

From concept to completion: the shaping of a restaurant

By ALLISON CONNOLLY, The Virginian-Pilot

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FIRST MEAL: Serving a private party of 100 guests, Thomason, a graduate of the prestigious Parisian culinary school Le Cordon Bleu, prepares roast beef tenderloin Wednesday night at his restaurant, Vintage Kitchen, in Norfolk. After almost two years of preparation, he will officially open the restaurant Sept. 6. Hyunsoo Leo Kim photos / the virginian-pilot

Phillip Craig Thomason made his first buck as a restaurateur four days ago.

With the guests gone and his restaurant, Vintage Kitchen, closed for the night, he savored his achievement at the copper bar with a mint julep, made with Virginia Gentleman.

He was tired, but it felt good.

It has been a whirlwind five months since he signed the lease for space on the first floor of Dominion Tower on Waterside Drive in Norfolk. Most nights he slept a scant few hours on the

leather banquettes. But he made his deadline, opening Wednesday night with a party for 100 from the accounting firm KPMG LLP, which has offices upstairs.

Thomason, 35, spent most of the night in the kitchen with his staff, doing what he does best: roast beef tenderloin with tomato preserves and horseradish sour cream; homemade pimento cheese with Marshall Farms cheddar and smoked chilies; wild mushroom strudel with blue cheese, caramelized onion and applewood-smoked bacon; and for dessert, lavender butter cookies with raspberry, bittersweet chocolate brownies and lemon squares.

He stocked the bar with Virginia wines and beers, in keeping with the restaurant's regional theme.

A graduate of the prestigious Parisian culinary school Le Cordon Bleu, Thomason can cook. But he knows it takes a lot more to run a restaurant, especially in the most competitive area of Hampton Roads.

"The reason I came back here is I saw a need in this market," he said.

A year and a half ago, Thomason was one of a dozen aspiring entrepreneurs in a class offered in Cheseapeake by the Small Business Development Center of Hampton Roads. Over the course of 11 weeks, he would learn the difference between a debt-to-asset ratio and a cash-flow projection.

As a consultant, Thomason had helped other chefs open restaurants around the world: Portugal, Cyprus, Russia, Venezuela . He felt it was time to open his own. But he knew the odds were against him – four out of five new restaurants fail in the first three years.

Thomason was out to prove the statistics wrong.

He brought his 130-page business plan to the first three-hour session.

Tall and thin, with dark hair and a boyish face, Thomason long knew what he wanted to do. The Portsmouth native earned his bachelor's degree in French literature from the University of Virginia and spent his junior year at the Sorbonne. There, he developed a passion for French cuisine.

He wanted a place where people could eat several times a week. A place that gave back to the community. A place that served homegrown products.

In Paris, he once saw two women so wanting to eat at a certain restaurant that they took seats on the floor when no tables were available.

"You open a restaurant in the States, and everyone is looking for the big bang," he said. "We've moved away from having that neighborhood restaurant."

Others in the class – a stained-glass artist, an accountant, an executive coach – had their own dreams .

Their teacher, Sheila Guillette-Moore, shared her war stories and gave advice:

"Hire an attorney. The sooner the better, to prevent you from going into the ditch."

"You can be making money and still go out of business."

And, "Fear of failure is great motivation."

Guillette-Moore was part mother, part drill instructor. Her motto: "Don't ask me if you don't want to know." She learned about running a small business the hard way.

Several years ago, her then-husband asked her to do the books for the family business, a lawn and garden company. She quickly realized it was in debt and revenue had been on the decline. The bank gave them six months to show a profit or it would begin foreclosure. Guillette-Moore decided to buy it outright and turn it around.

She not only made it profitable, she doubled the business in 18 months hawking her wares the old-fashioned way.

"If I saw a guy in a tree, I would stand at the bottom of the tree and yell. 'Hey! Get down here!'"

The property was later taken by eminent domain, and she had to close the company. But in that time she learned a lot.

"When I had the lawn and garden business without a business plan, the business ran me," she told her students.

Businesses can fail for a number of reasons, Guillette-Moore said. Entrepreneurs don't make a profit the first week. Sometimes it can take months to break even, and many aren't prepared for that.

Guillette-Moore dedicates a full three-hour class to cash-flow projections. Students must detail what costs they will incur in opening their business, from stocking shelves to keeping lights on to cleaning bathrooms.

They add it up and determine how much capital will be needed to open and to keep the business going until it breaks even. It can be a real eye-opener for students, Guillette-Moore said. Some don't take it as seriously as they should.

"They say, 'I'm different. I'm going to show you,'" she said. "When people have a dream, they are so sure."

