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Historic Jacob Wirth Co. restaurant up for sale



JIM DAVIS/GLOBE STAFF

The Jacob Wirth Co. restaurant in Boston Thursday.

By Janelle Nanos and Danny McDonald

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Jacob Wirth Co., the historic beer hall founded by a German immigrant in 1868, is up for sale, a victim, its owner says, of Boston's changing restaurant scene and some bad luck.

Owner William Kevin Fitzgerald said he filed for bankruptcy protection in November as bills mounted: bankruptcy court filings show that Fitzgerald hasn't paid rent on his Theater District space since 2011, and owes back pay to many of his employees. The pianist Mel Stiller, who has belted out classics at the restaurant's famous piano bar on Friday nights for more than 30 years, is owed more than \$15,000.

Fitzgerald, whose family has owned the restaurant since 1975, said a confluence of factors has contributed to his inability to pay the \$1.4 million that he owes to creditors, but his current divorce proceedings prompted the sale. "I've been trying to dig out of a hole for a few years," he said.

Fitzgerald has long struggled to balance the expectations that come with running a historic restaurant with the reality that contemporary tastes have changed.

"People still come in here looking for pig's knuckles," he said, and they're often disappointed that the floor is no longer covered in sawdust, which was swept up for good back in 1975. And while Fitzgerald has recently bolstered the restaurant's beer list by adding a rotation of craft brews, he said German dishes still account for 55 percent of sales. Schnitzels and sauerbraten feature on the menu, and the restaurant still has the same 90-foot bar, round poker tables, and double swinging doors that have been there for generations.

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"We've been working on trying to have current food tastes recognized, but we also try to stay true to the fact that we're a 150-year-old German beer hall."

But a new owner would likely face the same challenges, said Dan Dain, an attorney with Dain Torpy who specializes in commercial restaurant real estate deals. "The location is good, the building is iconic," he said. "I love German food but people don't eat that way anymore."

The asking price for the 220-seat restaurant is \$1,025,000, which includes all operating licenses linked to its Stuart Street location, including the liquor license, which is valued at \$400,000.

The restaurant opened on Eliot Street in 1868 but Wirth later moved it to Stuart Street, where it remains, making it one of the city's oldest eateries. In 1975, both the restaurant and the building were designated a historical landmark by the Boston Landmark Commission.

The restaurant has had only six chief proprietors in its century-and-a-half, according to Fitzgerald: the original owner, Jacob Wirth; Jacob Wirth Jr.; that man's son-in-law, Frank Lindsey; Fitzgerald's father, William; Fitzgerald himself; and his daughter, Meaghan.

"It's a real piece of Boston history," Fitzgerald said.

During his years of ownership, Fitzgerald said, he witnessed the neighborhood that surrounds it change from the adult entertainment district known for years as the Combat Zone to a legitimate theater scene.

He met scores of interesting people. He ticked off a venerable list of patrons: Celtics legend Larry Bird, former House speaker Tip O'Neill, retired Supreme Court Justice David Souter, Ben Affleck, musician Elvis Costello. He has countless stories.

"You see a lot of good, you see a lot of bad, just being a part of the city every day," he said. "There are a lot of different sides of people you see."

Fitzgerald pinpointed the start of his financial troubles to <u>a car accident he survived in July</u> 2011, when he was one of six drivers that collided with a gas tanker that rolled through a

median on Route 1. When the tanker exploded, Fitzgerald suffered serious burns and said he was in a coma for seven months.

He listed other challenges, including a nearby construction project that blocked the front of his building for nine months. "That put me in a bind financially," he said.

But he blames more recent issues for owing 25 of his employees about \$68,000 in back pay, according to the bankruptcy filing. The restaurant employs about 40 to 50 workers, depending on the season, according to Fitzgerald.



JIM DAVIS/GLOBE STAFF The Jacob Wirth Co. restaurant.

"This past summer with the Tall Ships, the Seaport was

packed and the rest of the city wasn't," he said. "I am a few weeks behind in payroll — it's not like I owe them six months — and my goal is to get everyone current."

According to bankruptcy filings, he also owes \$446,128 to the IRS in back taxes; \$126,840 to the Massachusetts unemployment fund; and \$175,130 to the Department of Revenue for unpaid meal taxes.

Fitzgerald, who reported drawing \$130,000 a year from the business, according to the bankruptcy filing, said the restaurant will continue to operate until a sale is finalized.

Dain said it's likely that another restaurant may end up occupying the space, as it would be hard to rationalize the price if the buyer didn't intend to use the liquor license. But he speculated that any chef-driven concept might be turned off by the outdated facilities. "If they haven't paid rent since 2011 my guess is the kitchen is pretty old," Dain said. "This isn't a plug and play space where you can walk in and go."

But Charles Perkins, who is helping coordinate the sale through his Boston Restaurant Group, said the historic designation and the changing neighborhood are factors that may draw buyers. "They're buying a piece of history," he said. "It may not go to a restaurant person, it may go to a couple of businessmen who love the space."

Perkins said he's already given five tours to prospective buyers since the sale was announced.

Despite his financial struggles, Fitzgerald said that he hopes the restaurant will continue to operate as Jacob Wirth, and that whoever buys it honors its legacy.

"The value of the Jacob Wirth name I think is significant," he said. "This is a place where you're a steward."

John R. Ellement of the Globe Staff contributed to this report. Danny McDonald can be reached at <u>daniel.mcdonald@</u> <u>globe.com</u>. Janelle Nanos can be reached at <u>janelle.nanos@</u> <u>globe.com</u>.

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