

# Lark Creek is flowing into new locations

Restaurant group looks to Bay Area and beyond for its future eateries

BY ELIZABETH BROWNE  
 San Francisco Business Times

Lark Creek Restaurant Group has steady expansion on the menu.

The company is opening its 11th restaurant, Yankee Pier Lafayette, in November, and is planning two new venues to open in 2008, and three more in 2009.

But don't expect radical changes to the restaurant owner and management company's nearly 20-year-old mission.

"We're very focused with what we do," said co-founder and CEO Michael Dellar. "We have a dedicated strategy and we stick to it: seasonal, farm-fresh, all-American fare."

But back when Dellar and his chef co-founder Bradley Ogden applied that idea to their flagship restaurant, Lark Creek Inn, it was an experimental endeavor.

"It was a time when few people were venturing into the suburbs, particularly four-star city chefs," Dellar said.

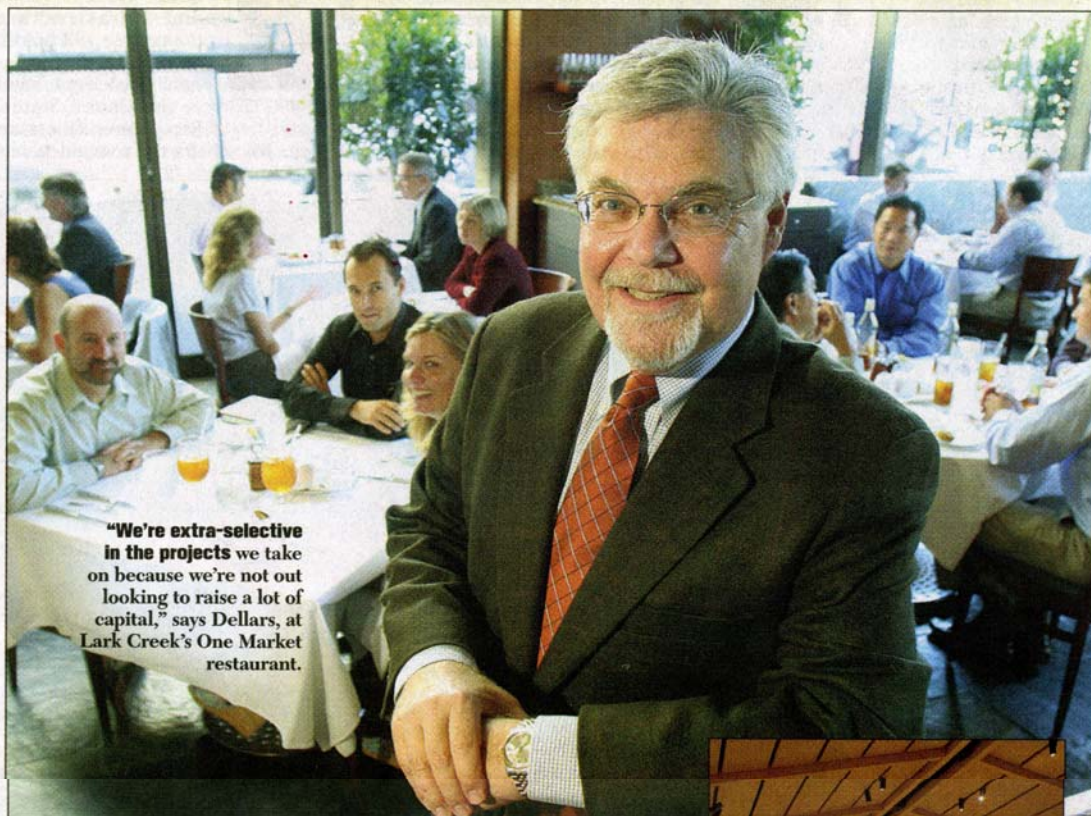
The pair bought and remodeled Lark Creek Inn with \$850,000 from individual investors, and the Larkspur eatery soon became a popular dining destination that grabbed glowing reviews.

"People started talking about fine dining in the suburbs," Dellar said.

