



# Feeling the (financial) heat, Barbara Lynch is back in the kitchen at Menton



SUZANNE KREITER/GLOBE STAFF

Barbara Lynch has run three Seaport restaurants for nearly a decade.

By [Janelle Nanos](#)

GLOBE STAFF JANUARY 13, 2018

By almost any measure, the past year was a remarkable one for chef Barbara Lynch.

Lynch's James Beard-award-winning restaurant, No. 9 Park, is about to celebrate its 20th anniversary. Last April, she was named one of Time magazine's most influential people in

the world. That was the same month she published her memoir, “Out of Line” — now optioned for film — which traces her climb from the projects of Southie to the head of a \$20 million, seven-restaurant empire.

But behind the scenes, Menton, the restaurant she considers her crown jewel, has struggled. Many investors share a growing concern about the restaurant’s financial viability and are worried about its future. Failure, some say, could harm not only her empire but also her reputation.

For Lynch, Menton has represented just how far she has come. One of three restaurants that she has operated on Congress Street for nearly a decade, it has earned Relais & Châteaux status, an elite membership denoting the top restaurants in the world. And its menu, a culinary sonnet to Lynch’s two loves, French and Italian cuisine, has consistently drawn accolades. Yet the restaurant has not been profitable.

“Drink is a powerhouse — it prints money. Sportello breaks even,” an investor said of Lynch’s other Congress Street restaurants. “And Menton sucks money.”

Lynch gambled big when she announced she was opening three adjoining restaurants in the untested neighborhood of Fort Point in the wake of a recession. Eight years in, she has yet to pay back her frustrated investors.

They complain that sales have been flat across the Congress Street restaurants for the past four years, while food and labor expenses have risen, and they worry that the rent is poised to rise.

And for some, Lynch’s arrest on charges of driving under the influence last July heightened their concern. Lynch crashed her Mini Cooper while driving to her home in Gloucester at 4:30 a.m.

A police report said she was intoxicated and her blood-alcohol content registered nearly twice the legal limit in a breath test administered at the scene. She later blamed exhaustion, pointing to the months she had spent shuttling around the country for her book tour. Last August, she admitted to sufficient facts and the case was continued without a finding.

The arrest stoked worries among some investors about her ability to keep Menton and her other restaurants afloat.

“Expenses have been spiraling upward and things are not managed well financially,” said one investor in multiple Lynch properties who asked not to be named because of ties to the restaurant industry. The investor hailed Lynch’s contributions to the city’s dining scene, and said he understood how difficult it can be to run a high-end restaurant. At the same time, he said he worries that if things don’t change, “she’s in great danger of running out of cash and having to close one or more of the restaurants.”

These concerns have led to a tumultuous past few months in Menton’s kitchen. Menus have been ripped apart and revamped. Prices have been slashed. Lynch’s director of operations and culinary director recently left the company. And Lynch and her team have hastened their efforts to appease her investors, meeting with several of them in person for the first time in years to discuss the financial future of the restaurants.

Lynch herself has been back in the kitchen for the first time since the restaurant opened. Lynch insists she is trying to make Menton into the place she had always envisioned, while others say it was her initial vision itself, which was so exquisitely achieved, that is the heart of the problem.

Over the course of several interviews, Lynch acknowledged that she set lofty goals for the restaurant but that it suffered from a lack of direction. She recognizes that too many people, including her investors, think of the restaurant as a place reserved for four-hour meals with nine courses of tweezer-food, instead of a place for business lunches or weekly dinners with friends. But she fiercely defends her business and insists the restaurants are financially sound.

“There’s no reason to be nervous. The Gruppo has an extraordinary track record,” Lynch said, using the name for her restaurant group, Barbara Lynch Gruppo. Lynch said she anticipated a luxury restaurant would require a longer period before becoming profitable. It can take 10 years for a fine dining establishment to get its legs, she said, a fact her investors should have been aware of when they signed on.

“Investors invest in restaurants, and most investors never get paid back at all, and that is the risk you take,” she said.

## Street-smart hustle



SUZANNE KREITER/GLOBE STAFF

### Lynch in the kitchen at Menton.

Lynch reveled in the risks she was taking when she set out to open Menton in 2007. Her career has been defined by defying expectations and using her street-smart hustle to make her way to the top.

“Menton is meant to be Lynch’s piece de resistance, the culmination of her life in the food business,” the Globe wrote in a profile of Lynch in 2009. [The four-star review](#) following soon after hailed her elfin mushrooms, foie gras terrines, and her personal “quenelles of steel,” for having the nerve to open a fine-dining restaurant right after a recession, in January, in a location that was still near a sea of parking lots.

