



The worst of times for small businesses

By Nicholas Spangler and photos by Steve Pfof

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The coronavirus pandemic has forced scores of small Long Island businesses to close permanently and left many others on the verge of shutting down, according to data compiled by a downtown planning group.

At least 128 businesses had vacated Main Street storefronts by early November, upending livelihoods and reshaping landscapes, a survey of 33 downtown business districts done by the group, Vision Long Island, revealed.

"I'm concerned," said Eric Alexander, Vision's director. He warned that the number of closures could grow if a New York State moratorium on commercial evictions and foreclosures is allowed to expire next year.

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"When that hits, it'll expose the real economic pain," Alexander said, describing some businesses that may be only nominally open now because of nonpayment of rent, typically one of the largest business expenses.

In a separate survey, the Suffolk County Alliance of Chambers anticipates as many as 20% to 30% of businesses may close by year's end, said Robert Fonti, the group's co-chair.

In Riverhead, that reality has already begun to take hold. The town's third-quarter retail vacancy rate hit a record 7.74% for the period from July to September, said Rachel Johnson, associate director of market analytics for CoStar Group, a Washington, D.C.-based provider of commercial real estate information. The rate exceeded Long Island's, which was 4.896%.

"Riverhead has had about 240,000 square feet of move-outs this year. ... The town is susceptible to the same issues as retail markets across the country," Johnson said.

Small businesses like those in downtowns are "critically important to the Long Island economy," accounting for more than nine out of every 10 establishments in Nassau and Suffolk counties, said Kevin Law, president of the Long Island Association, a business group.

For the fourth quarter of 2018, the last period for which census data was available, businesses with up to 19 employees accounted for 140,692 of 571,138 private-sector jobs in Nassau and 154,535 of 566,274 jobs in Suffolk. Using the broader definition of the category the federal government sometimes uses, which includes establishments with fewer than 499 employees, small businesses accounted for 58% of jobs on Long Island in that period.

Small-business owners experienced "tremendous pain" during the temporary shutdown last spring and typically "don't have large cash reserves to withstand loss of revenue," Law said. While almost all businesses are permitted to reopen, capacity restrictions have throttled restaurants, gyms and coffeehouses, and downtown festivals that once might have provided a windfall for other businesses were canceled this year.

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Anxiety is acute in the restaurant sector, buffeted not just by a grinding economy but also by state capacity restrictions. Two-thirds of 1,042 restaurateurs who responded to a statewide September survey by the

New York State Restaurant Association said they were likely to close by the end of the year; more than half said they were likely to close by the end of November.

Outdoor dining was a lifeline for many restaurants and cafes on the Island, promoted by temporary municipal permits and Chamber of Commerce grants for heaters and windbreaks, but it's unclear whether diners will continue to visit as the temperatures dip, said Melissa Fleischut, association president. Reduced-capacity indoor dining may not be financially viable for some restaurants, she said.

"You have to be at 100 percent [capacity] to make money," Fleischut said. "The profit margins are so slim, even when we're in good times."

Scott Wexler, executive director of another industry group, the Empire State Restaurant and Tavern Association, said he had not seen widespread closures but feared a wave of them over the next three to six months.

"People aren't signing leases if they don't have to, and landlords aren't making improvements to buildings," he said. "The forecast is bleak unless the federal government provides some relief."

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-Scott Wexler, executive director, Empire State Restaurant and Tavern Association

There may be some room for hope. One prominent commercial landlord, Village of the Branch-based Cristofer Damianos, whose portfolio includes office and retail space, said that while some tenants had fallen behind on rent last spring, all had since caught up. Only one tenant, a coffee shop whose owner depended on office workers, closed permanently, he said.

About 21 downtown commercial spaces that were vacated during the pandemic have rented to new businesses, said Vision Long Island's Alexander. And new customers are coming: 10,000 units of multifamily housing are being planned in downtowns across Long Island. "Some of the economics have been buoyed by the city" exodus, he said.

That encouraging news, tentative as it is, comes too late for the business owners Newsday interviewed about their decisions to close.

Their businesses tended to be consumer-facing and dependent on foot traffic. For some, the decision to close was heart-wrenching, disrupting not just personal finances but relationships built over years with employees and customers.

"We appreciate every single one of you," Lori Zegel, former owner of the Islip boutique Nook & Cranny, wrote in a Facebook post to customers Sept. 29, the day she closed for good. "Please continue to support your local small businesses and keep the charm alive. Thank you for the memories."

