

Appetite for growth

MEXICAN RESTAURANT BOLOCO IS STEPPING OUTSIDE ITS NEW ENGLAND BASE

By Misty Milioto Reagin

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AN FRANCISCO'S MISSION

District is known for Mexican food — particularly for aluminum-wrapped Mission-style burritos. The area's taquerias came to be the inspiration for Boloco, a fast-casual Mexican restaurant chain whose co-founders saw possibilities in New England, where such eateries

were largely unavailable. Thus Gregg Harris, Jason Hutchinson, Adam Liebman and John Pepper opened their first unit in 1997 in Boston, near the Berklee College of Music, though they called it Under Wraps. In 2005 they renamed the concept Boloco (an acronym derived from "Boston Local Company").

"The idea was to start with a tortilla and create the best Mexican burrito possible, but then to also use a tortilla to fill with bold, unexpected ingredients that would keep people coming back for more," said Cait Simmons, Boloco's human- and brand-development manager. "In the beginning it was all about the food. Then it became about the people who made the burritos and ate the burritos, and Boloco's culture was born."

Boloco's menu reflects culinary traditions from around the world. Besides the Classic Mexican burrito, patrons can order eclectic versions like

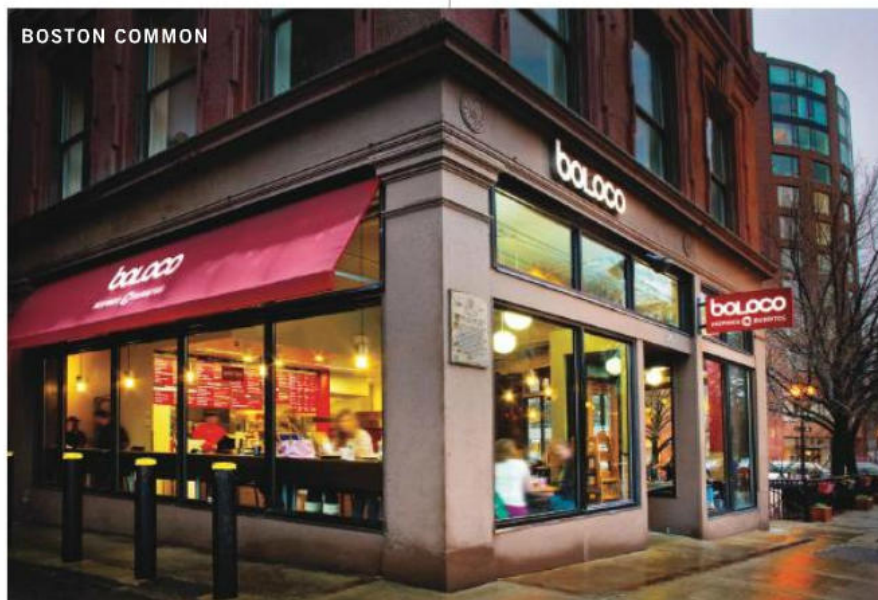
the Bangkok Thai, the Cajun or the Teriyaki. "We hope that our variety in flavors and sizes — mini, small and original — make us a bit different than other places that serve burritos," Simmons said. Boloco also offers wraps, salads, smoothies, shakes and more.

Boloco caters to younger customers through tech innovations like its online ordering app for iPhones and through involvement with Facebook, Twitter and other social media. "We learn so much about our guests and their in-store experiences through social-media channels," Simmons said.

Perhaps not surprisingly in these days, Boloco has a "green" side too. The chain recycles, composts its kitchen waste and operates completely Styrofoam-free. The Green Restaurant Association has awarded the chain a two-star certification across all its restaurants.

All 17 restaurants are corporately owned, and all are in New England. "We didn't have a lot of capital to expand elsewhere, and economies of scale come into play," said COO and CFO Patrick Renna. "Plus, there is a lot of room in New England to grow. We now feel we know enough to expand outside of New England and will do so in 2012."

Management plans to open six restaurants next year. Four of these will be



in the Northeast, and two will open in Washington, D.C. "Beyond 2012 we plan to continue filling in New England and D.C. and enter a third market sometime in 2013 or 2014," Renna said. "We have discussed franchising, and we see it as a long-term pillar for growth, but it's unlikely in the next year or two."

Boloco restaurants operate mainly in end caps or in-line sites and mea-

sure between 1,800 and 2,500 square feet. The chain favors sites on or near college campuses, but it operates in downtown business districts too. The ideal market has a population of about 20,000 within a one-mile radius for suburban locations or within a quarter-mile radius for urban locations.

"We look for convenience, visibility, significant daytime traffic and proximity to major traffic drivers," said



Sara Taylor, vice president of leasing at Eagle Rock Retail, the brokerage that handles Boloco's lease deals. "Our best stores are typically near high-volume Starbucks, so [Starbucks has] become a preferred co-tenant. Also, other fast-casual restaurants are important, because we look for locations that would support several great operators."

Boloco generated \$16.5 million in sales chainwide last year, according to research firm Technomic. "The company is well positioned and should have ample growth potential within the fast-casual Mexican category, but it likely will have strong competition from Chipotle Mexican Grill," said Darren Tristano, executive vice president of Technomic.

The chain aims for a relaxing and casual atmosphere where customers can grab food to go or stay to study and use the free Wi-Fi or to socialize. "The variety of menu keeps customers coming back for more, and, at the same time, it doesn't overlap with other great categories in fast-casual, like burgers and bakery cafés," Taylor said. "It's a look and feel that's suitable for young families, college kids, businesspeople and everyone in between." **sct**

For leasing, contact Sara Taylor, vice president of leasing, Eagle Rock Retail, at (617) 553-1824 or sara@eaglerockretail.com.



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