One Market, in San Francisco, followed in 1993, with the help of another \$875,000 investment, and the company has since copied its farm-to-table formula with Lark Creek and Yankee Pier restaurants in Walnut Creek, San Jose, the San Francisco Airport and, recently, Lark Creek Steak in the Westfield San Francisco Centre. Lark Creek has also partnered with hotels, too, launching Parcel 104 at the Santa Clara Marriott in 2001, and Arterra in the Del Mar Marriott in San Diego in 2002. The 8,000-square-foot Bradley Ogden opened at Caesar's Palace in Las Vegas in 2003, and was named best new restaurant for 2004 by the prestigious James Beard Foundation. Ogden moved to Las Vegas to start the venture and has since taken a less active role in the company, Dellar said, with culinary efforts now headed by Adrian Hoffman, former chef at One Market.

At the table, the company's mantra of seasonal, American food might translate to braised Alaskan halibut cheeks with applewood smoked bacon, yukon gold potatoes, fennel, and sweet corn nage at One Market, or the slow-cooked Berkshire pork shoulder with Full Belly Farms braised cipollini onions, baby turnips, garlic purée, and marjoram jus at the Lark Creek Inn. Prices vary, depending on the venue. An average dinner check is about \$26 per person at Yankee Pier, \$55 at the Lark Creek Inn, and about \$110 at Bradley Ogden, Dellar said.

Lark Creek's new locations are not easy to roll out. The space itself requires careful



"We're extra-selective in the projects we take on because we're not out looking to raise a lot of capital," says Dellar, at Lark Creek's One Market restaurant.

**SNAPSHOT: Lark Creek Restaurant Group**

**Co-founder, CEO:** Michael Dellar.  
**HQ:** San Francisco.  
**2007 revenue:** \$45 million (projected).  
**2006 revenue:** \$41 million.  
**2005 revenue:** \$39 million.  
**Year founded:** 1988.

**Source and amount of startup capital:** \$850,000 from individual investors to buy and remodel the Lark Creek Inn. \$3.7 million in total to date in investor capital.  
**Employees:** About 700 across all restaurant properties.  
**Web site:** larkcreek.com



consideration, and Dellar said Lark Creek evaluates as many as 25 possible locations before finding the right one. The company looks for a good spot, of course, but also considers co-tenants, landlords, tenant improvement allowances and the "right rent structure."

And then there are the rising costs of bringing a new restaurant on line: \$500 a square foot to open a "first-class, but not luxurious" 5,000-square-foot restaurant. Along with licensing, permits and opening inventory, that's about \$2.5 million in opening costs, said Dellar.

Lark Creek tries to avoid additional rounds of financing.

"We probably would have done more projects had our requirements for landlord contributions not been so high. We're extra-selective in the projects we take on because we're not out looking to raise a lot of capital. Retained earnings are very important for us. We're a very profitable business."

Dellar said the greater Bay Area will see more Lark Creek restaurants, and the com-

pany is looking at Southern California, Phoenix, Scottsdale, Ariz. and the Seattle area. "We would like to do more out of the area," he said. "We're in various stages of inquiry at this time."

Dellar said he relies on architects and designers to help bring new concepts to fruition. "It's important to have somebody who knows what the rules of the road are."

Those road rules include balancing striking interiors with long-lasting materials, said Mark Stevens, whose design firm Architecture and Light has been working on Lark Creek projects since the mid-1990s. Stevens' firm looks to "enhance the concept they've created for their food and beverage service." Something that's comfortable for patrons without being too precious.

"And we have to keep it looking that way for a long time," Stevens said. "They get a lot of customers."



Above, Lark Creek Steak in the Westfield San Francisco Centre.

**Restaurants include:**

- One Market in San Francisco.
- Lark Creek Inn in Larkspur.
- Yankee Pier in Larkspur and other locations.
- Lark Creek Steak in San Francisco.
- Parcel 104 in Santa Clara.
- Lark Creek Walnut Creek.
- Bradley Ogden in Las Vegas.