With Tory Parrish

Sensationally Sweet Gourmet Candy Shop





'We couldn't survive it'

When Sensationally Sweet opened in 2012, the gourmet candy shop in downtown Patchogue was part of the village's economic turnaround.

Besides helping rebuild the Main Street business district, the store — owned and operated by the Patchogue nonprofit Economic Opportunity Council of Suffolk Inc. — served as an occupational training ground for some of the council's physically and mentally disabled clients.

But as the coronavirus began to take its toll on Long Island in March, Sensationally Sweet shut its doors and threw out thousands of dollars' worth of confections and snacks.

There are no plans to reopen.

"You're not going to get rich selling candy," said Adrian Fasset, CEO of the council, a multifaceted social service agency that assists disabled clients and runs child care programs in Patchogue and Montauk. "Once we had to close down, we had candy we had to throw away. ... The impact was so much that we couldn't survive it."

Sensationally Sweet was the council's first, and only, foray into running a retail store, Fasset said. A cadre of loyal customers came in regularly to choose among a selection of old-fashioned hard candies, gourmet chocolates, popcorn, pretzels and cotton candy.

He said the store succeeded in many ways, such as by lifting the self-esteem of its three employees and teaching them job skills.

But the lockdown took away customers, and no one seemed interested in buying candy during a pandemic, Fasset said. The council has not been able to place former employees in new jobs.

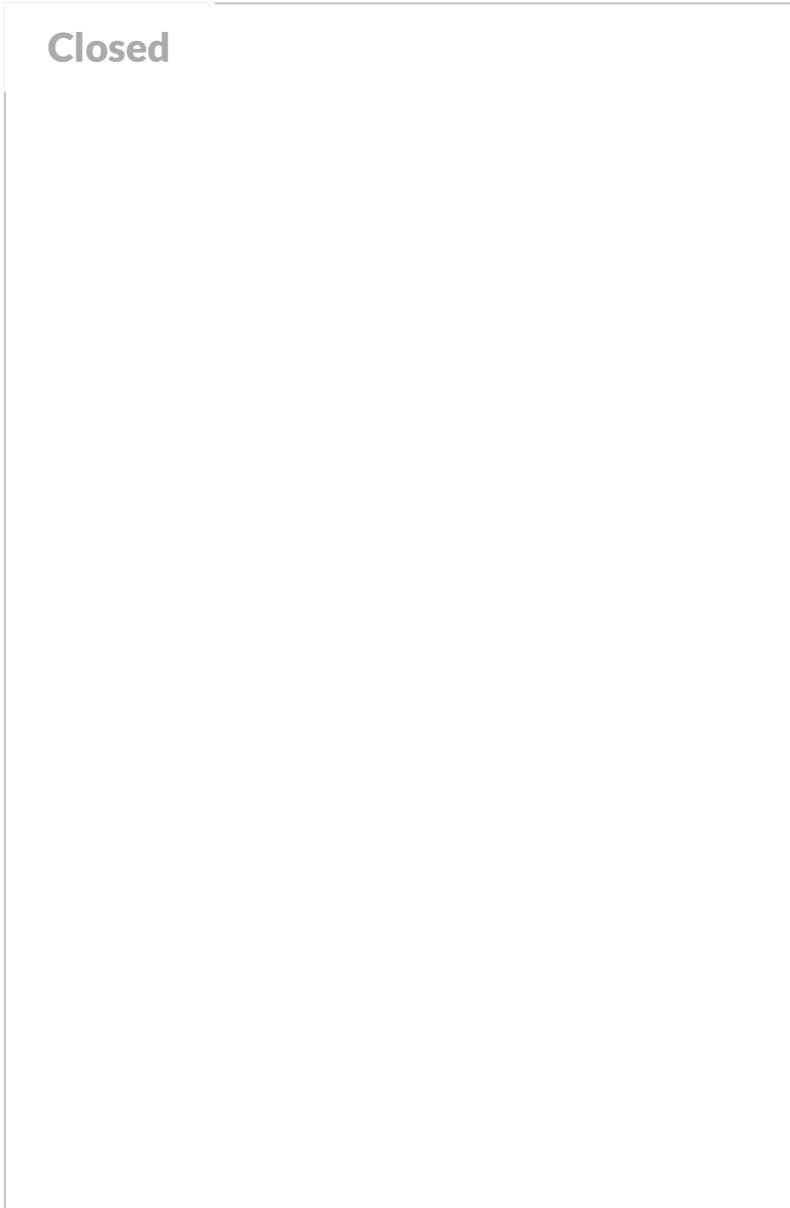
"Because of COVID, no one was taking anybody," Fasset said.

