

Taqueria del Sol is Expanding June 2011

Atlanta-based Taqueria del Sol is expanding in the fast-casual Mexican category by signing franchisee agreements for new stores in Philadelphia and in Orlando, Jacksonville and Gainesville in Florida. The 11-year-old concept's wholly-owned subsidiary, Taqueria del Sol Development LLC, signed its first two franchisee agreements to develop and open stores in those two markets, building on the brand's current four stores in Georgia. Three are in core-market Atlanta and one is in Athens.

The franchisee group in Philadelphia, called TAQ NE, will develop up to a dozen Taqueria del Sol units in the Philadelphia area during the next five years. In Florida, Taqueria del Sol Development cut a deal with Calloway Consolidated Group to develop seven to 10 restaurants in Jacksonville, Gainesville and Orlando during the next five years. Consolidated Group is a Five Guys Burgers and Fries franchisee developing 14 Five Guys units in Florida. "We're looking for great operators who can execute the brand and who are in a great market," said Bill Burnett, Taqueria del Sol president and chief operating officer.

Burnett said the principal owner of the Philadelphia group is a local native who knows the Philly market well, while the Five Guys operators picked for the Taqueria del Sol stores in Florida are running that burger chain's "higher volume stores" in the Sunshine State. Added Burnett: "We think Florida is a great area for what we do."

Taqueria is also negotiating with franchisees for potential new stores in Charlotte, N.C., the Greenville, S.C.-Asheville, N.C. area, Baltimore and the Naples-Fort Myers area in southwest Florida, Burnett said. Burnett acknowledged that the fast-casual Mexican category is getting crowded and more competitive, with the likes of Chipotle, Qdoba and many others. Phil Friedman, former McAllister's chief executive, even entered the fray by announcing this week that he bought Charlotte-based Salsarita's Fresh Cantina, an 11-year-old fast-casual Mexican chain with 82 locations.

Burnett said Taqueria del Sol's menu, which includes items that have elements of southern comfort food infused into the traditional Mexican dishes such as tacos and burritos, sets it apart from competitors. Taqueria del Sol also has a 12-seat full-service bar and customers are given a written menu to order their items. There is no menu board. Staffers bring food to customers' tables. The current Taqueria stores are doing respectable volumes as the three Atlanta-area restaurants each have average sales volume of just under \$2 million, while the Athens store has a sales volume of about \$1.2 million, Burnett said. The stores are closed Sunday and half of Monday.

The average lunch check is just shy of \$9, while dinner is just over \$12. Taqueria del Sol's founder and chief executive, Mike Klank, will remain in control of the four company-owned restaurants. The brand made a splash in 2010 when Klank and corporate chef Eddie Hernandez were nominated for the James Beard Foundation Award of Excellence for Outstanding Restaurateur 2011.

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