



NEW YORK POST

\$1 less
than the
Daily Ne 14

TUESDAY, FEBRUARY 16, 2021 / Early rain, 47° / Weather: P. 18 ★ ★ LATE CITY FINAL nydost.com \$2.00

TAILSPIN

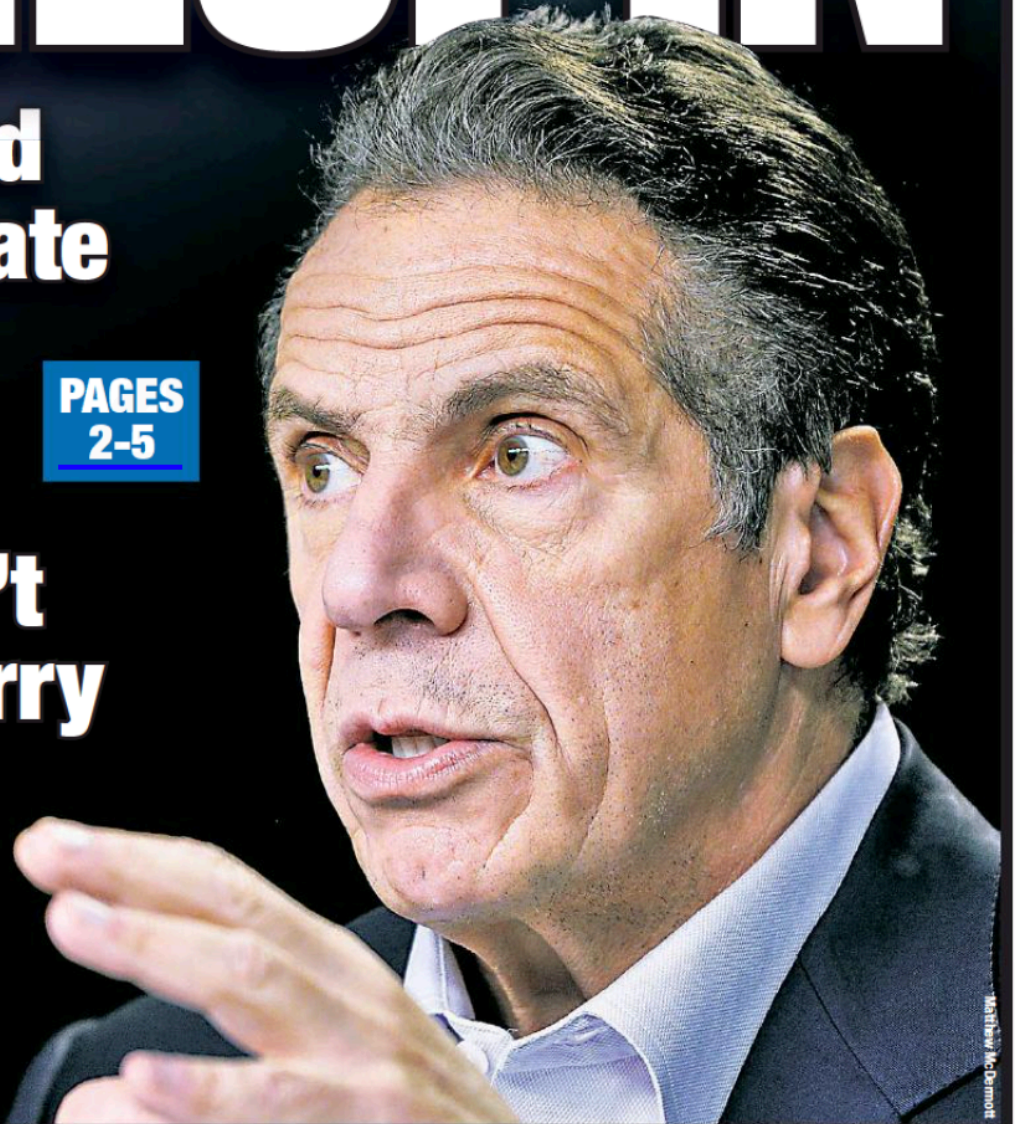
■ **Embattled
gov desperate
to explain
away lies**

**PAGES
2-5**

■ **Still won't
say he's sorry**

GOODWIN:

**'Forget the Emmy.
Give him an Oscar for
pretending to tell the
truth when you are
telling everything but.'**



Matthew McDermott

Business

TABLES TURNED

Eateries' deals with desperate landlords

By JENNIFER GOULD

BUSINESS BRIEFS

Bumpy road

Apple approached Nissan in recent months about working together to develop an autonomous electric car, the Financial Times reported. But the discussions did not get far before they fell apart over a disagreement about branding.

