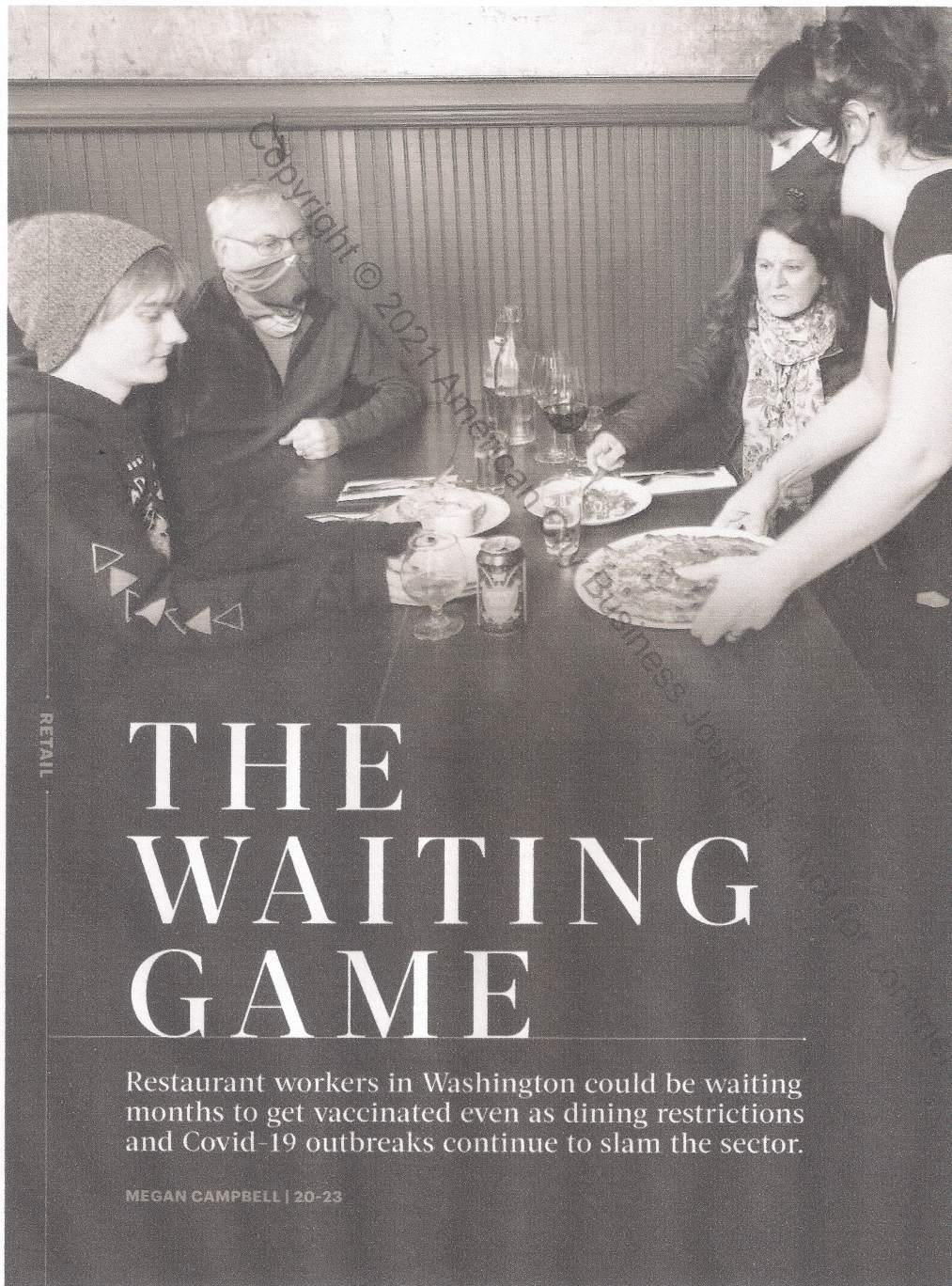


Pay it forward

Molly Matthews wants to take
Pushpay beyond churches

PSBJ INTERVIEW, 46



THE WAITING GAME

Restaurant workers in Washington could be waiting months to get vaccinated even as dining restrictions and Covid-19 outbreaks continue to slam the sector.

