

# Eastern Standard, a Kenmore Square stalwart, may be closing for good

Restaurant's owner, landlord are locked in a dispute over the lease

By [Janelle Nanos](#) Globe Staff, Updated June 25, 2020, 7:06 p.m.



The fates of Garrett Harker's three restaurants, Eastern Standard, Island Creek Oyster Bar, and the Hawthorne, are in question. BARRY CHIN/GLOBE STAFF

After 15 years of success, no one would imagine that Garrett Harker's run in Kenmore Square might end like this.

Harker's restaurants sparked the revitalization of the square and now serve as the hub of the sprawling hospitality portfolio dubbed "Harkertown." But ever since the pandemic forced the celebrated Boston restaurateur to close the doors of his three properties inside the Hotel Commonwealth, the fates of Eastern Standard, Island Creek Oyster Bar, and the Hawthorne have been in question.

Harker had been in ongoing negotiations with UrbanMeritage, the real estate group that owns the Hotel Commonwealth's retail properties, for several years. Now, with the COVID-19 pandemic, they've grown more contentious, and things are at such an impasse that Harker never opened the restaurants for takeout or al fresco meals.

The Eastern Standard story is an example of the chess game playing out right now across the city, with restaurants hit hard and a wave of closings underway. And Harker's high profile in the restaurant industry is proof no one is immune. Even though the state has issued a temporary moratorium on evictions of small businesses, the future of Harker's Kenmore Square trifecta is looking grim.

His landlords "don't seem to acknowledge that there's anything special about these restaurants," Harker said in an interview with the Globe, his first since rumors began swirling about Eastern Standard's future.

Harker is most at ease on the dining room floor, clasping hands, filling glasses, and attending to his guests. Stuck at home over the past several months, he has grown increasingly anxious, particularly as Eastern Standard's 15th anniversary in late May rapidly approached.

Harker had imagined exactly how the festivities would play out: "We'd top off each others' wine glasses, laugh too loud for too long about all the characters and crazy services and goofy situations we got ourselves into over the years," he wrote on Facebook May 27. A decade and a half earlier, he continued, his two daughters had left lucky kiss-marks on the walls before the last piece of wainscoting went up near table 62.

But as he typed those words, he felt his luck was running out. Just hours before, he had received a letter from his landlord's attorney telling him he had defaulted on the restaurant's lease, which includes an adjacent cocktail bar, the Hawthorne.

UrbanMeritage declined to speak with the Globe, e-mailing a statement instead.

“We have been working on negotiating a new long-term lease with Eastern Standard and The Hawthorne for over four years at a reduced rent from their existing lease,” Michael Jammen, a principal at UrbanMeritage, wrote. “Further, we continue to speak with Garrett and our other tenants during this very difficult time in an effort to deal with the effects of the ongoing pandemic. We recognize the passion of both Garrett and the loyal customers of Eastern Standard and the Hawthorne.”

Harker and his partners at Island Creek Oyster Bar also received a default letter, which means that all three spaces are at risk.

The Hotel Commonwealth is an enormous and challenging space, Harker said, with 220 seats inside Eastern Standard alone at full capacity. He employs 240 people at the three properties, and the restaurants provide the hotel’s catering and room service. All told, the trio were bringing in \$19.5 million annually in revenue.

“I think anyone would acknowledge nationally what this property is doing in sales is extraordinary,” he said.

Bob Luz, head of the Massachusetts Restaurant Association, said that 50 percent of his members have not gotten relief from their landlords since the pandemic started, and he now estimates that as many as 3,600 of the state’s restaurants may close as a result. But he never imagined that Eastern Standard might be one of them.

“Garrett Harker and Eastern Standard, are you kidding?” Luz said, as he went on to praise their skills. “I’d bet every day of the week, 100 percent on them, and I would not bet on anybody in there that replaces him.”

Harker came to run Eastern Standard at an inflection point in his career. He'd made a name for himself running No. 9 Park with chef Barbara Lynch, whose star was ascendant in the city. But after he and Lynch split up in 2004, Harker was a man without a country.

