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Time Warner's name may go on Walnut Creek

Triangle Business Journal - by [Chris Baysden](#)

RALEIGH - Live Nation Inc. is trying to strike a deal with Time Warner Cable that would give the cable company naming rights to Walnut Creek Amphitheatre, the popular concert venue in Raleigh.

Live Nation, which operates the facility, is handling the negotiations, although the city of Raleigh, which owns the venue, has veto power over any sponsorship deal. Rob Wooten, Live Nation's vice president for the Southeast region, calls Time Warner Cable the "lead runner" in the search for a new naming rights partner.

Hill Carrow, a local naming rights guru who heads Raleigh sports and entertainment marketing firm Sports and Properties Inc., says he had heard Live Nation was seeking a deal worth around \$600,000 per year.

Asked if the deal was in the \$600,000 a year range, Wooten says, "I can't discuss the money."

Wooten adds that he also has received interest from a couple of parties other than the cable company. Beverly Hills, Calif.-based Live Nation is a publicly traded company that operates dozens of similar venues across the country.

Walnut Creek went without a naming rights sponsor during the past concert season after former sponsor Alltel declined to renew its agreement at the end of the 2006 season.

Live Nation would like to have an agreement in place by the beginning of next concert season in early spring.

The city of Raleigh splits the Walnut Creek naming rights revenue 50-50 with Live Nation. The facility opened in 1991 and landed Hardee's as its first naming rights sponsor. Alltel Corp. took over as the sponsor in 1999, paying \$2 million over five years.

Alltel renewed the deal in 2004 for three additional years, paying a total of nearly \$1.5 million during that time. The original Alltel deal averaged out to \$400,000 per year, while the second deal clocked in at an average of nearly \$500,000 annually. A similar jump in the next contract would put it at \$600,000 per year.

Walnut Creek hosted 23 concerts this year and drew more than 250,000 attendees. The facility typically draws more than 300,000 people. Walnut Creek General Manager Emma Bennett says this was a down concert season nationwide, thanks to resistance to ticket prices and lackluster interest in acts that went on tour.

Carrow says a lagging attendance year could affect price negotiations, but he doesn't expect it to "make or break" any deal. He expects Live Nation will try to get at least a three-year deal with whoever signs on as a sponsor.

An added benefit of striking a deal with a cable company, Carrow says, is that it could include advertising for the arena on one of the networks it carries. Those types of considerations also could impact the price.

Brad Phillips, a local Time Warner Cable executive, referred questions to fellow executive Brian Kelly in Charlotte. Kelly did not return phone messages.

Time Warner is the Triangle's only cable television provider, though the company does face competition from satellite providers. Carrow says companies in such situations often like to use sponsorships to create good will in the community. "If your only choice is these guys, you want to feel good about them," he says.

Besides satellite, the cable company soon may face competition from phone companies. Recent legislation has made it easier for phone companies to offer video services, and several have expressed interest in doing so.

A Walnut Creek sponsorship could be a way for Time Warner to generate positive publicity and solidify its customer base before those new competitors get up and running, Carrow says.

Wooten says landing the right sponsor isn't just about finding out who is willing to pay the most money. Live Nation is looking for a reputable company that has a presence in the community.

"Their brand will become our image," he says.

Time Warner certainly has a sizable presence in the area. It provides cable, phone and Internet services throughout the Triangle, where it employs about 1,500 people.

In addition to splitting naming rights revenue, Live Nation pays the city rent of 7 percent of gross revenue each year, up to a specified rent cap. Live Nation paid nearly \$4 million in rent to the city from 2004 through 2006. That included \$734,091 in title sponsor fees and \$3.2 million in capped gross revenue rent.

The city sets aside all rental revenue after the first \$1 million that it receives in a year and puts that money in a capital improvement fund for the amphitheater.

To build the amphitheater and a nearby softball complex, the city financed \$11.5 million for 25 years, says city Controller John House. That debt was refinanced in 1996 and 2006.

The city pays about \$950,000 in debt service annually and owed \$6.1 million as of June 30, 2007. The debt is scheduled to be paid off in June 2015.

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