



## **A Restaurant In Lex-Ham?**

### **Please Join Us for a "Pocket Meeting"**

- What?** *A chance for neighbors living near Selby Ave. to get together and learn more about Pizza Lucé, a local restaurant planning to open a new location at 1183 Selby Avenue.*
- When?** ***Tuesday, March 21, 2006, 7:00-8:30 PM***
- Where?** *1236 Dayton–Mary Beth Redmond's house-LHCC Board Member*
- Why?** *To discuss Pizza Lucé's plans and address any concerns from the surrounding neighbors.*

*Excerpt from the March 2006 issue of "The Eavesdropper"*

#### **Pizza Lucé in Lex-Ham? Maybe!**

Representatives of Pizza Lucé attended the January Lex-Ham Board meeting to present plans for a restaurant at 1183 Selby. The board was impressed by their effort to inform us and to get our input and support early in their planning process.

Pizza Lucé was established in 1993 in the Warehouse District of Minneapolis. Other locations include Uptown, Seward/University and Duluth. They are locally owned and operated. Pizza Lucé takes great pride in the quality of their food and believes that good food comes from fresh ingredients, original recipes and happy cooks. They offer vegetarian and vegan alternatives, along with more traditional fare. They are committed to the quality of their work environment. They offer full health benefits and dental benefits along with paid vacation to all staff working an average of 32 hours or more per week. You can read more about them at [www.pizzaluce.com](http://www.pizzaluce.com).

At 1183 Selby, they plan to develop a 2500 to 3000 square foot restaurant. Depending on the size of the restaurant and the configuration of the existing parking lot, they will need a variance. Their most similar restaurant is 2200 E. Franklin Ave in Minneapolis. Parking at this location has not been an issue. The restaurant traditionally gets about 40% of its sales from delivery. The restaurant is also seeking a liquor license. Liquor is an amenity to Pizza Lucé's dine-in menu and as such most of it is consumed as part of a meal. At the Seward location, liquor accounts for only 10% of the restaurant's sales. Pizza Lucé is a restaurant that serves liquor, not a bar with a food menu.

The board has heard many people express their desire for a small restaurant in our neighborhood. Pizza Lucé seems like an ideal candidate. Please come to the Pocket meeting to contribute your thoughts and input on this opportunity or e-mail or call the Lex-Ham office at [lexham@lexham.org](mailto:lexham@lexham.org) or 651-625-3207.



## **Pizza Luce in Lex-Ham? – Express Your Support!**

As you may have heard by now, Pizza Luce – a local restaurant with 3 locations in Minneapolis and 1 in Duluth – has purchased 1183 Selby with the goal of opening their first Saint Paul location. They are proposing to develop a 3,000 sq. ft. restaurant that will seat 65-75 people (about 25 tables) and will include a small outdoor patio.

Pizza Luce has developed a reputation for serving good food, maintaining well managed businesses and supporting the communities in which their stores are located.

The board has sought input from the community via the neighborhood e-list, the Eavesdropper, and a “pocket meeting” held in March on Dayton Avenue. The majority of the feedback we’ve received has been very positive. Concerns regarding potential noise from the patio and parking impacts on surrounding blocks were shared with Pizza Luce who expressed a willingness to work closely with the council and neighbors to create solutions that minimize concerns.

In order to develop a restaurant at 1183 Selby, Pizza Luce is seeking a parking variance of 11 spaces because the small parking lot adjacent to the building does not have enough spaces to meet the city’s zoning code for a 3,000 sq. ft. restaurant.

Their request for a zoning variance will be heard by the Board of Zoning Appeals on May 22, 2006.

Community input plays a significant role in variance requests and individual calls and emails from surrounding households are particularly important.

**If you support having a Pizza Luce in Lex-Ham, please contact John Hardwick with the City of Saint Paul Department of Licensing Inspection and Environmental Protection (LIEP) to express your support.**

**John can be reached at 651-266-9082 or john.hardwick@ci.stpaul.mn.us.**  
(please see the reverse for a sample email)

Dear Mr. Hardwick:

As a resident of the Lexington Hamline neighborhood, I am very pleased that a responsible business like Pizza Luce is planning to open a restaurant in the neighborhood. This restaurant will be a positive economic and social development for the neighborhood because it will improve the building and site, serve the neighborhood as a quality restaurant and provide a local place for neighbors to meet and interact.

I urge you to grant the parking variance requested by Pizza Luce. Based on their past track record, their willingness to meet with local residents and the community council to share their plans and solicit feedback, I am confident that Pizza Luce will work with our neighborhood, serve it well and address any issues in a positive proactive way.

Sincerely,

Jane Doe  
11XX Dayton Avenue

MINUTES OF THE MEETING OF THE BOARD OF ZONING APPEALS  
CITY COUNCIL CHAMBERS, 330 CITY HALL  
ST PAUL, MINNESOTA, MAY 22, 2006

PRESENT: Mmes. Maddox, Bogen, and Morton; Messrs. Courtney, Faricy, Galles, and Wilson of the Board of Zoning Appeals; Mr. Warner, City Attorney; Mr. Hardwick and Ms. Crippen of the Office of License, Inspections, and Environmental Protection.

ABSENT: None

The meeting was chaired by Joyce Maddox, Chair.

J.J. Haywood Palmer (#06-079138) 1185 Selby Avenue: A variance of the off-street parking requirements in order to establish a new restaurant. When a new use requires more parking than the previous use, parking must be provided for the difference between the two. The restaurant requires 31 spaces and the previous use required 12 spaces for a difference of 19 spaces. The applicant is proposing to provide 8 spaces in the adjacent lot for a variance of 11 spaces.