The council managed to give away some of the store's equipment, but couldn't sell most of it. Patchogue's high rents would make it almost impossible to consider reopening, Fasset said.

"Emotionally, it was very hard. Financially, it was a no-brainer," he said. "I know all my decisions can't be emotional. It was something we knew we weren't going to be able to revitalize."

— CARL MACGOWAN

Port Fitness Studio



'It's stressful ... frustrating and unnerving'

For the two owners of a fitness studio that once stood on Main Street in Port Washington, the future of their business remains uncertain.

After months of being closed, the Port Fitness Studio did not reopen in August following Gov. Andrew M. Cuomo's order allowing gyms to resume business.

Instead, the 2,000-square-foot facility that opened in 2012 shuttered permanently, in part because of the financial hit it took during months of the pandemic-induced shutdown, but also because of a dispute with the landlord, owners Jeremiah Pope and Jamel Ramsay said.

Although their work volume has shrunk by more than half, the two men have managed to keep their business alive through Zoom sessions and in-person training at a local park, a high school track and in clients' backyards.

"It's stressful. It's frustrating and unnerving," said Ramsay, 35, of Huntington. "But we preach to our athletes and to our clients that we've always got to stay positive and try to look at the bright side of things. We are just really trying to make the best of it."

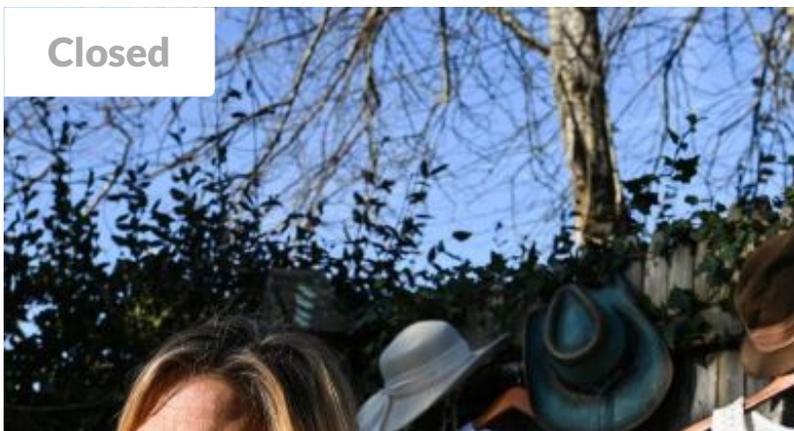
Pope, 39, of East Meadow, said they are planning to relaunch their studio somewhere else next year, waiting to see how the winter goes and whether there would be a spike in COVID-19 cases.

For Pope, who said he grew up in a household that at times couldn't pay rent or afford a \$5 school trip, times of adversity are not new.

"My upbringing of struggle has taught me how to survive," the father of two said. "I know what it's like to really be at a dead end where you don't know where your next meal is going to come [from]. ... I know what it's like to have nothing but also to appreciate what you have and to work hard and grind."

— DANDAN ZOU

Hamptons Consignment Shoppe





'I find it devastating'

Lisa Oehler is reminded daily of how the pandemic closed her brick-and-mortar store, Hamptons Consignment Shoppe Inc., in Westhampton Beach.

"I've got to drive by there every day and look at it," said Oehler, who lives in nearby Remsenburg. "I find it devastating. ... I keep saying to myself, 'That's mine, that's my place.' "

Hamptons Consignment was housed in about 800 square feet at 22 Sunset Ave., around the corner from the landmark Westhampton Beach Performing Arts Center, between April 2019 and this past June. The small business started in Eastport in October 2017.

Hamptons Consignment, which now sells merchandise via its Facebook and Instagram pages, specializes in designer clothing, shoes and costume jewelry from Vineyard Vines, Free People, Lily Pulitzer and Anthropologie, among others.

Oehler said she moved the business to Westhampton Beach because it offered more visibility. Within a few months, she turned her first profit despite having to invest about \$5,000 to open.

"I would look around and 10 people would be talking to each other, someone would be coming out of the fitting room and saying, 'How does this look on me?' she recalled. "It became not only a shop with

affordable prices but a community, where people could hang out and laugh. ... My dream had come true."

