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# A Beginner's Guide to Restaurant Buildouts

What you need to know before you sign a lease

By Frank Deluca

**F**ranchise location buildouts can be complicated, particularly in the highly specialized food-service sector. With all the variables in play, food-service buildouts tend to be the most costly among franchises, take the greatest of care in planning and, most importantly, requiring a very skilled general contractor (GC) who understands the elements that go into a good restaurant.

There are several factors to consider not only when choosing a location, but also when determining whether that space is the right fit for your business. The specifics of your franchise will dictate the exact renovations you will have to make to a space, but there are certain common elements you should be on the lookout for. While your franchisor can offer valuable resources or advice, it is still your

responsibility to know what to expect, look for and avoid when building the restaurant franchise of your dreams.

## Location

When it comes to food-service franchises, there is one tried and true rule you must follow—location, location, location. In an industry where heavy customer traffic and easy access are vital, you simply cannot afford to choose a poorly situated location. Having said that, you also need to be fully aware of whether a location—no matter where it is—will accommodate your food-service franchise's design requirements. Are there costly base building requirements? Can the building accommodate your mechanical requirements?





When scouting locations, look for a rectangular or square space with few tight areas, corners, building support columns or other obstructions.

In the case of older buildings, you inherit the space and any costs associated with upgrading or maintaining it (e.g. fire separation, sprinkler requirements, or worse yet, structural issues you weren't aware of). For example, you could sign a lease where the existing building does not meet the fire or building code. If you are unaware and sign a lease that states you are taking the space as is, then you will be responsible for bringing the location up to code. If your franchise will be located in a condo or office building, where running exhaust for your cooking equipment is hindered by concrete or structural steel, it could be costly—or maybe impossible—to vent your cooking systems or run drain lines.

## Space

Depending on your franchise's specific requirements, food-service locations can range from 93 m<sup>2</sup> (1,000 sf), for something like an ice cream shop, up to 371 m<sup>2</sup> (4,000 sf) for a sit-down full-service restaurant (FSR). While overall area is a primary consideration, there are also other factors you, your franchisor and your GC need to consider.

### Space shape

In general, it is best to look for a rectangular or square space. Shape is very important in food-service settings, because you have to pay special attention to things like barrier-

free access and work flow from kitchens to eating areas. Tight areas, corners or even building support columns are not good, and will likely impede you and your employees once the franchise is open for business. By sticking with a nice basic shape, you are free to design exactly what you need in the space without worrying about any possible obstacles or hindrances.

### Ceiling height

The next thing to look at is ceiling height. You want a minimum of 3 m (10 ft) from finished floor (FF) to the ceiling deck (i.e. the building's steel structure, not the finished ceiling tile). Generally, the ceiling tile is situated 0.6 m (2 ft) below the ceiling deck. This clearance is required to accommodate the entire mechanical duct, return air and exhaust systems that will run throughout the space.

The more room you have between the FF and ceiling deck, the more open and attractive your finished restaurant will appear. For example, if you see an otherwise beautiful space measuring only 2.7 m (9 ft) from FF to ceiling deck, you can count on your ceiling being only 2 m (7 ft) off the floor. This is not very visually appealing. As a good rule thumb, look for spaces in which the measurement between the FF and ceiling deck is at least 2.6 to 3 m (10 to 12 ft).

## A word about LEED

No matter what your individual franchise requires, there are always ways you can help lessen the environmental impact of the construction process.

Before signing a lease, ask the landlord of the space whether the building in question is certified under the Leadership in Energy and Environmental Design (LEED) Green Building Rating System. LEED is a certification program for the design, construction and operation of 'green' buildings; certification is based on the total point score a building receives under a defined rating system.

