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Smashburger plans outlets in Sacramento area

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Get out your napkins: A new burger restaurant chain is coming to town, targeting Sacramento as its first California foray.

Smashburger, a Denver-based infant in the chain-restaurant industry, plans to open at least seven stores in the Sacramento area, with two or more of them coming this year, said Dan Demolli, director of real estate development for the company.

Founded two years ago by a man with a doctorate in food flavor and technology, Smashburger gets its name from its method for cooking balls of beef.

"We use certified Angus beef," Demolli said, "and put it on a hot grill – we put butter on the grill – and then smash it on the grill and that sears all the juices in and makes a crust on the burger."

The Smashburger concept – premium ingredients at affordable prices – is proving an ideal one to grow in a recession, when diners shun white-tablecloth restaurants, he said.

The menu, served in sleek, urban-industrial settings, features five types of burgers, including a quarter-pound cheeseburger for \$5.99, Haagen-Dazs milkshakes and hot-dog, salad and chicken offerings.

Unlike some other burger chains, Smashburger will serve beer and wine: A bucket of beer (four bottles) is about \$10.

There are no drive-through windows at Smashburger, and food is served to diners at their tables.

Privately held, Smashburger is expanding through corporate additions, joint ventures and franchisees, Demolli said. The company is expanding into Sacramento through a joint venture with an unnamed Sacramento investor, he said.

Smashburger will open its 18th store on Saturday in San Antonio. With franchise agreements covering 200 locations, Smashburger expects to open 500 restaurants nationwide. At least

45 or 50 more will open by the end of 2009, Demolli said.

Billed as "fast-casual" dining, Smashburger is the antidote for the recession-weary, Demolli said.

"We've laid it out so that you can eat there twice a week and be comfortable with that," he said. "You can take out the family and even have a date night and still get high-quality food."

The founder, Tom Ryan, who developed the "Stuffed-Crust Pizza" for Pizza Hut, saw an opportunity for a national chain in the "better-burger" category, part of a \$1 billion burger industry. He surrounded himself with food-industry veterans and launched a prototype in suburban Boulder, Colo..

Now the chain seeks high-profile locations, particularly in shopping centers. The restaurants are 1,800 to 2,200 square feet each with seating for 62 to 72.

Each store will employ 25 to 40 workers.

A restaurant could open six weeks after a building permit is pulled, Demolli said.

Though Smashburger plans to go toe-to-toe statewide with entrenched burger giants such as In-N-Out Burger, the company chose a "midlevel" market for an initial launch, he said.

A veteran food-industry consultant in Southern California said it's a smart move.

Cities such as San Jose and Bakersfield along with Sacramento give new retailers a big market without the possible problems like traffic congestion encountered in Los Angeles or San Francisco, said Ron Santibanez, a Riverside consultant.

The so-called fast-casual dining concept became a buzzword several years ago when restaurants sought to cast off the fast-food stigma, he said, and it applied to restaurants that served food quickly but used premium products.

The concept is faring well during the recession because it offers an affordable alternative to fine dining, said Santibanez, who worked for 15 years with Carl's Jr.

"People are trading down," he said, "but they don't want to give up going out. It can still be a treat."

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