In the weeks before COVID-19 hit, Oehler and her daughter, Sami Holman, the store's sole employee, were preparing for the busy summer season. "I'm renovating, I'm getting spring and summer consignments" of clothing and shoes, Oehler recalled. "I'm like, 'This summer is going to be spectacular.' I was pumped."

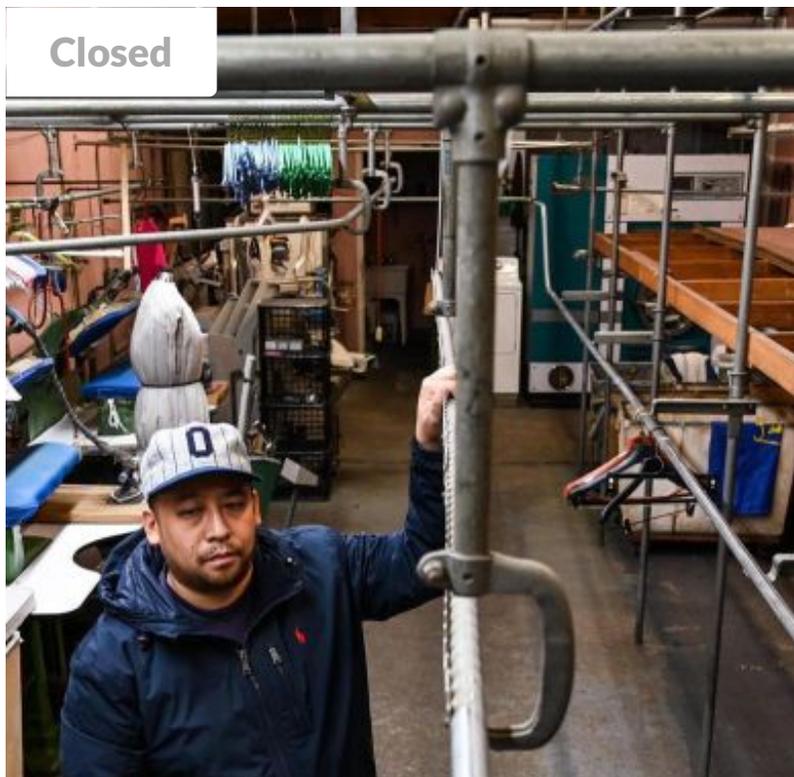
Oehler, anticipating big crowds for the village's annual St. Patrick's Day parade in March, set up a special display in the shop window. However, the parade was canceled a few days later and then the state shut down all nonessential businesses to slow the virus' spread.

Like many entrepreneurs, Oehler expected the lockdown to last a week or two and became discouraged as it dragged on. In June, she decided to move the business online because the financial risk was too great to reopen the brick-and-mortar store and be shut down again. She said she hopes to return to downtown Westhampton Beach.

"There are plenty of times that I cry in my bed that nobody knows about," Oehler said. "But I'm not giving up because I have three children, and I need to be an example for them."

— JAMES T. MADORE

Esteem Cleaners





'It's really hard to recover from this'

James Huang had to close his business, Esteem Cleaners in Garden City, in September after running the Stewart Avenue dry cleaning business for four years.

He said he took over the business four years ago, but it had been open since 1989.

The business closed in March and reopened in July, but never recovered from the shutdown of nonessential businesses ordered by the governor in March, Huang said.

"The dry cleaning business is tough enough as it is, but with the pandemic, it kind of dropped," said Huang, 42. "Nobody does dry cleaning or laundered shirts once they worked at home."

The business, which is costly to run and required highly skilled workers using special cleaning materials, never recovered.

Huang said the business had a regular customer base, including business from nearby Roosevelt Field mall, delivery services and airlines that never returned. He said business dropped about 80% and he had to lay off two employees, and that he got no break from landlords asking for rent.

"We tried to reopen in July, but it was not the same," Huang said. "After the airlines stopped flying, there was no business from hotels. I can't afford to run a business when we're putting more money in the business than the business coming in. There was no business and just a handful of customers. It was not enough to run a business. As much as I want to help workers, I can't make any money doing it."

Huang said he is now going to work with his wife in real estate to support their two children, ages 4 and 1.

"It's really hard to recover from this," he said. "We always have our slow part of the year, but this was the worst part of the year and it was supposed to pick up in the fall and it didn't happen. I think we'll get by, but it's tough and we've had to tighten our belts."

— JOHN ASBURY

Elwood Quad Movie Theater



'We couldn't afford it anymore'

For 20 years, Jay Levinson has presided over the Elwood Quad movie theater, a neighborhood fixture in East Northport.

