



# nerej

## **No Happy Hour, no parking: A casino and too many choices make for a great disconnect - by Dennis Serpone**

May 31, 2019 - Spotlights

Dennis Serpone,  
National Restaurant Exchange

In my 39 years as a restaurant broker, I've watched the evolution of the food and beverage industries in Boston and it's many suburbs.

The first major compromise was to MADD when the liberal-driven forces pushed the politicians until they banned Happy Hour throughout the state. It's a pleasure to go on vacation to almost every other state and enjoy Happy Hour prices.

A few years ago, a Boston commercial broker called me, almost begging, to find a buyer for a one-year-old new restaurant in the Seaport District that cost over \$3 million to build. All the owner wanted to do was get away from his onerous lease...\$45,000 per month. "Just find someone to take it over."

Restaurateurs go into business for only one reason ...to make money.

The reality is that the powers-to-be at the State House are only interested in pandering to the loudest voices...unconcerned whether your business is successful.

The Mass. Restaurant Association's lobbyists have the governor's ear, but that's all. Little by little, inch by inch, the activists are killing the golden goose of Boston's restaurateurs. Creeping minimum wage, paid sick and family leave policies, horrendous traffic, lack of parking (brutally expensive if you can find a space), and most importantly, competition is sucking the life blood out of the largest employers in Boston, the independent food purveyors. You've probably noted that the skyline is dotted with huge cranes building apartment and condo complexes EVERYWHERE.

With almost all of these new buildings throughout the Seaport District, the South End, South Boston proper, and now East Boston, the street level of most of these bldgs. are designed for "retail." What that means is that they're creating hundreds of thousands of square feet for new full-service

restaurants, convenience stores, bars, coffee shops, ice cream, pizzerias, and ice cream shops...just to name a few. In much of the same way that the Uber ride-sharing concept has decimated the asset value of taxi medallions, the free-flowing liquor licenses being issued to all these new restaurants will affect the asset value of older liquor licenses. Also don't overlook the city's allowances for food trucks parked everywhere.

Last week I roamed the North End for a parking space. Not only couldn't I find one, I was aghast to notice that useable roadway/parking area space had been allotted to "bike lanes" in places where the city could have created "angle-parking" in the same space. Another example of politicians pandering to the activists. Maybe the powers-to-be expect people to get rid of their cars and revert to pedal-power. I don't think so.

More importantly, don't ignore the severe level of competition in the city. Where is the common sense of the legislators, and where are the voices of the restaurateurs who invest millions to open a new restaurant only to have two, three, four new restaurants open six months later. To add fuel to the fire, the mayor wants to double the parking meter rates...if you can find a meter. As it is, you need to take out a mortgage on your home or cash in your 401(K) for a couple to eat in the Seaport...and that is if you can find a place to park your car.

In the face of all the new restaurants, the severe competition for customers and the staff to service them, comes the food and entertainment juggernaut...the Encore Casino. Scheduled to open this June, this \$2 billion "Tesla Coil" is going to send shock waves through the food, beverage, and entertainment industries. Located in close proximity to public transportation, huge capacity for free parking, a myriad of restaurants, national entertainers, and the glitz and challenge that comes with gaming, the rest of the year is going to be a struggle for restaurant operators from the N.H. and R.I. borders. Records show that the casino has hired over 5,000 workers...where did they come from? You can figure it out. They left already struggling, under-staffed local restaurants to join the glitz, glamour and higher wages of the casino.

The winners are you and me. The losers are going to be the investors and developers who provided tenant improvements to lure restaurateurs into Boston. The rush to sell has already started. This casino is going to be a magnet, drawing your regular customers away when you need them most. The most affected will be every restaurant and bar within 25 miles.

Dennis Serpone is founder of the National Restaurant Exchange, Wakefield, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540