



Check, Please

BY LAUREN PINCH

The Terrace Grille at the Peninsula Golf and Country Club in Long Neck, Del., caters to an upscale crowd.

Many aspects of building a restaurant resemble actually working in one—the fast pace, high expectations, late hours. If the crew loses coordination and the reviews are bad, customers won't return.

With the restaurant industry anticipating a steady stream of hungry customers in 2007, an enticing menu of opportunities awaits commercial contractors and specialty subcontractors.

According to the National Restaurant



RESTAURANT INDUSTRY SERVES UP A FULL PLATE FOR COMMERCIAL CONTRACTORS

Association's Restaurant Performance Index (RPI)—a monthly index that tracks sales, traffic, labor and capital expenditures for the U.S. restaurant industry—restaurants will continue to see strong growth this year. The RPI has remained above 100 for 43 consecutive months, a level that represents expansion.

Restaurant operators continue to report positive levels of capital expenditures, according to the association. In November, 51 percent of operators reported making a capital expenditure for equipment, expansion or remodeling during the last three months. Fifty-nine percent planned to make a capital expenditure in the next six months.

In addition, the U.S. Census Bureau reports restaurant industry sales hit a record high in December—a seasonally adjusted \$37.4 billion—rising 2.3 percent from the November level. For the year, restaurant and bar sales rose 9.2 percent.

TALL ORDERS

In the busy restaurant construction marketplace, successful contractors meet owners' demands for a fast turnaround.

"The clients are very demanding in terms of wanting these projects done quickly," says Andy Cheezum, vice president of Willow Construction, LLC, Easton, Md. The company builds for restaurant and resort owners along Maryland's tourism-driven Eastern Shore.

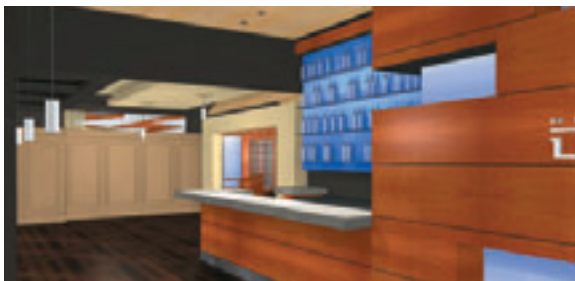


Scossa Restaurant & Lounge, Easton, Md., a contemporary Northern Italian restaurant, includes an open-air cafe, private dining, a formal bar and a banquet room, all shown above.

WILLOW CONSTRUCTION, LLC (6)



WILLOW CONSTRUCTION, LLC (4)



The Decanter Wine Room is a sophisticated addition to the new Restaurant Local at the Tidewater Inn, Easton, Md.

Restaurateurs need the project completed in time for opening day, posing a challenge if an owner makes a last-minute change that impacts construction plans and schedules, Cheezum explains.

Willow encountered this when building the Sherwood Landing restaurant at the Inn at Perry Cabin, St. Michaels, Md., an exclusive resort owned by Orient-Express Hotels, Trains and Cruises. The \$13.5 million project to gut the kitchen and double its size required an unexpected additional \$1 million in work that needed to be accomplished in the original four-month timeframe. The team adapted to address the change, and the restaurant opened with rave reviews.

Overlooking the Chesapeake Bay, the establishment draws congressmen and presidents, with dinner by Master Chef Mark Salter costing at least \$300 a couple.

In another example, Pooley Enterprises, Inc., Orlando, Fla., a general contractor that performs work for clients such as Disney and Sea World, faced extreme conditions and a time crunch to build an addition to the House of Blues restaurant during the 2004 hurricane season. The crew had to break down and then reas-

semble the jobsite three times—one for each hurricane that struck central Florida that year. “We still did the addition with minimal disruption to operations,” says Gary Ameral, vice president of operations for Pooley Enterprises.

Often, a restaurant will remain up-and-running while a renovation or addition occurs, meaning a tight staging area for the construction crew. Owners may be reluctant to adjust the dining space during a project because removing even a few

The House of Blues Voodoo Lounge addition draws tourists in Orlando, Fla.



POOLEY ENTERPRISES, INC.



The George and Dragon pub, Orlando, Fla.

tables could mean the loss of thousands of dollars in revenue.

Work often occurs late at night as a result. “[Restaurant owners] want us to be invisible,” Ameral says. “With crews operating right next to the customers, we’ve had to do a lot of careful planning not to disrupt the restaurant and still complete the job on time.”

In Orlando, a consistently thriving commercial area, Pooley Enterprises recently expanded dining space for Wolfgang Puck’s Grand Cafe; renovated the George and Dragon restaurant to create an English pub and two separate “chip” shops; added a walk-in cooler, freezer and prep room for Epcott Center’s main kitchen; and performed a complete build-out of a TCBY yogurt shop.



A TCBY yogurt shop.

