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### HOUSE FOUNDER'S THE KING OF BEERS

RESTAURANTS: STEELE PLATT STARTED CHAIN IN L.B., AND IT JUST KEEPS ON GROWING.

*Don Jergler*

*Staff writer*

Eight years and \$18 million in annual draft **beer** sales later, **Yard House founder** Steele Platt is pulling back the handle on a new entry into the mid-level restaurant market with **Yard House Bar & Grill**, a prototype set to open next year in the San Bernardino area. The new design is a knockoff of the popular eatery and bar, known for its multiple draft **beer** handles, dark interiors, large menus and rock music.

Its aim is to compete with sitdown family restaurants like Chili's and Applebee's, Platt said.

"This allows me to go into another market," said Platt, who on Tuesday celebrated the eighth anniversary of the first **Yard House**, in Long Beach's Shoreline Village.

The new restaurant will be a scaled-down version of the **beer** hall-style **Yard House**, known to feel like a singles club on weekends. Serving a fraction of the **beer** choices, it will only be open for dinner and will have a smaller menu, Platt said.

"I'm going to grow the concept nationwide," he added.

The arm of Irvine-based **Yard House Restaurants LLC** already reaches across the country, with nine in the chain, and a 10th planned for this summer in Scottsdale, Ariz.

With each opening, the chain seems to build name recognition and momentum.

Sales at the ninth restaurant, in Rancho Cucamonga, are outpacing Long Beach -- traditionally the chain's busiest locale -- by over 30 percent, Platt said.

**Yard House** in Long Beach serves more than 10,000 people and racks up about \$210,000 in sales each week, Platt said.

The Rancho Cucamonga location did \$330,000 in sales its first week, and sustained that pace throughout its first month in operation, he said.

"It's (been) packed every night since it opened," Platt said.

About two years after **Yard House** opened, a second restaurant followed in Costa Mesa's Triangle Square and the biggest **Yard House** at the Irvine Spectrum. That's when the company began standardizing operations, and building its brand, with slogans like, "Got **beer**?"

Now, **Yard House** restaurants open at a pace of about three per year, "all debt-free, and built by the profits of company," Platt notes.

Locations in Pasadena, Rancho Mirage and San Diego followed, with out-of-state openings near Denver and near Chicago, the most easterly in the chain until October, when a **Yard House** is due to open in Palm Beach Gardens, Fla.

The chain now employs more than 1,700 people, and industry tracker Restaurants & Institutions recently ranked **Yard House** 10th in the nation in average sales per unit for 2003, with \$6.3 million (the ranking was conducted before the opening of the Rancho Cucamonga location).

That places **Yard House** above Claim Jumper, P.F. Chang's China Bistro and Bubba Gump Shrimp Co., and a few notches below The Cheesecake Factory on the top 400 list.

Platt attributes that success largely to brand building, as well as the large selection of **beer**.

When he opened the Long Beach location, microbreweries were burgeoning, as **beer** drinkers turned from staples favored by older generations toward new imported and domestic brands.

Platt, who earned a degree in business administration from the University of Denver in 1982, had launched several restaurant and bar concepts in Denver, one of which was the forerunner for the **Yard House**.

The Boiler Room, which he eventually sold, served more than two dozen tap **beers** and operated on a concept similar to that of **Yard House**: "Great food, classic rock, and a vast selection of draft **beer**."

“I felt that microbreweries were limited by the guy who made the **beer**, and you only have about six choices,” he said.

When Platt happened upon an abandoned waterfront restaurant at Shoreline Village in Long Beach, he drafted a business plan, met with the center's landlord and raised funding from more than three dozen local investors.

He converted the dance floor into a bar as big as he could possibly make it, and he stuffed as many tap handles as he could into the space with the goal of having 400 taps.

“Then we found out we couldn't fit 400 handles ... we could only fit 250 handles.”

The 43-year-old Newport Coast resident and partner Harald Herrmann -- president and director of operations, and the man to whom Platt attributes “half the success” -- plan to continue to grow nationwide.

Platt's plans are to keep the company private, but to continue to push sales upward.

“My personal goal is \$100 million a year in draft **beer** sales,” he said, adding that he estimates it will take him about five more years to reach that, considering his chain had a “mere” \$18 million in draft **beer** sales last year.

**IRVINE-BASED YARD HOUSE RESTAURANTS LLC**

Annual sales: \$50 million

Units: nine

Ranking: 10th in the nation in average annual per unit sales

Employees: 1,700

First location: Long Beach

Biggest location: Irvine Spectrum

Headquarters: Irvine

**Illustration:**Yard House CEO Steele Platt, left, President and Chief Operating Officer Harald Herrmann stand in the chain restaurant's first location in Long Beach. Platt wants reach \$100 million in draft **beer** sales for the chain in 5 years. They now sell \$18 million annually.

Leo Hetzel / Press-Telegram