

## **Herald Palladium announces new restaurant**

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### **St. Joseph tries again on depot restaurant lease**

By JULIE SWIDWA / H-P Staff Writer

ST. JOSEPH -- If all goes as planned, a new pizza restaurant will open at the train depot in St. Joseph this summer.

The city commission Monday night approved transferring a lease from Silver Beach Inc. to the future restaurant owners, three investors from Indiana.

Tom Jennings, who owns the current lease on the diner and operates the Pump House Grill and Czar's 505 music club, said he will be a minority partner in the pizza business. The action by the city commission at Monday night's meeting transfers the lease to the Silver Beach Pizza Co.

Jay Costas, one of the owners, said he, his brother Jon Costas and business partner Tony Bertig, all of Valparaiso, Ind., hope to open the restaurant by late June. They're in the process of obtaining a liquor license transfer from Jennings. He said the partners originally had tossed around the name Valpo Pizza, but they decided Silver Beach Pizza Co. would be more appropriate for the depot location.

"We're Greek, and we don't currently own a restaurant. We don't want to go to our graves not owning a restaurant," Costas joked. On a serious note, he said the investors "want to open a restaurant this city will be proud of."

Jay Costas owns three car washes in Porter and Lake counties in Indiana. His brother, Jon Costas, is a lawyer and Valparaiso mayor. Bertig is a lawyer in Valparaiso. Bertig owns a second home in St. Joseph and heard the restaurant facility might be available, Costas said.

The depot diner has not had a successful history. It was operated by Roxy's Inc., owned by Kevin Clements, from June 1998 until May 2001. The diner was closed during the winter. In 2001, Roxy's sought Chapter 11 bankruptcy protection, transferring the diner's management to the 505 Group LLC, a company also headed by Tom Jennings. Jennings has continued to pay the rent but the restaurant was not open the last two summers. "We've had a long history with this depot. You say you want to open in June. What if it never opens?" City Manager Frank Walsh asked Costas. To Jennings, Walsh said: "We've had a lot of promises. What if no restaurant opens by July?" Costas said money already has changed hands between Jennings and the three investors from Indiana. "We see this as a challenge. We're going to put a lot of money into the depot. I wouldn't consider any other area. It's such a great spot," Costas said.

Assistant City Manager John Hodgson said transfer of the lease is contingent upon the restaurant opening, and if it does not open by Sept. 3, Jennings will forfeit a deposit of slightly more than \$4,000. Costas assured the city commission he expects the restaurant to be successful. "I never open anything I intend to close down," he said. Costas added that he does not know how soon the liquor license can be transferred from Jennings to the new investment group. "We're going to open as a restaurant, with or without a liquor license. We're building our base on a good pizza," he said.

The lease that will be transferred from Jennings to the Valparaiso group is the same one amended last December. The amendment was due to the lack of regular business hours at the depot, and the level of noise when the restaurant was open. The amendment specifies that the restaurant must be operated at least five days a week 39 weeks of every year. Costas said that won't be a problem, because his plans call for the pizza restaurant to be open year-round.

The lease has three years remaining, with two five-year renewal options.