PLEASING THE PALATE

Signature restaurants certainly pay attention to the finer architectural details that enhance the customer’s dining experience, from the lobby to the wine bar.

Growing Portions

While unique opportunities arise for construction firms to build family-owned or one-of-a-kind restaurants, much of the work nationwide can be found with the major corporate chains. With some recent mergers and acquisitions and fourth-quarter sales gains, these restaurant groups continue to plan new locations at busy commercial outlets.

For example, Houston-based Landry’s Restaurants Inc., operating more than 300 full-service restaurants including Landry’s Seafood House, Rainforest Café and Chart House, is moving to acquire steakhouse operator Smith & Wollensky Restaurant Group Inc.

California Pizza Kitchen, with 205 namesake restaurants, reported a 16.4 percent jump in fourth-quarter revenues, and a 6.9 percent same-store sales gain.

The Cheesecake Factory Inc., with 123 restaurants, saw a 1 percent gain over last year’s same-store sales and an 18 percent gain in total revenues. Benihana Inc., with 96 restaurants, posted a 9.3 percent increase in same-store sales.

IHOP Corp., with more than 1,300 units (99 percent franchised), reported a same-store sales increase of 2.5 percent for the year, with total sales exceeding \$2 billion for the first time in company history.

And Ruth’s Chris Steak House Inc., with 100 high-end steakhouses, reported sales jumped 48.5 percent to \$80.4 million for the fourth quarter, partly driven by the opening of 10 additional restaurants.

“These are the elements that are going to draw people in and set the project aside from building a new chain restaurant,” Cheezum says.

Installing accents like finish carpentry, glass doors and granite countertops requires a talented crew. Willow Construction has its own team of 45 craft professionals who perform this specialized work, setting the company apart from competitors.

In December, Willow completed \$2.2 million in renovations and build-outs for the historic Tidewater Inn, Easton, Md. The contractor gutted the inn’s existing dining area and kitchen and recreated an entirely new commercial kitchen. The result is Restaurant Local, with a contemporary décor of imported wood, fabrics, marble, unique lighting and vibrant colors. The name, Restaurant Local, comes from its efforts to partner with local farmers and merchants to obtain fresh vegetables and seafood, prepared by Chef Richard Hamilton.

Willow also built the Decanter Wine Room, an intimate space with glass walls, specialty wine coolers and a crafted Italian barrel roll ceiling, used for private parties and wine tastings.

These unique elements posed a creative challenge for the team. “The exposed ceiling with canvas sails hanging intermittently between the lights looked complicated on paper, but in the end it turned out very attractive,” Cheezum says. “At each of these restaurants, the chef’s vision is the key to creating the dining experience the community really wants.”

Last April, Willow completed another high-end restaurant, the Terrace Grill, catering to an exclusive golf community in Long Neck, Del. The contract also included a pro shop, fitness center and pool—amenities that draw clientele to the dining establishment.

Pooley Enterprises recently began site and utility work for the \$8.5 million renovation of the Japan Pavilion at Epcott. The restaurant will be shut down while contractors update the kitchen’s utilities, materials and equipment, expand the dining area, and perform the case and mill work for the bars and lobbies.

“We have gone out and searched for the high-end specialists who do this kind of work,” Ameral says. “Clients like Epcott and Disney are not going to settle for anything but the best.”

POOLEY ENTERPRISES, INC. (2)

A TASTE OF AUTHENTICITY

In urban and semi-urban neighborhoods, many restaurants evolve from existing or historic buildings that contain the exposed brick, high ceilings or architectural windows that make for a desirable dining atmosphere.

Scossa, a recently opened Italian restaurant in revitalized downtown Easton, Md., was a stationery store before two owners from New York purchased the vacant building and recreated the open-air dining experience popular in the city's Italian neighborhoods.

Grant Friedman, Scossa's co-owner and general manager, has worked for the St. Regis Hotel and the Ritz-Carlton Hotel in New York. Giancarlo Tondin, the Northern Italian co-owner and chef, has assisted in opening eight Cipriani family restaurants, including the Rainbow Room in New York.

Willow Construction faced several obstacles in building the world-class restaurant from an existing structure: structural load issues, gas service that wasn't designed for a commercial kitchen and water service that wasn't designed for a sprinkler system.



The interior of Wolfgang Puck's Grand Cafe, Orlando, Fla.

POOLLEY ENTERPRISES, INC.

"We had to address the load associated with the bar, the liquor bottles, the cabinets and coolers full of beer," Cheezum says. A structural engineer was hired to assist with shoring in the basement, as well as excavating through thick walls to retrofit water and gas service for the restaurant. Ultimately, Willow finished the job in about five months.

The public appetite for eating out, from low-cost to high-end, is clearly healthy—and as the restaurant industry continues to expand, commercial contractors have a full plate in front of them.

Pinch is assistant editor of *Construction Executive*.

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