

SOUTH FLORIDA SunSentinel

April 28, 2017

Course correction: LIME Fresh Mexican Grill charts return to growth



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Sun Sentinel

It's not often a restaurant brand can hit the reset button after being acquired and then abandoned by one of the nation's biggest chains.

Yet that's the goal for a team of owners looking to breathe new life into LIME Fresh Mexican Grill, a South Florida-born and bred chain that expects to expand by seven locations in the tricounty region over the next two years.

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The first new franchise is slated to open by mid-May in Palm Beach Gardens, followed in the months to come by stores in West Palm Beach, Dania Beach, Midtown Miami, North Miami, Aventura and the Brickell Avenue district in Miami.

The owners are betting they can continue winning over Mexican food fans who crave the affordability and convenience of quickly prepared "fresh Mex" but still want the service, cocktails and proprietary flavors found in a traditional restaurant.

Sound familiar? Well, this isn't the first time the chain was poised to conquer the world. Back in 2012, LIME seemed bound for food courts and suburban corners everywhere after national chain Ruby Tuesday bought it from its local owners for \$24 million. But that promise soon fizzled.

After adding eight locations to the 11 it had following the sale, Ruby Tuesday decided by 2015 that it needed to devote its full attention to the 734 locations of its flagship brand — and has since revamped its menu and “endless” salad bar.

By 2016, Ruby Tuesday closed or sold its 19 LIME locations it built in central Florida, Alabama, North Carolina, Washington D.C., Chicago and elsewhere.

Normally, this failure would have relegated the LIME Fresh Mexican Grill brand to a “defunct restaurants” trivia game category, alongside Steak and Ale, Chi-Chi’s and Kenny Roger’s Roasters.

Except for one important fact: Six franchise restaurants, never owned by Ruby Tuesday, still thrived in the South Florida metro area, its owners say.

In Miami-Dade County, a franchisee group called Left Field Holdings LLC owns and operates LIMES in Dadeland, Doral and West Kendall.

Further north, another franchisee group, Salsa Management Inc., has locations in Pembroke Gardens and Plantation in western Broward County and the West Boca area of Palm Beach County.

The two franchisee groups had bought in prior to the Ruby Tuesday deal, when founder John Kunkel still ran the company. Kunkel, a prolific area restaurateur with several current operations in South Florida, founded LIME in 2004 as an 800-square-foot taco shack on South Beach’s Alton Road.

“He kind of pioneered the concept of ‘fast casual’ in South Florida, before Chipotle and Moe’s were here,” says Salsa Management partner David Pettit.

With its stores gone, Ruby Tuesday sold the remaining LIME assets — namely the intellectual property and franchiser rights — to the Pembroke Pines-based EverFresh Endeavors LLC for \$4.6 million. The deal was announced on June 1, 2016, a day after EverFresh was incorporated.

The company’s roster underscores its belief in the brand and its commitment to restoring its growth potential.

Team members include CEO Joey Belmont, a former shopping center operator who has completed sales, leases and construction of more than 50 restaurants, according to biographical information provided by EverFresh.

Chief Operating Officer Mike Outlaw has also operated shopping centers and overseen 78 locations owned by HardRock Cafe.

Chief Financial Officer Lee Babcock directs finances of Surekha Holdings LLC, EverFresh's principal investor, and has a deep background in retailing and hospitality.

Board chairman Vinay Rama, a longtime hotelier and founder of Surekha Holdings, specializes in identifying and acquiring "offmarket opportunities," according to his biography.

Nick Castaldo, an EverFresh equity partner and its chief marketing officer, held executive positions with Anthony's Coal Fired Pizza for 12 years and Pollo Tropical for eight years.

The franchisee group Salsa Management Inc., owner of the Broward and Palm Beach locations, is run by Pettit and Nick Boros, while the Miami-Dade-based operators Left Field Holdings LLC is headed by Grant Gussin. A third franchisee runs food-court operations on the campuses of University of Miami and Texas A&M.

Boros says the companies' franchises weren't waylaid by the Ruby Tuesday disaster because the larger company had left them alone.

"They let us continue on our path," Boros says, "because I think they recognized the success of the brand was largely due to how we were operating."

That strategy included hosting annual Cinco de Mayo parties and burrowing into surrounding communities by hosting fundraisers for local schools, sports teams and community organizations. The activities benefit the Russell Educational Foundation and the Jason Taylor Foundation, both started by former Miami Dolphins to help area children, and the Plantation Police Athletic League.

Restaurant locations were chosen to ensure a strong lunch business from nearby businesses and a dinner rush from nearby neighborhoods.

LIME's Facebook pages aren't teeming with Wawa-scale engagement, but according to Castaldo, "There's almost a fanaticism of the LIME customer that has endured. They talk in terms of 'My LIME.'"

Examples include customers who bring birthday cakes to restaurant managers and staffers who have lasted a decade, Boros says.

Still, none of those elements would mean much if the food wasn't good, and the LIME team boasts that theirs is better.

To start with, no freezers or microwaves are used.

Fresh, locally grown produce is delivered every day, and several flavors of salsa are made daily on site. "We start by roasting tomatoes, onions and jalapenos on the grill, and use fresh cilantro," Boros says.

LIME's salsa bar lets customers pile on limes, cilantro, pico de gallo and numerous salsa flavors.

And the dinner menu offers LIME's take on traditional Mexican fare — "Surfer Taco" with baja-style fish, Bacon and Bean Quesadilla, the South Beach Burrito (because it's low-carb) and an extra-large burrito called the "Big Cali."

A fan favorite is the Queso Burrito because the restaurant's tangy queso sauce delivers some heat, Boros says.

The steak-and-chicken fajita platter is the only dish on the menu over \$10.

The chain doesn't sell liquor, so the margaritas are made with a specialty "orange blossom wine," Boros says.

Pettit said the chain occupies a niche between the "fast casual" segment of a Chipotle and the restaurant-and-sports-bar experience of Chili's. LIME customers order at the counter, but a server brings food to the table.

Castaldo calls it "premium fast casual."

"We're still small," Boros says, "but a lot of brands have gotten so big, they have a chain feel. We're very much a local company."

Again.

<http://www.sun-sentinel.com/business/fl-bz-lime-fresh-mex-20170426-story.html>