First-run movies were shown at a lower price close to home, and the venue was a place generations of children will be able to recall having a birthday party.

But that came to an end Oct. 29 when the independently owned theater announced it was closing permanently, another casualty of the COVID-19 pandemic.

"We felt it best; we couldn't afford it anymore," Levinson said. "The thought process also was round two of the virus is just around the corner and we'd have to close again. I said it's just not going to be worth it anymore."

The theater had been closed since March under a statewide executive order from the governor, when the last movies at the four-screen theater were "Onward," "The Way Back," "Call of the Wild" and "Sonic the Hedgehog."

Before the pandemic, Levinson said, he had planned to extend his lease another 10 years. Earlier concern about a state-of-the-art movie theater just a mile or two up the road taking away a lot of his business did not pan out as badly as expected.

"It hurt, but that's not the reason we're closing," Levinson said. "We were OK, even with them there."

He said that over the past couple of years, grosses were down because teenagers' habits changed, but that focusing on his business model kept the theater on track.

"We catered to the family audience and made it a little more upscale," Levinson said. "With the parties, we were doing OK."

The theater was rented out for about 1,000 birthday parties a year, he said.

"The landlord tried to work with us, but we just couldn't wait this out," Levinson said.

Also contributing to his decision were film companies pushing back the release of major movies to 2021.

"So, all you're left with is movies that are on video-on-demand and horror films," Levinson said. "It just wouldn't pay to reopen and wait."

He also said the film companies were not giving any financial breaks.

"Their percentages have gone up instead of down during this pandemic," Levinson said. "And we [independent movie theater owners] pay a higher percentage than the big companies."

— DEBORAH S. MORRIS

Healthy Alternatives Holistic Store



'We had a lot of customers who came in and cried'

The pandemic played a starring role in shutting down Healthy Alternatives, a holistic health store in Babylon Village that owner Donna Lorenz opened more than two decades ago.

The business, which offered nutritional counseling, acupuncture and reflexology, missed the holiday rush of Mother's Day, sales had declined 50% from what they were at their peak, and online shopping made competing difficult, she said. In addition, Lorenz had to tend to her ailing parents.

"My mom was dying of cancer. She died April 7," said Lorenz, 68. "When we ended up reopening in June, I pretty much decided that was going to be it. It was corona[virus] that kind of put that final nail in, but it wasn't just corona."

With more than a year left on her lease, Lorenz bought out of the Deer Park Avenue location and shuttered the business she started more than 25 years ago in her West Islip dining room. Nearly three weeks later, on Aug. 16, her father, who had dementia and cancer, died. In October, Lorenz closed her last bank account associated with Healthy Alternatives.

Starting out, Lorenz said she didn't have a business plan. She sold herbs in brown bags and left them on front porches, before opening her storefront. With the rise of online shopping, she considered her options.

"I might have even had a chance to sell it, but with this kind of climate, that wasn't an option anymore," she said.

Michelle Weiss, 62, had worked with Lorenz for nearly 16 years, starting out handling the cash register and later becoming a manager. Weiss said Healthy Alternatives was a place where people came together.

"It really didn't hit me that we don't have a place to go to," Weiss said. "We had a lot of customers who came in and cried."

— KELDY ORTIZ

Nook & Cranny Boutique

Closed

'I felt like I was in the deep end of a pool'

Lori Zegel remembered how it felt to walk into a store where she couldn't afford anything, so when she bought Nook & Cranny in Islip in the early part of the millennium, she made sure to carry items in every price range.

She sold jewelry and accessories in the Main Street boutique, but her goal was "making sure everybody walked out of there feeling happy." By that standard she was a success, she felt, for 18 years. She closed in September.

Her business had depended on certain patterns that the pandemic broke. Spring, typically a time to pay down debt the boutique acquired before the holidays, was a disaster this year: The shop closed, temporarily, during the shutdown, and restrictions on gatherings meant no revenue bump for Easter and nothing for June.

"End of school year, dance recitals, graduation, teacher gifts: All those are big numbers," Zegel said.

With no website, she offered curbside service, trying to replicate the personal service she once offered in the shop. "There was a lot of hands-on, going back and forth with cellphone photos," Zegel said. "It was a lot of work and not enough money coming in."

Meanwhile, expenses remained constant, about \$4,500 per month in rent, utilities and insurance. Zegel applied for a Small Business Administration loan in March that she said came through only a few weeks before she shut the doors.