Late apology

Robinhood CEO Vlad Tenev said the investing app could have more clearly explained why it had to block trades of GameStop and other stocks during last month's Reddit-fueled market frenzy. Tenev, who is expected to appear Thursday at a congressional hearing, made the admission on a recent episode of the "All-In" podcast.

Tik sale off

TikTok's Chinese parent company, ByteDance, scrapped its plans to sell the video-sharing app's US operations to Oracle and Walmart now that former President Donald Trump is out of office, according to reports.

Healthy bar

Coming soon to a selected retailer near you: a vegan version of the iconic KitKat candy bar. Switzerland's Nestlé said the KitKat V will be launched later this year. It is certified vegan and uses 100 percent sustainable cocoa.

Sources: AP, Dow Jones and Reuters

Follow us on
Twitter
@NYPOSTBIZ

THE pandemic has been a bloodbath for most New York City restaurants, but some are expanding amid the carnage — and they can thank their hungry landlords.

Think discounts on rent and "percentage leases" based on revenue generated. Landlords are even giving out "free money" — writing checks for up to \$1 million — so restaurateurs can renovate before moving in.

"There are deals happening that we would never have seen before COVID," said Stratis Morfogen, founder of the Brooklyn Dumpling Shop, whose automated system of serving dinners through drawers in a wall has proven to be a good fit for the coronavirus era.

"All the biggest landlords in the world who would never have taken my calls are now calling me every day and trying to break down my door to do deals. It's crazy. The landscape has shifted. Now tenants have the power. The take-it-or-leave-it mentality of landlords is long over," said Morfogen.

He says he's currently working on 11 new deals for "pennies on the dollar" and with "substantial tenant improvement" allowances.

"But," he cautioned, "this window of opportunity for young entrepreneurs, especially ones with track records, is closing pretty fast."

While Morfogen can't talk about deals that are still being negotiated, he can reveal that a recent lease he signed for the Brooklyn Dumpling Shop in Hoboken, NJ, is like "30 cents on the dollar, with substantial tenant improvement."

James Beard award-winning chef JJ Johnson, meanwhile, has used the pandemic to expand his global rice concept, Fieldtrip. The flagship opened in Harlem in 2019. Last year, he added an outpost in Long Island

City, Queens, and this month opened a Rockefeller Center location. His sights are now set on opening in Brooklyn and The Bronx.

"Landlords are realizing that restaurants are the backbone of communities. In the heart of [lockdown restaurant closings], they thought, it's just a restaurant and a luxury and we'll find something else," Johnson said. "But they realized that the communities in the buildings and developments they built are asking, 'Where are the restaurants?' The restaurants keep away crime and keep people employed and the community safe."

While Johnson won't reveal details about his new deals, he said they included spaces that are already set up with infrastructure so the costs of opening, which could run "from \$500,000 to \$1.5 million," could be reduced to "cosmetic makeovers" that cost \$150,000 to \$300,000.

"That's very appealing. The developer says, 'You can take all the pots, pans and equipment as long as it works, it's yours, and if it doesn't, we'll figure out something else together,'" Johnson said.

Itai Afek, founder of Wolfnights, which offers "gourmet wraps," had two shops before the lockdown, on the Lower East Side and in the West Village. Now he's also opening on the Upper West Side, Hell's Kitchen and Murray Hill.

"Everyone is trying to close deals and get things rolling — tenants and landlords," Afek said.

Rent, Afek said, is 25 percent cheaper in prime locations that would be "impossible" to get before the pandemic.

Other creative restaurateurs have worked out profit-sharing deals known as percentage leases with landlords. These deals allow restaurateurs to pay below-market rent — at up to 75 percent off or a specified percentage of sales, whatever works

Time to feast

JJ Johnson, here at his Fieldtrip restaurant (below) in Harlem, has taken advantage of the COVID climate to add locations — and is looking at more.



Robert Miller (2)

out to be higher.

Still others are getting hefty "tenant-improvement" checks from their landlords to renovate spaces, in addition to months of free rent.

Restaurateur Thomas Bonfiglio has also expanded — from three restaurants before the pandemic to 10, mainly on the Jersey Shore. Before the pandemic, Bonfiglio had Tommy's Tavern + Tap, on Staten Island and in New Jersey. He's now expanded his New Jersey footprint and developed a new concept, Tio

Taco + Tequila Bar, which he shaped during the pandemic to work in smaller spaces.

"The best perks we received were percentage rent deals based on the permitted occupancy rates," Bonfiglio said. "So if we had 25 percent occupancy inside, we paid 25 percent rent. But as soon as we are fully open, we will be back to market-rate deals. Another perk was rent deferral for a year payable in 36 months after the year."

jgould@nypost.com