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BUSINESS

The creator of Rainforest Cafe is taking a big gamble but says this week's opening of the first T-Rex restaurant in Kansas City, Kan., will provide the Jurassic spark needed to grow a whole new chain.



PHOTOS BY SUSAN McSPADEN, SPECIAL TO THE PIONEER PRESS

"I have no problem gambling on me," says Steve Schussler, who on Tuesday will see his T-Rex restaurant concept make its debut at a popular mall in Kansas City, Kan. "My glass is always more than half-full. You have to have that attitude when you are creating things like T-Rex."

MAKING PREHISTORY

BY SCOTT CARLSON
Pioneer Press

In his roller-coaster restaurant career, Twin Cities entrepreneur Steve Schussler has been unswerving in dreaming big and taking huge risks.

On Tuesday, Schussler takes his biggest business gamble yet when he opens T-Rex: A Prehistoric Family Adventure, a theme restaurant on steroids featuring food and fossils against the backdrop of simulated dinosaurs, steam, fire and ice.

With a price of \$15 million, the 20,000 square-foot restaurant is several times the cost of an average free-standing eatery. It is also bigger than Schussler's first Rainforest Cafe, a restaurant chain featuring simulated wild animals, jungle vegetation and thunder and lightning that made its debut in the mid-1990s at the Mall of America.

To justify that investment, T-Rex will have to draw thousands of patrons daily and entice them to spend some serious money, industry experts said.

Schussler considers drawing a mob to be a foregone conclusion, bragging that T-Rex will be a "blockbuster hit" that could be around for 50 years. He waxes effusive about T-Rex, calling it "over the top, the best thing I have ever done."

More than five years in research and development and a year in con-



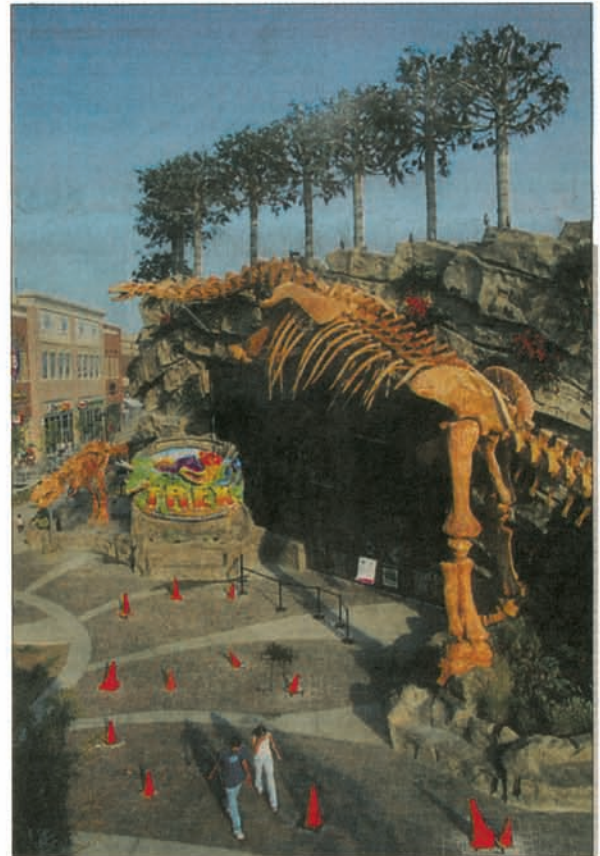
Sean Davis of ThemeScapes Inc. airbrushes tire tracks under a vehicle in the fossil-dig part of the restaurant. ThemeScapes is one of several Minnesota companies involved in the project.

struction, the T-Rex restaurant will greet customers with 12 animatronic dinosaurs placed among cascading waterfalls, bubbling geysers and a fossil dig site. Patrons also can drop \$15,000 on amethyst from Brazil in the gift shop.

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Houston-based Landry's Restaurants Inc. is equally bullish on T-Rex.

Earlier this year, the company bought an 80 percent stake in Schussler Creative's T-Rex and another concept, a new Asia-



The exterior of the T-Rex restaurant features a rooftop "forest" and a gigantic model of a dinosaur skeleton. With a price of \$15 million, the restaurant is several times the cost of an average free-standing eatery.



EXECUTIVE SUMMARY

Steven Schussler

Age: 51

Company: Schussler Creative Inc.

Business: Golden Valley-based creator of theme restaurants. Several prototypes are under development.

Founded: 2000

Jukebox Saturday Night:

Opened in 1979 in downtown Minneapolis. Popular during the 1980s, it crashed in 1992 and was liquidated. Schussler blamed its demise on, among other things, rising competition and thinning downtown traffic.

