



Rebekka and Rich Wood set their table in Oakland.

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S.F. food to go — to Oakland

Business climate, growth tantalize restaurateurs

BY RYAN TATE
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Frustrated by fast-rising labor costs at home and tantalized by a housing construction boom across the bay, San Francisco restaurants have begun flocking to Oakland. Restaurateurs who only a year ago considered the East Bay only on a whim, if at all, have turned the corner to serious dealmaking. They are spurred by continued hikes in the San

Francisco minimum wage, now at \$9.14 per hour, \$1.64 higher than in Oakland, by a July levy of \$1.11 to \$1.68 per hour for uninsured workers in San Francisco and by San Francisco's mandatory sick leave rules.

In Oakland they can tap a growing base of city residents — which in some cases includes the restaurateurs themselves.

Rising labor costs in San Francisco "are ridiculous," said Kiri Eschelle, principal of the trendy Levende Lounge and restaurant in San Francisco's Mission District. "That's why we're not doing another project in San Francisco."

After two and a half years, Levende is opening a new restaurant and lounge in downtown Oakland, at the former site of Rex Bar and Grill in the Old Oakland district. Eschelle closed on the lease and began demolition work just this week.

She's not alone. Ozumo, the swanky and critically successful sushi restaurant on San Francisco's central Embarcadero, is in late-stage negotiations to go into the Broadway Grand condominium development in downtown Oakland's Uptown district, the restaurant confirms, with a letter of intent expected within the next two weeks.

"We're very serious" about the site, general manager Joe Fisher said.

"Oakland could be the next great thing," Fisher said. "It's a relatively uncharted area. It's not like going into Times Square in New York, where there's a restaurant on every corner."

Ozumo owner Jeremy James added that both Ozumo and landlord Signature



Rich and Rebekah Wood sold their S.F. restaurant, packed up their chef and moved.

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commute into San Francisco from their home in Oakland. As part of the drive, the two often sat in traffic, whether it was 7 a.m. or 1 a.m., whereas the commute to the new Oakland restaurant is less than 10 minutes.

But Rich Wood left no doubt that San Francisco's mounting costs were also a factor.

"Doing business in the city, there were some things coming down the pike that seemed tricky for the small business owner, whether it's the increased minimum wage or the mandatory health care," Wood said. "If we can do something in the East Bay, we can go by a different set of rules."

That can have its benefits and challenges, Wood added, and he knows it will take work to adapt to a different, younger neighborhood and create a place that's a "solid neighborhood joint."

"Our goal is to be the place where the husband and wife are ... looking for quick glass of wine, maybe a panini or something, (and they can say) 'We'll go there.'"

Properties are "eager to settle the deal."

James said he was drawn to Oakland not only because of lower costs but also due to its proximity to the original Ozumo, which makes it easier to train workers. He also liked the ongoing economic development in the city and the relative scarcity of competing high-end restaurants downtown.

"Oakland five years from now will not resemble what it is now," James said.

In fact, Ozumo is also considering planting a second, different concept in Oakland somewhere.

Rich and Rebekah Wood may have

taken the trend to its furthest extreme: They sold their San Francisco restaurant, Russian Hill institution Frascati, and took their executive chef with them to Oakland, where they have taken over the space formerly occupied by Grasshopper, on College Avenue in the Rockridge district. There, they plan "seasonal American fare" with local, sustainably harvested ingredients.

Rich Wood said the team decided on the new place, to be dubbed "Wood House," after "hitting the (Bay) bridge every day for 10 years" as part of the