



VICTOR CALZADA / EL PASO TIMES

FOOD CHAINS

El Paso registers in top 3 growth locations

By Vic Kolenc
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David Jaffa said he's struck gold with the Five Guys Burgers and Fries franchises he recently opened in El Paso and Albuquerque.

Arturo Daly expects to do well with the Potbelly Sandwich Shop franchise he plans to open here by March.

They are among the newest entrants in what is becoming an influx of national restaurant chains opening or planning to open in El Paso in coming months. Many of those fit the fast-food mode.

Pitney Bowes Business Insight, a Troy, N.Y., company that helps companies select locations, has picked El Paso as one of the top three growth locations in 2011 for fast-food restaurants in medium markets in the United States with populations of up to 1 million. The top two medium markets are McAllen and Brownsville.

The best markets are those that showed improvement in job growth, had strong retail and home sales, and had a low presence of restaurant competitors, Pitney Bowes reported.

Randy Murphy, president and CEO of Mama Fu's Asian House, a small Austin-based chain of Asian restaurants with plans to put franchised restaurants in El Paso, said he agrees with the Pitney Bowes assessment.

"The economy is strong, the population is growing, and capital funds are flowing into those markets, and into Texas in general," Murphy said.

Mama Fu's expects to have an El Paso franchise partner in the first quarter, Murphy said. It wants to open two to three El Paso restaurants, and one or two in Las Cruces.

The Five Guys Burgers restaurant on Sunland Park, which opened in November, the Las Palmas Marketplace restaurant, which opened two weeks ago, and an Albuquerque restaurant, which opened in March, are in the 750-



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Five Guys Burgers and Fries, a Washington, D.C.-area based chain, this month opened its second El Paso restaurant in Las Palmas Marketplace. That's where Ricardo Aguilar, from left, Robert Phipps and Ribel Gallegos ate last week. At top, Five Guys is part of a new food outlet row at Las Palmas.



MARK LAMBIE / EL PASO TIMES

Arturo Daly fell in love with Potbelly Sandwich Shop in Chicago. That's why he and his wife plan to open a Potbelly at 1373 George Dieter. The restaurant is under construction.

restaurant chain's top 10 for sales, reported Molly Catalano, a spokeswoman at its corporate office in Lorton, Va., a Washington, D.C., suburb.

Jaffa, a Rhode Island resident who holds the Five Guys Burgers franchise rights for El Paso and New Mexico, said, "I never imagined those stores would do

as well as they have been doing. Our stores are running (sales) about two and a half times more than the average (Five Guys) store."

Mary Castillo, who last Wednesday night was eating at the Five Guys in Las

NEW ADDITIONS

Some national restaurant chains with recently opened El Paso outlets, or new ones coming:

- ▶ **Five Guys Burgers**, 655 Sunland Park, 1327 George Dieter.
- ▶ **Potbelly Sandwich Shop**, (open in March), 1373 George Dieter.
- ▶ **Gattitown**, (open in mid-February), 1430 N. Lee Treviño.
- ▶ **Pizza Inn**, (open Jan. 31), 1188 N. Yarbrough.
- ▶ **Corner Bakery Cafe**, (second El Paso location open in mid-February), 655 Sunland Park.
- ▶ **Buffalo Wild Wings**, (third El Paso location open in spring), 655 Sunland Park.
- ▶ **Smashburger**, Freedom Crossing at Fort Bliss.
- ▶ **Sarku Japan**, Freedom Crossing at Fort Bliss.
- ▶ **Manchu Wok**, Freedom Crossing at Fort Bliss.
- ▶ **Charley's Grilled Subs**, Freedom Crossing at Fort Bliss.

Chains

Continued from 1E

Palmas Marketplace on the East Side, said she and her family wanted to come sooner, but on other days, long lines of people were waiting to order. Castillo said she had eaten at a Five Guys in Florida, and especially liked its french fries.

"This is what we need. We need more national chains in El Paso," Castillo said. "El Pasoans are looking for new things."

Jaffa, 56, previously owned and operated a window and door manufacturing company in Rhode Island with his brother, Alan, 58, who also is a partner in the Five Guys franchises.

They fell in love with the Southwest, and decided this area would be a good place to put Five Guys. Jaffa said he and his wife plan to move to Albuquerque or El Paso in the future.

Jaffa knew nothing about Five Guys when he began looking for a new business to operate. He went to a Five Guys in Connecticut and "just fell in love with it" as soon as he went through the door, he said. He and his brother signed their franchise agreement in the summer of 2009.

Since then, the chain, where President Barack Obama was videographed buying a burger in 2009, has sold all its franchises for the United States and Canada, Catalano reported.

