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Dallas company to open two Mexican restaurants by 2007

BY JUDY SARLES
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Lovers of Mexican food soon will have a couple more Nashville-area options, with the opening of two Cantina Laredo restaurants.

Consolidated Restaurant Operations Inc. of Dallas is the parent company of the gourmet Cantina Laredo, as well as El Chico Cafe, a more casual-style restaurant. There is an El Chico in Nashville on Murfreesboro Road and one in Goodlettsville on Two Mile Parkway. The Nashville restaurant opened in 1977 and the Goodlettsville restaurant in 1993. Consolidated would like to open five more El Chico Cafes in the Nashville area. It has set the end of 2007 as its target goal for the Cantina Laredo and El Chico openings.

The privately held company already has looked for sites West End and Green Hills but came up empty. It has a couple of franchisees interested in expanding into the Nashville market and other markets, but it also is looking for people who would like to become franchise restaurant owners. The



Harkey



Street

area's El Chico Cafes are corporate-owned restaurants, as are almost all the El Chico Cafes in Tennessee. The only Tennessee franchise is in Knoxville.

If Consolidated can't find franchisees for the Nashville area, it will open the additional restaurants as corporate-owned ones.

Consolidated, which operates 136 restaurants – 98 corporate-owned and 38 franchised or joint-ventured in 18 states and Canada – has about 14 restaurants under development.

"That is the largest number of restaurants that we have grown in any single year in our company's history," says John D. Harkey Jr., Consolidated's CEO.

Consolidated acquired two existing Cantina Laredo restaurants and the El Chico chain in 1998. With the right people and systems in place, it is ready to grow its brands. The company is concentrating its future growth on the Cantina Laredo restaurants, as well as its steakhouse brands of Silver Fox Steakhouse and III Forks Steakhouse. Other Consolidated brands are The

Spaghetti Warehouse, Good Eats, Lucky's Cafe and Cool River Cafe.

Harkey believes he will offer Nashville something unique in Mexican dining through Cantina Laredo, with its white tablecloths and gourmet Mexican selections, including grilled fish and vegetables, chicken, and steaks, accompanied by sauces such as chipotle-wine with Portobello mushrooms or sauteed artichoke hearts and roasted bell peppers.

"It's not anything like normal Mexican food offerings," he says.

Cantina Laredo will appeal to the growing Hispanic population and aging baby boomers, who are not happy with "Happy Hour" restaurants, Harkey says. They are seeking a sophisticated dining experience that is quick and family friendly. The average per-person check at the restaurants is \$18.

During the past 10 years, Mexican food's popularity has mushroomed in the United States. Mexican food is available not only at traditional Mexican restaurants but at many casual dining establishments. Middle Tennessee, in recent years, has become home to an increasing number of residents who appreciate good, Mexican cuisine.

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Jason Gregory, manager at Cozymel's Mexican Restaurant in Cool Springs, says he believes the growth of Mexican restaurants also is being fueled by the restaurants' different themes. Steakhouses, in contrast, all pretty much have the same theme.

Cozymel's offers mostly Mexican dishes, but it also has seafood, steaks and pork items.

New Cantina Laredo restaurants, which employ about 75 to 80 people, have been averaging about \$3 million in sales annually. In 2004, Consolidated's system-wide sales were more than \$251 million.

Consolidated plans renovations for the existing El Chico restaurants in the Nashville area, but Harkey doesn't know when that will occur.

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