

# 375 BYOB Restaurants in Chicagoland— By Design or Default?

**A**lcohol is usually the largest profit center for any restaurant. There are 375 restaurants in this book. Three hundred and seventy-five eateries doing business without liquor licenses. But are these restaurants BYOB by choice? Or are they BYOB by default, hamstrung by obstacles that prevent them from selling food *and* drinks?

Before tackling this question, let's discuss some BYOB basics. In this country, the privilege of taking one's own alcohol to a restaurant is legal only in certain states, with Illinois being one of them. The laws governing BYOBs are complicated at best in other states, resulting in underground BYOBs in foodie-friendly cities like Boston and New York. And while toting your own wine is legal in California, the BYOB concept is not practiced throughout most of the state (except in wine country, where only industry insiders with rare vintages are allowed to bring bottles into well-stocked restaurants). Small pockets of BYOBs exist in Texas, which has several dry counties, and Washington, D.C., where the notion of bringing your own is gaining popularity.

However, Philadelphia is the only other U.S. city to boast a BYOB culture that rivals Chicago's. A liquor license will set back Philly restaurateurs anywhere from \$20,000 to \$250,000. The steep costs, coupled with Pennsylvania's

complex state-controlled distribution system, have fostered a large number of BYOBs in the Philadelphia area.

With the fundamentals of BYOB laws covered, the original question remains: Are the restaurants in this book BYOB by choice? To find the answer, I asked each restaurant owner, “Why are you BYOB?” The answers fell into two main categories: by design and by default. Of 375 restaurant owners, 152 responded that their restaurant is BYOB by default, meaning that they would operate with a liquor license if certain restrictions were removed (a breakdown follows). But 176 indicated that they are, in fact, BYOB by design, or by choice. Some of these restaurateurs have even been approached by their alderman and encouraged to apply for a liquor license—approval guaranteed—but they turned it down. Surprised?

### **BYOBs by Design**

Choosing to forgo a liquor license seems counterintuitive to running a profitable restaurant. But in the context of a troubled economy, when customers can choose between a good BYOB and a restaurant that charges a 200% to 500% markup on alcohol, the choice is obvious. Twenty-five owners whose restaurants are BYOB by design are using their BYOB policy as a selling point, especially during the recession. Another 20 claimed they are BYOB by design “for now” but may apply for a liquor license in the future “when things turn around.” These eateries include Grocery Bistro, Machu Picchu, La Fonda del Gusto, and Estrella Negra, which are all waiting out the economic downturn and might tackle the city’s complicated liquor license application in the future.

But the largest group of respondents in this category (44) claimed that they just want to focus on food, not a wine list. Newcomers like Antica Pizzeria, Côtes du Rhône, and Ciao Amore are willing to bet on a steady business of foodies bringing their own bottles. These places feel that they will not only survive but thrive as a BYOB—in any economy.

The other reasons restaurant owners cited for not wanting to sell alcohol include: religion (14); a health-conscious menu and/or philosophy (6); a breakfast or café concept (16); a family-oriented environment (24), a choice commonly voiced by the Asian community; and a focus on takeout and delivery, not dine-in, service (27).

## BYOBs by Default

Many BYOBs in Chicago do not sell alcohol—by design. But that still leaves 152 others that are trying to turn a profit without a liquor license against their wishes (47 fell into both categories). Though these restaurants operate as BYOBs, it's not their first choice.

The number one reason for a default BYOB status? A municipal ordinance that prohibits any business from selling alcohol within 100 feet of a K–12 school, hospital, daycare center, home for the aged, library, or church. This ordinance accounts for 32 BYOBs in Chicago—restaurants like Tango Sur, Mythos, Jasmine Rice, and Ay Ay Picante. Coast Sushi was within 100 feet of a library when it opened, but that library moved. Plans to stock a full bar proceeded, until it was apparent that Coast's BYOB policy was one of its main selling points. Six years after opening, Coast Sushi proclaimed itself “BYOB for the long term.”

Limited space (28) is another common reason for not being able to serve alcohol. These BYOBs simply lack the city's minimum space requirements for a bar, storage, refrigeration, taps, and glassware, and have no choice but to let their customers bring their own. “Too expensive,” not surprisingly, was another top reason (26). The annual fee for a license (\$2,200 in 2009, with a two-year minimum) isn't the only stopping point; the liability insurance and attorney's fees also stop small businesses in their tracks.

## One Bathroom, No License

When it comes to serving alcohol, it's apparently necessary to have two bathrooms (one for men, one for women). Or so the city of Chicago says. Seventeen BYOBs claim only one bathroom and don't have any immediate plans to upgrade to the two required for a liquor license. So the next time you're at Treat, HB Home Bistro, or Terragusto and have to wait in line for the bathroom, just think: It could be worse. You could be paying a high markup on your drinks. Other BYOBs confided that their buildings weren't up to code (1), or that they had only one exit (1), which disqualifies restaurants from the liquor license lottery.

Woe to any restaurant in one of the city's dry precincts. Thanks to a local option referendum that permits voters in any Chicago precinct to vote their precinct “dry,” they're all

over the city. Since there are only about 14 BYOBs in dry precincts, it seems that most restaurants are avoiding these areas like the plague. Places like Café 103, Sikia, and Tre Kronor are all located in a dry precinct (so don't count on picking up a bottle near the restaurant).

Or, God forbid your lease prohibits you from selling alcohol. Five BYOBs cited this as the reason standing between them and a liquor license. Other reasons include: the restaurant is located in a Liquor Moratorium District (16); the owner is a Chicago police officer (1) or an alderman with a restaurant in his or her own ward (1), both of whom are prohibited from holding liquor licenses; the liquor license application was contested by at least 51% of all registered voters within 250 feet of the establishment (1); the license wouldn't transfer from the previous owner (6); or the owner or owner's spouse has a criminal record (3).

The rest of the restaurants in this book (47) are BYOB for a combination of reasons that fall under both the "by design" and "by default" headings. Most commented that going through the process of obtaining a liquor license is simply "too much of a hassle," that they are "worried about liability" or "uncontrolled underage drinking," that they are "worried about not turning tables," or have a perception, right or wrong, that a liquor license is too difficult to acquire and don't even bother trying.

Whether BYOB by design or by default, a recurring theme surfaced in these interviews with restaurant owners: In Chicago, especially in an uncertain economy, a BYOB policy is a selling point. Ten years ago, only a cult following chose to dine at the small number of BYOBs in Chicago. Today there are nearly 400 of these establishments—and a growing number in the suburbs—from chef-driven French bistros and upscale sushi bars to neighborhood Thai and BBQ joints. Not only are more and more Chicagoans seeking BYOBs, but restaurateurs are realizing that allowing customers to bring their own alcohol is a sustainable business model—in good times and bad.

—J.I.