

New Mexico Business Weekly - June 1, 2009  
[/albuquerque/stories/2009/06/01/story3.html](http://albuquerque.bizjournals.com/albuquerque/stories/2009/06/01/story3.html)

## NEW MEXICO BUSINESS WEEKLY

Friday, May 29, 2009

# Jack stalks the burger behemoths

New Mexico Business Weekly - by [Steve Ginsberg](#) Special to NMBW

New Mexico's burger wars are heating up. **Jack in the Box** is re-invading the Land of Enchantment after a 16-year hiatus from the greater Albuquerque region.

Tucson's Laura Olguin and her CRT Partners LLC have plans for 40 Jacks over the next 10 years, initially throughout central New Mexico. The first two debut June 19 and June 26, with restaurants on Hwy. 528 near Ellison in northwest Albuquerque and at Central and Eubank in the Duke City. Brycon Construction of Albuquerque is building the two restaurants.

Olguin plans to build her base in Albuquerque with 10 restaurants over the next three years before taking the fast food chain beyond the metro region. In her first year of operation, She plans to invest more than \$5 million to open five restaurants and create 250 jobs.

"We plan to have three more open by the end of 2009, and 10 in the next three years," said Olguin. "Jack in the Box has been out of [most of] New Mexico since 1993, but we hope to come back bigger and better. **McDonald's**, Carl's Jr. and **Burger King** have been here a long time and have some advantages, but we hope to fill gaps where they are not located."

McDonald's continues to be the 500-pound burger in the low-cost beef sandwich competitive jungle. McDonald's franchises are the most coveted and costliest to acquire because a typical McDonald's will have double the revenues of a Jack in the Box or Burger King. New Mexico is especially fertile for McDonald's because it's one of the few states where all the national combatants are not represented. Jack has been missing in action since 1993 when its restaurants here closed amidst the chain's national E. coli scandal. A different franchise operator owns the Jack in the Box restaurant in Las Cruces.

McDonald's, with 37 units throughout Albuquerque, has dominated and recently has been able to take market share from **Starbucks** with its less expensive coffee. It also is taking a bite out of the chicken chains with its chicken sandwiches. Burger King and Wendy's are also factors along with local favorite **Blake's Lotaburger**. Blake's has the second largest number of locations among the burger chains in the Albuquerque metro region, with 36.

Olguin's timing is good, say retail real estate agents who follow the burger wars.

"There is nothing like a recession to help the fast food business expand. Consumers trade down and eat more fast food and it also allows these franchises to get lower rent," said David Fite, a director at **Maestas & Ward Commercial Real Estate**.

Fite said the other burger giants are adding in fill locations to their lineups and he anticipates gourmet burger chains to debut in the Duke City in the near future.

With land prices coming down and the recession hammering the mid-price restaurant business, good locations are becoming available at reasonable prices for Olguin. A possible advantage for Olguin is that she is the sole franchisee for the biggest metro area in the state, with the economies of scale in buying and coordinating her marketing and real estate efforts. The other major burger chains have multiple franchisees in New Mexico. The recession has also made labor available, which, in the burger business, is a constant need as turnover is high.

Olguin is among Jack's brightest franchise stars, becoming a national model for success within the chain. She rose from flipping burgers at a Long Beach, Calif., Jack in the Box while she was in college to become the San Diego chain's head of international expansion before buying a franchise. Today she owns 28 Jacks in southern Arizona, where sales were \$35 million in 2008. Olguin will run the New Mexico operation and has taken a small office on Indian School Road NE in Uptown to serve as an operational base.

"We are hoping Albuquerque will be above our average Jack that does \$1.3 million. This market has not been as impacted as much as Arizona by the recession, and because we are a 'new brand,' we are getting a lot of excitement."

[steveginsberg@bizjournals.com](mailto:steveginsberg@bizjournals.com) | 281-0580

All contents of this site © American City Business Journals Inc. All rights reserved.

