

## **Impact to Gordon Biersch**

- No airport volume: 5 airport locations and ZERO draft beer sales
- Stadiums: No fans in stadiums=No draft beer revenue
- On-Sale: No draft beer is being ordered by restaurants.
- No draft beer being ordered by out contract brewing clients.

## **Impact to Restaurant Colleagues and Supply Chain**

- Landlord taking a hard line on no rent reductions thus making it too risky to open.
- Uncertainty of government opening and closing Every reopening is tremendously expensive: replenishing inventory, losing staff
- Uncertainty of consumer patterns
- Economic shock of positive cases
- County level governance overruling state decisions (Santa Clara County)
- Corporations cancelling all large events and meeting until June 2022
- Sporting and University Venues closed
- Bars and Small Breweries: No light at the end of the tunnel=giving up on CA and moving to other states.
- Supply chain economic impact: For every \$1 in food service there is a ripple effect of \$2 additional \$ in the economy.(CRA data)
- Full-service restaurants are currently down 75% in sales and staffing levels

## **There is no oxygen left in the tank for full-service restaurants**

- PPP money is gone
- Choices are bankruptcy or wishful thinking
- No full-service restaurant can survive with less than 75% occupancy
- Outdoor dining is going to be worthless from November-March
- 1 Case of COVID in the staff forces a restaurant to close for 3 days.



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Outdoor dining  
scenario=Skeleton Crew of  
owner plus 1 cook and server



25% Indoor scenario=Skeleton  
Crew of owner plus 1 cook and  
server. No change.



***25% seating capacity is the equivalent of flying a 747 with one engine! It won't take off but is enough to crash the plane.***

California's F&B traffic down 41% (Open Table)  
Revenue is down 52% for full service

Major Operator with 2,100 restaurants operating in 25 states  
east of the Pacific Coast states

Revenue is at 94% level from year over year

Seating capacity at 80% and 99% of the locations are open

Question for CA government: **Why is California policy so  
unlike other States?**



First Stop of the Day: Suppliers will not survive



Want to buy a restaurant? McCormick and Schmicks in San Jose, Dan Gordon's in Palo Alto \$0 and you just have to sign the lease.

**30% of restaurants in the Bay Area are expected to never reopen.**

**Not a single restaurant expects to hire the same amount of staff**



## What can the State of California do to help? Eliminate the Sacred Cows!

Provide every full-service restaurant free daily Abbot 15-minute tests for each employee. (no PCR needed)

Cap Delivery Services to a 15% of combined fees so long as there are capacity restriction on dining. Fees currently can run up as much as 45%. Also prevent restaurant identity theft from the delivery service companies.

Allow a tip credit. Labor costs are higher than any other cost of operating a restaurant \$10/hr. Min Wage for tipped employees so long as the are earning a minimum of \$20 per hour. **43 other states allow for this with even lower Guaranteed Minimum Wage!**

Stop charging the employer payroll taxes for tips. Allow employer to deduct credit card fees and insurance fees based on gross revenue from tip payouts.