

# Memphis Business Journal

THE BUSINESS AUTHORITY OF THE MID-SOUTH

Vol. 27, No. 24

October 7-13, 2005

memphisbusinessjournal.com

\$1.75

## El Chico expanding with five new restaurants, plus two Cantina Laredos

**Consolidated Restaurant Operations, Inc.**  
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BY CAROLYNE PARK

More Mexican is on its way to Memphis. Dallas-based Consolidated Restaurant Operations, Inc., the parent company of El Chico Cafe, plans to open five more El Chicos, as well as two of its Mexican fine-dining Cantina Laredo restaurants, here before the end of 2007.

It is all part of the company's larger plans to expand in the Southeast and Midwest. Consolidated Restaurant Operations operates 136 restaurants, including 98 company-owned and 38 franchise or jointly owned operations in 18 states and Canada. The company's eight brands also include



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El Chico brand has been redesigned and upgraded.

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## El Chico: Restaurant chain plans seven new Mexican eateries in Memphis area

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The Spaghetti Warehouse, Good Eats, Lucky's Cafe, Silver Fox Steakhouse, III Forks Steakhouse and Cool River Cafe.

CEO John D. Harkey Jr. says the company purchased the El Chico and Cantina Laredo restaurant chains in 1998, and feel they have fine-tuned and tweaked them both into solid and appealing concepts ripe for expansion. By expanding the two concepts, the company hopes to help feed the demand for a wider range of Mexican dining opportunities from the country's growing appetite for authentic ethnic dishes, the increasing Hispanic population and a baby boomer population anxious for more dining choices.

Consolidated Restaurant Operations is also actively growing its Silver Fox Steakhouse concept, with its steak, lobster and seafood-based menu, and may open a location in the Memphis area in the future.

The company is starting an aggressive expansion effort with plans to open 10-20 new locations of each restaurant concept annually.

The current Memphis El Chico Cafe first opened at 3491 Poplar in 1970. Company officials expect to remodel that store to match the more modern design before the end of the year. The company has four other El Chico locations across the state, including one in Jackson that opened in 1993.

As for future El Chico locations, James Snell, general counsel and vice president of real estate/development, says they are in active negotiations with



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Interior design of El Chico restaurant.

Cousins Properties, Inc., and Jim Wilson & Associates for a location in The Avenue at Carriage Crossing, the new 786,000-square-foot open-air mall set to open in Collierville Oct. 21. Snell says they hope to open a company-owned restaurant there in the second phase of the development in about a year.

"It is the largest, high-end underserved neighborhood I've ever seen," Snell says of the area surrounding the mall at the intersection of Houston Levee Road and Nonconnah Parkway.

Additional locations the company is

considering are the Wolfchase Galleria area, along Poplar near the I-240 loop and Downtown Memphis.

"The Memphis area is good to us," Harkey says. "We think you have a robust market with a lot of potential."

Director of franchising Adam Mandel says Consolidated Restaurants is open to additional company-owned restaurants here, as well as franchise locations, if they can find the right people. The company looks for franchisees who want to own a full-service restaurant, have strong leadership skills and experience

in the service industry.

"We look for somebody who has a passion for the restaurant business," he says.

The typical El Chico is 5,500 square feet, seats about 210, and has 35-40 employees. Cantina Laredos average 6,500 square feet, seat about 240 and have about 60 employees. Full costs for opening a new location, including everything from development to legal fees and employee training, is anywhere from \$1.5 million-\$2.3 million, he says.

There are currently 81 El Chico restaurants in 11 states, including 57 company-owned and 24 franchise locations.

The concept dates back to 1926, when Adelaida 'Mama' Cuellar sold homemade tamales at a county fair near Dallas. They proved so popular that she and her children opened the first El Chico restaurant in Dallas in 1940. Today, the restaurant offers a casual atmosphere with a menu featuring traditional Mexican and Tex-Mex dishes. The chain had total sales of \$124 million in 2004.

Cantina Laredo is a newer concept that offers a more formal, white-tablecloth dining experience, and a menu featuring grilled Mexican fish, chicken and steak dishes complemented with signature sauces such as chipotle-wine with portobello mushrooms or sautéed artichokes and roasted bell peppers. The first location opened in Dallas in 1984.

There are currently eight company-owned Cantina Laredos in Texas and Arizona, as well as two franchise locations in Florida.

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