



Block 16 Hospitality owner Billy Richardson (right) has taken a deliberate approach to building his on-premise portfolio in Las Vegas and now operates six concepts in the city. The Barrymore (top left) highlights its \$50 wine program and entrées like the Short Rib (bottom left).

NEW KIDS ON THE BLOCK

Block 16 Hospitality has burst onto the Las Vegas scene with rapid growth and a value-oriented, high-quality aesthetic • **BY AMBER DREA**

Billy Richardson knows Las Vegas. Over the years, the Sin City native and owner of Block 16 Hospitality has seen the town evolve from a kitschy gambling hub to a top-notch dining and entertainment destination. “Everyone’s minds have kind of changed,” Richardson says. “People used to think Las Vegas was cheesy and it wasn’t cool to come here. Now the nightlife scene has become one of the best in the country.”

Along with corporate executive chef Anthony Meidenbauer, Richardson has developed an on-premise portfolio that caters to Vegas’ diverse and changing landscape. Block 16 operates six concepts in the city: LBS Burger Joint, Holstein’s Shakes and Buns, The Barrymore, Public House, Gallery Nightclub

and two Pink’s Hot Dogs units. Each venue offers a slightly different experience, depending on the location, but all aim to provide a good value for the price. “Our ongoing mission since day one has been to create new and different things,” Meidenbauer says. “Whether it’s high brow or low brow, we want to make our customers feel like they’re getting their money’s worth and want to come back. That goal has been our driving force.”

Founded in September 2007, Block 16 debuted with LBS Burger Joint, a family-friendly, fast-casual restaurant located 10 miles from the Strip in at Red Rock Casino, Resort & Spa. Two years later, the company gained licensing rights for the 73-year-old Los Angeles hot dog stand Pink’s and opened a

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Aiming to evoke vintage Vegas and Old Hollywood, The Barrymore offers an upscale atmosphere in a space that includes a dining room, bar area and outdoor patio lounge. Martinis and signature cocktails like The Barrymore—the restaurant’s take on the Manhattan—sell well.

unit at Planet Hollywood Resort & Casino. In late 2010 and 2011, Block 16 launched three new concepts in a roughly 13-month span: Holstein’s at The Cosmopolitan, The Barrymore at the Royal Resort and Public House at The Venetian. This year, the company took over Gallery Nightclub in Planet Hollywood and will add a second Pink’s location at Red Rock by the end of December. Annual revenue for 2012 is estimated to be \$36 million, up from \$20 million last year.

All this growth has occurred despite the financial challenges of recent years. “If the economy hadn’t crashed, we would probably have 15 restaurants right now,” Meidenbauer says, noting that he and Richardson adjusted their approach to deal with the unstable real estate market. “We built Block 16 to have the ability to expand quickly in the way we do business and the way we manage the company, so we were prepared for it.”

That strategy seems to be working. In late 2013, Block 16 will unveil Flour & Barley, a vintage-style pizzeria and sports bar located in Caesars Entertainment’s new open-air retail, dining and nightlife complex, The Linq. The company is also looking to expand its concepts to California and the Pacific Northwest in the near future. “We want to focus on Public House, LBS and Holstein’s and move those brands into markets where they’ll be successful,” Meidenbauer says.

Strip Stars

Block 16’s restaurants attract tourists and locals alike, though the venues on the Strip skew heavily toward the former. Holstein’s targets a higher price point and clientele than LBS, with demographics falling within the 25-to-35 age range. Located in The Cosmopolitan, Holstein’s benefits from its proximity to Marquee Nightclub & Dayclub, often luring customers away from the long line during busy nights and gaining traffic from the pool crowd during the day. “We have a DJ and a lounge ambiance when the club’s hopping,” Meidenbauer says. “We catch a lot of revenue from that business.”

Beer comprises about 60 percent of beverage sales at Holstein’s, while spirits account for the remainder. Grey Goose vodka is the No.-1 spirit, followed by Ketel One vodka, and Bud Light is the best-selling beer, though the venue offers 160 brews and has a good selection of crafts. Prices for beer range from \$5.50 a 12-ounce can, which comes in a “custom cuzie,” to \$45 for a 25.4-ounce bottle of Shangrila, with drafts priced at \$6 to \$10 a pour. Holstein’s also features signature drinks (\$14), as well as “Adult Vitamins” (\$10), which are cocktails mixed with flavored Vitamin water, and Bamboozled Shakes (\$10 to \$11) like the popular Drunken Monkey, blending Frangelico hazelnut liqueur, bananas, malt and Reese’s Pieces candy. The two top-selling food



Corporate executive chef Anthony Meidenbauer develops and oversees the food and beverage programs for all of Block 16's venues.

