
Empire State Restaurant & Tavern Association

Report From The Executive Director...Scott Wexler

May 2020

Restaurant Reopening Plan Unclear - Governor Cuomo provided the first look at his plan for reopening the State recently establishing a four phase strategy that delays opening restaurants and bars until phase three. The plan uses objective health data to determine when a region may begin the process of reopening, with the earliest date a region can begin the reopening process set at May 15th. Several Upstate regions may meet the health criteria by that date, but the Capital District, Hudson Valley, and the Downstate regions will likely get a later start reopening.

The Governor's plan authorizes very limited activity during phase 1 – construction and manufacturing provided social distancing is maintained. Phase 2 allows professional services, finance & insurance, retail, administrative support, and real estate/rental leasing businesses to reopen. Restaurants, food service, hotels and accommodations get the green light to reopen in phase 3 while arts, entertainment, recreation, and education facilities have to wait until phase 4 to reopen. While the plan was presented by Governor Cuomo as the blueprint for moving forward, industries have been encouraged to present reopening plans to the State.

We're in the process of putting the finishing touches on our plan – a key element of which will be moving up the reopening of restaurants and bars to phase 2. The CDC recommends restaurants and bars reopening with capacity limitations in phase 2 and without capacity limitations in phase 3, provided social distancing is maintained. Our plan will advocate the use of CDC and DOH recommended social distancing and cleaning protocols to allow restaurants and bars to open as soon possible. We'll urge the State to allow the temporary expansion of our premises so you can socially distance our customers without economically devastating your businesses and your workers. And we'll seek the continuation of your ability to sell cocktails-to-go on a permanent basis – or at least as long as you're operating under government restrictions.

Watch our website and Facebook page to get the most updated information on the State's reopening plans and the COVID-19 outbreak.

Shared Work Program Can Help Bring Back Staff - Business owners should consider the benefits of the Shared Work Program in bringing back staff after being allowed to reopen. The Shared Work Program gives employers an alternative to laying off employees when they have a downturn in business. Rather than laying off a percentage of the workforce to cut costs, an employer can reduce the hours and wages of all or a group of employees. The employees whose hours and wages are reduced receive partial unemployment benefits to supplement their lost wages.

The Shared Work Program allows employers to reduce the hours and wages of all or a particular group of employees by no less than 20% and no more than 60%. Normally this program is used by companies going from full staff to reduced staffing, but the Department of Labor has confirmed that the Shared Work Program can be used as businesses reopen after the COVID-19 shutdown. This would allow your employees to return to work on a partial schedule, continuing to receive partial unemployment insurance benefits, and receiving the full federal pandemic \$600 per week UI bonus (until it runs out at the end of July). Employers need to submit a Shared Work Plan for approval to the Department of Labor. Once your plan is approved – typically takes a few weeks - you can begin implementing it.

Tell Congress: Restaurants Need A “Blueprint For Recovery” - No other industry has been hit harder by the coronavirus than restaurants. The impact of the restaurant industry cannot be understated – restaurant sales exceed the agriculture, airline, railroad, ground transportation, and spectator sports industries combined. Yet, restaurants will be one of the slowest industries to bounce back from the effects of this pandemic.

The National Restaurant Association has prepared a “Blueprint for Recovery” that outlines how Congress can improve the industry’s chances for survival. Centered around a \$240 billion Restaurant and Foodservice Industry Recovery Fund, this plan would provide dedicated government funding, tax credits, and much more to help restaurants prepare for current and future challenges as they recover.

We support this initiative and encourage you to take action. Please take a few moments and contact your Representative and Senators—tell them that restaurants, employees, and consumers need Congress to act on the “Blueprint for Recovery,” so that your restaurant can survive the long road to recovery.

Need a Mask? - Governor Cuomo has arranged for the donation of 900,000 masks for food service and delivery workers in order to help stop the spread of Covid-19 and to protect these frontline workers who are providing an essential service to New Yorkers. The Governor is partnering with our Association, the New York City Hospitality Alliance, the New York State Restaurant Association, and a number of the third-party delivery services to get these masks out to those who need them.