The chain features home-made-like burgers made with never-frozen beef and fries, all fried in peanut oil. It's part of the "better burger" restaurant segment. Smashburger, which opened a Fort Bliss outlet late last year, also is in that category.

Jaffa plans to open one or two more Five Guys outlets in El Paso this year, and eventually have at least eight El Paso locations. He plans to open 15 in New Mex-



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Ay Tenampa, a Juárez-based taco restaurant, Craze Yogurt Lounge, an El Paso creation, and Five Guys Burgers and Fries, a national chain with 750 outlets, recently opened in Las Palmas Marketplace in East El Paso.

ico, including one or two in Las Cruces. No Las Cruces locations have yet been identified.

Daly, 41, who operates home-construction companies in El Paso and Chihuahua City, said he's been trying to get a Potbelly Sandwich Shop franchise for several years. But the Chicago chain, with 217 company-owned locations in 13 states, only began selling franchises last year.

Daly and his wife, Dany Enriquez, who operated the Coco Loco seafood restaurant in Chihuahua City, were given the first Potbelly franchise in the nation last summer. A second one was awarded to a franchise holder in Toledo, Ohio.

Daly said he fell in love with Potbelly sandwiches and the restaurant's fun atmosphere years ago when he was a student at DePaul University in Chicago and ate at a Potbelly frequently.

He expects to open the El Paso restaurant by March at 1373 George Dieter, next to a Chico's Tacos, and across the street from a Corner Bakery Cafe franchise, one of its direct competitors.

"I believe in the product and concept," Daly said. "I think there's enough traffic and people" in that area to support another restaurant, he said. "I think we're competitive with pricing and our product. I think it's a good location."

If that location succeeds, Daly hopes he can open four other Potbelly locations in El Paso. For now, Potbelly corporate officials have plans for only the one El Paso location.

Jim Gore, president of the companies that own and operate the Applebee's, Village Inn, and Corner Bakery Cafe franchises in El Paso and Las Cruces, said, "I think El Paso has always been a good market for restaurants, but maybe now (chains) are responding to Fort Bliss growth," and a loosening of loan financing compared to two years ago.

"People have a more positive attitude about the (national) economy, and that's bringing expansion," Gore said.

Gore, 52, whose been in the El Paso restaurant market for about 30 years, and his partners plan to open their second Corner Bakery in mid-February in Sunland Towne Centre at 655 Sunland Park on the West Side. That's where Five Guys opened late last year, and where a third El Paso Buffalo Wild Wings restaurant will be located. A third Corner Bakery is being planned for an August or September opening in a yet undisclosed East Side location, Gore said.

The first Corner Bakery at 1350 George Dieter, across the street from Las Palmas Marketplace, opened in April 2009.

"We've done well on the East Side, and we expect to do well on the West Side," Gore said. "This market can support new entries ... It gives people choices. It's good for the economy," and competition keeps restaurant operators sharp, he said.

Foodservice Management Systems, an Austin company with 14 Gatti's Pizza franchises in three states, plans to return to El Paso in February with a Gattitown outlet at 1430 N. Lee Treviño. That's the former location of an America's Incredible Pizza Co., which became a Lido Fun Center.

The company operated a Gatti's in Bassett Center years ago, but closed it after sales fell due to construction of the Costco store, which made it difficult for people to get into the restaurant, said Nick Moore, Foodservice Management president. Another Gatti's on the far East Side, which also closed, was operated by another franchise-holder.

"We've always thought El Paso was a good market," and Fort Bliss growth only makes it better, Moore said.

The new location will include a pizza, pasta and salad buffet, a video arcade, and it will retain the indoor go-kart track and mini golf course that Incredible Pizza and Lido had.

Freedom Crossing at Fort Bliss, a \$100 million shopping

center that opened last year, also has brought several new restaurant chains: Smashburger, Sarku Japan, Manchu Wok, and Charley's Grilled Subs. A Buffalo Wild Wings opened in October.

"Things are going very well at Fort Bliss for our two restaurants," said Amy O'Neil, chief operating officer for Dallas area-based PhaseNext Hospitality. It has the Smashburger and Buffalo Wild Wings franchises at Fort Bliss.

The majority of customers are soldiers and their families, but the center is also open to anyone, so other El Pasoans also go to the restaurants, O'Neil reported.

These are the first two restaurants for PhaseNext, which plans to put franchised restaurants on military installations and at airports.

The Smashburger franchise for the rest of El Paso is owned by a San Antonio company, which also owns the franchise for the other Buffalo Wild Wings in El Paso and Las Cruces.

The franchise-holder has no immediate plans for Smashburger outlets in El Paso, spokeswoman Alexis Walsko said. The Denver-based chain has 93 locations, and plans to have more than 200 locations by 2012.

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