BLOCK 16 HOSPITALITY AT A GLANCE	
Founded	September 2007
Key Executives	Owner and managing partner Billy Richardson and corporate executive chef Anthony Meidenbauer
Location	Las Vegas
Venues	LBS Burger Joint at Red Rock Casino, Resort & Spa; Holstein's Shakes and Buns at The Cosmopolitan; The Barrymore at the Royal Resort; Public House at The Venetian; Gallery Nightclub at Planet Hollywood Casino & Resort; and two Pink's Hot Dogs units, one at Planet Hollywood and one at Red Rock.
Sales Breakdown	55-percent food and 45-percent beverage alcohol, the latter of which comprises 64-percent spirits, 24-percent beer and 12-percent wine
Employees	534
Annual Revenue	An estimated \$36 million for 2012, up from \$20 million last year
Future Plans	Block 16 will open the pizzeria Flour & Barley at Caesars Entertainment's new open-air retail, dining and nightlife complex, The Linq, in late 2013. The company is also looking to expand to California and the Pacific Northwest.

items are the customizable Classic burger (\$14) and the Gold Standard burger (\$17.50), which is made with dried-beef patty, gruyere cheese, oven-roasted tomatoes, frisée, arugula, garlic-chive aioli and bacon. "The Gold Standard is our idea of the perfect burger," Meidenbauer says.

Public House at The Venetian is an American-style gastropub with a heavy emphasis on beer, which comprises 80 percent of the venue's beverage sales. The restaurant lists more than 200 brews via draft (\$8 to \$12 a pour), cask (\$9 a pour) or bottle (\$7 a 12-ounce bottle of Dixie Jazz Light Amber to \$240 a 3-liter bottle of Chimay Grand Reserve Blue) and employs a certified beer cicerone, as well as four certified beer servers who are all working toward cicerone status. "Public House gets a lot of tourists and convention business, but because of our niche market and our beer program, we can offer something that no one else really has in Vegas," Meidenbauer says, noting that the demographic skews slightly older, from late 20s to early 60s.

On National Beer Day this past April, the venue launched a beer club that includes a beer passport, which rewards customers who try 50 different brews with a \$50 gift card and a T-shirt. Public House also hosts special beer events and promotions for breweries like Sierra Nevada. "We're doing things that get people engaged," Meidenbauer explains. "We're trying to build a beer culture." In addition, the restaurant stocks 100 whiskies (\$9 to \$174 a 2-ounce pour), including labels from Scotland, Canada, the United States and Japan, and classic cocktails like the Boulevardian (\$12), made with Knob Creek Rye whiskey, Carpano Antica sweet vermouth and Aperol aperitif, are popular as well.

Food makes up 60 percent of overall sales at Public House, with steaks accounting for a majority of business. The menu changes seasonally and features beer-marinated meats and seafood, such as the Short Rib (\$29) braised with Deschutes Black Butte porter. The best-selling appetizer is the Poutine (\$10), which is a traditional Canadian dish that comprises French fries, cheese curds and oxtail gravy, topped with braised oxtail. Meidenbauer grew up in Niagara Falls, New York, and created the dish as an homage to time he spent visiting nearby Montreal and Toronto.

The other big Strip spot is Pink's at Planet Hollywood, where thousands of customers a day come through the doors at the quick-serve hot dog joint. Since Pink's only has a patio area and serves primarily families, the food-to-beverage ratio is 90 percent to 10 percent. Hot Dogs range from \$4.79 for a plain dog to \$8.99 for the Planet Hollywood Dog, made with Polish sausage, grilled onions and mushrooms, bacon and nacho cheese. The venue sells mainstream beers like Bud Light and Coors Light (all priced at \$4.99), as well as frozen alcoholic slushies (\$10.99 for a 20-ounce serving to \$37.99 a 100-ml. souvenir cup).

Off The Beaten Path

Catering to a more local customer base are Block 16's two non-Strip venues: The Barrymore, an upscale yet affordable restaurant in the Royal Resort, located just north of the main drag, and LBS Burger Joint at Red Rock in the western part



Public House (right) is an upscale, beer-focused gastropub that serves more than 200 different offerings via draft, cask and bottle, as well as beer cocktails and beer flights (bottom left). Meat and seafood dishes (the Branzino Meunière is pictured at top right) are often braised in beer.

of Las Vegas. “LBS is in the suburbs, so it gets 90-percent local business, but Red Rock does get some conventions and tourists,” Meidenbauer says. “And The Barrymore is 90-percent local because of the location. In Vegas, location is everything. If you’re on the Strip, you’re tourist. If you’re not, you’re local.”

The company stumbled upon the Royal Resort through Richardson’s deep-rooted connections. A friend of his family, which has been in Sin City for five generations, offered a space in a small hotel that he wanted to rebrand as a boutique resort with an old Vegas feel. “We realized you can do something great in a small, old building,” Meidenbauer says. “We have plans for that whole property, to expand and make it a place where you can go and spend a full day.”