MEGAN CAMPBELL | 20-23

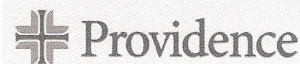
TECH

AMAZON RESTS FUTURE ON AWS



Under Andy Jassy, AWS has become the digital foundation for much of modern life. Now, as he prepares to take the reins from Jeff Bezos, Jassy's cloud success may offer clues about what's next for Amazon. **TONY LYSTRA, 8**

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BANKING & FINANCE

Payroll tax could be an accounting pain

A major friction point, according to some tax experts, will be accurately tracking where employees are working. 24

After recovery, growth is inevitable

Demand for products and services is expected to accelerate in the months ahead, so position your business for strategic growth. 26

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RETAIL

TOO MANY COOKS IN THE KITCHEN

Covid-19 outbreaks among restaurant workers have continued, but employees won't be eligible for the vaccine for months

BY MEGAN CAMPBELL | mcampbell@bizjournals.com, 206-876-5440, @MeganPSBJ

It was business as usual at Mioposto's Mount Baker location on Tuesday, Jan. 19. ¶ The pizzeria had reopened over the weekend after being closed for four days because an employee tested positive for Covid-19. ¶ Business had come back "beautifully," said co-owner Jeremy Hardy. They opened the restaurant for takeout and delivery at 11:30 a.m. ¶ Three and a half hours after opening, Hardy and his wife, co-owner Tiah Holt, were at a grocery store when they got the call from Mioposto's manager. Another employee had tested positive for Covid-19. The pizzeria had what the state defines as an outbreak. ¶ "You go through all this incredibly gut-wrenching angst for your employees," Hardy said. "In that moment you feel sick to your stomach. ... It's kind of like that boxer who's been beat down and they come back and you get whacked." ¶ Within 45 minutes of getting the call, they had closed their doors for the second time in a week. ¶ Outside of health care settings, restaurants have the highest outbreak numbers in the state, according to the Washington State Department of Health. It's for this reason that restaurant owners like Hardy and Holt want their employees to be grouped with the other essential workers in the state's Phase 1B timeline for the Covid-19 vaccine. ¶ Continued closures and other state coronavirus regulations hamstringing businesses from turning a profit, or even breaking even. Surviving on government funds and dwindling savings, the state's restaurateurs are pinning their financial hopes on the Covid-19 vaccine.

For Mioposto owners Hardy and Holt, that hope dimmed when they found out their employees wouldn't be vaccinated until Phase 2, which likely won't begin until the summer, according to the state health department's tentative timeline.

"It's a shame. ... (Restaurants) have been downgraded by our own state," said Chad Mackay, CEO of

Fire and Vine Hospitality, which owns and operates Seattle restaurant El Gaucho.

Guidance from the Centers for Disease Control and Prevention includes food service workers in Phase 1C, along with other essential non-front line workers. In Washington, however, it's an issue of supply and demand.

TAKEOUT RESTAURANT CLOSURES

Washington's restrictions on indoor dining have disproportionately affected independent restaurants. Here's an overview of those closures:

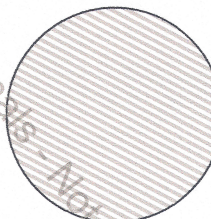
LOCAL CHAIN

 72

NATIONAL CHAIN

 143

INDEPENDENT

 1,852

CLOSURE BY TYPE

- ▶ Full Service: 962
- ▶ Quick/counter: 632
- ▶ Limited: 618
- ▶ Takeout/delivery/others: 45

SOURCE: WASHINGTON HOSPITALITY ASSOCIATION

"There's just not enough vaccine," said Michele Roberts, acting secretary assistant for the Department of Health. "If we did the broad categories that the CDC did for (Phases) 1B and 1C, collectively that's probably almost half our state, probably 3 million to 4 million people. And we don't have 3 million or 4 million doses of vaccine."

'We don't have the doses'

As it is, there are 1.7 million people eligible for the vaccine in the current Phase 1B Tier 1, which could take months to get through. The state's allotment, which increased 16% in February, amounts to 200,000 doses each week, though providers requested 440,000, Roberts said during a Wednesday news conference.