Mr. Hardwick showed slides of the site and reviewed the staff report with a recommendation for approval, subject to the condition that the two lots are combined as a single parcel under one property identification number.

Twelve letters were received supporting the variance request.

One letter was received from District 13L supporting the variance request.

The applicant **MIKE FINKELSTEIN**, representing **PIZZA LUCE** - 119 4th Street North Suite 508, was present. Mr. Finkelstein stated that there are actually three Pizza Luce in Minneapolis and one in Duluth. Also about the patio out in front. The patio in front was designed in a way to offer the parking from the street as opposed to finding the patio in the back. So we took extra caution to make and added whatever buffer we could.

Amy Caron, 1217 Selby Avenue, stated that she lives on the same block and same side of the street as Pizza Luce. When we heard that Pizza Luce was coming to our neighborhood we were thrilled. The response from the neighborhood has been excellent. A great business like Pizza Luce who will do a great job. Do a good job with their employees. The architecture in their other buildings is fantastic. She does not think that they could have gotten a better match for the neighborhood. Going from something that was boarded up to something that is vital is amazing. She feels that the values of the Pizza Luce group are right in line with the neighborhood. She does not think that the parking will be a problem. She did door knocking on Friday and the responses have been from cautiously optimistic to ecstatic. Nothing that she had commented to a neighbor that she was attending this hearing and the neighbor requested that Ms. Caron "not let them stop this, we really need this."

Barb Gunther, 1217 Ashland Avenue, noted that she is on the Board the Lexington Hamline Community Council. She stated that she just wanted to reiterate their interest in seeing this approved. They have had many meeting on this issue starting in January, we also did door knocking as late as last weekend. We think that this in line with our strategic plan, in terms of getting a community oriented business and revitalizing Selby Avenue. We are very excited to have Pizza Luce come and we think that any issues



that would arise as a result of parking could be handled by Pizza Luce as they have been very willing to attend meetings and have been very willing to negotiate with us.

Dave Boquist, 1177 Selby Avenue, stated that he is a caretaker for a building about two buildings down from where Pizza Luce will be. Noting that he is representing the owner of the apartment he is a caretaker for. Mr. Boquist stated they have a question about how many parking spaces would be taken up on the street. Noting that they have 16 units and anywhere from 16-22 cars on the street at any one time on the street along Selby Avenue. He questioned whether this were the correct format to discuss this. Ms. Maddox stated this is it. Talking about parking is what we are here for. Mr. Boquist questioned whether he should address his comments to Mr. Finkelstein? Ms. Maddox replied that Mr. Boquist should address the Board and Mr. Finkelstein would answer the questions at the end. Mr. Boquist questioned how many more parking spaces along Selby Avenue are going to be required for the 35 seat restaurant with a patio? Ms. Maddox stated he will address that at the end of the testimony.

There was no opposition present at the hearing.

Ms. Maddox requested that Mr. Finkelstein readdress the Board and comment on Mr. Bequests' concerns.

Mr. Finkelstein stated that parking is very tight in the neighborhood and is a concern. During their busiest time in the evening, a Thursday, Friday, or Saturday they would expect 50-60 customers. Noting that they have seating for 65 and if they are waiting for seating there may be a few more customers than that. Keep in mind that Pizza Luce thrives on being a neighborhood establishment. Many of the patrons are from the neighborhood, they are walking, biking. He thinks that they did a study a few years ago to find out what percentage of their customers come from the neighborhood. From his experience it is 25-35% of the customers are from the neighborhood. How many vehicles will be on Selby Avenue during the busy time, he cannot estimate. He can only tell how many customers they might serve. They have exhausted all possibilities with additional off-street parking. Whatever goes into the building, whether it is retail or a restaurant, parking could be a potential issue. The request for the eleven off-street parking stalls given the amount of on street parking on Selby Avenue, the amount of parking on the site, as well as additional parking in and around the neighborhood, in our experience, in our Sward and Uptown locations are both very similar to this location. We expect that the parking will not be an issue, like it is not an issue for our Uptown and Sward locations, we are very neighborhood sensitive, always have been. If you read through the packet the letters tell you from the neighborhood how sensitive we are to the parking issue. To the extent that there are concerns, we are there to work them out, that is what our track record is all about.

Hearing no further testimony, Ms. Maddox closed the public portion of the meeting.

Mr. Courtney questioned Mr. Hardwick about the number of off-street parking spaces required. It seems to him that if twelve spaces were required before, now thirty-one spaces are required, they must need nineteen more parking spaces not nineteen total? Not nineteen more, that doesn't make any sense. Mr. Hardwick responded that they will be providing eight parking spaces in the parking lot. Eight from

File #06-079318

Minutes May 22, 2006

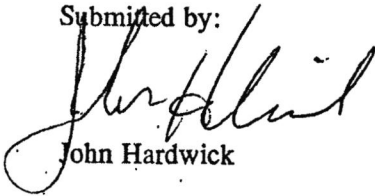
Page Three

nineteen is eleven, that is how he came up with that number. Mr. Courtney further questioned, "but they were required to have a certain amount before. And now they are to have thirty-one so they should be required to have nineteen more than they had before, it seems to him. Mr. Hardwick stated that is not how he looked at it. Mr. Finkelstein requested to speak. Ms. Maddox commented that she could reopen the hearing if Mr. Finkelstein had some clarification. Mr. Finkelstein replied possibly. Only to the extent that there is a credit of twelve. There is a grandfathered credit of twelve from the previous use. So you start with the twelve and add eight and take it from there. Mr. Courtney stated well it seems to him that it should be nineteen.