The Barrymore’s sales are divided into 70-percent food and 30-percent beverage, with wine at the forefront. The restaurant highlights its “50 Wines Under \$50” menu, offering a large selection of reasonably priced bottles. “People might not know where we’re located, so the wine program sets us apart,” Meidenbauer explains. He notes that reds are popular, especially Pinot Noir, Merlot and big blends like Meritage. Wines by the glass range from \$9.50 to \$19.50. Roughly 40 percent of drinks sales are split between beer and spirits. The Barrymore features Martinis and signature drinks (\$11 to \$14), including its top-selling eponymous cocktail, which is a take on the Manhattan that features Gentleman Jack whiskey, Solerno blood orange liqueur, orange marmalade and bitters.

Guests at The Barrymore fall between 28 and 45 years of age or older, and they often begin with cocktails on the patio, then move to the dining room for a three- or four-course meal.

The Short Rib “Bourguignon” (\$29) is the No. 1-selling entrée, and the seasonally rotated dishes also include seafood like Mediterranean Sea Bass (\$24) and appetizers like Veal Sweetbreads (\$18). A \$47 prix-fixe menu features three courses, such as Roasted Heirloom Beets, Muscovy Duck Confit and Crème Brûlée, with wine pairings for an additional \$23. “The Barrymore offers a relaxing evening with friends and family where they can take in the old Vegas vibe,” Meidenbauer says.

At LBS, 70 percent of sales is food and 30 percent is beverage, the majority of which is beer. The restaurant also offers the Adult Vitamin cocktails (\$9) and Bamboozled Shakes, with such popular offerings as the Oreo (\$11), made with Baileys Irish Cream liqueur and oreo cookies. The menu lists a large selection of sandwiches, including the Steakhouse Burger (\$13.50), made with black pepper-crusted beef, swiss cheese, onion marmalade, mixed greens and roasted tomato, and the Urth Burger (\$12.95), featuring Block 16’s own vegan patty, lettuce, tomato, cucumber, sprouts and avocado. Other food items include Zucchini Fries (\$6.95) and the LBS Chopped salad (\$11.95).

Bringing Vegas Back

While Richardson and Meidenbauer have their eyes on other markets, Block 16 remains committed to its hometown. The company got back into the nightclub business when it acquired Gallery Nightclub in Planet Hollywood seven months ago. Richardson, who worked in nightclubs before becoming a restaurateur, is relearning that side of the industry and has rebranded the venue with new talent, including local DJs,



Spirits and mixed drinks rein at Holstein's Shakes and Buns, where vodka-based Adult Vitamins and Bamboozled Shakes are popular.

well-known performers and celebrities like Jenny McCarthy, who recently celebrated her birthday there. "It's a fun 'open-format' nightlife venue," Richardson says. "We're currently in the process of revamping our bottle menu to include signature cocktails, along with welcoming all our VIP table guests with a signature shot." Gallery also hosts an hour-long burlesque show in the Pussycat Dolls Saloon that features singing, dancing and other entertainment.

With the addition of a nightclub, Block 16 hired a social media and marketing manager, who handles the company's social and digital media and all of its websites. "We never had a dedicated Web person in the office before because we didn't want to bring someone on and then not have anything going on for four months," Richardson says. "Now, there's something different happening every week."

Block 16 is participating in a variety of marketing initiatives, including websites like Yelp, Foursquare and Groupon, the last of which spurred a successful turnout at all of the company's venues. Pink's at Planet Hollywood, for instance, saw 5,000 redemptions in a two-day period. "Financially, it's not a huge benefit for the business, but the feedback you get makes it worth the investment," Meidenbauer says. "You're going to get a bunch of clients who won't come back because they're coupon-oriented, but they talk."

In addition, Block 16 is planning to institute a companywide rewards system that allows members to earn points and use gift cards at all its venues. "The loyalty program will allow us to collect emails and track customer information," Meidenbauer

says. "We want to do something that makes people come back and get rewarded for it." The program is scheduled to roll out at the end of the month.

These efforts are part of Block 16's strategy for navigating the current economic climate in Las Vegas, which has taken a hit in recent years. "The volume of visitors has increased, but spending has decreased," Meidenbauer says. "You have to switch gears to target your demographic." Since it's a relatively small company, Block 16 can quickly make whatever changes are necessary, from offering larger portions to lowering prices. "Consumers need to feel they're getting a better value," Meidenbauer adds. "At the end of the day, that's all that matters."

Block 16's focus on beer is also contributing to its success in that area. "Beer is the new wine," Meidenbauer says. "Five or 10 years ago it was all wine, wine, wine—Big California reds and Burgundies. Now people just don't want to spend that much, especially when you can get a great beer that has all the flavor nuances of an amazing wine for a fraction of the price."

Richardson credits the Las Vegas Convention Authority with doing a great job of marketing the town. "The numbers this year are way better than they've been in the last two years," he says. "Vegas is slowly coming back. It's not going to be like it was in 2007, but we're definitely seeing more people coming in and spending. They're more conscious of what they're spending, but they're staying longer and they're looking for value." And that's exactly what Block 16 is offering. **mw**