

Chuy's to open first two Okla. restaurants

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Chuy's Restaurant under construction at 10808 E. 71st St. in Tulsa. (Photos by Rip Stell)

TULSA – Oklahoma's first two [Chuy's Restaurants](#) will open over the next few months, with locations sought for two more in Oklahoma City and one in Tulsa.

"We've got brokers looking at those markets right now," said Vice President of Real Estate and Development Michael Hatcher.

Each new restaurant marks a major investment for the expanding Austin-based chain, its typical 7,500-square-foot site averaging \$2.5 million in startup costs and employment of about 150. From that the 31-restaurant chain has enjoyed a sizable return, said Hatcher. With a \$13 average per-person check, each Chuy's draws \$5 million per-unit yearly sales.

"For 2013 I'd love to have at least one more in Oklahoma City and possibly one more in Tulsa, but it's hard to say," he said. "It's about anywhere from a 12-month to a 14-month timeline from the time you identify the site to the time you open it. If I can find a conversion opportunity, I can reduce that timeline substantially."

Chuy's first Oklahoma locations demonstrate that. The Tulsa entry will debut on Valentine's Day at 10808 E. 71st St. Hatcher said the Norman restaurant will open later this spring at 760 N. Interstate Dr.

With its renovation of an 8,500-square-foot former New World Buffet, Hatcher said the Tulsa restaurant will mark just one of three end-cap locations in the chain. The remodeling should end up costing just over \$1 million, he said, with the equipment, decor and furniture costs, travel, hiring and training adding about another \$1 million.

Rather than renovate Norman's former Santa Fe Cattle Co. site, which Hatcher said was too worn-down to save, Chuy's razed the location to build a \$1.3 million, 7,600-square-foot structure more suited to company operations. With decor, permits, training, manager relocation and other finishing costs, Hatcher estimated the final bill at about \$2.5 million.

"Typically we hire about 165 employees," he said. "We'll add a few more depending on the square footage of the building."

Tulsa's larger restaurant size will bring its initial hiring to about 170, said Hatcher.

"After about a year, once the store's running smooth and up to performing, it will settle in at about 150," he said in a telephone interview.

These will mark two of the eight Chuy's openings anticipated this year by the 30-year-old chain. Hatcher noted the company had stood at eight locations in 2006, when the New York private equity company Good Partners acquired a majority interest in Chuy's and launched its current growth initiative.

"It will be interesting to see, kind of from an Oklahoma perspective, to see if Oklahoma City people are really aware of that brand yet," said Ryan Storer, an Oklahoma City retail broker with CB Richard Ellis of Oklahoma. "If they know the brand, then yeah, I think there is going

to be a huge draw.”

Storer, who had experienced the cuisine in Dallas, said the Sooner State has attracted a growing number of Texas restaurants and retailers targeting their northern neighbors for expansion.

“It’s a natural extension,” said Hatcher. “We’ve got stores in the Dallas/Fort Worth market. Oklahoma, Tulsa, Oklahoma City ... those are great retail markets.

“We’re always looking for markets that we can group restaurants in,” he added. “I don’t want to have a lot of one-horse towns. It’s pretty inefficient to handle markets like that.”

Storer expects Chuy’s Norman site to draw customers from south Oklahoma City and Moore to Ardmore and the rest of southern Oklahoma.

“It’s excellent food,” he said. “Hopefully they do have huge success. It will depend on how they market themselves.”

That’s one area where Hatcher has few plans or worries.

“We tend to open fairly strong, so we really don’t advertise,” he said. “Our goal is to open the door and open as smoothly and seamlessly as possible.”

With its focus on high-quality meats, cheeses and vegetables, eight different in-house sauces and hand-rolled tortillas, all prepared fresh at each restaurant, Hatcher expects the food to generate its own positive word of mouth. Chuy’s also embraces custom orders, with some menu items having more than 1,000 possible permutations to make each meal distinctive.

“I think that appeals to a lot of folks,” he said. “They may not have experienced that before if they haven’t done it with us. It makes a meal adventuresome, to start subbing out ingredients. It’s a lot of fun.”

The Austin company also creates an individual dining environment for each restaurant. Starting with smaller, multiple dining rooms, Chuy’s outfits each restaurant with art deco furniture and more than \$150,000 in authentic decor, from hand-crafted wooden fish to old hubcaps to Elvis nuances.

“We’re unique in the Mexican category,” Hatcher said. “We’re not mariachi music and sombreros.

“You see something new every time you come in,” he said. “If you sit in a different dining room, you almost always have a different dining experience every time you come in.”

To keep each restaurant fresh, Chuy’s actually uses about six different prototypes.

“As we build this company I don’t want to build the same prototype building just up the road,” he said. “We love taking over existing space so that every restaurant is unique, a different size, a different configuration.”

Hatcher said Chuy’s will manage its Oklahoma and Lubbock expansions from Dallas/Fort Worth until the Sooner State grows to about five locations. He then expects to name an Oklahoma City regional manager who would oversee not just this state, but also the company’s expansion into Kansas, Missouri and Arkansas.

Chuy’s also anticipates looking at Lawton, Ardmore and other areas within Oklahoma for possible sites.

“It will be very organic growth,” Hatcher said.