

LIFE

122 Reno eateries, bars closed since the pandemic began. Here's why it's not all bad news





Evan Haddad

Reno Gazette Journal

[View Comments](#)

Krysta Bea's kitchen is cluttered with metal shelves, trays, racks, cardboard boxes, jars, packets and milk crates.

An industrial tempering machine oozes chocolate in a steady, silent stream. Brittles and toffees sit inside neatly organized jars near a window that looks out onto a parking lot. Sometimes, people knock on Bea's locked door, mistaking it for the entrance to the neighboring auto repair shop.

It's a reality that Bea could hardly have imagined a little more than a year ago, when she bore the responsibilities and worries of running a brick-and-mortar artisan chocolate shop: early mornings, late nights, expensive leases, staffing costs, and a razor-thin profit margin because of it all.

These days, Bea works afternoons, alone, in a kitchen space shared with Nevada Brining Company, making artisan confections for Sugar Love Chocolates, a company she transformed into a digital-only wholesale operation when the COVID-19 pandemic dried up demands for fancy sweets.

Bea's Sugar Love Chocolates successfully pivoted during the economic turbulence that rocked Reno's small business community. A background in accounting helped her navigate the murky waters of government loans. As a millennial, social media and digital marketing came easier than it might to older business owners.

Others in Reno's food industry were not so fortunate.

Data obtained by the RGJ shows that 122 food businesses in Reno closed between March 2020 and October 2021. Food businesses include everything from restaurants and bars to food trucks and ice cream stands.

Thirty-nine such businesses have changed hands during the pandemic.

Notably, 148 new businesses launched during the same time period, according to licensing data provided by the city of Reno's Business License Division.

The casualties

The reasons for shuttering were often as varied and diverse as the businesses themselves.

RGJ found that many restaurants survived the worst of the pandemic only to confront labor shortages during the post-lockdown stage of the economic rebound. In 2021, 48 closed.

Among those were both newcomers and established fixtures of Reno's food scene, including Rapsallion and the Little Nugget Diner — home of the famed Awful Awful.

La Vecchia, a 31-year-old stalwart of Reno's Italian food community, shuttered in June after owner and head chef Alberto Gazzola sold the space to Edward Hernandez, co-owner of sushi spot Sushimi. Gazzola told the RGJ that staffing shortages had led to La Vecchia's demise.

"We were trying to hire and couldn't get people to show up," Gazzola said. "You can't run a restaurant of 100 seats with 3 people in house."

Midtown Eats, a restaurant that launched in February 2020, survived until May 2021. Less than a week after announcing new hours, Midtown Eats' landlord posted a delinquent rent payment notice on the restaurant's front doors, changed the locks, and terminated the lease.

The note said that Eats & Brews LLC — the company that owned the restaurant — had failed to pay \$9,005 in rent. Eats & Brews LLC dissolved, according to state business filings.

Christina Ciaccio, owner of the startup bakery Mindful Cupcakes, was on the verge of a deal with Whole Foods that would have allowed her to sell her goods at 38 stores nationwide. The supermarket backed out when the pandemic struck.

"I had spent everything gearing up for that," Ciaccio told the RGJ. "Also, I was using a new kitchen at a local restaurant and they couldn't even afford to turn the ovens on during the lockdown."

***Map:** These are the locations of Reno restaurants, bars and other food businesses that closed since the pandemic started in March 2020.*

It's not all bad news

Despite the seemingly grim report on closures, fewer Reno food businesses have closed during the pandemic than between that same period spanning 2018-19, the RGJ found.

During that period, from March 2018 until October 2019, 193 food service businesses closed.

One obvious explanation for why fewer businesses closed was disaster relief such as the Paycheck Protection Program distributed throughout the pandemic.

Nationwide, full-service restaurants received the most Personal Protection Program funding of any industry, with roughly \$42.6 billion given. By comparison, health practitioners — the industry that received the second most funding — received about \$21 billion, according to publicly available loan data.

According to loan data, the top food-industry recipients of PPP in the Reno area were large companies and local chains, although many small businesses received the loans as well:

- McDonald's of Keystone, a private company that owns McDonald's restaurants in Reno, received \$1.8 million and retained 434 jobs.
- Bully's Sports Bar & Grill, a Northern Nevada chain with six locations, received \$1.7 million and retained 222 jobs.
- Great Basin Brewery, Nevada's biggest and oldest brewery, received approximately \$1.8 million and retained 90 jobs.