As of Feb. 6, the state had distributed more than 940,000 vaccine doses, or about 80% of doses that have arrived. The state is short of its 45,000-doses-per-day goal, with a seven-day average of about 27,000 doses given per day.

"At this point, it's not capacity. We've got the capacity. It just is we don't have the doses," Roberts told the Business Journal.

The health department determined restaurant staffs "are generally smaller and have alternative options to avoid congregation of customers, such as takeout and delivery options," said Franji Mayes, department spokesperson.

"Unfortunately, because of limited supply, we have to make difficult decisions about who to offer the vaccine to first," Mayes said.

Gov. Jay Inslee's decision to reopen limited indoor dining on

CONTINUED ON PAGE 22

BY THE NUMBERS CLOSURES BY TYPE

Meanwhile, restaurants continue to close across the state. The state has lost more than 2,000 restaurants within the last year, according to the Washington Hospitality Association's September analysis.

 COFFEE & DESSERTS
594

 ASIAN CUISINE
429

 AMERICAN GENERAL CUISINE
423

 MEXICAN CUISINE
178

 AMERICAN/OTHER SPECIFIC
171



DELI SANDWICHES
160

PIZZA
140

OTHER ETHNIC CUISINE
96

PUB & SPORTS BARS
53

ITALIAN
47

BURGERS
36

Mioposto Pizzeria co-owners Jeremy Hardy (left) and his wife Tiah Holt are pictured in their restaurant as kitchen staffers work the line during dinner service.

ANTHONY BOLANTE | PSBJ

RETAIL

CONTINUED FROM PAGE 20

Feb. 1 in some areas of the state has not changed the health department's timeline. There may be flexibility in that timeline, Roberts said, if the state receives adequate doses.

Meanwhile, state epidemiologist Scott Lindquist said in mid-January that outbreaks – defined by the state as two or more lab-tested positive cases that occur within 14 days of each other – continue to occur among restaurant employees.

"The No. 1 outbreak category, outside of long-term care facilities, is restaurants and bars," Lindquist said during a state Department of Health media briefing on Jan. 21. "While there hasn't been any customer transmission, we still continue to see outbreaks in restaurants among the employees."

As of Jan. 30, the most recent data available, there were 260 total outbreaks reported in restaurants and other food service businesses since the state started recording outbreak data. From Dec. 27 to Jan. 30, 35 outbreaks were recorded, according to the Department of Health.

'It's simply not possible'

Since Mioposto opened in 2006, the pizzeria has grown to three locations in Seattle and one on Mercer Island. In 2019, it employed 108 people and its revenue had grown more than 75% compared to 2016. It was having a banner year before the pandemic and related policies caused sales to plummet last March.