Mr. Galles moved to approve the variance and resolution based on findings 1 through 6, subject to the condition that the two lots are combined as a single parcel under one property identification number.

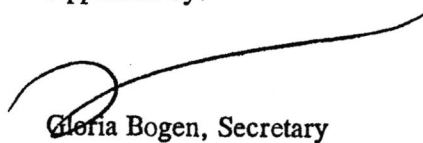
Ms. Morton seconded the motion, which passed on a roll call vote of 7-0.

Submitted by:



John Hardwick

Approved by:



Gloria Bogen, Secretary



The Lexington-Hamline Community Council

# THE EAVESDROPPER

The bridge between your home and your neighborhood

Vol. XXXIII

St. Paul March, 2006

No. III

## Community Calendar

**Tot Time at Dunning**  
Mon. & Wed 9:30-11:30am

**Eavesdropper Deadline**  
Wednesday, Mar. 8

**Prime Timer Potluck**  
Wednesday, Mar. 22,  
11:30-1:30p.m.

**Executive Committee Meeting**  
Monday, Mar. 20, 7p.m.

**Board Meeting**  
Monday, Mar. 27, 7p.m.

## Broadband Technology Forum

Martin Luther King  
Recreation Center,  
271 Mackubin St.  
Monday, Mar. 6, 7-9 p.m.

## Environmental Roundtable

### Clean Water

South Saint Anthony  
Recreation Center,  
890 Cromwell Avenue  
Tuesday, Mar. 14, 7-9 p.m.

### Quality and Quantity of Green Space

Hamline's Law & Graduate  
Schools Building,  
Room 106,  
1492 Hewitt Avenue  
Wednesday, Mar. 15,  
7-9 p.m.



The new site of pizza Lucé?

## Pizza Lucé in Lex-Ham? Maybe!

The owner, CEO, developer, and a store manager from Pizza Lucé attended the January Lex-Ham board meeting to present their plans for a restaurant at 1183 Selby. Pizza Lucé has been searching for the ideal location to open their first Saint Paul location and their research led them to Lex-Ham! The board was impressed with their initiative in approaching the community to gather input and support during the early stages of their planning process.

So, who is Pizza Lucé? They were established in 1993 in the Warehouse District of Minneapolis. Other locations include Uptown, Seward/University and Duluth. Pizza Lucé is locally owned by folks who live in the communities and are actively involved in running the business. Pizza Lucé takes great pride in the quality of their food and believes that good food

comes from fresh ingredients, original recipes & happy cooks. They offer vegetarian and vegan alternatives, along with more traditional fare. They are equally committed to the quality of their work environment. They offer full health and dental benefits along with paid vacation to all staff working an average of 32 hours or more per week. You can read more about them at [www.pizzaluce.com](http://www.pizzaluce.com).

Pizza Lucé has signed a purchase agreement on the property at 1183 Selby and is looking to develop a 2500-3000 sq ft restaurant. Depending on the size of the restaurant and the configuration of the existing parking lot, they will need a variance of 7-12 parking spaces. Their most similar location to the proposed Selby location is Seward—2200 E Franklin Ave in Minneapolis. Experience has shown

Continued on p. 2





## Who are we?

The Lex-Ham neighborhood in St. Paul is bounded by University Avenue, Lexington Parkway, Summit and Hamline Avenues. Since the Lexington-Hamline Community Council was established in 1969, it has been the cornerstone for organizing and serving the 3,000 residents living in this neighborhood. The Council's goal is to strengthen the neighborhood and to continue to build a sense of pride and confidence in the community through a wide variety of activities and services ranging from cooperative home maintenance, crime prevention, energy conservation and recreational programs.

## Editorial Guidelines

The Eavesdropper is delivered monthly to every home and business in the neighborhood. Notices and articles should be submitted in electronic Word format to [lexham@lexham.org](mailto:lexham@lexham.org). Please keep submissions to a length of 150 words or fewer. For other guidance, contact the Lex-Ham office. Eavesdropper reserves the right to refuse any submission.

## Submission Deadlines

Articles for the April issue must be submitted by Wednesday, March 8th. Please keep entries short, so we can include all of them!

## Eavesdropper Volunteer Staff

Melissa Germain  
Patricia Straub  
Chris Wood  
Heather Muller, Graphic Design  
contact at [mullerism@yahoo.com](mailto:mullerism@yahoo.com)

Continued from p.1

that parking at that location is not a major issue because about 40% of the sales come from delivery. They are also seeking support for a liquor license. Liquor is an amenity to Pizza Lucé's dine-in menu and as such most of it is consumed as part of a meal. At the Seward location, liquor accounts for only 10% of their sales. Pizza Lucé stresses that they operate restaurants that serve liquor, not bars with a food menu.

Over the years, and in our strategic planning feedback, the board has heard many people express their desire for a small restaurant in our neighborhood. Pizza Lucé seems like an ideal candidate. If you'd like to contribute your thoughts and input on this opportunity, please email the Lex-Ham office at [lexham@lexham.org](mailto:lexham@lexham.org) or call Jessica at 651-645-3207.

## Rehab Opportunities for Low-Income Homeowners Rebuilding Together Twin Cities

Rebuilding Together Twin Cities is a non-profit volunteer organization that links homeowners in need with people willing to lend a hand. Through partnerships with social service agencies and neighborhoods, Rebuilding Together rehabilitates and repairs homes at no charge to qualifying homeowners. Rebuilding Together works with low-income homeowners, particularly the elderly, disabled, and families with children. The 2006 project days for Rebuilding Together are May 18, 20 and September 23. The application deadline for the May project days has passed but the deadline for the September project is July 15th.