Working in LEED-certified buildings require special attention to detail on your GC's part and will impact who you select as your contractor. If your building is LEED-certified, your landlord will require a log of the construction process and material selection, what is known as a 'LEED binder.' If you choose a GC who is not organized and misses a step or two it could translate into costly delays or not getting your full tenant allowance or charge backs from the landlord. **cbf**



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Photo courtesy DCL Construction



## The perils of food courts

Building in an enclosed shopping centre, whether in the food court or elsewhere in the mall, presents unique challenges that you don't have when building in a strip mall or a standalone location. Most regional shopping centre landlords will supply your GC with a construction manual specific to the property, which will outline all of the 'dos and don'ts' of construction. For example, you will be responsible for erecting your own hording (which is used to block your storefront from the general public while the

space is being built) or charged back if the landlord does it.

Also remember that no particularly loud work (e.g. concrete cutting, drilling, use of skill saws, etc.), material handling or equipment delivery and installation will be permitted during regular mall hours. This work must take place 10 p.m. and 6 a.m.; your GC must be aware of this. You must also take these scheduling issues into account when establishing your own construction and opening timelines. **cbf**

While newly constructed spaces are generally easy for the layperson to judge, it is advisable to bring along your GC if the space you are looking at is either historic or more than 20 years old. These types of spaces could have many issues an untrained eye will overlook. For example, historic and older buildings will most likely have fire separation issues. Fire separation is a means of containing any fire that could occur in your space from spreading to other parts of the building. In certain circumstances, 14-mm (0.56-in.) drywall could be required on the walls and ceiling; if you have a tiled ceiling, your separation walls must go to the ceiling deck of the building and fire caulking must be used to seal the space. Older buildings may also contain hazardous material like lead or asbestos. There may even be building structural deficiencies.

Of course, this type of inspection should be done prior to signing your lease. Unless you include a special stipulation, you, as the tenant, will inherit all of these issues and become responsible to remedy them (at the benefit of the landlord).

### Electrical systems

It is critical that you engage a reputable electrical engineer to handle the design of your electrical system or inspect an existing space you are interested in leasing. You cannot assume there is sufficient power to support your business requirements, as food-service equipment will be quite demanding



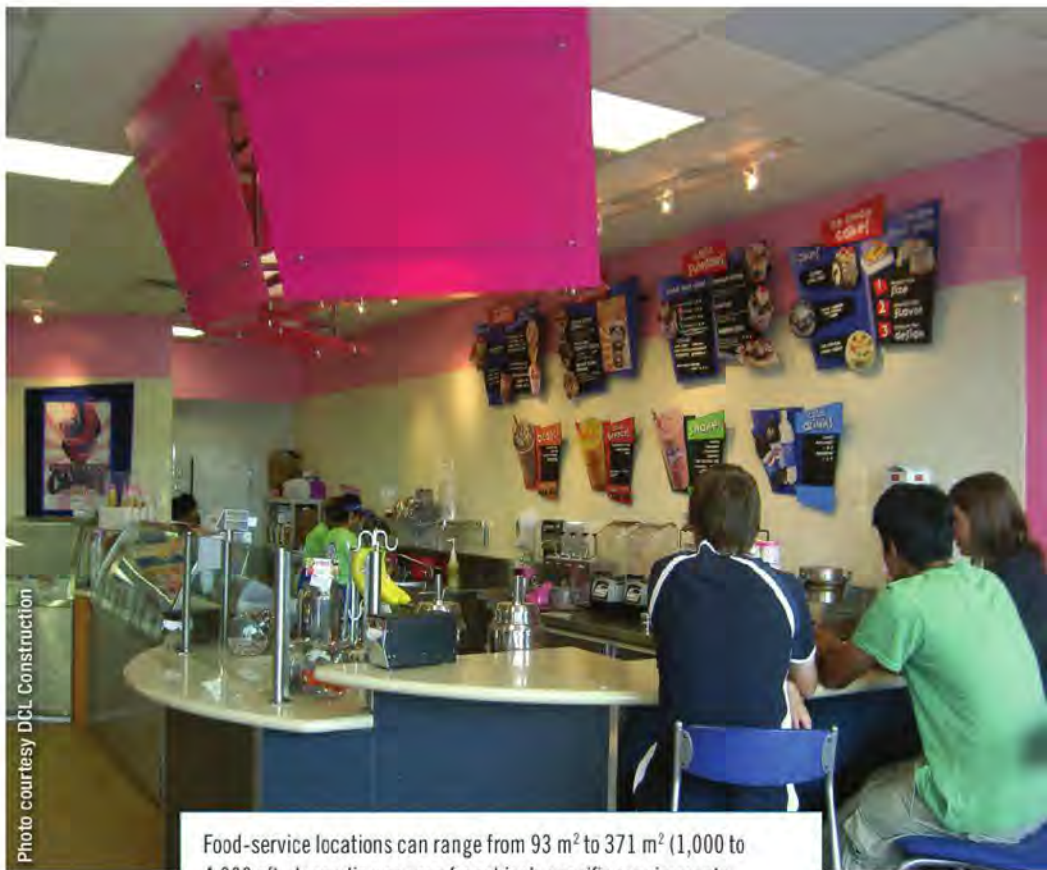
on your electrical supply. For example, electric pizza ovens, convection ovens and commercial refrigeration units with compressor motors are often used in food-service settings, and they draw heavily on the electrical supply. An older space may only have 100-amp service; you will certainly need 200-amp service, which will require a service and panel upgrade. Your electrical engineer will spot this immediately and advise you before you get a costly surprise from your electrician.