At the time, Lynch felt a responsibility to Boston. She knew the city’s culinary reputation was defined by the innovation found in kitchens like L’Espalier’s, and worried as she watched icons such as Aujourd’hui in the Four Seasons Hotel fail. It stoked her determination. In her

memoir, she wrote that she saw an opportunity when the famous fine-dining restaurant announced it was closing in 2009: “It meant there was a vacuum at the top.”

In order to open the 15,000-square-foot space, Lynch raised over \$5 million, taking \$25,000 to \$250,000 from each investor, and borrowed \$2 million to supplement that financing.

Her vision was a prix fixe, four- or seven-course menu with a price tag of \$150 per person. She hand-selected the German porcelain dinnerware and the Austrian glassware and swiped napkins from renowned chef Eric Ripert’s restaurant to compare the quality, eventually settling on a luxurious Egyptian cotton with a diamond-weave border.

“I wanted to experience the feel of a bread knife in a diner’s hand and the sensual roundness of a wineglass,” she wrote in her memoir. “Everything on the table had to please the eye and be pleasurable to touch.”

The restaurant opened in 2010, to national acclaim.

Lynch had already seen phenomenal success with her first restaurants and boasts in her memoir that she repaid the investors in No. 9 Park, B&G Oysters, and the Butcher Shop within the first few years of opening. Several investors confirmed that.

“The investors from No. 9 have made more money than they would have made on the stock market,” she said in an interview.

### **‘This one’s a beast’**

But it has been a different story for investors in the Congress Street restaurants. Despite Lynch’s ambitions for Menton, it has long struggled with a perception problem: A 2011 letter to investors stressed the need to “diffuse the perception that Menton is an expensive, lengthy, serious, special occasion-only restaurant.”

“Menton, this one’s a beast,” she said over lunch on a recent Wednesday, her eyes flashing as they scanned the dining room. It was 12:45 p.m., and only a few tables were full, despite expanded lunch service. For the next hour, Lynch spoke with her typical expletive-laden candor about the challenges she faced opening the restaurant, and the many directions she was pulled in as she expanded her empire. She lamented letting her then-executive chef,

Colin Lynch (no relation), execute Menton's menu, while allowing her director of operations, Jefferson Macklin, who departed in 2015, to oversee the restaurant's direction.

"I actually never got the opportunity to work in this kitchen and bring it to what the vision was," she said.

Macklin, who now owns Bar Mezzana in the South End with Colin Lynch, disputes her account, saying the pair were charged with executing her expectations for a refined, luxurious dining experience.

"I was trying to implement a plan that we had reviewed together," he said. "I don't know why she's saying we didn't do what she set out to do; we got Relais & Chateaux status" — a designation, he adds, that she pursued aggressively.

For years, investors weary of Menton's lack of returns urged Lynch to rethink the fine-dining concept and make the restaurant a place where they would actually want to eat.

"In the beginning I said to Barbara, 'I don't have the patience for long dinners and it would be nice to have a three-course dinner instead of six, seven, or eight,'" said Arnold Hiatt, a former Stride Rite president and longtime investor and adviser to Lynch. "I kind of boycotted the place."

Eventually, Lynch came up with a menu just for Hiatt that was three courses long. But she otherwise stuck to her original vision.

People close to Lynch say she opened Menton to prove — to both the public and herself — that she was capable of running Boston's finest kitchen. They say the same tenacity that shaped her successful career made her unwilling to budge on the restaurant's high-end concept.

"To her it was the ultimate culinary achievement that she had worked her entire life for," said one former Menton staffer.

Industry insiders also suspect that the perceived success of Menton may have mattered more to Lynch than its financial viability. "There's no reason she would want to change the brand

of Menton if it's helping her personal brand," said Daniel Dain, a real estate attorney with Dain Torpy who also runs a restaurant investment fund.

Over time, some attempts to modify the restaurant — and mollify investors — were made. To draw buzz, Top Chef winner Kristen Kish was brought in to run the kitchen. Lynch introduced the Gold Bar lounge, a bar area with cheeky menu items like foie gras hot dogs, to attract less-formal diners. Lunch service was added. But these efforts did little to make the restaurant profitable.

"When I started, everyone from day one said, 'Please make it stop losing money; let's get it to break even,'" said Scott Jones, who was chef de cuisine for Menton from 2014 through 2016 before taking over as culinary director of the Gruppo last year.

