

# BREWING *new* REVENUE

LI BUSINESS

A seasonal Northport restaurant has seen growth and met year-round expenses by making beer

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The Whales Tale restaurant in Northport catches a wave in the summer, making most of its revenue in the warmer months, but its year-round expenses are a constant undertow for owner Sosh Andriano.

Maintaining his property in the offseason costs him \$40,000 to \$50,000 a year.

"We pretty much make 80 percent of our annual revenues in five months, but still have 12 months of expenditures," says Andriano, 41. The restaurant is open from around February to November.

To help offset those expenses and draw more customers in the slower months, Andriano opened Harbor Head Brewing Co. about 20 feet from the restaurant in 2017.

A village zoning restriction at the time didn't permit tastings at the brewery, just sales of beer to go in cans, 32 oz. "crowler" cans and 64 oz. "growler" jugs, but a change last summer that created new regulations for breweries and microbreweries was a game changer for Andriano.

With the restrictions lifted, the brewery has been consistently growing and recently doubled its production. And since the brewery is open year-round, it's also helping extend the season of the Whales Tale and offset its operating costs.

Brewery sales this winter helped cover about 25 percent of the property's offseason costs, and that number is anticipated to grow.

"We hoped the brewery would bring in a different clientele that would be here all year, and it has," Andriano says.

Creating another revenue

generator was a smart move, the experts say.

"Seasonal businesses need to think about alternative revenue streams for the lean times," says Alice Bredin, president of Bredin Inc., a Massachusetts content marketing and small-business research firm.

This could mean selling to a different set of customers, selling something different to the same customers or repackaging some aspect of current offerings in a creative way, she says.

She advises businesses to take stock of their assets and brainstorm ways those can work in a different capacity.

Andriano's effort, she says, was a "more capital-intensive and ambitious undertaking," but not every business needs to do that. Each should identify what it needs from a revenue perspective.

Andriano invested more than \$300,000 in the 1,100-square-foot brewery.

He's come a long way since he launched his business in 2009.

"I opened the Whales Tale on a credit card with \$30,000," he recalls. It wasn't even a full restaurant. It was a snack bar attached to the adjacent yacht club.

It took about three years to get the necessary approvals to operate as a restaurant, and during that time a lawsuit was filed by some nearby residents complaining about outdoor music. But that has since

## AT A GLANCE

- **COMPANIES:** The Whales Tale and Harbor Head Brewing Co. in Northport
- **OWNER:** Sosh Andriano
- **EMPLOYEES:** 75 at peak season
- **COMBINED REVENUES:** \$2 million-plus



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been resolved.

"He's tried to do everything he can to comply with the code of the village," says Tom Kehoe, a Northport Village trustee who is also commissioner of commerce, adding Andriano has been a good corporate citizen.

The restaurant, which recently underwent a \$100,000 renovation, helps draw people to Northport, Andriano says. "We have about 85,000 people a summer that walk through our doors."

With that much customer traffic, he'd get interest from outside beer distributors who wanted to get their beers on tap at Whales Tale. That sparked the idea of making and selling his own beer.

Now the brewery sells eight custom beers on tap, in four- and six-packs ranging from \$12 to \$18, crows from \$9 to \$12 and growlers from \$18 to \$23. The restaurant sells Harbor Head brews on a couple of its taps as well.

"We try to offer a variety," says head brewer William Melvin.



Head brewer William Melvin works at Harbor Head Brewing Co. in Northport, part of the Whales Tale operation. At left: owner Sosh Andriano.

Vineyards in Northport.

Harbor Head is the exclusive brewer supplying the vineyard, he says, noting the beer has been popular with patrons.

Andriano says he would like to expand his retail beer accounts, which have helped fuel increased production at the brewery.

Future prospects look good in the growing craft beer industry.

Last year the 434 craft breweries in the state, including 45 on Long Island, generated \$5.4 billion in total economic impact, according to the New York State Brewers Association trade group in Rochester.

Andriano anticipates more growth this season and hopes the brewery's popularity will eventually allow the Whales Tale to stay open year-round.

"That's the vision I always had for this property," he says.

"We have options for our craft consumers and people that just want a cold fizzy drink."

Harbor Head produced about 7,000 gallons of beer last year, and "will probably produce twice as much this year," Melvin says.

The brewery also sells to about a dozen outside restaurants or other venues.

"I tasted his product and enjoyed it, so it was a natural for us to partner up," says Fred Giachetti, co-owner of Del Vino