## Hearts & Hammers Twin Cities

The non-profit mission of Hearts & Hammers - Twin Cities, Inc. is to help maintain Twin Cities' urban housing stock by restoring older homes to a safe and

comfortable condition. The all-volunteer program helps people who have limited resources and have trouble maintaining the exteriors of their homes. All work is performed without cost to the homeowner. The 2006 Hearts & Hammers Program Day is scheduled for Saturday, September 16. Homeowner Applications are due on May 26.

Please contact the Lex-Ham office for Homeowner applications.

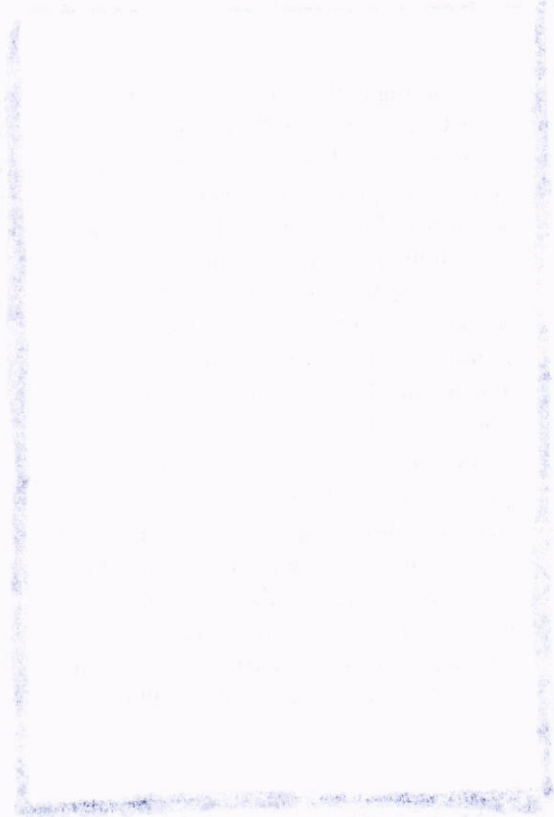
## Help Keep Local Elders Connected

It may sound like an ad for a certain car company, but when people ask the local Block Nurse program how they can help seniors in their community, our first response is always "Drivers Wanted".

When faced with declining eyesight or a reduction in the strength or mobility needed to handle a car, many seniors will choose to give up driving. It's a wise but difficult decision, made more difficult by the fact that a lack of transportation can bring isolation and a decline in nutrition and health care.

Through both formal and informal volunteering, neighbors who are able to drive safely can keep their local elders connected to the community and free to make choices by the simple act of sharing a ride. We might be inclined to "mind our own business" but the act of offering friendship in the form of a ride can transform a neighborhood. For those who haven't found a local senior to help, the Block Nurse Program matches drivers with seniors that need occasional transportation. No matter how you do it, reaching out to an elder is a simple act that strengthens your community and enriches the lives of everyone involved.

For information on how you can help a senior near you, contact the Merriam Park Block Nurse Program (we serve all of district 13) at 646-2301.





# **Pizza Luce V Selby/Lexington St. Paul**

Presented by: J.J. Haywood-Palmer, CEO  
Pizza Luce Management, Inc  
612.334-9576, ext. 4  
612.333.1328  
[jh\\_615@yahoo.com](mailto:jh_615@yahoo.com)  
[www.pizzaluce.com](http://www.pizzaluce.com)

## Executive Summary

Pizza Luce, Minnesota's premier gourmet pizza restaurant and delivery service is expanding its service area by opening an exciting new store in the Selby/Lexington Parkway area of St. Paul. Building on thirteen years of award winning gourmet pizza and exceptional customer loyalty Pizza Luce's new Selby/Lexington store will become a profitable business within 12 months.

## Objectives

- To expand Pizza Luce's market presence by opening a new store in the Selby/Lexington area of St Paul.
- To build a loyal customer base to support the new store.
- To increase sales to reach \$140,000 monthly sales by mid of 2007, and \$150,000 monthly sales by the end of 2008.

## Mission

Pizza Lucé takes great pride in the extraordinary quality of our food. We believe that good food comes from fresh ingredients, original recipes & happy cooks. Complimenting our carnivorous menu is an award winning collection of the vegetarian and vegan alternatives our market demands.

Pizza Lucé is equally committed to the quality of our work environment. The longevity of service by many of our staff members testifies to the investment we make in our personnel. The return on this investment results is evident in the excellence of our food and our customer service.

## Keys to Success

1. **High quality, fresh food.** We make our whole-wheat dough fresh daily, and our cooks hand-toss each crust with care. Our pizzas are made to order with the freshest quality ingredients available. Our fifty toppings run the gamut from the traditional---pepperoni, sausage, mushrooms to the non-traditional roasted eggplant, artichokes, feta cheese to unique black beans, garlic mashed potatoes, and mock duck. We also offer hoagies made on fresh bread, appetizers, homemade desserts, and fresh salads.
2. **High Quality Service.** Pizza Luce's high quality service makes for an enjoyable dining experience. Our balance of delivery and dine-in builds customer loyalty. The longevity of service by many of our staff members to be testament to Pizza Lucé commitment to the quality of our work environment.
3. **Customer Loyalty:** Our unique gourmet pizzas are only available through Pizza Luce. A craving for pepperoni can take a customer anywhere – a craving for garlic mashed potatoes or mock duck pizza brings them home to Pizza Luce. Our gourmet specialties build a bond with our customers that keep them coming back for more.
4. **Unique Urban Atmosphere:** Tattoos, piercing, patio seating, and late night hours all add to the unique urban atmosphere that makes Pizza Luce a destination for suburbanites, and

a natural for natives.

