

St. Petersburg Restaurateurs Expand to New York

By [The Moscow Times](#)

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Michael Tevelev and Yevgeny Kadomsky hope to repeat their success in the \$600 billion U.S. restaurant industry. **Oto Godfrey**

St. Petersburg restaurateurs Michael Tevelev and Yevgeny Kadomsky, owners of Russia's Dve Palochki (Two Sticks) Japanese restaurant chain, plan to open a social dining hub on New York's Times Square, a \$10 million investment that will gather different cuisines under one roof.

The businessmen's company, Food Retail Group, has set up an American subsidiary, Global Foods, for trading in the U.S., and have already leased a 2,500 square meter property on Times Square in the middle of Manhattan, a real estate agency told Kommersant.

The New York branch will be built around the social hub concept — several restaurants in one building — that the businessmen tested in St. Petersburg when they opened the Biblioteka complex on Nevsky Prospekt earlier this year.

In St. Petersburg, the average check at one of the group's restaurants is about \$40. In New York, it is expected to be between \$70 and \$120, which is a "democratic price segment" for the city, Kommersant reported.

Leasing the property in New York will cost the businessmen more than \$5 million per year and it may take up to three years for the venture to become profitable, a spokesman for restaurant group Ginza Project said.

The restaurant industry in the U.S. reached a record \$600 billion in sales in 2012, becoming the second largest employer in the country, the U.S. National Restaurant Association stated.

During the same period, restaurant sales in Russia only amounted to \$31.7 billion. By entering the U.S. market, the businessmen plan to capitalize on their success in Russia and eventually add up to 20 percent to Food Retail Group's annual revenue, which would bring it to \$156 million.

The group owns 25 Dve Palochki restaurants in St. Petersburg and 13 in Moscow in addition to other restaurants like Marchelli's, Tao and Dlinny Khvost (The Long Tail).

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