

Margaritas Plans Expansion To Hartford

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Today

Margaritas Mexican Restaurant is eyeing Greater Hartford for expansion as it unveils its new franchising strategy.

The New Hampshire-based company, which has 19 eateries in New England including two in Connecticut, is actively seeking franchisees to expand into Greater Hartford, where it could eventually open as many as five restaurants over the next few years.

Thomas Radomski, Margaritas vice president of franchise development, said this is the first time the company is offering a franchise opportunity, in an attempt to spur faster growth.

"There is an economic advantage to growing the strength of the brand through franchising," Radomski said. "Internally, we can only add so many new locations each year."



A brightly colored exterior design and a distinctive bar area are common features of Margaritas restaurants.

Margaritas is a casual dining Mexican restaurant, founded in the mid 1980s by John Pelletier. Its Connecticut restaurants are in East Hartford and Mystic.

Despite uncertainty still weighing down the economy, Radomski said it's a good time to expand the brand because of the inexpensive real estate opportunities available. Radomski said Margaritas has a track record of retrofitting existing buildings to suit its concept, and today there are multiple opportunities for prime, cost-effective real estate.

"We don't have to build a restaurant from the ground up," Radomski said. "This translates into significant savings for opening a new restaurant."

Radomski said the company has been working toward franchising itself for the last five years, by beefing up senior level staffing, including bringing in Bob Hoffmeister as president and chief operating officer. Hoffmeister has franchising experience with major restaurant chains including Applebee's, T.G.I. Friday's, and Au Bon Pain.

Hoffmeister said analytics data shows that "there is consistently high demand in the Mexican food category," in Greater Hartford, a niche he said is virtually untapped in the area.

Margaritas also plans to open three more corporate restaurants this year in Greater Boston.

Although sales were flat for the company in 2009, Radomski said it was one of their most profitable years ever, helped largely by cost cutting measures. The average Margaritas restaurant does about \$2.3 million in sales, Radomski said.

The company is targeting high-profile, multi-unit franchisees that have a strong community presence, capital and proven business experience. Radomski said the firm hopes to open the first restaurant by the end of 2010 or early 2011.

Margaritas is not the first Mexican fast casual concept to eye Greater Hartford for potential franchise opportunities. Last year, Denver-based Qdoba Mexican Grill, which has 480-plus-units across the U.S., said it was actively seeking franchisees here. It too said it could eventually open five or more restaurants over the next few years. That planned expansion is part of an aggressive push into the Northeast by Qdoba, which opened 77 units in 2008.

Additionally Moe's Southwest Grill recently expanded in the region, opening in downtown Hartford's State House Square and in Blue Back Square in West Hartford.