wasn't qualified to apply for any PPP loans since the qualifications were largely based on profit losses that businesses suffered, he said. A lot of other smaller businesses operating like his with small staffs, like family-run eateries, got hit the hardest because they weren't able to qualify for PPP loans due to working at "lower loss," he said.

Aldersong did not apply for PPP



Chi Shin, owner of Chi's Korean Tacos, reflects on his learning experience in regards to cooking: "I never learned how to cook. I lied for my first job as a line cook and said I had [more] experience...I learned over my shoulder; I was the baby in the house and was always learning over my shoulder." Chi's Korean Tacos is located on 10th Ave., in Eugene, Ore., on Mar. 26, 2021. (Madi Mather/Emerald)

Kennedy Leavitt, employee, greets customers. Southpine Bakery is located on Crescent Ave., in Eugene, Ore., Restaurants around Eugene remain open despite the pandemic, providing a space for community and food. (Madi Mather/Emerald)

loans partially because of skepticism about receiving federal government loan forgiveness, but also because of increased unemployment compensation. He said that after crunching the numbers, he realized it would be in the best interest of his employees to be on unemployment compensation rather than have the PPP loan to cover 75% of their hours.

#### Delivery Debacle: Third-party apps

The next issue that plagued not only Eugene eateries but those across the country was dealing with third-party delivery apps like UberEats, DoorDash, GrubHub and PostMates. "When they deliver for you, they charge a high [service fee] percentage, around 30%," John Li, Spice N Steam owner, said. "Oregon demanded these apps lower their rates to 15%, but only until the pandemic is over."

Li decided to also set up his own delivery service with three employees in order to cut costs, since the prices on delivery apps are raised as much as 20% in an attempt to compensate for service fees. Despite their delivery service being comparatively slower during peak times because of their limited drivers, Li said this would hopefully incentivize customers to order directly from them.

Some eateries followed suit in establishing their own delivery

services, while others, such as Chi's Korean Tacos and Hot Mama's Wings, decided to partner up with Cascadian Courier Collective, a local bicycle delivery service. After using third party delivery services, Hot Mama's Wings wanted to partner locally since it was not just supporting a fellow local company, but also reducing their carbon footprint and service fees, Marzano said.

"I think a lot of customers just aren't aware of how high those fees are, that those companies like DoorDash and Postmates take," Marzano said. "It's a lot harder for smaller businesses when they have to give 25% or more [profit] to those companies."

So what's in store for the rest of 2021? With Lane County's risk level down to "lower" as of March 29, there won't be many changes for restaurant operations until social

distancing mandates are completely lifted or risk levels are raised. Otherwise, owners are thankful for the rallying support of community members who've continued to buy their food, stay connected on social media and check in on them.

Pegasus Pizza and Screamin' Jays' Hot Lunches hope that if UO's fall term will be held in-person again, they can reopen their campus locations come September. Gledhill, Li and Muckerman said they hope with the increase in people receiving COVID-19 vaccinations that by May or June

operations will be closer to what they were before the pandemic.

"This industry is all about connections and sharing, feeling a sense of community, which is what attracted people like me to be a part of it in the first place," Muckerman said.

The dining scene has changed, with people holding various views about dining out and many being on edge due to the pandemic.

"There's not that sense of community anymore that there usually is, even amongst staff," Muckerman said.

## EATERIES IN EUGENE

### CLOSED TEMPORARILY

- AKIRA
- PEGASUS PIZZA (CAMPUS LOCATION)
- FATHOM'S BAR
- SAM BOND'S GARAGE
- SPECTRUM
- THE VINTAGE
- STEELHEAD BREWERY & MCKENZIE BREWING
- DICKIE YO'S FROZEN TREATS (VALLEY RIVER LOCATION)
- THE CANNERY
- SHIELD BISTRO AND CATERING KITCHEN

### CLOSED INDEFINITELY

- UKI UKI TIKI BAR
- LA PERLA PIZZERIA
- BREW DR. TEAHOUSE
- GRIT KITCHEN + WINE
- TURTLE'S BAR AND GRILL/ THE LOFT
- DIY TEA AND BEYOND
- THE JAIL
- KOWLOON RESTAURANT AND LOUNGE
- THE KOZY KITCHEN
- MANDALA CAFE
- NOVO LATIN TABLE
- NOODLE BOWL
- YOGURT EXTREME
- OREGON ELECTRIC STATION
- MUFFIN MILL

### OPENED DURING THE PANDEMIC

- STICKS N STONES
- MAKEDA'S ETHIOPIAN-ERITREAN CUISINE
- MOKE'S COFFEE
- KRISPY KRUNCHY CHICKEN
- HOMEYBOWLS
- SOUTHPINE BAKERY (FORMERLY SUGARPINE BAKERY)
- HANDEL'S HOMEMADE ICE CREAM
- PAPER PLATE BBQ
- COMMUNITY FERMENTATION UNION
- HANDEL'S HOMEMADE ICE CREAM