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All the Pieces Fit

New St. Paul restaurant Heirloom is neighborhood fine dining done right



**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.

A TOMATO GROWN FROM A SEED with a history of being passed down through generations becomes an heirloom tomato with an unusual shape and a wonderful taste.

Recent visits to the aptly named Heirloom restaurant at Marshall and Cretin avenues in St. Paul showed me what a true heirloom is: something unique, timeless and that has great variety. Chef Wyatt Evans opened Heirloom in late December. Prior to launching his own restaurant he was executive chef at W.A. Frost & Company.

Heirloom fits the mold for a neighborhood fine-dining restaurant—comfortable, down-to-earth, with heavenly food. These are the types of restaurants that seem to be succeeding (their ancestors, 112 Eatery, Restaurant Alma and 510 Groveland). Heirloom is a jewel in this crown group.

Evans is truly one of the humblest chefs I've come across, which lends itself to a kinder guest experience. On top of that, Stephanie Georgesen is the capable GM.

Revenue

The check average is around \$50 per



Heirloom's Interesting Vegetables topped with herbs, butter and whey for \$8 lives up to its name.

person, even though that is probably somewhat deceiving because adding a glass or two of wine can add significantly to a basic \$30 check average.

Evans said original revenue projections were \$900,000 per year. Given the table turns I have seen (2.5 times on Thursday through Saturday nights; 1.5 turns on other days of the week and 2 turns for brunch), and given that the restaurant is serving brunch, I think the revenue will come closer to \$1.5 million. There's also a small patio in the back that could be used in the summer. Considering what they have invested, the \$1.5 million revenue would be a three-times ROI, which is what restaurant business guys like to see.

Rating: I think this level of revenue will create reasonable profits. 3 out of 4 stars.

Food and Food Costs

Evans describes his food as "modern farmhouse cuisine." I am not a food critic, but I have numerous must-try items on this menu. One of the times I dined there, my dining companion asked,

"Why would you pay \$3 for a bread basket?" When we tasted the two kinds of bread slathered with kefir butter, his question was answered. There are three categories: small dishes, medium dishes and normal entrées. (And I suggest you have one from each category.) The first course averages \$7 to \$9, the second averages \$11 to \$14, and the entrées \$16 to \$18. These are Minnesota prices.

Hopefully, diners won't be fooled by the names, which in some cases downplay the creativity and deliciousness of the dish. For instance, the parsnip custard will entice you to scrape out every last creamy bite, something you may not think when you hear parsnip and custard together. Black pudding is an earthy "meatloaf" slice, and the roast chicken is some of the best chicken I've eaten. The "interesting vegetables" live up to their name in taste and presentation. I think the unique part of this menu is the way dishes are packaged and the pricing you can get on ingredients.

With regard to pricing, I believe the large mix of vegetarian products and made-from-scratch items would put food costs in the 30 to 40 percent range.

Rating: 3.5 stars.

Labor Costs

Heirloom adds an 18 percent service fee to its checks. This is spelled out on the check, which reads: "The food and service you received at Heirloom are provided by a great team of talented people. In recognition of this fact, we added an automatic service charge to each bill. This is in lieu of a tip or gratuity and is shared with our entire team based on their hours of work. If you have any questions, please ask for a manager." Evans said they have had only two complaints concerning the service charge: one diner walked out; the other was OK with the charge once it was explained. Because guests wanted to add a tip on top of the service charge, Heirloom has included a line on its bills for an auxiliary tip. My guess (considering 18 percent is low in today's market for fine-dining restaurants) is most people are probably tipping another 5 to 10 percent.

Because of this service charge, labor costs are brought into a good realm, particularly as it relates to servers. Heirloom has been able to attract some talented servers who believe in this approach. In the back of the house, the size of kitchen prohibits it from being overstaffed. The first night we dined there, four people were cooking. The second time, an additional person was doing prep work for the next day's brunch.

Many of the fine-dining restaurants I have been to recently have too many people in the back of the house cooking. I think Heirloom does a good job with a smaller staff.

Rating: In terms of labor costs, 4 stars.

Décor and Capital Investment

Heirloom is not in a well-known restaurant area of St. Paul. It is almost an extension of East Lake (where we know there is a lot of activity). Drive up the hill and you are at Heirloom.

Evans wouldn't disclose rent costs, but my guess is in the \$20-per-square-foot range for the 3,500 square feet (3,000 upstairs for dining and an additional 500 or so in the basement for prep and storage). They put

\$500,000 into the space. They are probably doing three-times investment. The décor of church pews and mismatched chairs gives off neighborhood bistro meets farmhouse vibe.

Rating: 2.5 stars.

Overall rating: Considering the quality of food, the pricing (which seems to reflect a what Minnesotans accept), and the neighborhood feel to the restaurant, I'm giving an overall score of 3 stars. The only reason to nick the rating a little bit is the newness, the novel approaches and just to see if it works out. If I review it in another year, Heirloom could easily get 4 stars. [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.