

NATION'S *Restaurant News.*

March 21, 2011

Brooklyn Water Bagel eyes expansion

Chain opens first West Coast branch with Larry King, plans other concepts

The Original Brooklyn Water Bagel Co. has its sights set on growth with the help of a celebrity endorsement from new franchise owner Larry King and plans for other concepts.

Former talk show host King opened his first franchise location Friday, saying he would serve more in a promotional role in the 3,700-square-foot fast-casual restaurant in Beverly Hills, Calif.

EARLIER: [Larry King signs on with bagel brand](#)

The new restaurant is the fifth restaurant and first West Coast branch for Delray Beach, Fla.-based Original Brooklyn Water Bagel Co., which uses "Brooklynized" water to make its bagels.

The Beverly Hills restaurant is co-owned and operated by the franchisor to showcase the brand to potential franchise operators in California, said Steven Fassberg, founder, president and chief executive of the Original Brooklyn Water Bagel Co.

Fassberg is expanding the Brooklyn-water-based concept to include a pizza and pasta secondary brand, called the Brooklyn Water Pizza & Pasta Co. The first location is under construction near the company's Delray Beach headquarters, and the company said it is developing a franchising program for the brand as well.

Next on tap: Brooklyn Water pretzels and Italian ice, Fassberg said.



Brooklyn Water Bagel Co. uses water treated to resemble New York City water to make its bagels.

Original Brooklyn Water Bagel is built around a treatment process in which local water is "Brooklynized." The 14-step process first purifies the water and then minerals are added and pH levels are balanced to mimic that of New York City water, Fassberg said. The water is used for all cooking processes and beverages, and is also bottled and sold in the restaurants.

A native of Brooklyn, King said he is a believer in the notion that New York bagels taste better because of the water.

"I have always been told the secret is the water," King said. "This is a New York bagel."

The company plans to open stores across the country to seed specific markets for franchisees, said Fassberg. Growth will be pursued aggressively, following the Subway model, he added.

Fassberg said the company is aiming for one Brooklyn Water Bagel location for every 100,000 people in a market. For the Los Angeles market alone, he predicts the chain will grow to 100 units within six and a half years.

The chain has sold franchise agreements for more than 200 units in Florida, as well as East Coast markets like Baltimore.

Working with the company as a consultant is Larry Feldman, chief executive of Subway Development Corp. of Washington and a college roommate of Subway founder Fred DeLuca, according to Fassberg.

Though the bagel segment already includes large chains such as those owned by Einstein Noah Restaurant Group Inc. and Bruegger's, Fassberg said the Brooklyn Water Bagel concept is differentiated by its menu mix and beverage program.

In addition to bagels, which are made in-house throughout the day, the menu includes signature three-egg omelets and egg sandwiches served with home fries, French fries, sweet potato fries or fresh fruit. "Brooklynized" California omelets include a matzo brie version with apple chutney for \$7.49, for example.

"Scooper Melts" are bagel sandwiches served with the doughy insides scooped out to make room for fillings. For example, the Cuban Reuben is made with sliced pork, ham, melted Swiss cheese, pickles and yellow mustard for \$7.99; and the Philly Cheese comes with thinly sliced rib eye steak with sautéed onions and melted provolone.

"An egg white omelet on a whole grain bagel that's been scooped and a 90-second delivery, there's value in that," Fassberg said.

Health is also an emphasis, he added. A line of "Stud Muffins," for example, is boosted with whey protein, flax seeds, berries or nuts.

The menu also includes a line of wrap sandwiches, salads, pizza melt bagels, soups, muffins and cupcakes.

The beverage program includes multiple varieties of iced or hot coffees, as well as the option of make-your-own chocolate egg creams.

Iced coffee drinks, called "Cubstas," can be made with ice cubes made from frozen coffee, which prevents the drink from becoming diluted as the ice melts, Fassberg said. At most locations, 20 percent to 24 percent of sales come from beverages alone, he noted.

On the East Coast, the average check is about \$8 at breakfast and \$11 at lunch, but Fassberg said the Beverly Hills location, which is in a relatively high-rent area, would be about \$9 at breakfast and \$12 at lunch.

The concept's footprint ranges in size from a potential 450 square feet for nontraditional locations, such as airports or college campuses, to 5,000 square feet. The Beverly Hills location is 3,700 square feet.

Buildout costs for a 3,000-square-foot location are estimated at about \$450,000, Fassberg said, and the franchise fee is \$30,000.

Typically, the restaurants see a sales ratio of 55 percent breakfast to 45 percent at lunch, but the Beverly Hills location is expecting more of a 50-50 split with additional income from sales at dinner. Some units are open 24 hours.

King, meanwhile, has his own booth with multiple flat screen televisions at the Beverly Hills location.

"I'll give it as much attention as I can," said King. "I'm not a restaurateur.

"It's fun," he added. "The bagels are good. My kids will like it. It's an annuity for them."

Unique Visitors: 37,557

<http://www.nrn.com/article/brooklyn-water-bagel-eyes-expansion>