

Fine dining feeling pinch

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By Tracy Turner

THE COLUMBUS DISPATCH

Times are treacherous if you're in the business of serving fancy meals.

Not only have several fine-dining restaurants closed in the Columbus area since June, but some industry experts say more closings could follow.

Given the struggling economy, they are not surprised by the fallout.

"Fine dining is a luxury that people find it easy to do without or to do less often in times like this," said Dennis Lombardi, executive vice president for WD Partners, a Dublin consulting firm. "Fine dining will likely be the last (restaurant sector) to recover."

The decline quickened this month with the closing of chef Richard Rosendale's restaurants. The noted chef said sales had fallen sharply since he left the restaurants to work as an executive chef at a resort in West Virginia.

Morton's the Steakhouse closed its Columbus location in August after the Chicago-based chain said the restaurant no longer fit in the company's plan of focusing on more premium locations.

Handke's Cuisine in the Brewery District went out of business in June. Owner Tim Phalen said the recession played a role, noting that business at the restaurant had declined 40 percent since last October.

Although all categories of restaurant concepts are finding it difficult to operate in a down economy, fine dining restaurants are being hit the hardest, Lombardi said.

And although most economists have declared the recession over, consumers will continue to rein in their spending as long as high unemployment and job-loss fears dominate their lives, he said.

"Consumers can't afford to go to fine-dining restaurants frequently or at all, depending on their circumstances," Lombardi said. "They know it will put a dent in their budget."

Business is down across the restaurant industry, said Mark Glasper, spokesman for the Ohio Restaurant Association. Sales declined as much as 20 percent in Ohio this year as consumers tightened their belts.

"It's a tough storm out there," he said. "We're being told that things are getting better, but until unemployment drops and people's discretionary income rises, restaurants, in particular fine dining, will continue to have a tough time of it."

According to the Zagat's 2010 America's Top Restaurants survey released last week, 43 percent of consumers say they are eating out less, 41 percent said they are more sensitive to restaurant prices, and 36 percent said they are eating less often in expensive restaurants.

The survey also found that 10 percent of consumers say that when they go to an expensive restaurant, it'll be for lunch rather than dinner, and 7 percent of consumers say they're less likely to try new places.

And the average percentage of meals eaten out or taken out has declined from 50 percent in last year's survey to 48 percent in this year's survey.

"There's no doubt that the recession has seriously affected diners' habits across America," said Tim Zagat, CEO of Zagat Survey, in a statement. "Yet all our surveys highlight how the industry is adapting to the needs of the diners, offering better value, service and bargains for the wallet weary."

For example, restaurants such as the Refectory and Hyde Park are offering specials priced well below their regular prices.

Brian E. Higgins is typical of many fine-dining patrons. The Short North resident said he goes to such restaurants only for special occasions. And for him, extras such as alcohol and desserts are the discretionary part of the meal that he tends not to buy.

"My dining patterns haven't changed, but I wasn't hitting fine-dining restaurants every week or every month," Higgins said. "It's nice to go out and have a nice meal around the holidays, but I can't help but wonder in a better economy if those places would fare better."

Although that thought is on the minds of many restaurateurs, it hasn't stopped some from bucking the trend and continuing with growth plans.

Columbus-based Cameron Mitchell Restaurants will open three more locations this year, including a 10,000 square-foot Ocean Prime restaurant in Dallas.

The company feels confident about the future, said spokeswoman Carolyn Delp.

"Perhaps diners will order a \$30 bottle of wine instead of a \$50 bottle, (but) people are still figuring out ways to enjoy fine dining and fit it into their budget," she said.

"There are a lot of statistics out there that say that people are not dining out as often and are more money-conscious, but dining is a form of entertainment and socializing that people are not going to give up," she said. "We all feel that while it's not going to feel like it's any better next year, we're not anticipating that it will be any worse."

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Mr. Brian Higgins
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Dear Mr. Higgins:

Enclosed with this letter you will find an article involving you that was published in *The Columbus Dispatch* recently. As editor of the newspaper, I'm very interested in knowing your perception of the story's accuracy.

Also included with this letter you will find a questionnaire regarding the story. Please take a moment and answer the questions, and return the survey in the enclosed pre-stamped envelope.

At *The Dispatch*, we believe credibility is paramount. In our quest to ensure that readers view us as a credible, unbiased news source, we are aggressively soliciting feedback. Our goal is to provide an accurate and fair report every day. We are eager to hear from people such as you about how we're doing.

Sincerely,

Benjamin J. Marrison
Editor

BJM/beb
Enclosures