In some cases, there may simply not be enough power going into the building to meet your needs; in others, the power delivery system may be old or inefficient, making it almost impossible to meet requirements. Unfortunately, if you sign a lease on the space prior to learning this information, you will be left footing the bill for a costly upgrade. The bottom line: have your electrical engineer sign off on the building's power supply before you sign anything yourself.

### Mechanical specifications

The same attention to detail applied to the building's electrical system should also be used for the mechanical engineering of the space. You should be able to find a firm that offers both electrical and mechanical inspections (look for 'M&E engineers').

A good mechanical engineer will determine if you have sufficient roof-top cooling. Roof top units (RTUs) are the air-conditioning/heating systems on the roof of the building feeding your space. The normal rule is one ton per 92 m<sup>2</sup> (1,000 sf); if you have a 278 m<sup>2</sup> (3,000-sf) space and a two-ton RTU, you will need to add a unit or replace the existing one. Your mechanical engineer will spot this immediately, allowing you to address the undersized unit with the landlord. This is critical because the same equipment that will be a huge draw on your electrical supply will also generate a great deal of heat. Exhausting that heat, cooling your space and bringing in fresh air for your patrons will be very important. Again, while an experienced food-service



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GC is not an engineer, he or she can flag an undersized cooling unit or venting or exhausting issues.


Be careful if you plan to lease space in a condominium or other high-rise building, especially if you are the first to open a food-service business in that space. As previously mentioned, these buildings feature heavy steel and concrete construction and are very restrictive from a renovation standpoint. Running duct work or exhaust fans, or simply drawing in fresh air, can pose a real challenge in these environments.

### Miscellaneous issues

If your food-service franchise is a barrier-free location (*i.e.* a wheelchair can get to your front door), make sure your landlord has installed an automated door opener. These are mandatory, and are very expensive to install yourself.

If your franchisor has provided you with in-house or third-party architectural, M&E engineering and interior design resources, then all you have to do is engage the right GC. In some cases, your franchisor might even supply you with a short list of GC candidates who have done quality work for them in the past. However, if you are

on your own, always make sure to do your homework so you can put the best possible team in place from day one.

First and foremost, ensure your GC carries at least \$5 million in liability insurance and qualifies for whatever safety certifications are required in your province. Your landlord will demand this. Follow up on the GC's references and, most importantly, interview the contractor in person before making a decision. Do they understand the concept, timelines and landlord requirements? Have they done this type of work before? Finally, while price is important, don't assume the lowest bidder is your best bet. Remember, food-service buildouts are costly and complicated. If you go cheap in the beginning, it could end up costing you in the end. 



Frank Deluca is president of DCL Construction, a Toronto-based general contracting firm that has worked with several franchisors. He can be reached via telephone at (416) 440-9859.