

Published July 22nd, 2020

PPP has saved downtown retail ... so far

By Sophie Braccini



Caroline's Salon after its reopening in June.
Photo courtesy Caroline Wiseman

Lamorinda businesses these past months have faced a difficult situation with opening, distancing, closing again, mask wearing and seeing a reduced number of clients than usual. With two waves of Paycheck Protection Program loans many are managing to keep their financial heads above water. While being creative and innovative, the future of Lamorinda retail businesses is still unknown, and will likely depend on how much community support they receive.

For Caroline Wiseman, reopening her hair salon, Caroline's Salon, in June was a celebration. Drove of people came to get their hair done and her team of 26 employees worked overtime six days a week to accommodate the number of appointments. But then came the July 13 rollback restrictions and she had to close again. She says that PPP loans allowed her to pay her employees and her rent, but this time it is unemployment for all and negotiation with Cortese

Investment for the rent. According to Wiseman, the landlord is accommodating.

Tricia Wilkalis, the general manager of Cortese Investment Company, agrees that PPP has been critical during this period. She adds that their business tenants have been able to quickly adapt to the current guidelines with social distancing, masks, hand sanitizing standards, expanding outdoor dining, etc. and that they will continue to partner with them through this challenging period. Cortese Investment owns, among other properties, the Mercantile center on Mt. Diablo Boulevard and Lafayette's La Fiesta Square.

Maria Gastelumendi at Rising Loafer in Lafayette also got through the first months with a PPP loan from Patelco Credit Union in Lafayette. At first the membership-driven financial institution was reluctant to be a conduit for the Small Business Administration-backed program, but Richard Wada, senior vice president, chief lending officer of the northern California nonprofit organization, said that many of their members are small businesses and they got so many requests that they had to move forward with the program. Gastelumendi got a \$10,000 PPP loan through Patelco, which has allowed her to stay open.

Now like so many restaurants she has had to reinvent herself, testing recipes with customers and deciding on a limited number of dinners-for-two that are offered daily for pickup.

At the Moraga Chamber of Commerce, Executive Director Kathe Nelson has been on the phone with her members daily answering questions about the different options available to support small businesses. She is very concerned for some of them, such as the dry cleaners that have seen their business collapse as people stay home; not to mention the gyms or programs like Luna in Moraga that offers gymnastics for children and has been closed for months now. Joy in Motion however, also based in Moraga, has moved its practices online, offering 4-week virtual summer camps. Justin Cole, co-owner of the dance school, was happily surprised to see the delight of even his youngest audiences when provided with the opportunity to be moving to the beat of an online class. He is looking into providing an outdoor camp on his premises.

24 Hour Fitness filed for bankruptcy in June, closed a third of its locations, and let many Moraga trainers go on July 1 - including favorite senior fitness specialist Stuart Moore. Management confirmed that the Moraga location will not close permanently and is prepping for a special protocol to keep people safe when they return.

In Orinda, Helen Bentkowski, who opened the gift shop Sanvitalia four and a half years ago, was not able to secure a PPP loan for that store. She owns two shops as a sole proprietor and SBA would approve only one loan per owner. The store in Theatre Square was closed for over three months and Bentkowski says that the property owner did not offer any relief to the tenant. Bentkowski was able to reopen the beginning of July, offering her unique gifts, as well as the succulent and orchid arrangements she is known for. She said that business was slow in the Square, though some of her regular customers were back and she has done everything she could in the retail space, including providing gloves to any entering party, to make it safe. She stressed how important the community support is at this time, otherwise businesses such as hers would disappear from downtown areas.

Wilkalis believes that what is happening now will affect downtown retail permanently. Before the pandemic, she explained that owners had already been seeing a shift in internet-resilient businesses occupying downtown. Moving forward, she says that the city and landlords are going to need to have the willingness and flexibility to attract businesses that are both internet and pandemic resilient; what that is going to look

like is still unknown. Chris Curtis, a real estate broker in the East Bay says that the shift will likely have to accommodate more workers working permanently from home, with some large offices having to repurpose their spaces, while remodeling of homes and people moving from cities to the suburbs will continue to grow.



Caroline's Salon

Reach the reporter at: sophie@lamorindaweekly.com

[back](#)

Copyright © Lamorinda Weekly, Moraga CA