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Revolutionary

New food hall at Rosedale Mall may be the future model for shopping and eating



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Monroe**

EVERY SO OFTEN, THE RESTAURANT industry comes up with a new kind of concept that's not just an individual restaurant, but a new way of delivering food to customers using an existing space or a new innovative look. That's the case with Revolution Hall, which is the new food hall/food court for Rosedale Shopping Center in Roseville. Its outside entrance is lined by eight other restaurants, including Green Mill, Pot Belly, Crave and Big Bowl. Inside the two-story space, there are 11 different concepts, all run by the same organization, Craveable Hospitality Group, out of New York. What's unique is that they are all original concepts, not franchised, and yet they hit all the cravings. Included are: Steel Tree Coffee; SaltBrick Burger, with a patented burger process; PieCaken Bakeshop, with the highest customer count; Oceantail, a sushi and sake bar; Angry Taco; Canal Street Noodle Company; Honeycomb Chicken & Waffles; Caputo Pizzeria; Handwich Shop; Field Greens, select your own salad ingredients; and Barrel Bar, a whiskey bar.

The hall opens before the mall stores, at 7:30 a.m., and closes at 9 p.m. I am guessing the square footage for both floors is approximately 30,000 square feet. The space is well done with modern graphics and a Minnesota vibe. When you enter on the first floor,



a coffee kiosk, a bakery and a small gift store greet you. There's a full bar both upstairs and downstairs, and a game area upstairs gives them an entertainment value. In the old days this would have been called a food court, but the upscale version is now a food hall and a center for just plain hanging out. It's combined the need for food on demand for both employees and shoppers, and because of the outside entrance, diners don't have to be mall-goers to dine. It hits all the demographics: A place for business people to go for a happy hour after work; a place for kids and families; and a place for seniors (or young mothers) walking the mall to hang out. Additionally, the center is dog-friendly on weekends.

Craveable Hospitality Group's CEO Stephen Goglia said that in addition to this project, which he calls a "food hall that is food-biased and lifestyle oriented," they've also done similar concepts at Yankee Stadium and Bloomingdale's. Every concept they've put into Rosedale has been tried other places, meaning these are not just concepts invented for the Rosedale space.

Fixed Costs and Investment

I was a little skeptical of the economics, but they've designed this with strong economics related to their fixed costs. Goglia indicated they have a low base rent, slanted toward reasonable percentage rent, helping them with those times that the mall is not busy. Additionally, I believe they have favorable leasehold allowances, so most of the expense of the project was borne by the mall owner. So, from the start, they have a very workable structure.

Labor Cost

What's unique about this venture is the labor cost set up. They cross-trained people, so when one restaurant is busy, they can move people there, and vice versa. They hired a flexible labor force which certainly helps with their labor-sharing approach. Goglia told me they should be able to keep the labor cost well below 30 percent, which is exactly what I would expect. They have also been able to be flexible on labor and can limit food management to one or two chefs. The rest are flexible cooks, support and counter staff. In fact, some of these sites may run themselves in the future. They've incorporated the use

of robotics and automation, and are now starting to do delivery and takeout, which will create some interesting challenges to labor cost.

Food Cost

Another point in their favor is food costs. They can do prep early in the morning, particularly common tasks like chopping celery, onions and protein at a central location, keeping the cost down for this common usage. Goglia said it was too early to quote food costs, but I have to believe it's in the mid-20 percent range. Currently, alcohol is less than 15 percent of overall sales.

Overall Return on Investment

I couldn't get an indication of what the overall revenue will be. If I were to

estimate, I would say somewhere between \$3 million to \$5 million. Currently, traffic is slow, but it will pick up for back to school and other occasions. But at that revenue and labor costs, combined with their low capital investment and flexible rent, it seems to me that this should be a profitable endeavor, but it's all about revenue. At \$3 million, they are probably breaking even, but at \$6 million they'd be doing quite well.

They don't seem to have any one concept there that's going to be really high volume, which I believe is somewhat of a problem. Food courts with a Shake Shack or other hot concept will attain some really high volume and thus drive other concepts. In this case, that may be

Craveable's Achilles' heel.

I do, however, think this is a trend and a way for shopping centers to attract shoppers at lunch and after work. Rosedale may be their first of many, but this is still a proving ground and Roseville seems like a worthy place to start. [FSN](#)

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