## Company Summary

Established in 1993, Pizza Lucé began as a quick service and delivery restaurant in Minneapolis' historic Warehouse District. The quality of our pizza and delivery service resulted in a high volume of sales—including over 100 corporate accounts. As the warehouse district blossomed into Minneapolis' preeminent night spot the demand for more in store space grew—leading to an expansion of our dining room including the addition of a full service bar in 2000. In 1999 we brought our unique style to South Minneapolis, opening our Uptown location on Lyndale Avenue. In 2001 we were proud to open our third location in Duluth, Mn. This location is at the corner of Lake and Superior Streets in Downtown Duluth. In 2003, we opened our Seward/University location on the eastside of south Minneapolis. This addition of this location allows Pizza Luce to deliver to 90% of south Minneapolis—covering the majority of the population of Minneapolis, the majority of the business hubs and all hospitals colleges in Minneapolis.

At Pizza Lucé, we take great pride in the quality of our food. Over the past thirteen years, we've learned a lot about how to do make a distinctive pizza that builds customer loyalty. Some of our awards include:



- "Best Pizza, Best Late-Night Dining" — City Pages
- "Best Gourmet Pizza, Best Late-Night Dining" — Mpls./St Paul Magazine
- "Best Pizza, Best Late-Night Dining" — Citysearch.com
- "Best Gourmet Pizza" — Minnesota Monthly
- "Best Pizza" — Star Tribune
- "Best Pizza" — Ripsaw News (Duluth)
- (Please see appendix for complete listing of awards)

Pizza Luce Management, Inc, (PLM) was incorporated in 2001 with the purpose to realize volume efficiencies, manage the brand, and ensure product quality and uniformity. PLM centralizes the accounting, cash management, accounts payable, receivable, payroll and employee benefits and marketing functions. All of the stores General Managers report to PLM's CEO. Management offices are in the same building as our flagship location in Minneapolis' Historic Warehouse District..

## **Company Ownership**

Pizza Luce consists of 6 separate corporations (sub-chapter S)—one for each restaurant, a management company and a properties company. Joe Baier is the majority owner in each of the six companies. Pizza Luce Selby/Lexington will be incorporated as a separate company—Pizza Luce V.

## **Company Locations and Facilities**

Pizza Luce has four restaurants and one corporate office:

### **Downtown Minneapolis**

Established in 1993, the quirky atmosphere of Pizza Lucé quickly became the perfect match for the lively Warehouse District. Located near the Target Center, numerous downtown theatres, nightclubs & art galleries, Pizza Lucé is the ideal experience to round out any excursion into the heart of downtown Minneapolis. The late-night scene at Lucé is second to none—the food and music are flowing until 2 am on weeknights and 3 am on the weekends, long after other restaurants in the area have closed their doors for the evening. Our delivery area is North of Franklin, West of 35W, East of the Hwy 100 South of 18<sup>th</sup> Ave. NE. It includes Downtown Minneapolis, South Minneapolis neighborhoods of Loring Park, Kenwood, Lowry Hill, Stevens Square, part of Phillips and Bryn Mawr; North Minneapolis neighborhoods of Harrison and Near North, NE/SE Minneapolis neighborhoods of Marcy Holmes, Old St. Anthony and Sheridan and the western suburb of Golden Valley.

The Downtown Pizza Luce has 166 seats and serves an average of 5,100 customers a week. Average monthly sales are \$280,000 made up of 55% delivery and 45% dine-in and carry-out.

### **Uptown Minneapolis**

After years of customer requests for a location on the south side of Minneapolis, we caved in to the pressure. Pizza Lucé, Uptown rapidly became a popular neighborhood hangout. The dining room is as cozy as it gets with an Uptown feel—just the right atmosphere to complement a casual meal. In the summer months, there's no better place than our outdoor patio to relax under the trees for lunch, enjoy a beer or glass of wine for happy hour, or settle in for dinner. Our delivery area is south of Franklin, west of 35W, east of the Lakes and north of Minnehaha Parkway. It includes the Southwest Minneapolis neighborhoods of Uptown, Lyndale, Kingsfield, Whitter, Lowry Hill East, East Calhoun, East Isles and East Harriet.

The Uptown Pizza Luce is a compact operation—the restaurant occupies about 2,700 square feet and has 64 dine in seats (during the summer we add 25 seats on our patio. The store's average monthly sales are \$182,000.

### **Downtown Duluth**

Lucé Duluth is the very definition of “taking a good thing to the next level.” Designed and built from the bottom up, this location incorporates many aspects of the look, feel, and philosophy of eight years of Lucé success. Located in the elegant Technology Village, the polished dining room includes a striking view of our show kitchen—watch your pizza being tossed in the air

from your table! A lounge & bar (separately ventilated for smoking) occupy a comfortable corner of the space. Pizza Luce Duluth has been a popular destination since we opened. We won the best pizza in Duluth four months after we opened—we have received this honor again in 2004 and 2005. Luce Duluth is a force on the local music scene hosting local and Minneapolis bands several nights a week and for Saturday and Sunday brunch.

Pizza Luce Duluth is our largest restaurant with 5,800 sq. feet and 261 dine in seats. The store's average monthly sales are \$178,000..