Rainforest Cafe:

Tropical-themed restaurant opened to long lines at the Mall of America in 1994; went public a year later. It has 45 locations today, but Schussler is no longer connected with the business. Houston-based Landry's bought Rainforest for about \$75 million in 2000, a substantial discount from its original \$125 million offer that got snarled in shareholder controversy.

T-Rex: A Prehistoric Family Adventure:

The themed restaurant concept scheduled to open Tuesday in Kansas City, Kan. Eight other U.S. locations are planned.

Source: Pioneer Press research



Daryl Mosher, an industrial design specialist with Daddona Studios of Pompano, Fla., adjusts the lighting inside a gigantic jellyfish that hangs over one of the booths at T-Rex: A Prehistoric Family Adventure. SUSAN MCPADDEN, SPECIAL TO THE PIONEER PRESS

New restaurant

(continued)

themed restaurant expected to open at Disney's Animal Kingdom park in Orlando, Fla. Landry's initial commitment is about \$7.6 million. But Schussler said Landry's total commitment is closer to \$100 million when factoring in the costs of building several restaurants under the T-Rex theme.

BIG PLANS

Landry's and Schussler recently broke ground for a T-Rex eatery at Disney World in Orlando, Fla., and hope to open seven more of the theme restaurants in the U.S., possibly including one at the Mall of America. Schussler said he has been in talks with MOA. A mall official declined to comment.

Some restaurant experts said those eateries could be around for decades. Still, the stakes are high.

"With that kind of investment, they are going way out on a limb," said Kevin Moll, head of Denver-based Restaurant Consultants Inc. "To succeed, they have to execute well and consistently."

Moll said the 375-seat T-Rex restaurant will need a big volume to succeed. "They will have to have pretty high average checks and will have to crank people through the door."

On that score, Schussler is projecting T-Rex will draw between 1,000 and 3,000 customers per day.

Ultimately, restaurants rise or fall on the basis of how well they meet consumers' expectations for fun and food, Moll said. In rare cases, a restaurant that serves mediocre food can stay in business if it offers exceptional entertainment to draw repeat traffic, Moll said. But generally, a restaurant will need average or better-than-average food to keep bringing back customers, he said.

Moll's points are well taken in an industry where nearly one-third of all new restaurants fail in their first year. Even the typical restaurant that survives only serves up a 4 to 5 percent profit margin and endures upwards of a 90 percent annual staff turnover, he noted.

Meanwhile, the durability of theme restaurants can be iffy. For example, Planet Hollywood has gone bankrupt twice since it began in the early 1990s and has closed several restaurants, including one at the Mall of America.

But Jeff Cantwell, Landry's senior vice president of development, believes his company has all its bases covered and doesn't foresee extinction for T-Rex. He noted the restaurant has a 20-year lease in Kansas City and could sign even longer deals in other locations.

The success of big theme restaurants partially hinges on their locations. That's why Landry's and Schussler plan to put T-Rex only in high-traffic tourist destinations, Cantwell said. For example, Disney World draws about 16 million visitors a year. Schussler said Kansas City's Legends at Village West shopping center draws about 15 million visitors a year, buoyed by the NASCAR speedway and Nebraska Furniture as neighboring attractions.

Given the Legends mall's traffic, Cantwell said Landry's expects T-Rex will post annual sales of \$8 million to \$12 million and recoup the company's \$5 million investment in four or five years. He noted that \$10 million in government and developer assistance to build the first T-Rex restaurant was a powerful incentive to locate at the Legends shopping center.

Cantwell also expects T-Rex's food to be a hit, noting Landry's culinary staff has collaborated with Schussler's team in creating the menu, whose items range from a pound of "Pterodactyl (chicken) wings" for \$8.99 to \$22.99 for a "Boneyard buffet" which includes fire-roasted rotisserie chicken, ribs, "fossil fries" and two side dishes.



PIONEER PRESS FILE PHOTO BY CHRIS POLYDOROFF

MIXED TRACK RECORD

Schussler, a former radio and TV advertising man, knows well the ecstasy and the agony of the restaurant business. In the 1980s, his Jukebox Saturday Night, a nightclub and restaurant, with the front end of 1957 Chevy serving as a canopy, burst onto the Minneapolis downtown scene as a big success.

It cooled big time. Schussler blamed growing competition and thinning downtown traffic for contributing to Jukebox's filing for Chapter 7 bankruptcy liquidation in 1992.

Jukebox's demise left him with "a huge stigma in the investment community," Schussler said in a 1994 Pioneer Press interview.

Schussler rebounded, building a prototype of Rainforest Cafe in his Edina home. He eventually wooed financial backers for the concept after conducting hundreds of tours of the model. The first Rainforest Cafe opened at the Mall of America in 1994, attracting long lines and heavy business.

