

# SAN DIEGO BUSINESS JOURNAL

## Sunset Parking Puts Business in Drive With Performance-Based Contracts

Lots Disappearing With Rapid Growth, Urban Development

■ BY MICHELLE MOWAD

When Sunset Parking Services founder Michael Harth graduated from UC San Diego 25 years ago, he brainstormed how he would pay his bills while he looked for work.

Harth approached three Del Mar restaurants he thought could benefit from valet services. Today, Sunset Parking, with offices in San Diego and Cardiff-by-the-Sea, offers parking services to dozens of area businesses. And he still has **Brigantine**, **Jake's Del Mar** and the **Poseidon Restaurant** as loyal customers.

Harth said he wanted to offer a service that increased the number of vehicles a lot could hold, secure lots for customers only and offer a professional face to the parking industry.

"To hire a bushy haired 21-year-old kid to be the first and last impression on guests was a leap of faith on their part," admits Harth, whose empire includes more than 120 locations in Southern California, including Palm Springs.

### Gaining Praise

Michael Hundhausen, vice president of operations for TS Restaurants, owner of Jake's Del Mar, said Sunset provides parking services for other TS Restaurants in Southern California.

"Everything from their attention to grooming standards to their commitment to safety and security is a reflection of their dedication to being the best at what they do," said Hundhausen.

Harth uses performance-based contracts, a rarity in the industry. The contract with Sunset, for example, allows valet managers

to profit if they do their jobs well.

If more vehicles are parked, more people visit a business, and if more people visit a business, they spend more money, said Harth.

Increased revenues amount to a larger profit for Sunset. Nearly 65 percent of Sunset's contracts are performance-based.

After 12 years of providing valet services, Sunset Valet expanded into parking lot operations.

In 2000, Sunset Parking merged with Parking Company of America, creating a full-service parking operation that should allow Sunset to continue its 15 percent annual growth. With the merger of these three companies, Harth changed the name of the company to Sunset Parking Services.

Now the three divisions include Sunset Valet, Sunset Parking Management, and Sunset Hotel Parking. The three units employ more than 500.

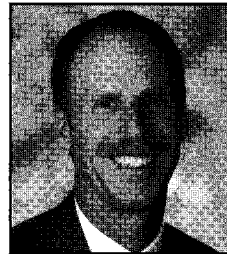
### Future Looks Bright

With surface lots disappearing and the recent burst in redevelopment of properties without existing parking structures or surface lots, downtown business owners are turning to the services of valet and parking management companies such as Harth's.

Sunset has contracted out to some of San Diego's busiest locations, including Balboa Park, Seaport Village and dozens of restaurants, including Blue Point Coast Cuisine, Dakota Grill and Mister Tiki.

For the restaurants, Sunset uses a three parking space long loading zone as a curb-side check-in to receive approximately 90 vehicles to park off-site.

At Balboa Park, Sunset uses many of the



Michael Harth

park's 40 parking space lots and packs in 75 cars with its valet service.

Seaport Village has seen an 89 percent increase in income since Sunset took over its surface lot in January 2000.

Revenues jumped from \$5 million in 2000, when Sunset acquired PCA to approximately \$15 million this year, said Harth.

Commemorating 25 years in the business, Sunset Parking is launching an annual scholarship program honoring an exceptional employee who demonstrates great promise.

Each year, the company will give the \$1,500 award to one employee who has been with Sunset Parking for at least one year, works at least 20 hours a week, and attends a local college or university.

Each of the nine-member executive team started as valets, including Kynn Knight, vice president of operations, and Chris Martini, director of employee relations.

Martini started work at Sunset six years ago as a part-time valet while attending San Diego State University.

He said Sunset's biggest asset has been a reputation of trust and the high level of honesty, respect, integrity and teamwork among employees, contracts and clients.

"Culture is not measured in numbers like so many other factors in business," said Martini. "But we can look back and see we have achieved trust."

Martini has teamed up with UCSD Extension's continued education program to offer a "team leadership university" class to teach about values in business.

Knight said Sunset has grown with the population increase in San Diego and with the unique parking challenges that come along with more people driving more cars.

"We have to be more creative with space now," said Knight.