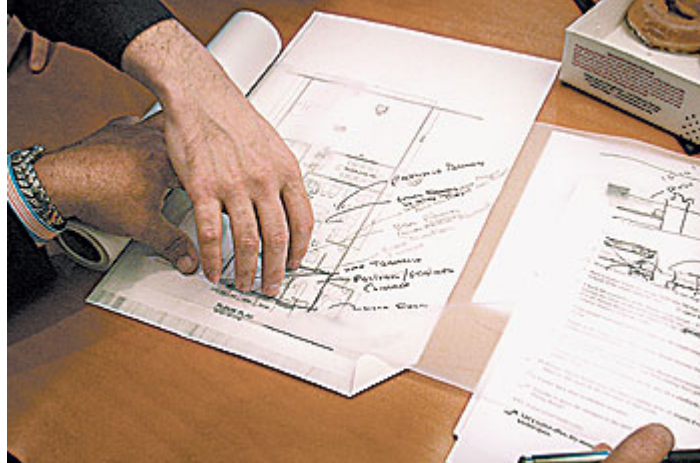
More than 150 businesses have come through her classes, but only 20 percent have succeeded, she said. She's had to tell students she doesn't think their ideas will work. Some take her advice, others don't.

One, a chiropractor, had to liquidate a year after opening her business because she didn't factor in having a baby, something Guillette-Moore had asked her to consider early on.

"Entrepreneurs, we're an independent sort. We don't want to hear anything negative," she said.

From the start, Guillette-Moore was impressed with Thomason because he had done his homework, she said. And he brought experience to the table. But she said a restaurant is one of the most difficult small businesses to start.

"Rapid growth can kill you just as quickly as no business," she said.



FALSE START: Phillip Craig Thomason discusses the floor plan for a 3,200-square-foot space in Town Center in Virginia Beach with an architect in early 2004. Later he changed direction and secured a different space at Dominion Tower in Norfolk.

When choosing space, Thomason knew what he wanted the restaurant to look like, but he would have to create it from what was available.

In February 2004, he was shown 3,200 square feet in Town Center, then a promising new development in Virginia Beach with high-rise office, retail and restaurant space. But unlike other places Thomason had seen, this one was just white walls and concrete floors. Without a space that had previously held a business, he would have to install his own pipes, vents and fixtures. It would take three months to build out, pushing his opening until Thanksgiving or so.

Thomason hired an architect to design a floor plan so he could talk costs with the developer. To get financing from a bank, he needed a lease.

On a gray May morning, he and architect Randy Hicks porred over sketches of the restaurant. The plans showed seating for about 50 in the main room, with a table in the window looking out at the street. There was a small bar at the front. The kitchen took up a third of the space, and it was open so diners could see in.

By July, Thomason was starting to think a new space might not be the best option. It was going to cost him half a million dollars – three times what he had estimated – to build out, before ordering furniture or fixtures.

Cost wasn't a problem for large chain restaurants such as The Cheesecake Factory and California Pizza Kitchen, which were moving to the Town Center block.

"You don't want to be working for a bank for 10 years," Thomason said.

In December, a friend told him about space in Dominion Tower in Norfolk.

The competition would be greater, and the venue did not benefit from walking traffic like businesses on nearby Granby Street. But it was formerly a restaurant, so Thomason wouldn't have to spend as much on construction.

It had been vacated by Metro Cafe, which largely catered to the business crowd in the building. The owners apparently left in a hurry: There were commercial-size boxes of sugar, grits and muffin mix on the shelf, brownie batter in the walk-in refrigerator and french fries in the deep-fryer.

The space itself needed work. The walls were light purple with dark purple trim. The carpet was green and threadbare in places.

It was almost 900 square feet bigger than the space at Town Center and seated 80 instead of 55. The bar was in front, the kitchen was in the middle and seating was on the side and back. There was enough room for a private dining room off the kitchen, as he wanted, with a library of collectible cooking books.

It was only January, but Thomason could see people sitting out on the terrace on a sunny Sunday afternoon, with Bellinis and eggs Benedict, listening to music and looking out at the water.

“That’s a perfect day for me.”



OPEN SPACES: Long before Vintage Kitchen became reality, Thomason stands at the center of an empty room and explains his vision for the restaurant.

Thomason found that a lease is more than just signing on the dotted line. It is weeks of negotiations over dates, rates, hours of operation, escalation of rent and various security deposits.

“It’s important to find what your limitations are, where you can bend, where you can’t bend,” he said. “And then you meet in the middle.”

On March 1, Thomason had a final 30-page lease from Harbor Group International, owner of the building.

“It took four weeks to put together, and they wanted it back in two days,” he said.

