

New York City Businesses Bend Coronavirus Rules to Survive

Kate King and Stephanie Yang

8-10 minutes

Some New York City business owners, desperate for revenue months into the coronavirus pandemic, are bending or breaking the rules limiting restaurants and retail stores to takeout or curbside pickup.

New York City took its first, limited steps toward [reopening its economy](#) last week with industries like construction and manufacturing restarting, and retail stores allowed to offer curbside and in-store pickup. Other business activity is still sharply restricted, however, and officials warn that violations risk undoing the state's progress on lowering coronavirus infections.

Business owners said they didn't understand the rules or are in such dire financial straits after being closed for months that they felt they had to start offering more services to customers. Some said they believed they were allowed to be open.

"We're all unclear on the regulations," said Eytan Sugarman, the owner of White Horse Tavern in the West Village, which started selling to-go cocktails last week after being closed since mid-March.

New York City has allowed takeout and delivery since the pandemic started, but restaurants and bars aren't allowed to offer sit-down dining, including outside. Mr. Sugarman said tables and chairs outside White Horse are theoretically intended for people waiting for takeout orders. But customers were sitting outside drinking last weekend.



The White Horse Tavern had been closed since mid-March before starting to sell to-go cocktails last week.

Photo: Richard B. Levine/Zuma Press

At Galaxy Diner in Hell's Kitchen, a waiter wearing a mask served french fries and burgers in takeaway containers to diners seated at five outdoor tables Monday. The diners ate their meals at the tables and then the waiter brought them their checks.

Owner Steven Antonatos said his restaurant is struggling to pay

its rent, and said that if anything was wrong, the authorities would say so. “We’re not trying to sneak anything, we’re trying to survive,” he said.

Andrew Rigie, executive director of the NYC Hospitality Alliance, which represents restaurant and nightlife establishments, said outdoor dining is happening across the five boroughs and said establishments risk losing their alcohol licenses and delaying the official reopening for the entire industry. But restaurant and bar owners are struggling to pay the rent and need government officials to tell them when they will be allowed to fully reopen, he said.

“People are desperate,” Mr. Rigie said.

Barun Mathema, assistant professor of epidemiology at the Columbia University Mailman School of Public Health, said businesses that don’t follow public-health guidelines muddy the data on which policies are working and whether it is safe to lift restrictions.

“We know cases are falling. But things can change very quickly,” Dr. Mathema said.

City and state officials are monitoring health metrics and can shut businesses back down if infections surge. Fewer than 2% of coronavirus tests in New York City have come back positive over the past five days, according to the state, and the city could move into the second phase of reopening on June 22. Under state rules, outdoor dining at restaurants would be allowed and offices, hair salons and retail stores could open their doors at 50% capacity.

Mayor Bill de Blasio, however, has cautioned that outdoor dining might not start until July. And over the weekend, Gov. Andrew Cuomo urged New York City and other local governments [to enforce social-distancing regulations](#) and called some businesses personally to admonish them for breaking the rules.

A spokesman for the mayor's office said further guidance on how businesses are allowed to operate will be released this week.

New York City Sheriff Joe Fucito said his staff of more than 150 deputy sheriffs, investigators and auditors has been patrolling for social-distancing violations and responding to complaints since mid-March. Many complaints are unfounded, but when businesses are violating city and state orders, Mr. Fucito said his officers try to offer education and assistance before issuing summonses.

"You have very strict parameters and very strict rules that a lot of people are just not familiar with," he said.

The office has conducted more than 285,000 inspections since March, and issued nearly 3,200 verbal warnings and more than 1,100 summonses, Mr. Fucito said.

Analysts and economists are paying close attention to monthly retail sales numbers as a way to gauge how the economy may be recovering from the impact of the coronavirus pandemic.

Photo: Kathy Willens/Associated Press.

Some retail shops have been opening their doors, even though current restrictions limit nonessential stores to pickup. Cookie's, a three-level children's department store in Downtown Brooklyn,

was allowing customers inside to browse last week.

“I’m tired of shopping online,” said Shirley Lamar, 77, as she searched for clothes for her great-grandchildren. “As long as you wear your masks and have your distance, I’m not afraid.”

Samuel Falack, co-owner of Cookie’s, said a city official told them to close or apply for an essential business permit with the state. He said he has tried to apply for a permit but wasn’t able to figure out how to apply on the website. A spokesman for the governor’s office said there must have been a misunderstanding because there aren’t any permits issued to essential businesses. The state has issued guidance on its website about what businesses are essential, he said.

“I’m willing to do anything to protect my rights and be able to service our customers and protect my employees,” said Mr. Falack, who considers the store’s baby food and gear to be essential items and said he recently started stocking face masks, gloves and canned food.

In Downtown Brooklyn, Ali Batmaz has reopened Shoe Bug, the footwear and clothing store he has owned for nearly 20 years. Mr. Batmaz said he’s behind on the last five months of rent, and has \$65,000 worth of unsold merchandise sitting in the basement.

He said his store is allowed to be open. “Everybody’s open, not me only,” he said. But he said business has been slow. On Friday, he sold a \$15 pair of shoes for \$7, and a \$9 dress for \$8 to two women who stopped to browse the store.

To protect against spreading the virus, he wears a mask and

keeps a bottle of isopropyl alcohol on the counter. Last week, he had a customer who refused to wear a mask inside because she didn't believe the coronavirus was real. He sold her a pair of sandals.

—Shan Li contributed to this article.

Few American cities have been hit harder economically by the coronavirus lockdown than Las Vegas. WSJ visited the city's famous strip to learn about how Sin City is reopening its casinos. Photo: John Locher/AP

Write to Kate King at Kate.King@wsj.com and Stephanie Yang at stephanie.yang@wsj.com

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