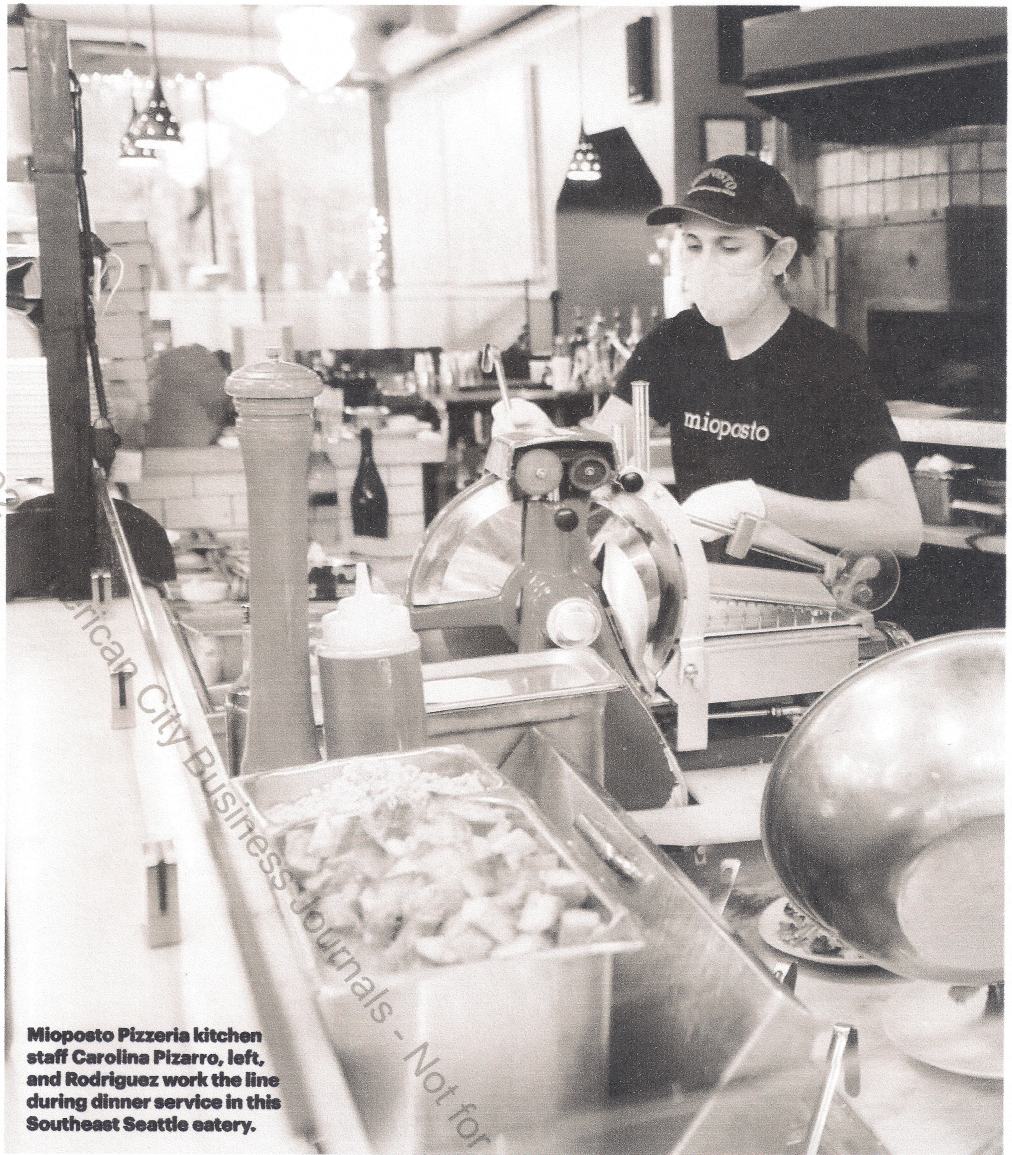
Hardy and Holt saw the virus coming when it began to sweep across China in late 2019. They prepared by installing technology to set up for delivery, which launched March 16, 2020, the same day Inslee closed indoor dining for the first time. As the pandemic extended into the winter, the husband-and-wife duo built patios and added heaters.

It didn't spare them from furloughing employees, though. Revenue remains down as much as 35% compared with 2019.

In December, when the Covid-19 vaccine arrived in Washington, the owners were optimistic. But that quickly dissipated when they learned restaurant workers wouldn't be eligible to receive the vaccine for months.

"There must be some mistake," Hardy said. "It's simply not possible."

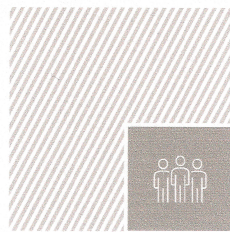
Hardy and Holt don't believe their employees should be vaccinated before health care workers, long-term facility residents and staff, or elderly. But they do want their employees grouped with the



Mioposto Pizzeria kitchen staff Carolina Pizarro, left, and Rodriguez work the line during dinner service in this Southeast Seattle eatery.

DEFINING SPACE IN THE KITCHEN

Restaurant kitchens are designed for efficiency, not social distancing.



1,700sqft 300-400sqft

A typical 1,700-square-foot restaurant has a 300- to 400-square-foot kitchen

rest of the essential workers in Phase 1B Tiers 2 and 4.

Covid-19 cases among Mioposto's employees have forced the business to close for 12 days over the last year.

Washington Hospitality Association President and CEO Anthony Anton points to data the association compiled from Pierce, Clark and Walla Walla counties that shows very few Covid-19 cases have been traced back to restaurants.

"Most of the outbreaks ... have no trace back to the restaurant," Anton said. "If we're doing really good screening and we're wearing masks, we're seeing few cases, which is why I am confident in this reopening."