Because the former tenant left, Thomason was able to negotiate a 3 percent annual rent increase on the multiyear lease, down from 4.5 percent. He also got a 90-day window to open the restaurant instead of the typical 60-day default period.

He went with his hometown bank, Towne Bank, which guaranteed him a credit line – tough for a lot of first-time restaurateurs to get, he said.

Overall, he said, the space was 10 times less expensive than developing a restaurant from scratch.

As soon as he signed the lease, the clock began ticking. It was time to find a contractor.

“Everyone said, ‘Expect a price and tack on 40 percent,’” he said. “But it went far beyond my expectations.”

The quotes he received to repaint and re-floor the space averaged between \$150,000 and \$160,000 – much more than his max of \$60,000. There were a lot of extras he hadn’t bargained for: One contractor required about \$450 a month for cell phones for the crew. Another wanted him to cover workers’ transportation, at \$150 a week. One wanted \$3,500 a week for a part-time supervisor to check on the project from time to time to make sure work was being done.

To save money, Thomason did a lot of rehabbing himself. He relied on friends and friends of friends for help.

“I don’t want to do any more finish work unless it’s on a plate,” said one of those friends, Christian Davis, who will be working in the restaurant’s kitchen.

In late April, dressed in a charcoal gray jumpsuit, the kind worn by a mechanic, Thomason was sanding down the bar.

“To see it come together under your own hand, there’s nothing like it,” he said at the time.

He also learned it pays to shop around. For the same set of blinds, for example, he received bids of \$2,500 to \$8,000 from distributors. A lot of entrepreneurs don’t have time to make comparison calls, but Thomason said it was worth it.

Then he had to make sure the suppliers delivered what they said they would.

“People say, ‘You’re opening a restaurant? How glamorous,’” he said. “Well, there’s a toilet seat in the back of my car.”

And he was continually reminded of his instructor’s message: Expect the unexpected.

Thomason heard through the grapevine that a couple of his friends were opening a restaurant in Suffolk with an all-too familiar name: “Vintage Tavern.” He said he had long ago told them he would open a restaurant called Vintage Kitchen, and he couldn’t believe it was a coincidence that the name sounded so similar.

He tried to reason with them – even offering a list of 125 other names. But he said they refused to change the name. He is considering taking legal action.

Then, during a rainstorm, the glass wall facing the terrace leaked. Fortunately, Thomason hadn't yet tiled the floor. He also had negotiated in the lease that the management company would be responsible for structural problems. But the situation forced him to push back his opening date by a couple of weeks.

The floor tiles proved to be a challenge. During his inspection, he found about 400 of the white, square-inch tiles had chips in the corners. Most people might not have noticed, he said. But he did. He made the workers replace the chipped ones.

"No one is going to be as passionate about your business as you are," he said.

Thomason had hoped to open by the end of June to take advantage of Harborfest at Town Point Park just a few doors away. But as he has learned, everything takes time.

When he wasn't in the space, he visited prospective suppliers at vineyards and farms. He cooked for private parties, testing recipes. He traveled to other cities with regional flair for inspiration, including Mexico City and Dublin, Ireland .

The week leading up to the party Wednesday night was dizzying. If he didn't pass inspections by the health board and fire department, he couldn't get a business license and open. And he had to have all the equipment and fixtures in place for inspections.

The health board flagged him on 50 minor things, such as not having drain screens, which he said he was able to fix in a day. But the fire inspector was going to fail him because one of his workers hadn't taped over the sprinklers properly when painting the ceiling, leaving paint on them. She did inspections only on Fridays, which meant he would not be able to get reinspected in time for Wednesday's party.

Thomason was able to persuade her to come back later that Friday, after his workers had cleaned the sprinkler heads. He got his business license Tuesday and his permit to serve alcohol just three hours before his first customers arrived.

On his opening night, he ran out of chardonnay. He bought three cases of white and three cases of red, but bartender Jamal Giles didn't empty a single bottle of red.

"How do you predict something like that?" Thomason said.

So with just two bottles of white remaining, he slipped out to Total Wine and picked up six more.

Several guests said they liked the dark wood, the chocolate brown walls and the retro decor and said they would return. But they've seen three restaurants open and close in the Dominion Tower space in five years.

Thomason is confident he's there to stay and is looking forward to his official opening Sept. 6, when he'll start serving breakfast and lunch. He plans to open for dinner later that month.

He's managed to stay within his budget of \$250,000 from start to finish. Riding high from Wednesday's debut, he's eager to get started.

"You're only as good as your last meal," he said.

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AFTER PARTY: Standing next to the copper bar with a mint julep after closing for the night, Thomason, second from left, discusses the first night with his crew, from left, Nate Stauty, Christina Cole, Rachel Sears and Jamal Giles.