

## Monello Ups Hotel Dining

With multiple profit centers, Jester Concepts is reviving the hotel restaurant



**Dennis  
Monroe**

**Editor's note:** Each month, Dennis Monroe reviews a new restaurant's business proposition, based on his years as a business attorney and former CEO of a local multi-concept restaurant company.

**H**OTELS ARE NO LONGER THE last place on earth a guest wants to eat, much less a local resident. Fine-dining offerings in upscale hotels are making a splash in urban areas from New York City to San Francisco, including two popular examples in the Twin Cities, Manny's and The St. Paul Grill. The new Monello, located in the Hotel Ivy + Residences in downtown Minneapolis, is also a worthy champion of this trend in our own backyard.

The actual restaurant operations in the Ivy, which is part of the luxury Starwood collection, go beyond Monello. There's a lobby bar, plus a trendy, lower-level bar that's a fun cross between a bordello and a hunting cabin. The restaurants are owned, in part, by Jester Concepts, which has already earned its chops with other restaurants in town, including Coup d'état, Maple Tavern, Borough and Marche.

There are five profit centers for the Monello kitchen, which is overseen by Chef Mike DeCamp: the fine-dining restaurant, which has a little under 100

seats in the dining room and 15 at the bar; the lobby bar, Venetia, where people are ordering off the menu at the bar; Constantine, the bar located in the lower level; in-room dining for a 130-room hotel (which is significant); and the banquet space which they are looking to expand. In addition, there are residents who live there.

Having been involved from a business standpoint in a number of hotel restaurant projects, the key to hotels is having multiple profit centers, all of which are actually profitable. According to DeCamp, the average patron of the hotel is a consultant/service-type provider, which should fit nicely with the offerings at the Ivy.

Monello is usually busy Tuesday through Thursday when the 130 rooms in the hotel are full. From a business standpoint the problem is the other days of the week. Another business challenge is that in addition to providing in-room dining and banquets, they still have to provide three meals a day. In many cases this means breakfast is somewhat problematic as people are grabbing coffee and a pastry or yogurt for breakfast. Since the hotel is not connected to the skyway system, it is difficult to get downtown lunch business (except from hotel guests). And you have to staff continually for all of these circumstances. The lobby bar is open for coffee and other simple fare from 7 a.m. until closing—another challenge to staffing.

Jester Concepts has only been running the food and beverage for the past six months. It is difficult to make any conclusions, particularly in light of some of the restaurants at Hotel Ivy

that did not make it (most recently, Porter & Frye).

I will base my evaluation on the basic metrics that I utilize in reviewing restaurants. In this case, it will be a little broader based on the food and beverage system at Hotel Ivy.

### **Management**

This is Jester Concepts' first foray into hotels. Because of the need to take care of all the various profit centers, management is key. Chef DeCamp has the ability to run fine dining, and the Constantine bar has skilled bartenders and servers. (I have not stayed in the rooms so cannot comment on the in-room dining service.)

**Rating:** Since it is too early to tell, 3 out of 4 stars.

### **Decor and Investment**

During our discussion, DeCamp couldn't comment on the investment dollars. However, most hotel operators make substantial contributions to the décor and build-out. Monello's décor has an elegant, quiet feel to it. There's a large community table in the bar area and an outdoor patio (more seating). Monello does not over-emphasize its fine dining. There are no white tablecloths.

Constantine has that playful English country house/bordello feel to it, with seating that is somewhat private but still provides the ability to see and be seen. A private whiskey room adds uniqueness, as well as a smart plan for an awkward space. Again, it looks like there was substantial money spent on leaseholds, and it does the trick. The bar is in a lower level so it needs appeal, although the restrooms are down there, so it's easy to discover.

**Rating:** 4 out of 4.

### **Menu and Pricing and Potential Revenue**

DeCamp's roots are with D'Amico, and he was mentored under Tim McKee, therefore it's not surprising that the food is very good. The only comment I have is it may be a little too "fine dining" for a hotel, even one as sophisticated as the Ivy. It would be better to be more approachable.

The chef's tasting menu is worth the price. DeCamp says the check average at Monello is around \$75, a good number. The overall average for all dayparts is about \$60. For a fine dining experience, \$75 is not over the top. However, in order to attract more revenue, there should be more safe harbors on the menu (items a little less chef driven).

In the bar, most of the signature cocktails are \$12, which is on the reasonable side. The other drinks are comparable to other high-end bars in the marketplace.

In terms of overall revenue, I don't have a handle on the other profit centers. Private dining and events will be pushed, and the Ivy has a number of interesting private-dining spaces. One space can hold up to 100 guests, so it is perfect for small- or mid-sized weddings.

At this point, I would say revenue is the real issue. It will take time, particularly getting people from the suburbs to come back downtown on the weekends. Its location next to Orchestra Hall and connected to the Orchestra Hall skyway helps create a captive audience.

**Rating:** 2 out of 4.

### **Food and Costs**

DeCamp said food costs were projected to be around 35 percent for the whole enterprise, but he has been able to bring it in closer to 30 percent, which is excellent for fine dining and in-room dining. The menu is divided into three major groups: chilled fish dishes; pasta; and entrées. The crudos are \$11 to \$19. The excellent grilled octopus is a bargain at \$18. The pastas range from a low \$9 (small portion) to \$20. From what I can tell, menu pricing and food costs are reasonable.

**Rating:** 3 out of 4.

### **Service and Labor Costs**

The service has been excellent each time I've dined at Monello. A number of the servers are from La Belle Vie, which speaks to their experience level.

DeCamp said he has 20 to 25 back-of-the-house staff, which includes everything

from the sous chefs to the dishwashers. That number seems a bit high, but given they have the different services to perform, it's probably necessary. He said overall labor is running 30 percent, which for a normal fine-dining restaurant would be fairly high. The labor cost will have to be watched overall to make sure there is profitability.

**Rating:** 2.5 out of 4.

### **Overall Rating**

I'll forgo rating Monello's overall chances for success, since it's still early in its reign. Good people are running the restaurant and it has a talented culinary team. It's a beautiful venue and has real potential. In my mind the driving force will be the ability to attract events, downtown professionals and the suburban foodies.

**FSN**

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