The county data Anton referred to showed less than 1% of outbreaks

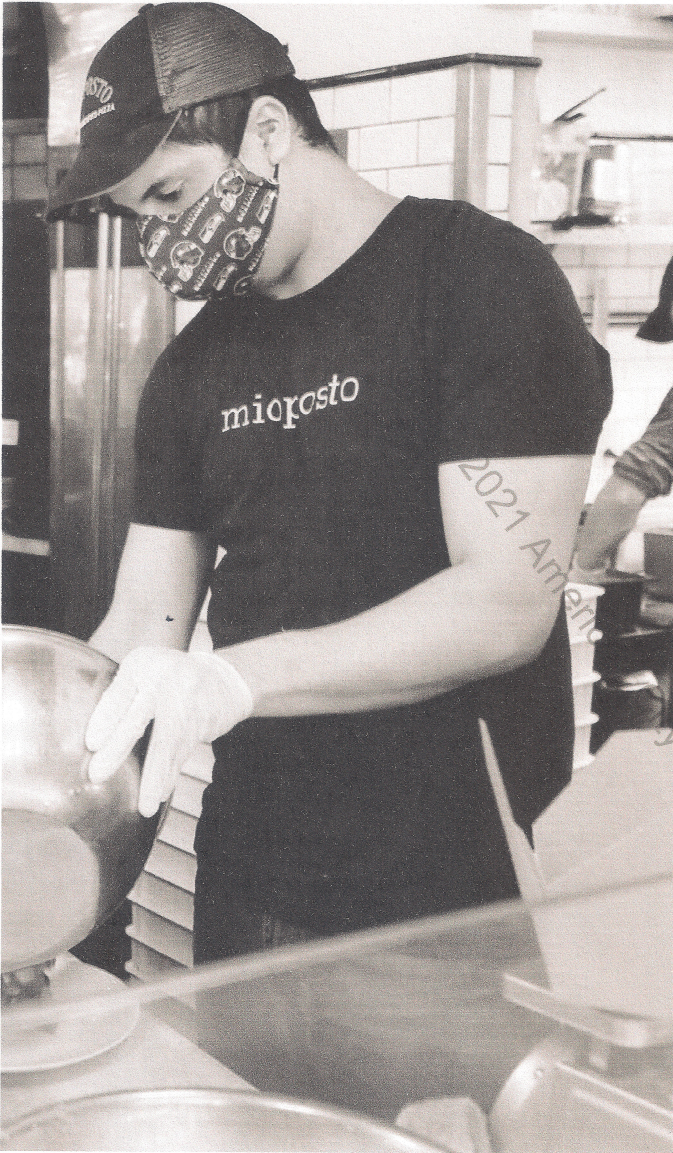
from those counties traced back to restaurants and food service in August and September. The association has requested and is waiting for data from King County and a few others.

Despite where an employee contracts the illness, a positive case among the workforce means shutting down business for a few days.

The risks are high, and kitchens aren't built for social distancing.

Kitchen spaces are about 30% to 50% of the total restaurant space, said chef and restaurateur Edouardo Jordan.

"They're made to be tight," said Mackay, who is a former chairman of the Washington Hospitality Association. "You would never design a restaurant to have one worker every 6 feet. That would just



ANTHONY BOLANTE | PSBJ

be inefficient.”

The Mount Baker Mioposto is a 1,700-square-foot restaurant with a 300- to 400-square-foot kitchen, including the dish pit. Typically, there are about three to four people on the line, which is about 7 feet long. This makes sense for efficiency but isn't suited for social distancing.

“The less walking you have to do to transfer food from station to station, from sauce to grill to pantry, the better,” Holt said.

“The choreography is stunning,” Hardy said.

In addition to these kitchen issues, restaurant owners say they are still in contact with a lot of people.

“We're still interacting with, I don't know, 10 times the amount

of people on a daily basis than the average person,” Jordan said. “We need to protect those people who are having these interactions on a daily basis. We should be some of the first to get vaccinated.”

