

# FOODSERVICE NEWS

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## Old World Gem

The Commodore's dining room caters to the country club set, while the swingers hang in the bar



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**Editor's note:** Each month, Dennis Monroe reviews a new restaurant's business proposition, based on his years in the restaurant industry both as a business attorney, an owner/operator.

**W**HEN YOU WALK IN THE Commodore Bar and Restaurant in St. Paul you immediately look around to see if F. Scott and Zelda are sitting at their usual corner table in the bar sipping gin martinis. Then you watch for any other local St. Paul celebrities holding court. One thing about The Commodore, it is like stepping back into a more genteel time, when style and décor were as important to the experience as what was on the plate.

Restaurant owner John Rupp also owns the real estate and has spared little expense in renovating this wonderful living and dining space. (There are condos above the restaurant.) While that doesn't always translate into a hugely profitable restaurant, The Commodore does have some elements that could make it a worthy investment.

**Revenue:** First, let's talk about revenue. The restaurant has 200 seats, which is deceiving because approximately 120 of these seats are in the two bar areas. There's one bar space as you walk in, and then a



The bacon-wrapped dates with greens, sweet garlic, orange and cumin reduction.

larger upper-level bar. What makes the restaurant appealing is the way it is divided into three levels, which creates some unique dining spaces. A large private dining area can be split for small or large groups, translating into additional revenue. Approximately two-thirds of the seats are in the bar area, so the restaurant is heavy on the alcohol revenue side.

General Manager Lorin Zinter said they expect to generate about \$2.5 million to \$3 million in revenue this year, with a 50/50 split between the bar and food. One thing I noticed is the formal dining room is the only place they take reservations and it has limited seating. For instance, when we arrived on a Tuesday night at 5:15, someone who had been sitting in the bar area asked the host if they could get into the dining room. They were told, "No, we are fully booked." It would make sense from a revenue standpoint to take one of the other spaces and convert it into a white tablecloth dining area to accommodate more reservations and walk-ins. The patrons tend to



This delicious fish dish wasn't on the menu the second time we dined there.

be the type of crowd that like white tablecloth dining and country clubs. Zinter said diners fall into the 40-to-65 age group, but my experience from dining there several times is more 50-to-75, though I've never been there on a Friday or Saturday night.

The Commodore is set up for a large happy hour and bar scene. The drink menu is stellar, featuring all types of classic drinks, plus their own concoctions. Bottles of wine are mostly below \$100, with a great selection below \$50. They have the kind of pricing Minnesotans are used to, which should encourage customers to make frequent visits. I counted 30 wines by the glass, which is good. There's not a large selection of Cabernet, but meat is not a large focus here. They have a selection non-alcoholic cocktails, something you don't see very often.

Zinter put the check average at about \$30, which tells me a good share of the revenue is on the bar side. I would guess the check average for the white tablecloth side is more in the \$60 range.

**Rating:** 3 out of 4 stars. The only thing they're missing is the need for more formal dining.

**Food:** In terms of food, the pricing is in the sweet spot for Minnesota. Entrées, in that \$20-to-\$30 range, include mostly predictable fare. I expected more steak choices since this is the kind of atmosphere that embraces big, meaty steaks. Appetizers, such as bacon-wrapped dates and a delicious steak tartare, are in the \$10-to-\$18 range. A Waldorf salad was a nice nod to a bygone era, and there were several lobster menu items: lobster potatoes, lobster deviled eggs. As my brilliant son said, lobster is the new bacon. Desserts, which appear to be premade somewhere else, are from \$8 to \$12. In talking to Zinter, food costs are in the 30 percent range, and considering the nature of the restaurant that seems to be good. When you throw in the high alcohol percentage, the overall food and beverage cost is very acceptable.

**Rating:** 3.5 out of 4 stars.

**Service:** The waitstaff was outstanding, and I saw a lot of familiar faces. Servers were attentive and knew the menu well.

They had that elegance that comes from years of experience and good training. Labor cost is low, according to Zinter, which is consistent with high-end restaurant workers earning high tips.

The only downside was the menu itself. The pages in the binder-style menu were already tearing out and it took away a bit from the attention to detail evident in the service and décor.

**Rating:** 4 out of 4 stars.

**Return on Investment:** I wasn't able to get a handle on the amount spent on décor and the recent improvements. There is a patio, but it's reserved for the condominium owners. I think that was one of the drawbacks for La Belle Vie, which was a very similar building (510 Groveland building in Minneapolis), and somewhat limits the happy hour in the summer. In this case, it leaves the patio diners to W.A. Frost, which is a sister restaurant, and all the other restaurants on Grand Avenue. ROI is difficult to compute because of the mixed nature of the restaurant and because the building and restaurant are owned by the same person. But I would estimate that the cost

to renovate and create the various spaces was probably fairly high and therefore, hard to make a decent return. But in this case, having an upscale restaurant on the first floor could create overall value for the real estate.

**Rating:** 2.5 out of 4 stars.

The restaurant has a definite place in the Twin City dining market. The food itself is not as unique as it should be given the positioning, but I'm sure the menu will continue to evolve. The restaurant is two different animals: The dining room seems set for the older country clubbers, while the bar areas could definitely serve the needs of a younger crowd looking for a bar scene set in another era.

**Overall experience:** 3 stars. 

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@mmlawfirm.com](mailto:dmonroe@mmlawfirm.com).