#### **Seward/University Minneapolis**

Pizza Luce Seward is our newest location. This neighborhood location is similar to Pizza Luce Uptown in its size and neighborhood feel. It differs from Uptown with its full bar and huge delivery area. Pizza Luce, Seward/University is located in the heart of the Seward neighborhood on 22nd and E. Franklin with easy access to I-94, 35W, University Avenue, Cedar Avenue, River Road, and Hiawatha Avenue. A light rail stop is located 3 blocks away at the intersection of Franklin and Cedar Avenues. The delivery areas covered by this location includes the Augsburg College Campus and the University of Minnesota east and west bank campuses, U of Minnesota and Fairview-Riverside hospitals, 280 Industrial Park, Seward, E. River Road/Prospect Park, Cedar-Riverside, Phillips, Longfellow, Corcoran, Powderhorn and Marcy neighborhoods as well as the Merriam Park and South St. Anthony neighborhoods in St. Paul.

The Seward Pizza Luce is a compact operation—the restaurant occupies about 2,900 square feet and has 80 dine in seats and a full bar. The store's average monthly sales are \$155,000.

#### **New Store: Selby/Lexington Parkway St. Paul**

The purpose of this business plan is to open a new Pizza Luce in the Lexington/Hamline neighborhood of St. Paul. Building on the success of our 3 Minneapolis locations we are poised to bring our delivery and in store dining experience to St. Paul. We have had a lot of requests to bring Pizza Luce to St. Paul from residences of our sister city. Our location at 1183 Selby Avenue is only 4 miles east of our Seward location. The new store's delivery area will be natural eastward expansion for Pizza Luce. This location has easy access to I-94, Ayd Mill Road University Avenue, Grand Avenue, and Downtown St. Paul.

The restaurant is close to Victoria Crossing on Grand Ave, Snelling Avenue Corridor, Midway area of University Avenue, Lexington Avenue. The are highly traveled areas with significant retail presence.

The delivery area of this location has the Mississippi River as its western and southern boundaries with Energy Park Drive as the northern boundary and DT St. Paul as the eastern boundary. The delivery area is rich with two of Pizza Luce's targeted customers—Colleges and Hospitals. The delivery area incorporates the College of St. Catherine, St. Thomas University, Macaelster College, Concordia College, Hamline University, William Mitchell College of Law and Gillette Children's and Region's Hospitals. The neighborhoods served by delivery include the Midway area of St. Paul, Merriam Park, Highland Park, Crocus Hill, Lexington-Hamline, Cathedral heights, Downtown St. Paul.

Pizza Luce Selby/Lexington is located in a single story commercial building in the center of the block. This 4,100 sq ft building is owned by JBB Properties which is owned by our founder Joseph Baier. This 4,000 square ft restaurant will feature 92 dine-in seats and a full bar. In the summer of 2007 we will open a 24 seat outdoor patio.

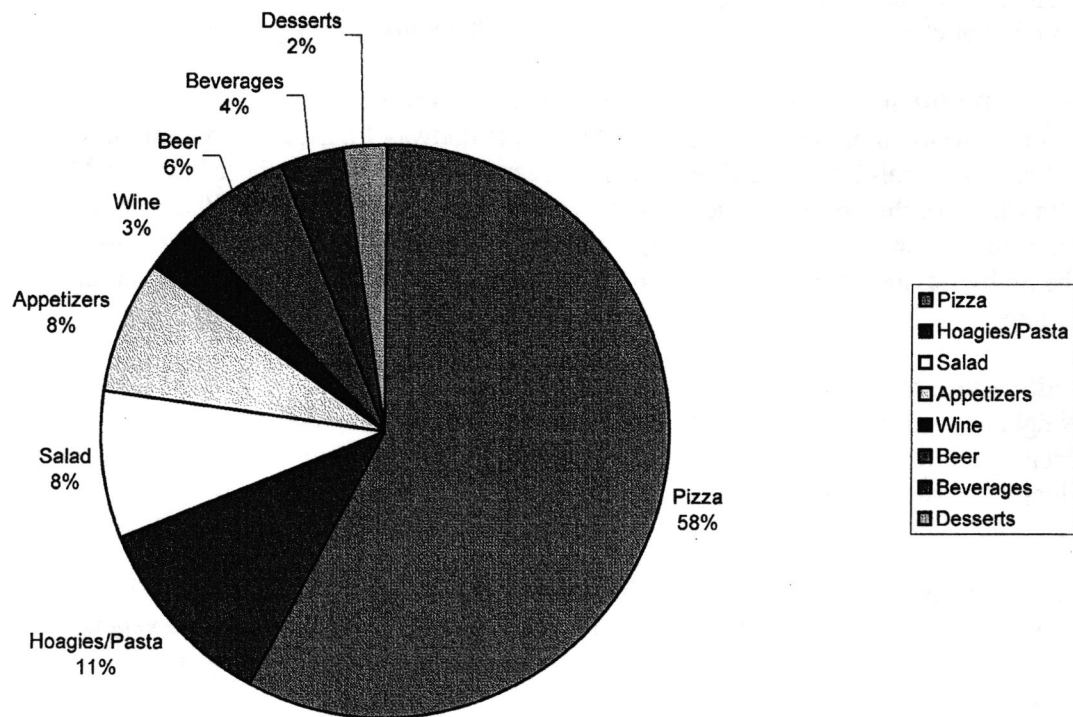
## **Products**

For most of our customers Pizza Luce means the highest quality award-winning gourmet pizza. In addition to traditional toppings, Pizza Luce offers unique toppings like our house made black beans, garlic mashed potatoes, jerk chicken, mock duck and homemade meatballs.

While 60% of our business is pizza, Pizza Luce also offers hot/cold hoagies, salads, a variety of appetizers, pastas and homemade desserts. Pizza Luce serves beer and wine at all locations with full bars at our downtown, Seward and Duluth restaurants. In addition to our gourmet quality pies, we are unique among Pizza Delivery restaurants in that our entire menu is available for delivery allowing our customers a wide set of options. In response to our loyal customers, Pizza Luce is dedicated to maintaining the diversity of vegetarian & vegan alternatives on our menu, including the use of our original rinatta - a vegan cheese alternative made fresh daily at our restaurant.