We've arranged to make these masks available through a partnership with Restaurant Depot and their locations across New York State. You can get your free masks at their warehouse in Blauvelt, Bohemia, Buffalo, Canarsie, College Point, Farmingdale, Garden City, Hamilton Avenue, Maspeth, Mount Vernon, Newburgh, Oakpoint, Portchester, and Rochester. We're greatly appreciative that they've agreed to take on this role. They will fill your requests for these donated masks as part of your ordering process. You may also be able to obtain these masks from Baldor and Sysco.

The masks are not just for workers currently on site - employees working in close quarters will likely need to wear masks once restaurants can fully reopen. The masks are Hanes cloth masks so they're designed for one to be distributed to each employee. There are no limits on the masks, but we encourage you to take what you need and no more so we can spread the masks around.

There's a long road ahead and we're not even sure when the road to recovery begins, but perhaps this is a sign of good things to come.

Comptroller DiNapoli Announces \$50 Million Toward Small Business Relief - New York State Comptroller Thomas P. DiNapoli today announced that the New York State Common Retirement Fund (the Fund) is putting \$50 million toward the federal Paycheck Protection Program (PPP), a component of the latest coronavirus relief package. Under the PPP, employers can secure loans that will be forgiven by the federal government if employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

The Fund's commitment will supplement PPP loans being administered by Pursuit (formerly New York Business Development Corporation). Returns to the Fund will be consistent with U.S. Treasury securities.

"New York small businesses are facing unprecedented challenges that have put more than a million men and women out of work," DiNapoli said. "We're doing what we can to help small businesses keep employees on their payroll, even if they may have paused operations. PPP loans are critical to New York businesses trying to survive through this public health and economic crisis. We are continuing to look for opportunities to help New Yorkers that are consistent with our fiduciary responsibility to the pension fund."

The Comptroller's office and the Fund have a long relationship with Pursuit having provided funds for business loans to help more than 1,000 qualifying New York businesses in all 62 counties retain jobs and expand. The Fund's allocation to Pursuit redirects a large portion of the existing available loan program funds to address the immediate crisis. Additionally, the Fund is exploring the possibility of providing another \$100 million toward PPP through its existing program with Pursuit, pending approvals from the U.S. Small Business Administration (SBA) and others.

“The Paycheck Protection Program is a lifeline for businesses during this unprecedented challenge,” said Patrick J. MacKrell, President and CEO of Pursuit. “This vital financial support will allow us to provide increased access to the program for businesses across New York State, especially those that experienced difficulty accessing the program through their bank of account. We are grateful to Comptroller DiNapoli for our longstanding relationship and his commitment to supporting small businesses through the fund.”

To help make sure the Fund’s allocation benefits New York’s “main street” businesses, it has set certain parameters with Pursuit, including:

- Exclusive availability to New York businesses.
- No loan minimum, with maximum loan set at \$350,000.
- 25 percent of loans are targeted for Minority and Women-Owned Business Enterprises.
- Prior to the Fund’s allocation, Pursuit has processed PPP loans totaling nearly \$200 million to small businesses. PPP loans are federally guaranteed. New York businesses can sign-up to apply for PPP through Pursuit at pursuitlending.com/pppapply.

For more information on the PPP visit the SBA. The latest \$484 billion relief package included an additional \$310 billion for the PPP.

Reminder From Labor Department - The New York State Department of Labor is reminding employers that they are required by law (12 NYCRR § 472.8) to provide the following information to employees whose work schedule and/or employment status has been impacted by COVID-19 related issues, in order to help them promptly complete an unemployment insurance benefits application:

- NYS Employer Registration Number
- Federal Employer Identification Number
- Employer Name
- Employer Address

You may use Form IA 12.3 to provide this information to your employees.