"I felt like I was in the deep end of a pool and I didn't know how to get out," she said.

An employee left the business last spring, and Zegel's daughter helped her through the summer.

Zegel, who turned 60 in November, said she wants to work again. Customers who became dear to her over the years gave her advice. The consensus, she said, was "You're not going to find your job, your job's going to find you."

— NICHOLAS SPANGLER

Nostro Posto Pizzeria & Ristorante



On the brink



'Taking everything day by day'

Just when it seemed like the spring of COVID-19 couldn't get any worse for Nostro Posto Pizzeria & Ristorante in Plainview, a car smashed through its storefront.

Plywood kept the elements out, but dissuaded customers from coming in at precisely the moment when pandemic shutdowns were killing foot traffic at the Morton Village Plaza shopping center, and everywhere else.

"From the outside it looked like we were closed," manager and co-owner Gaetano DeCrescenzo said with a Neapolitan accent that 50 years of living in the United States hasn't erased.

The restaurant has scraped by, and after nearly seven months of fighting with insurers, the hole was finally repaired in November, he said. It closed briefly in April when workers refused to come in as the pandemic's first wave peaked. Takeout, delivery, outdoor dining and a break on rent from the landlord gave the eatery a lifeline, but DeCrescenzo said business is down 60% compared with last year.

DeCrescenzo left his job as chef at Positano in Williston Park to open Nostro Posto with his girlfriend and her son in 2018. A second dining room in the back helped establish the restaurant as a place for kids' parties, paint nights, football parties and psychic nights. In the summer of 2019, they were delivering 150 to 200 pizzas a week to kids' camps, he said.

"The place was hopping, but now it's like a cemetery," DeCrescenzo said.

The colder, wetter weather has mostly ended outdoor dining because the food gets cold quickly and people aren't comfortable, he said.

DeCrescenzo said he takes everything "day by day," and worries whether the restaurant can survive a resurgence of the pandemic.

"If this [coronavirus] picks up again, I don't know what we're going to do," DeCrescenzo said. "If it [business] gets any lower than what we're doing, I don't think we can stay open."

— TED PHILLIPS

Long Island restaurants that have closed

It's been a tough year for Long Island restaurants, weathering state-mandated shutdowns of dining rooms in the spring before a series of social distancing regulations that have reduced occupancy, prohibited large parties, restricted operating hours and otherwise changed the nature of business. Restaurants that have closed this year include:

American Cheese, Sayville

Bayou Jones, Merrick

Bonwit Inn, Commack

Bravo Nader, Huntington

Café Formaggio, Carle Place

Canterbury's, Oyster Bay

C'est Cheese, Port Jefferson

Coco Palace, Great Neck

Fulton's Gate, Patchogue

Ginza, Massapequa

Kingfish, Westbury

Left Coast Kitchen, Merrick

Minado, Carle Place

Olde Trading Post, New Hyde Park

Parlay, Rockville Centre

Perennial, Garden City

Tao's Fusion, Centereach

Wild Ginger, Glen Cove

-Compiled by Corin Hirsch, Erica Marcus and Scott Vogel

Help for small businesses

Farmingdale Small Business Development Center (nwsdy.li/fsbdc) serves Nassau and Suffolk counties, 934-420-2765. Free help on cash flow projections, marketing, loans and more.

Stony Brook Small Business Development Center (nwsdy.li/sbdc) 631-632-9837. Free help with cash flow, marketing, loans. Suffolk Forward program offers COVID-19 economic recovery assistance.

Suffolk County Community College Entrepreneurial Assistance Program offers training courses and seminars (nwsdy.li/sccctrain), 631-851-6214.

Hofstra University's Business Development Center offers workshops and boot camps (nwsdy.li/hofbusiness), bdc@hofstra.edu, 516-463-7214.

Long Island SCORE offers free mentoring and workshops for entrepreneurs/small-business owners (nwsdy.li/score), 631-454-0771.

La Fuerza Unida Community Development Corp. (nwsdy.li/unida), 516-922-8100, provides financing and economic growth opportunities to low-income, minority- and women-owned enterprises in Nassau and Suffolk. 516-666-5071, Covid19@Lafuerzacdc.org.

Long Island Development Corp. provides low-cost loans and technical assistance (nwsdy.li/lidcorp), 516-433-5000.

For more resources, go to nwsdy.li/bizhelp.

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Nicholas Spangler covers the Town of Smithtown and has worked at Newsday since 2010.

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