



# RESTAURANTS & HOSPITALITY

Reporter  
Amy Wenk

✉ AWENK@BIZJOURNALS.COM

☎ 404-249-1748

🐦 @ATLBIZAMY

## NEW OPPORTUNITY

### After 20 years, Ruth's Chris leaves Sandy Springs for Alpharetta

A longtime Sandy Springs steakhouse is relocating to Alpharetta.

After more than 20 years on Roswell Road, the owners of the **Ruth's Chris Steak House** in Sandy Springs are moving to a new spot.

The team – franchisees **Jim Brooks, Phil Brooks, Mark Oswald** and **Nancy Oswald** – have purchased a 2.3-acre site with a roughly 18,000-square-foot restaurant on Haynes Bridge Road in Alpharetta. The two-story structure was originally built as Rainwater Restaurant and includes banquet facilities and a brick wine room.

"This was an opportunity that we simply had to seize," co-owner Jim Brooks said in an announcement.

The plan is to invest about a million dollars into renovating the building, said Nancy Oswald. The hope is to reopen this fall.

"It has been a wonderful 20-plus years in Sandy Springs, but the Haynes Bridge site offers the ability to be in a distinct trade area from our other three Atlanta restaurants with the bonus of unprecedented event space," said co-owner Mark Oswald.

The Brooks and the Oswalds are the largest franchisees of the Ruth's Chris brand. The team has restaurants in Georgia, Alabama, South Carolina and Tennessee.

**Michael O'Donnell**, chairman and CEO of **Ruth's Hospitality Group Inc.**,



Harold  
Shumacher

in a statement, said he's confident the team will bring "passion and dedication to Alpharetta, ensuring guests have memorable dining experiences."

**Harold Shumacher**, president of

**The Shumacher Group Inc.** in Atlanta, represented the buyer in the deal.

Steve Langford, investment sales vice president at Ackerman & Co., and Alan Shaw, senior landlord representative with The Shopping Center Group, represented the seller, J.D.F. Holdings LLC.

#### Hotel industry at peak performance

The U.S. hotel industry is on fire.

According to new data from **PKF Hospitality Research LLC**, which has an office in Atlanta, average occupancy rates across the nation are expected to reach 63.6 percent this year.

That's higher than the pre-recession peak of 63.1 percent reported in 2006.

"The domestic hotel industry is operating at peak performance," **Mark Woodworth**, president of PKF



Ruth's Chris franchisees (at right) Nancy Oswald, Mark Oswald, Jim Brooks and Phil Brooks are relocating their steakhouse in Sandy Springs to Alpharetta. The steakhouse will take the former Rainwater Restaurant on Haynes Bridge Road (at left).

Hospitality Research, said in a release. "We can stop using the term recovery ... In 2014 and 2015, our firm is forecasting several all-time highs for some of the most important metrics in the hotel business."



Mark  
Woodworth

Another optimistic stat is that supply growth is expected to remain below the long-run average of 1.9 percent through 2016. With fewer new hotels coming into the market, operators may be able to increase average daily rates, resulting in robust revenue per available room (RevPAR) growth through 2016.

#### Tax changes for restaurants

The **Georgia Department of Revenue** has proposed new rules relating to how purchases and sales made by restaurants are taxed.

The changes follow a larger nationwide effort to clarify various terms such as "food ingredients," "prepared food" and "food packaging," all of which may be taxed differently.

"The changes are quite significant for the restaurant industry," said **Julian Fortuna**, a tax attorney with Atlanta-based **Taylor English Duma LLP** who represents clients in the hospitality industry. "Many of the provisions contained in these new rules are going to benefit to the industry. Some will be detrimental."

Among the new rules, restaurants will not be taxed on their purchases of disposable food packaging items such as containers, boxes and wrappers. They also won't be taxed on their purchases

of single-use items that are provided with meals to customers, such as utensils, straws and napkins.

Those changes could add up to significant savings for some restaurants.

Another change requires restaurants to pay sales tax on any mandatory gratuities that customers are charged (such as 18 percent tips charged for large parties). This could end up costing restaurants money as did a similar change made by the IRS to the income tax treatment of such gratuities back in 2012, Fortuna said.

The Department of Revenue looks to adopt the new rules at a June 19 meeting. Comments are being collected until that date.

#### New restaurant group

The team behind restaurants including The Big Ketch, Tin Lizzy's Cantina, Smoke Belly BBQ and Milton's Cuisine and Cocktails have formally launched a restaurant group called **Southern Proper Hospitality**.

"We see Southern Proper as our restaurant collection," said **Chris Hadermann**, one of the three principals of the new restaurant group, along with **John "JP" Piemonte** and **Mike Evertson**.

"What's exciting for us is having this opportunity in Atlanta to deliver what locals want," he said. "Ultimately, we want to create future 'institutions' in the restaurant industry. It's not about being trendy or flashy. We're creating establishments that are timeless and personable so that we can turn customers into loyal, lifetime guests."

**Guido Piccinni**, formerly of Prizzi restaurant, will handle day-to-day operations, serving as chief operating officer.

Southern Proper plans to open two restaurants this September at the

Buckhead Atlanta mixed-use project: The Southern Gentleman and Gypsy Kitchen.

#### Plan B Burgers

Connecticut-based **Plan B Burger Bar**, which emphasizes chemical-free meat, "natural boutique bourbon" and American craft beers, plans to open its first Atlanta location.

In addition to Atlanta, the company plans to open locations in Boston, Chicago and Washington, D.C.

Currently, there are Plan B restaurants in Connecticut and Massachusetts.

Plan B did not say when and where it will operate in Atlanta.

#### U.S. LODGING INDUSTRY FORECAST PERFORMANCE (CHANGE 2013 TO 2014)

+1%  
Supply

+3.2%  
Demand

+2.2%  
Occupancy

+4.4%  
Average Daily Rate (ADR)

+6.7%  
Revenue per Available Room (RevPAR)

+12.5%

Net Operating Income (NOI)  
Source: PKF Hospitality Research LLC, June-August Hotel Horizons forecast report