Jones left the company in October, but he said Menton was profitable for the first time during his tenure. "Menton doesn't lose money anymore. We're taking the profit and reinvesting it into the space to make it better," he said.

It's not atypical for a "restaurant or any business that is as enterprising and ambitious as Menton" to take a longer time to pay back investors, said Christopher Myers, a former owner of high-end restaurants Radius and Rialto who now co-owns, with his wife, Joanne Chang, the Flour bakery chain and Myers + Chang restaurant. "It took Michael [Schlow] and I eight or nine years to pay back our investors at Radius, and we went through two or three significant market changes," he said. "We thought it would take us three years."

**Lease is up soon**



JOHN BLANDING/GLOBE STAFF/FILE

**Lynch in the dining room of Menton in 2016.**

But some Menton investors said their concerns are driven by the fact that the lease on the Congress Street restaurant building will soon hit its 10-year anniversary, meaning Lynch will have to renegotiate with her landlord, New York City-based Acadia Realty Trust. Because Fort Point was undeveloped when the lease was signed, Lynch was able to secure a significantly below-market rate for her rent. According to the original lease, which was obtained through liquor license filings with the state treasurer's office, Lynch pays about \$22,800 a month in rent, plus an average of 6 percent of net sales, for her three restaurants.

Restaurant industry experts say that if the Congress Street restaurants were leased at current market rates, the rent could likely double.

Lynch's former chief of operations, Ben Kaplan, said the Gruppo faces the same financial constraints that other restaurants across the city are struggling with: rising labor costs and a glut of new restaurants.

And while the prospect of rising rent looms large, Lynch said she has two five-year options to extend her lease. "I would expect the landlord would appreciate the value that I bring to the property, because I've chosen to be there and support the neighborhood," she said.

Acadia did not respond to requests for comment, but Lynch said the firm has agreed to renegotiate the five-year options.

Lynch said that Menton — like many other high-end restaurants — has felt the effects of a cultural shift away from over-the-top dining experiences. That, coupled with pressure from investors, is why she says she's now undergoing a "regroup" of her businesses. She's put more emphasis on her name in her branding, and has been working to streamline food costs across the kitchens of the Congress Street restaurants to drive down spending.

At Menton in particular, the changes are reflected in details like the napkins, which are now smaller, unembellished, and 100 percent cotton — one of many things scaled back to cut costs. The new à la carte menu is designed with approachability in mind, with food that's easily identifiable and entree prices barely hovering above \$30 (a less expensive dinner than at No. 9 Park). Servers will be "less robotic" and exude more "heart and soul," Lynch said. Things should feel fun, with the kind of social atmosphere she's achieved at No. 9.

"We lost that somewhere down the line," she said.

In the past several months, the pace of change has hastened. In a letter sent to investors this fall, Lynch addressed ongoing financial concerns and mentioned a Globe inquiry directly, noting that she planned to renegotiate better terms for her lease options "that make sense to each business's long-term success."

Many investors reached out after that and set up meetings with Lynch, said Tanya Gray, finance director for the Gruppo. The team also made two payments to investors late last year. All told, they've each received less than \$10,000 in payouts since first buying into the Congress Street restaurants a decade ago, investors said.

Kaplan, who announced his departure from the Gruppo in October, said he recognized that "the emotional response to not receiving a distribution, coupled with the lack of communication, can create bad will."

"They want Christmas cards," Lynch added with a smirk. "They want recognition that they're investors."

Those Christmas cards were mailed in mid-December.

People close to Lynch say they want her to succeed, and they hope the pursuit of her vision doesn't blind her to the reality of just how vulnerable Menton might be.

"To have to lose it or admit that it wasn't a success, that's where you get into the emotion," said one former staffer. "It's very easy to look around and see a lot of other great successful chefs who had to close or change their concepts from an economic sense, but I think that there's something about that fine-dining French fantasy" that she can't give up. "That would make it a very hard decision, in part because she has never really failed."



JOHN BLANDING/GLOBE STAFF/FILE

**Lynch shaved white alba truffles over porcini risotto in the dining room of Menton in 2016.**

Hiatt, the longtime investor, said he understands why other investors may be losing patience. But he's not among them. "I didn't invest in No. 9 because I was looking for a return. I was investing in a young woman" who had both overcome and accomplished much, he said.

"It's a remarkable story," he said, "even if I could have done without so many of her four-letter words."

*Janelle Nanos can be reached at [janelle.nanos@globe.com](mailto:janelle.nanos@globe.com). Follow her on Twitter [@janellenanos](https://twitter.com/janellenanos).*