Adapt or go extinct

There are other theories for why fewer food businesses shuttered during the pandemic than in years past.

The economic pressure that closed some businesses led to innovations in others.

Some, including Krysta Bea of Sugar Love Chocolates, pivoted completely from brick-and-mortar businesses to digital operations, paralleling

the larger shift away from office culture. Others retained their shops but forged new, experimental paths towards untapped revenue streams.

During the pandemic, the chicken wing chain Wingstop unveiled a digital-only sister brand called Thighstop, a move caused by rising costs of wings and white meat. Thighstop uses Wingstop's facilities for prepping food but does not offer dine-in services, instead selling to customers via Doordash and other food-courier services.

Local drink-and-paint venue Crafted Palette launched a similar initiative with Pop-Up Pies, something owner Gail Knight calls a "virtual restaurant." Through Pop-Up Pies, Knight sells ready-to-bake pies that customers pick up at Crafted Palette and prepare at home.

Knight told the RGJ that her digital brand "has been an enormous part of keeping our business open throughout these difficult times." As in-person activities return, Knight plans to maintain Pop-Up Pies as a secondary revenue source.

Food + Drink, an artisan pizza joint in Midtown, survived the economic downturn partly

because of the social media banter of its head chef and owner Aaron Foster.

Burnout and stress led Foster to close Food + Drink this summer, but it reopened in September when it was purchased by Greg Buchheister of Reno-based coffee chain Coffeebar, who sees a potential market for a combined pizza-coffee experience in town.

Kayla Banda, a business development adviser at the Nevada Small Business Development Center who has worked with clients since March 2020, observed that small business owners with "contingency plans" or secondary skills were often better poised to navigate pandemic-related turbulence.

"Already having that helped them get into that pivoting mindset," Banda said.

"The idea of pivoting used to be more of an entrepreneurial mindset, whereas now we all need to have that mindset to deal with this ever-evolving situation," Banda said. "It's bringing an entrepreneurial spirit to these small businesses that hadn't thought of that before."

The future of food is smaller

Like most everything else, the pandemic has reshaped the food-service industry and led to a reckoning among business owners and entrepreneurs. As Crystal Leon, owner of Sparks-based urban farm The Radish Hotel, said, "the future of food is much smaller" in a post-pandemic world.

Some restaurateurs and longtime service-industry workers agree. Molly Keith, a longtime restaurant worker who briefly owned a Chipotle-style restaurant in Los Angeles, told the RGJ that she believes that there are simply too many restaurants.

According to Keith, who quit the industry this summer, an instant-gratification society has led to an unsustainable culture of consumption. The result is too much of everything, including bars and restaurants. Keith believes restaurant culture needs to return to a time when people dined out only on special occasions such as weddings and birthdays.

As for Bea, she believes the pivot to a smaller operation was the right decision.

She has yet to hire any staff since she downsized the business last year and let go of four employees at her old store. Except for occasional pickup orders, Bea spends roughly six hours a day alone in kitchen space she shares with Nevada Brining Company.

Sugar Love goods are now sold in small shops in 10 states, and customers may also pickup online orders at the rental kitchen.

"I'm more profitable with a better lifestyle than before. I don't know if I could have articulated what I wanted to change about the way it was before, but the forced changes have for the most part, been great," Bea said.

She says that the move to a wholesale-focused business has brought "new challenges and stresses" compared to running a retail storefront. While managerial stress is gone, the stress of going it alone has replaced it.

"From the dishes to marketing emails to learning a new industry (the consumer packaged goods industry), it's all on me," Bea said. "The hours are nice though as I can be flexible and am not held to rigid retail hours."

"Overall, I think the responsibilities of the new business model fits my ideal lifestyle more, so while a painful change I didn't see coming, the switch has actually been good for me and for the business."

Follow Evan Haddad for timely, relevant and compelling reporting on food, drinks and city life in Reno. Please consider supporting his work by subscribing to RGJ for news about Northern Nevada that you won't find anywhere else.