



**CULVER'S OF JACKSON**

Locally Owned and Operated by  
Blue Roof Hospitality Inc.

June 19, 2020

To: John McNamara VP Government Affairs MRLA  
From: Karen Richard Owner Culver's Jackson and Ann Arbor, Mi.  
Re: Current Capacity and Closure Issues In Michigan

Thank you for reaching out to ask for my thoughts on the current situation with restaurants in Michigan.

As the Chairperson of the Jackson Chamber of Commerce I am comfortable speaking on behalf of my fellow restaurant owners as well as myself.

The closures of full-service restaurants over the past months has put an unbelievable burden on small business in our community. Most of our owners have limited cash in the business to begin with. Restaurants are not high profit businesses and rarely do owners go into this business for the high cash flow. They are owners because it was passed down from previous generations or they left their corporate jobs to live the dream of servicing their communities in a small restaurant or they felt that the overhead of opening a restaurant was such that they could afford to start this type of business.

Through this lockdown, many of our Jackson County restaurant owners are trying to get loans to stay afloat. Banks are wary in loaning to restaurants as they typically have marginal cash flow. The PPP options have helped for some, but many either did not qualify or did not get to their institution fast enough.

Now that they are able to open at 50%, they are having issues bringing individuals back to work. Many of their employees are making significantly more than they made when working thanks to the \$600.00 Federal addition. This leaves owners short staffed.

Additionally, food shortages are growing by the day. This is causing back door food prices to go through the roof. The owners have no choice but to raise menu prices, which turns away customers that are concerned about the unemployment rates and their own job security.

Confusion on opening criteria is unbelievable. Interpretation from county to county is different. Health department requirements differ based on their own interpretation of the governor's written direction.

These ties in to the very real concern with consumer confidence. With the continuing changes from the governor's office, the mixed messages from the CDC and WHO, it is confusing to the customer as to what should be the standards. This could be a further a concern for the consumer as they travel between counties within the state and see different procedures and standards.

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With the above-mentioned confusion, the business owners have concerns that their customers might not adhere to the rules. There has been little to no direction from the governor as to the procedures or policies regarding this situation. Given the policy/procedural differences between counties, this would seem almost impossible to enforce!

There is fear that the governor will at any time pull the trigger and close the restaurants again or change the procedures/rules of engagement with the customers.

Relative to my personal situation with two Culver's restaurants, I am not opening my dining rooms at this time. I do not have a target date for opening for the following reasons:

1. The closure of businesses did affect my business. Initially our sales dropped over 40%. This is even though we were a "essential business".
2. My team members were terrified and did not want to work. Many parents called me and asked that their children be given time off until the governor lifted the mandated orders.
3. I have two restaurants in two different counties, and two different health departments. I am in contact with other Culver's operators in many other states as well as Culver's operators in other counties in Michigan. Every health department has different requirements. From required signs on the doors for guests (even though we were closed) (or not) to signs for our team (or not) to required daily recording - complete with forms (or not), to x's on the floors (or not) in the kitchen (or not) to masks in the kitchen (or not), etc. The inconsistencies are unbelievable and confusing and frankly unnecessary.
4. In April, we created a costly double drive thru order taker in the parking lot that continued to evolve well into June. This was in an effort to convince guests to come to Culver's and cut down on the long lines since they were unable to come into the restaurant.
5. When the governor announced the "opening of restaurants" I was excited until I realized the criteria.
6. At 50% and given the 6-foot rule, my maximum tables would be between 10-12 out of a restaurant that seats 140+. I am currently forced to continue to run my two-order point system in my parking lot, with a shed from Lowes. I have to staff it with 4-6 employees outside. Obviously, I am unable to use this system when the weather does not permit.
7. I do not trust that the governor will not change her procedures with contact tracing and require me to register all guests' names, phones and addresses. I will not do this.
8. I do not trust that she will not shut us down again, if a second wave hits, and I want to keep my team from being frustrated and safe.
9. As mentioned above, the food shortages are real issues. Culver's has managed to navigate it but we had some real touch and go situations with beef. Pork right now is a concern. All back-door meat products are increasing at an alarming rate. Dairy is something that is a concern in the near future. This will obviously affect us as well as the smaller single owner restaurants.

As business owners, restaurants and others, we know the importance of keeping our employees safe. That is our number one priority. Keeping our guests safe is our number two priority and equally important as number one.

Not one business person wants to be known as a "Covid hot spot". We all know what to do. We all have been aware and working on this since March. We have had systems in place to ensure the safety of everyone. We are capable of managing this. We do not need to be at 50%. We need to be able to operate our privately owned business, our personal 401K as we know how to do. We are capable and need to be trusted by this governor to be INDEPENDANT business people. Independent of state oversight and governance.