‘The forgotten worker’

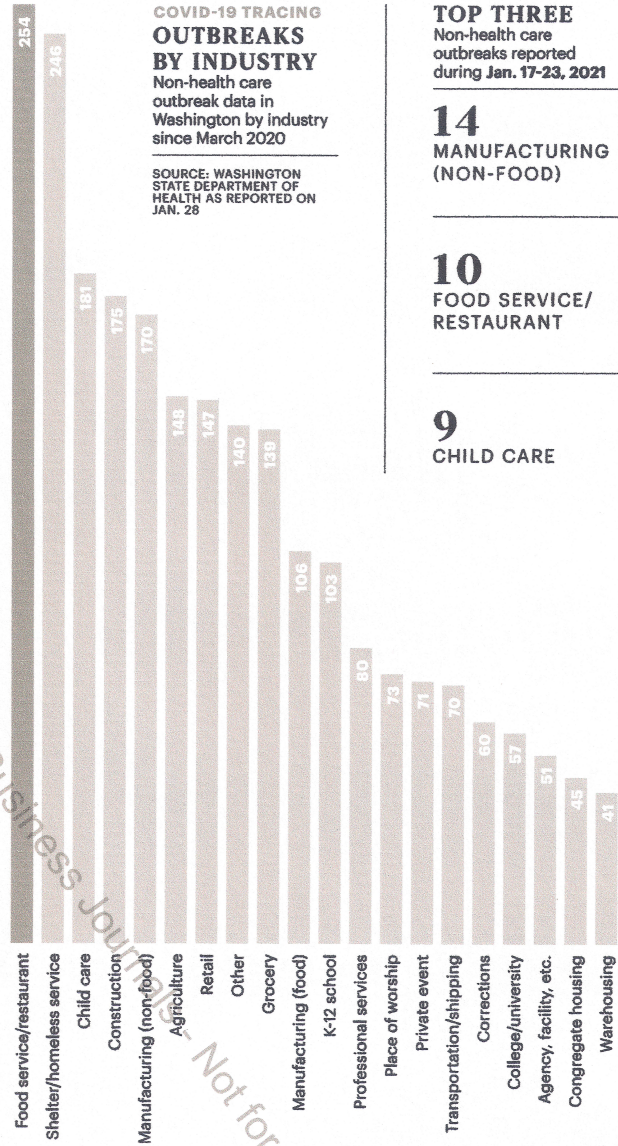
Hardy and Holt worry about equity. A lot of their staff are Latino, a group disproportionately affected and infected by Covid-19.

Among state food service workers, 59.8% are white, 17.8% are Hispanic, 2.2% are Black, 12.8% are Asian or Pacific Islander, 0.5% are Indigenous and 6.9% were two or more ethnicities, according to a 2017 poll of state workers the Washington Hospitality Association commissioned.

The state is making an effort to address equity in its vaccine rollout

**COVID-19 TRACING
OUTBREAKS
BY INDUSTRY**
Non-health care
outbreak data in
Washington by industry
since March 2020

SOURCE: WASHINGTON
STATE DEPARTMENT OF
HEALTH AS REPORTED ON
JAN. 28



TOP THREE
Non-health care
outbreaks reported
during Jan. 17-23, 2021

14
MANUFACTURING
(NON-FOOD)

10
FOOD SERVICE/
RESTAURANT

9
CHILD CARE

by partnering with community organizations and others who can reach areas most affected by Covid-19.

However, Secretary of Health Umair Shah said a Wednesday report shows “significant” work still to do to vaccinate in an equitable way.

In particular, the state is far behind on vaccinating the Hispanic, Black and multiracial populations. For example, 4.7% of people who received the first dose and 5.9% of people who have received the second dose are Hispanic. In Washington, 13.2% of the population is Hispanic.

“The data show us that we need even more intentional pro-equity approach,” Shah said during a Wednesday media briefing.

Additionally, the hospitality sector was disproportionately affected

by the economic crisis. From January 2020 to November 2020, the most recent data available, food services and drinking places employment was down 12%, or 30,000 workers, according to the Washington State Department of Commerce.

In all, more than 2,000 restaurants have closed across the state as of September 2020, according to the Washington Hospitality Association.

The vaccine, like many health care workers have said, is the light at the end of the tunnel.

But for restaurant workers, that light is still months away.

“It's almost like the restaurant workers are the forgotten worker,” Mackay said. “Restaurant workers have quietly toiled and they've also borne a big brunt of shutdowns and lockdowns.”