

BUSINESS

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SECTION D



Battle for the BUCK

Glendale and America West arenas are trying to fill their seats by recruiting bigger acts. Who's winning this turf battle?

By Craig Harris
The Arizona Republic

When Glendale Arena was working to book the wildly popular Irish band U2, the upstart venue pulled out one of its biggest assets in final negotiations.

Hockey legend Wayne Gretzky phoned the band's promoter and offered to play a round of golf with the rock stars if they would choose Glendale Arena over America

West Arena in downtown Phoenix, according to a Glendale Arena official.

The band declined the golf date but still chose to play in the West Valley.

"We do whatever we can to get the business," said Steve Ellman, a developer and, with Gretzky, a co-owner of the Phoenix Coyotes hockey team, which manages Glendale Arena. "Having Wayne call is great, but what matters is we have the right venue and sound system. And if it's one thing that mat-

ters, we have more seats."

Since it opened in December 2003, Glendale Arena has landed some of the entertainment industry's biggest stars, including Cher, Britney Spears and Prince.

The arena's early success has created perhaps the biggest showdown ever between Valley entertainment venues — a battle that also represents a certain political and civic

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ARENA Glendale, America West battle it out to lure events

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divide. Think downtown Phoenix renewal vs. suburban growth.

No one has stated that this is necessarily a fight to the death. But clearly America West Arena officials are worried, and in response to the competition, they poured \$67 million into renovating the facility. City officials also know what's at stake: the appeal of their public investments and sales-tax revenue.

So far, Glendale Arena has landed big blows. *Pollstar*, a clearinghouse of information for the concert industry, last month ranked the arena No. 54 among the world's top 100. It sold 158,619 tickets to non-sporting events, 44th among U.S. venues. *Pollstar* also honored Glendale Arena as the best new major concert venue in 2004.

America West Arena ranked 93rd, with 92,669 tickets sold.

In addition to a pair of U2 shows, which will be April 14-15 and sold out in just 40 minutes, Glendale Arena also will host Elton John on May 5.

Officials from AWA say they lost Elton John because of a potential conflict with a Phoenix Suns playoff game, but they acknowledge that they have lost other entertainment shows to Glendale. In some cases, they say, the newer venue offered a bargain deal.

"It's fair to say they have been very aggressive in deals in their pursuit of shows. What it comes

down to is, what will you offer the band and promoter?" said Paige Peterson, AWA's general manager. "I just know that they have made offers that we have chosen not to match."

Glendale Arena officials say that they have not "given away" their building and that the arena has been profitable on 90 percent to 95 percent of the shows.

"We do whatever we can to get the business, but we are not discounting the price, and that is important," Ellman said. "They (facts) just don't knock on your door. You have to go out and get the business."

As the two buildings vie for entertainment acts, questions remain as to whether both can be profitable in the long run, especially in a market with a growing number of venues. Along with the Valley's four major professional sports teams and Arizona State University, other venues such as the Dodge Theatre and Cricket Pavilion pull in shows.

To get the acts, Glendale Arena and America West Arena managers rely on goodwill from long-term relationships and plenty of hospitality bestowed on the performers.

Massages, hair stylists and rounds of golf are common perks offered at both arenas. Each place provides its touring artists with plenty of sports goodies such as hats, shirts and jerseys from the anchor teams. If a performer arrives the night before a show and there is a sporting

event, each arena also offers free game tickets.

Ellman said he also has offered artists trips to the Grand Canyon and Sedona.

Mamie Jackson, owner of the Phoenix-based Harlem Globetrotters, said that Glendale Arena made a run for his franchise but that he remained at AWA because of loyalty and his relationship with Jerry Colangelo, chairman of the Suns.

"They (Glendale Arena) made us an attractive proposal, and we think it's a great building. But we have been with Colangelo and America West Arena for so long," said Jackson, who played college basketball with Colangelo at Illinois.

Peterson said long-term relationships with entertainers would help AWA stay competitive. For example, Peterson said Billy Joel's manager contacted AWA about playing in downtown Phoenix as part of a concert tour. Joel will play March 31 at AWA.

"That's a case where a good relationship paid dividends," Peterson said.

AWA executives also say that although they have lost a few shows, they have the upper hand when it comes to filling dates with sporting events.

AWA this year will host the Suns, Mercury, Rattlers, Thunderbirds (minor-league hockey), Ringling Bros. and Barnum & Bailey Circus and Disney on Ice in its building. Last year, without the Coyotes, AWA had roughly

160 events. For shows such as Disney on Ice, the goal is to lock in long-term contracts.

"I think we have a pretty strong foundation in diversity of events," Peterson said. "Our goal is to get back over 200 events (a year)."

Glendale Arena still has indoor lacrosse, but it was built primarily for hockey, and the NHL lock-out has wiped out the entire season and 41 dates at Glendale Arena. Last year, with part of the 2003-04 hockey season, the arena had 105 events.

While each arena has a major sports team as an anchor tenant, the bread and butter for off-nights because they are potentially lucrative for all parties involved. Those shows not only help cover the rent for the teams that manage the buildings, they also provide financial security for the sports franchises, which can lose money with their teams.

Danny Zelisko, a longtime Valley promoter who runs the Phoenix office of Clear Channel Entertainment, said the two facilities are running "neck and neck" for entertainment acts.

"As far as rock goes, all you have to do is keep the mystique and be known for giving great concerts. Promoters and buildings will fight over you until you are done," Zelisko said.

He added that the acts appreciate the hospitality, but in many cases it boils down to whether a performer likes a certain venue

and the money. Zelisko said he doubts that Glendale Arena is giving away too much financially to performers.

"The minute an arena goes and gives away the place, it is signing a death sentence," he said, saying that it will be harder to get a desired price later. "All I can say is I have not noticed one building is willing to give something away that the other one isn't."

Building managers said each deal with a performer is different, but in most cases, each side takes a cut from tickets, concessions and apparel.

For Phoenix, entertainment shows also are key to putting patrons in restaurants and bars. So far, there is no significant entertainment district near Glendale Arena, but Westgate, a proposed 223-acre facility, is in the works.

The cities of Phoenix and Glendale also benefit from each show that's booked in the facilities, collecting sales-tax revenue from tickets and merchandise sales. Glendale also gets \$2.50 from each ticket for parking.

"Getting the two concerts from U2 is very big," Glendale City Manager Ed Beasley said. "People have an international recognition on where the concert is taking place, and that has added value to the city. ... We get calls from all across the country. There is no confusion now on where Glendale, Arizona, is."

Sources: Arenas, Pollstar

America West Arena

Opened: June 1992.

Cost: \$169 million (original cost plus renovations).

Capacity: 19,500 for concerts, 18,500 for basketball.

2004 events: 160.

2004 tickets to non-sporting events: 92,699 (93rd-highest in world).

Anchor tenant: Phoenix Suns.

Glendale Arena

Opened: December 2003.

Cost: \$220 million.

Capacity: 20,000 for concerts, 17,799 for hockey.

2004 events: 105.

Tickets sold to 2004 non-sporting events: 158,619 (54th-highest in world).

Anchor tenant: Phoenix Coyotes.

Sources: Arenas, Pollstar

Staff writer Pat Flannery contributed to this article.