Several months later, Schussler and his investors, who included former leather retailer Lyle Berman, took Rainforest Cafe public. Even as Rainforest Cafe flourished, growing to

Steve Schussler, shown in 1999 at the Rainforest Cafe at the Mall of America, took his \$3 million share from the sale of the Rainforest chain in 2000 to form his own company, Schussler Creative Inc. The T-Rex restaurant is his biggest gamble yet.

more than 30 locations, Schussler began thinking about creating his next restaurant concept: T-Rex.

Schussler, who was senior vice president for development at Rainforest, said his business partners didn't share his enthusiasm for his next big idea, worrying it would hurt the company's focus on Rainforest Cafe.

Rainforest Cafe did stumble. Its stock dropped some 40 percent in a single day in 1998 after the company warned of lower-than-expected earnings, caused in part by an 11 percent decline in sales at three of its most established restaurants. Shareholders sued.

In fall 2000, Landry's bought Rainforest Cafe for \$75 million, \$50 million less than it had offered just a few months earlier. In the meantime, Rainforest had closed a handful of poorly performing restaurants. Some investors balked. "I feel stabbed in the back," a portfolio director for the State of Wisconsin Investment Board complained at the time.

Schussler used his more than \$3 million take from the Rainforest sale to launch Schus-

ler Creative Inc. He set up shop at a Golden Valley warehouse to research and develop T-Rex and other restaurant concepts. That mounted up to a \$10 million investment, which included support from angel investors.

Now, Schussler anticipates a big return on that investment largely because of his and his staff's obsession with details in creating and opening the T-Rex restaurant. The restaurant is several weeks past its projected opening because Schussler has ordered numerous changes, small and big, to the project.

"I'm not the easiest guy to work with," he admitted. "I'll have someone move something over and over until it's right."

Moll applauded Schussler's cautious, go-slow approach. "The first restaurant is very important, because if it doesn't succeed, the others don't get built," he explained.

Meanwhile, Peter Nasvik, president of St. Paul-based ThemeScapes, knows Schussler's penchant for continually revising plans.

ThemeScapes, a creator and producer of artificial rocks and boulders, was initially responsi-



SUSAN McSPADDEN, SPECIAL TO THE PIONEER PRESS

Ramiro Hernandez of Village Productions, McKinney, Texas, adjusts some equipment inside the chest of a pachycephalosaurus, one of 12 animatronic dinosaurs at the T-Rex restaurant.

ble for constructing five 20-foot-plus-tall artificial trees — each weighing about 2,000 pounds and costing \$18,000 — and getting them mounted on top of the restaurant's roof.

But when ThemeScapes put up the five trees, Schussler decided they didn't look enough like a forest, Nasvik said. His company had eight days to make another five trees and get them up on T-Rex restaurant's roof, Nasvik said.

And don't tell Schussler it can't be done. "I feed off people who tell me I can't do it or it's never been done before or you're crazy," Schussler said. "Yes, I think outside of the box. But I surround myself with people who think the same way or are used to me thinking that way."

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TWIN CITIES CONNECTIONS

T-Rex: A Prehistoric Family Adventure opens this week at the Legends at Village West mall in Kansas City, Kan. The theme restaurant, however, has strong Minnesota ties. Its creator is Golden Valley-based Schussler Creative Inc. And more than a dozen Twin Cities companies helped to build the restaurant. They include:

Cunningham Architects — Architect of record.

Rothweiler Group — In charge of conceptual design.

PCL Construction Services — General contractor.

ThemeScapes, Inc. — Built and installed interior and exterior artificial rocks.

ThemeDesign — Created molds and installed tyrannosaurus and argentinosauros skeletons.

Plantscapes Inc. — Did indoor and outdoor trees and plants.

Great Lakes Lighting — Supplier of lighting and fixtures.

Tivolitoo — Handled themed implementation of retail fixtures.

International Aquarium Systems — Designed and installed aquarium systems.

Fattalione & Associates — Designed and installed all sound systems.

Kaufman Signs — Handled indoor and outdoor signage.

Schuler & Shook, Inc. — Oversaw theatrical lighting coordination and design.

Sebasta Blomberg & Associates — Engineers and designers for the steel armature for the tyrannosaurus skeleton.

Circle V Enterprises — Manufactured the geode splitter for the dinosaur dig.

W.J. Sutherland & Associates — Responsible for HVAC system design.

Source: Schussler Creative Inc.



SUSAN McSPADDEN, SPECIAL TO THE PIONEER PRESS
Keith Beitler, left, chief operating officer of T-Rex: A Prehistoric Family Adventure, and **Steve Schussler**, owner and creator, congratulate each other on making it another day closer to the opening day.