### Pizza Luce Item Sales Mix



### Product Description

A complete menu is attached.

### Competitive Comparison

Pizza Luce occupies a unique niche in Minneapolis' pizza restaurants. We offer gourmet pizza for both delivery and dining in. This is a very competitive market in which Pizza Luce has excelled in the past thirteen years to build a strong, loyal customer base.

### Competition -Type

Our competition is divided into 4 categories:

- Pizza Delivery
- Pizza-Dining in
- Causal Dining Restaurants

**Pizza Delivery:** Competition for customer dollars are divided into to two categories:

National Brands—Pizza Hut, Domino's, Papa John's

Local Brands—Danvanni's, Green Mill, Broadway Pizza, Uptown Pizza, Galactic Pizza, Golooney's East Coast Pizza, Leaning Tower of Pizza. They specialize in fast traditional pizza and do not challenge Pizza Luce's dominance of the high quality gourmet pizza.

**Pizza -Dining in:** Pizza Luce's significant regional competitors are Green Mill and Davanni's. In the downtown market there is Old Chicago, Broadway Pizza, and Davanni's. In Duluth there is Sammy's, Bull Dog, Old Chicago, and Green Mill. In Uptown there is Green Mill, Davanni's, Old Chicago, Punch Pizza, and Leaning Tower of Pizza. In the Seward/University area there is Davanni's, Bob's West Bank Pizza, Pizza Hut, Campus Pizza, and Leaning Tower of Pizza. In the Selby/Lexington area there is Green Mill, Pizza Pazza, Paisano's Pizza, and the Italian Pie Shoppee.

**Full-service Restaurants:**

Neighborhood independents with low to moderate prices, alcohol, vegetation options, kid friendly, cool environment are our competition. Examples include: Café Latte, Green Mill, the Happy Gnome, the Muddy Pig, D'Amaco, Punch Pizza.

**Summary**

Pizza Luce occupies a unique space in the market. Within the local market Pizza Luce has the highest quality and the most variety and unique toppings. We also cater to vegetarian and vegan customers. We each of our locations each have a distinctive personality and we have a hip, urban vibe.

On the delivery scene we do not compete with the national brands for two reasons—our quality and selection is much higher and they offer deep discounts resulting in price-points that we cannot match. We have the competitive advantage of a well run delivery service. We strive to fill our orders at 45 minutes or less and we offer the largest menu of all our competitors.

For pizza dine in restaurants we offer high quality gourmet pizza with lots of choices and a dining room with funky, urban neighborhood vibe. While we are kid friendly we are not a mom and pop pizza joint.

When compared to other casual dining establishments again our food and our ambience set us apart. Going to Pizza Luce is a particular experience that cannot be duplicated.

**Sourcing**

A complete list of our vendors and the nature of the relationship is below:

**FOOD**

Reinhart Food Service  
12400 Commerce Blvd  
Rogers, Mn 55374

Pohl Food Service  
551 Topping St.  
St. Paul, MN 55103  
651-487-1377

Swanson Meats  
2700 26<sup>th</sup> Ave S  
Minneapolis, MN 55406  
612-721-4411

American Linen  
700 Industrial Blvd NE  
Minneapolis, MN 55413  
612-331-1600

**EQUIPMENT**

Palm Brothers  
1031 Madeira Ave  
Minneapolis, Mn 55405

Foremost Business Systems  
4844 Park Glen W  
Minneapolis MN 55416  
952.-920-8449

**LIQUOR**

Phillips Wine & Spirits  
Wine Merchants  
1999 Shepard Road  
St. Paul, MN 55116  
651-637-3300

Mark VII Distributors  
475 N. Prior Ave  
St. Paul, MN 55104  
651-646-6063

Eastside Beverage Co.  
1260 Grey Fox Rd  
Arden Hills, MN 55112  
651-482-1133

Kuether Distributing  
6982 Hwy 65 NE  
Minneapolis, MN 55432  
763-571-4115

## **Technology**

### **Kitchen Technology**

Top quality kitchen equipment from our ovens, to our refrigeration, to our dishwasher. We own all of our equipment. Because of our volume it is important to keep all of our equipment well maintained with very little downtime.

### **POS Technology**

Pizza Luce uses the latest technology to support our customer service, mine customer data, drive marketing campaigns and provide quality assurance.

## **Market Analysis Summary**

Our target market is people who want to have a gourmet pizza with the highest quality ingredient. For dine in we target people who want a decidedly urban restaurant with the diversity of food and a mellow atmosphere and speed of service. These people can be right out of college or thirty, forty or fifty-somethings. They include folks without and with children. The common bond is a love of real good pizza. For delivery, our most common customer lives in an apartment building, works in an office setting, resides in a college residence hall, works at a hospital or is staying in a hotel.

Pizza Luce Selby/Lexington shares many of the attributes as Pizza Luce Seward. They are similar in size and are both located in neighborhoods. Selby's delivery area includes 5 colleges which is similar to Seward having the U of Mn and Augsburg college. Selby/Lexington will deliver to St. Paul's main hospitals Regions and Gillette which is similar to Seward who delivers to Abbott and Children's hospitals in Minneapolis. Selby will delivery to all hotels along University Ave and in DT St. Paul. This is similar to Seward's hotel service in the U of Mn area and Chicago and Lake.

