

# FOODSERVICE NEWS

Volume 26 • Issue 7

The News and Information Source for Restaurants and the Foodservice Industry

September 2015

[www.foodserviceneews.net](http://www.foodserviceneews.net)

## A Tale of Two Restaurants

### Can a new Italian restaurant find happiness in another concept's space?



**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.

**N**EW RESTAURANTS IN THE Twin Cities may not be news, but I recently had the unique opportunity to visit two brand new restaurants with a similar backstory. It's a testament to the resilience of the local restaurant community, and the number of owners who give previously problematic restaurant sites a second—or third and sometimes fourth—chance. With a shortage of "A" locations, sometimes you have to go back to a site that has had a lot of suitors in the past. Here's a look at the business proposition behind two Italian concepts opening in previously hot-then-cold sites.

1. Parella is the new Italian restaurant located in the old Figlio space in Calhoun Square in Minneapolis' Uptown neighborhood, which has also been the home to Il Gatto and Prime Bar. Michael Larson, a long-time restaurant operator, and Todd Macdonald, a proven, experienced chef, are the owners. Larson and Macdonald are opening the spot as a fourth-generation restaurant, and it's off to a good start.

2. Lela, which took over the old Chez Collette space at the Sofitel (now the Sheraton Hotel in Bloomington), is run by the investment group that owns the Sheraton Hotel. Over the years this space has housed Café Royale, La Terrace, La Fougasse, and most recently, Chez Collette.

#### Let's start with Parella

**Décor:** Parella has an open design with bar seating for 30-plus and approximately 200 dining area seats. A boon for Parella are the multiple areas that can double as a guest's own little private dining room or sitting room. Dining areas include a space formed at the end of the horseshoe bar; window seating along Lake Street; a traditional dining room; a kitchen counter; and a few corner private areas. This layout should have broad appeal with the Uptown crowd.

Right now the space is fairly white, but Larson told me they're adding color to the décor. A window in the back overlooks some wonderful modern art.

**Menu:** The menu may be a little too broad and extensive, but it offers everything from *crudo* to pastas to pizza to interesting side dishes, as well as some unusual entrées, including suckling pig—which is proudly displayed outside the kitchen.

While the Uptown audience is changing and becoming more sophisticated, Parella may be a bit ahead of itself in its menu pricing. The Uptown bar crowd is still looking for cheap booze and cheap food. That being said, I do believe Parella has a good chance of becoming a fixture

in Uptown because Italian cuisine is popular. Three Italian restaurants have recently entered the Minneapolis market, and I think this is going to be the best.

For being open for such a short period of time, Parella has a competent, friendly serving staff, and it looks like labor costs are pretty much in check (at least for the back of the house). Larson told me they have favorable rent (which is a key). This space has always been difficult because rent was so high. Stuart Ackerberg, who negotiated a fair and usable long-term lease with Larson and Macdonald, now owns the building.

Overall, I think the possibility for success is 3 out of 4 stars. This is a much better restaurant than its two predecessors. They have had a low-key opening, but as people discover Parella and its lively cuisine, the restaurant should be a success.

#### A Look at Lela

Lela is a very ambitious project. (Full disclosure: I used to have breakfast at the former Sofitel almost daily, and then return for lunch on some days, so this is a location near and dear to my heart.) The restaurant itself and the space are unique and have a fine-dining quality. We have had a number of restaurant success stories in hotel space in Minneapolis and St. Paul (e.g., Manny's at W Hotel Minneapolis, The St. Paul Grill at The Saint Paul Hotel and Marin at Le Meridien Chambers.) We have also had some hotel restaurants that haven't done well. I am particularly thinking of The Bank at The Westin in downtown Minneapolis, and some

chains like McCormick and Schmick's at The Westin Edina at the Galleria.

**Décor:** Dollars have not been spared at Lela or the remodeled Sheraton hotel. Like Parella, Lela also has a number of interesting dining spaces. The bar has three or four different seating areas. There is a wine room, which you almost walk through when you enter the restaurant, and outside seating (which I am sure Parella wishes it had). The kitchen has an open layout, plus a wonderful kitchen counter with 10 chairs.

**Menu:** Lela's executive chef is John Mullen. The restaurant serves lunch and dinner, but not breakfast. Again, it has an ambitious menu with items that are as tempting to the eye as to the palate.

The lunch menu sports a number of unique sandwiches, such as braised wild boar (\$17) and a Brie melt with apricot jam and truffle butter, but pricing is on the high side. I'm not sure the high

pricing matches historic Sheraton hotel properties; however, I do know Sheraton is on a major upgrade strategy concerning its food. The plating is imaginative, showing off the colors and textures of the delicious food. The place settings and tableware are nicely done. On one of the days I dined there, the multi-colored carrot dish was worthy of painting.

I feel, however, that Lela is missing the boat by not serving breakfast. There needs to be a replacement for Chez Collette, which was a power-broker breakfast spot.

**Consumers:** It will take a while for consumers to find Lela. That restaurant space was closed for a lengthy remodeling period, affording regulars the time to find other hangouts. Plus there was not much hype surrounding the opening of Lela. Thus, it has been a slow opening.

At this point, it's hard to rate Lela's long-term success. It is part of Sheraton and full-service hotels require a dining

experience. I think the success will depend on publicity. From my understanding, it has been a soft opening, but Mullen is doing his part by offering upscale food. I think it will attract a basic following.

Given the early stage of this restaurant, I would give Lela 2.5 out of 4 stars for success in the future. But given the great décor, John Mullen's food, and the location, this restaurant could easily be a 3 or 3.5 out of 4 stars. Time and traffic will tell. [FSN](#)

Dennis L. Monroe is a shareholder and Chairman of Monroe Moxness Berg PA, a Minneapolis-based law firm specializing in multi-unit franchise finance, mergers and acquisitions, and taxation. In addition to this column, he writes a monthly column for the Restaurant Finance Monitor and is often quoted in industry publications. He was CEO of Parasole Restaurant Holdings from 2009 to 2011. You can reach him at [dmonroe@mmblawfirm.com](mailto:dmonroe@mmblawfirm.com).