

Market closings

Dow Jones ▼ 10,539.72, -46.51
S&P 500 ▼ 1,218.59, -4.22
NYSE ▼ 7,489.72, -29.70
Nasdaq Composite ▼ 2,172.07, -6.17
AMSE ▼ 1,678.47, -5.59
NYSE consolidated volume ■ 1,958,751,410

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A favorite spot for lunch



Laura Arva, left, takes lunch orders from Marty and Mary Edgars at Mel's Diner in Bonita Springs on Tuesday. The couple, who eat at the restaurant a couple times a month, are among a growing number of customers who keep coming back because of the diner's ambience. Erik Kellar/Staff (2)

Diner chain has plans to expand

By RIDDHI TRIVEDI-ST. CLAIR
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There is no Mel or Big Al. But the recipes the fictitious Big Al brings back from his travels and the comfort food cooked up in Mel's kitchen have still found great favor among locals.

Like Joyce and Delbert Overton, who eat at the Bonita Springs Mel's Diner twice a day, practically seven days a week.

"We used to eat here three times a day," Joyce Overton said.

The Bonita Springs couple determine their schedule not by what day it is but by the specials on the menu. Sunday is roast pork, and Friday and Saturday are prime rib. The servers all know them by name and come by to say hello. They have been eating at Mel's since the first restaurant opened in San Carlos Park in 1989.

A loyal following like that is what has helped the individual-

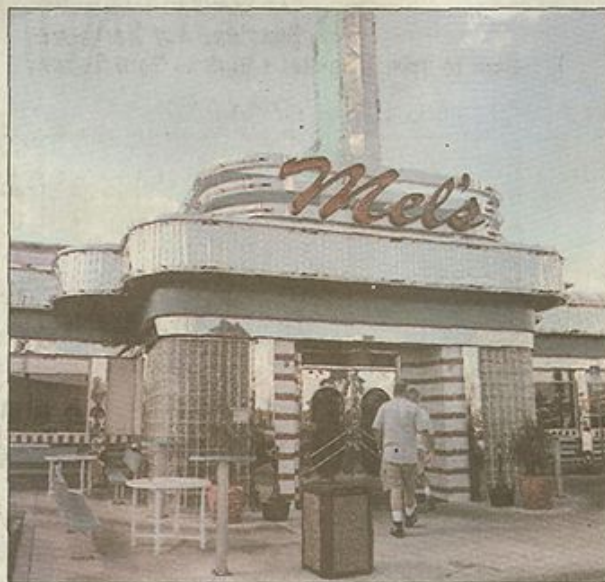
ly owned and family-run restaurant grow to 11 locations with 800 employees and more than 3 million customers a year.

Owner Chris Karakosta hopes to open 50 more Mel's restaurants over the next 10 years in Florida and possibly Georgia. And newly hired Chief Operating Officer Ralph Desiano is sure the company can at least match that number in franchises across the country.

Karakosta and his son Stephen co-own Big Al's in Bonita Springs, and there are ambitious plans for that eatery as well.

The deal on a second Big Al's location is expected to close this week and another one in Naples is in the works.

It all began small. Chris Karakosta opened the first Mel's Diner to provide a sustainable year-round income to shore up the very seasonal earnings



Since the first Mel's Diner opened in San Carlos Park in 1989, the chain has grown to 10 restaurants, with an 11th on the menu for Cape Coral. The chain is looking to start 50 more restaurants in the next 10 years, plus contract franchises.

Diner

Continued from 1E

from his Naples restaurant, the Green Onion. He called it Mel's simply because he felt it would be easy for people to remember.

The diner opened with a limited menu, but quality was the focus from the very beginning. All the food in the family-run restaurant was made from scratch.

Its popularity soon boomed.

"We would have people waiting in line outside the door pretty much from open to close," he recalled.

The first year, the restaurant served about 175,000 customers. As its fan following grew, so did the menu, which now includes more than 100 items.

Everyone has a favorite. Steve Levitan's is liver and onions. Dick Tully comes for the grouper fest. Bill Shanahan can't pick one; he likes the cobb salad, as well as the grouper on Caesar and the other grouper dishes.

Levitan, Tully and Shanahan are part of a six-member group that meets for lunch at Mel's every Tuesday. They sit at the same table they've eaten at for the past six years.

The food, service and ambience are the draws.

"Customers feel good when they get the bill. They are happy to pay the bill, that's what it comes down to," Chris Karakosta said.

He promises that won't change as he grows the concept. Changes to the menu and to the décor are in the works. The menu will be streamlined. Items that don't sell well at all locations will be taken off, some new ones added.

Overall, Desiano said, there will be a reduction in the number of menu items, but most of the favorites will stay. The changes should appear beginning early next year. New staff members have been hired and infrastructure, including a new computer system, has been put in place.

The plan is to grow over the next 10 years, through company-owned restaurants and through franchises, Desiano said. The Ka-

rakostas also hired a director of culinary operations and district managers to streamline the operations of each of the existing restaurants and make it easier to start and run the new ones.

Company-owned restaurants will help the chain grow in Florida. First moving north on the west coast, then over to the east coast and eventually into Georgia.

"It makes sense to expand from the base. Doesn't make sense to jump states," Desiano said.

They also hope to change the look and feel of Mel's to appeal to a broader audience of increasingly more demanding customers.

"A diner can be anything you want it to be," he said. "But people think that when they walk into a diner they will find a jukebox. We want to get away from that. We are not selling the 50s or Elvis Presley."

The new incarnation will be called Mel's Gourmet Diner, a place where people find good food, quick service and low prices.

"We want to reach out to the younger crowd that Mel's perhaps hasn't seen in the past," Desiano said. "We stay true to the diner concept, have comfort food, but do something uniquely mainstream."

The Mel's venture will be a more than \$30 million investment for the Karakostas. Another \$5 million to \$6 million investment plus land costs will go into the expansion of Big Al's, Stephen Karakosta said.

The Big Al's concept was created around a fictitious man who loves sports, loves to travel and loves to eat. Menu items are favorite recipes he's collected from around the world.

Since its inception in March 2003, the restaurant surpassed expectations, Stephen Karakosta said. It has grown from \$2.5 million to about \$3.6 million in revenue and serves 400,000 people a year.

For three years the family worked hard to build a successful and profitable concept, he said, and it is time to test it in other markets.

It is time for Big Al to find new travel destinations.