Using data from the 2000 census we found that zip codes surrounding the Selby location and the zip codes surrounding our Uptown and Seward locations to be similar demographically. All of these areas have high concentration of renters which is good for pizza delivery. They also have large concentrations of folks between the ages of 15-44 which are targeted demographics. They each have significant numbers of folks with college plus education which is also a positive for Pizza Luce. While the Selby location isn't as dense in residential dwellings—the central location and proximity to restaurant hot spots (Selby/Dale and Grand Ave) will make Pizza Luce a convenient dining location for St. Paul residents.

Pizza Luce is superior to our competition because:

1. Better Pizza:
2. Better Ambiance:
3. Better Brand:

## Marketing Strategy

Based on our experience and the fact that we are a well-regarded brand within Minneapolis it is our expectation that Luce Selby-Lexington will experience rapid sales growth. To facilitate building a customer base we will begin servicing a large portion of new delivery area from our existing Seward location and will begin including the new delivery area in our direct mail campaigns to create a level of excitement about the restaurant.

Marketing for all of our locations is accomplished out of our management office budget of over \$200,000.

Our marketing plan for Pizza Lucé Selby/Lexington will be based on strategies proven successful for us during the past.

1. We will utilize our existing advertising such as weekly print ads in City Pages, The Onion, radio spots and in store advertising to promote our newest location.
2. We will employ other traditional media outlets to generate interest and sales. We will seek coverage in the Pioneer Press, and local newspapers in neighborhood's covered by the Pizza Luce Selby-Lexington delivery area including college publications. We will use guerrilla-marketing techniques—such as flyering homes, apartments, hospitals, office buildings and hotels to inform potential customers in the area that we have arrived.
3. Based on our high level of success with direct mail in the past, will send our delivery menus, postcards and refrigerator magnets announcing our arrival and promoting several with special offers to homes within our delivery area.
4. We will send out e-mail news bulletins to our ever-growing customer database with special offers and events at our newest location. We will also engage in a campaign to collect emails of customers within our new delivery area.
5. We will work closely with neighborhood associations, schools, colleges, hospitals, arts organizations, and the food co-ops to stimulate word-of-mouth advertising.
6. We will have a splashy public grand opening event, with signage at the location and special discounts to create a celebratory atmosphere for the neighborhood and our guests. To generate a large attendance at this event, we'll use a broad combination of direct mail, e-mail, print advertising and radio.
7. We will investigate co-operative advertising possibilities with local businesses and arts organizations.
8. We will aggressively solicit corporate accounts with area businesses and organizations to give them the freedom to place orders on credit with Pizza Lucé.
9. We are also planning initiatives at area colleges, such as placement of ads on dorm room doors.

We feel that the combination of the above methods will ensure a broad reach to introduce ourselves to the various neighborhoods adjacent to our new location.

## Project Team

### Joe Baier

Majority owner/founder, Pizza Lucé  
President

Joe holds a bachelor's degree in business from the University of Minnesota and has over 18 years of experience in the pizzeria industry. He worked as a pizza delivery driver for several years and for the past thirteen years, Joe has been actively involved in the nightly operations of Pizza Lucé—in particular our flagship location in Downtown Minneapolis. During the day, Joe is a toolmaker at the Ford Motor Plant in St. Paul. Joe's primary strengths are his expertise in delivery service operations, his financial acumen and his ability to fix almost all of our equipment.

**J.J. Haywood**

**CEO, Pizza Lucé**

J.J. joined Pizza Lucé in October 2001. A Minneapolis native, J.J. has a bachelor's degree from Brown University and a master's degree from the Kennedy School of Government at Harvard University. She has 10+ years of experience in higher education focused on planning and development of college food services, property management, university bookstores and residence halls operations. J.J.'s expertise is in budgeting and planning, construction management, marketing and administration.

**Laura Siskind**

**Chief of Operations, Pizza Luce**

Laura has been with Pizza Lucé for over 12 years starting as a pizza cook, moving up to kitchen manager, the opening General Manager of our Uptown and Seward locations. Last year Laura joined the management office as the head of operations where she focuses on food quality, staff training and customer service. Laura has also developed several of Pizza Lucé's signature menu items is a strong promoter of Vegetarian and Vegan menu items.

**Michael Finkelstein**

**Real Estate Consultant**

Mike has consulted with Pizza Luce for 4 years in all matters related to real estate including lease negotiations and property valuation and acquisition. Mike's specialty is urban commercial real estate including commercial and investment property sales and leasing, property repositioning / redevelopment, development, select buyer and tenant representation and consultation. Mike serves on the boards of the Uptown Association and Lake Street Council.

**Nathanial Shea**

**Principal, Tanek Architects**

Nat has worked with Pizza Luce since 2003 including designing Pizza Luce Seward and the major renovation of Pizza Luce Uptown. Nat is a registered architect with over 14 years of restaurant and retail experience. Tanek Architects is focused on designing urban and neighbor infill projects in Twin Cities, their goal is to enhance existing neighborhoods through quality design.

**Brent Lindstrom**

**Project Manager, Zeman Construction**

Brent has worked with Pizza Luce since 2003 and has project managed 2 major projects—building Pizza Luce Seward from a vacant shell to a full service restaurant and the complete renovation of the public spaces of Pizza Luce Uptown. Zeman Construction is the premier



builder of restaurants in the Twin Cities with over 50 full service restaurants in their portfolio. Zeman will be the General Contractor for Pizza Luce Selby.

**Chad Johnson**

**Partner, Hellemuth & Johnson, PLLC**

Chad has worked with Pizza Luce since 1993 and is a founding partner of Hellemuth & Johnson, PLLC. He practices in the areas of real estate and business law and represents businesses, corporations and limited liability entities, with emphasis on representing condominium, townhouse, cooperative and other community associations.