Boston University was at an inflection point of its own, and had been gobbling up real estate in an effort to transform the deteriorating neighborhood. It broke ground on the Hotel Commonwealth in June 2001.

Harker and BU established a partnership to build out an American brasserie in the hotel. Since Harker didn't have the financing, BU brought on Harker as a minority owner of the restaurant, said Joseph Mercurio, who was the executive vice president at BU at the time.

"When I'm being honest with myself, Eastern Standard was never meant to be something special," Harker wrote in the anniversary Facebook post. "It was part urban renewal project, part analysis of the 2005 Boston restaurant scene, part landing spot for the unemployed me after leaving No 9."

What did happen now seems like kismet. The Red Sox had just won the World Series, and the revival of the Fenway neighborhood was underway.

Jaime Bissonnette, who was the opening chef at Eastern Standard at age 26, saw the neighborhood be transformed before his eyes.

"I spent so much time there creating mischief and mayhem with the underground rock and hardcore scene as a kid — we used to call it Kenmore Scare," he said.

Eastern Standard quickly became the place where people in the food industry would gather. "Garrett had this vision of Kenmore Square back then that nobody else had," said Bissonnette, who now runs Toro, Coppa, and Little Donkey.

Travelers, game-goers, BU professors, and students would all find a home at Eastern Standard's tufted red banquettes or along its boisterous marble bar. Kenmore Square became Harker's own "home base," and his success led him to partner with BU to open Island Creek Oyster Bar in 2010 and the Hawthorne cocktail lounge in the hotel a year later.

In 2011, Boston University decided to sell off the hotel and restaurants and reinvest the funds in the campus. BU transferred ownership of Eastern Standard and the other restaurants to Harker, and over time, Harker would pay an additional "kicker" fee above his normal rent to repay the amount he owed BU, which worked out to \$120 per square foot. The terms stated that at the end of the lease, Harker could negotiate a rent that was at market rate.

Harker's lease ended up changing hands again when the hotel used the sale of the retail leases to help fund an expansion. Those leases are now held by UrbanMeritage, which also owns a portfolio of retail storefronts in the Back Bay, and are set to expire at the end of 2022.

UrbanMeritage relies on rent from retail tenants in ways that other landlords don't, as most other operators have office or residential leases to offset their retail losses, said Dan Dain, a real estate attorney whose firm, Dain Torpy, works with many restaurant clients.

In such instances, a retail landlord's incentive is "to take a harder line than the average landlord in the city," he said.

Harker is working with the four landlords of his other properties to renegotiate the terms of those leases. But UrbanMeritage is the only landlord that has sent a letter of default for his failure to pay rent for the last several months, he said.

“Under normal circumstances, that means I could come in tomorrow to a padlocked space that they could take possession of,” Harker said.

For now, the state has issued a temporary moratorium on evictions, so things remain in limbo.

Harker said the new udon noodle shop TsuruTonTan, which opened in the Hotel Commonwealth in January, is leasing at \$60 per square foot, and he believes that should be considered the market rate for the neighborhood. He told the Globe that UrbanMeritage’s counteroffer has been \$90 a square foot.

UrbanMeritage declined to discuss rates but said the noodle shop’s rate was inaccurate. A local broker who asked not to be quoted said that \$90 per square foot would be considered high in the pre-COVID market.

To reopen now and operate at a loss for the next 18 months, Harker said, he needs to know he’ll have a new market-rate lease on the other side.

“Without a new lease, without the opportunity to make back on the back end what we would be out of pocket during this ramp up period how can I rationally decide to reopen?” Harker said.

To Dain, it sounds like each party is waiting for the other to blink.

“This is the way the game works: Garrett wants to stay there. Vin Norton and his guys [at UrbanMeritage] want them to stay there. I’m sure that everyone wants to get deal done, but the only way you get leverage is by both sides threatening to close the business. That’s why it’s called brinkmanship,” he said.

“But every once in a while,” he warned, “a car hits its brakes too late and you drive off a cliff.”

Tim Logan of the Globe Staff contributed to this report.