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Music News

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New venue, big appetite

AEG gives concerts and events a home

By [Josh Chetwynd](#)



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The concrete dream that is Farmers Field isn't just about a football stadium.

Anschutz Entertainment Group's recent \$700 million naming-rights deal with Farmers Insurance will do a lot more than give sports fans hope that the National Football League will return to Los Angeles for the first time since 1994.

If AEG ultimately succeeds with its plan for the mammoth project in downtown L.A., the new stadium would be an important player in an already crowded landscape of venues for large-scale concerts and live events in the nation's second-largest market.

Indeed, the media conglomerate's plans for Farmers Field -- which could be completed as soon as 2015 or as late as 2018 -- go well beyond the NFL.

"I would assume that this venue will be the (one) of choice when you are routing an event (through L.A.) that is big enough for a stadium ... it will be the must-play venue," says AEG

Live chief executive Randy Phillips, who added he could foresee acts like the Rolling Stones, U2 and Taylor Swift all playing there.

Of course, the number of concerts that can sell out a football stadium have diminished in recent years. As a whole, the top 50 grossing U.S. concert tours saw a 15% drop in receipts to \$1.69 billion in 2010, according to Pollstar.

But Phillips foresees Farmers Field also playing co-host to a cross-section of other events. These could include Christian music festivals, monster truck pulls and international soccer matches -- as well as the probability of a Super Bowl.

All could generate significant coin for local hotels, bars and restaurants, as well as L.A.-area tourist attractions like Disneyland. The recent NBA All-Star Game and related weekend events in Los Angeles brought in an estimated \$85 million in economic benefits to the city.

In addition, the X Games, produced by ESPN, would be a prime candidate to use the space. While the Los Angeles Memorial Coliseum housed some events at the extreme sports competition last year, Scott Guglielmino, senior VP of programming and global X events at the sports cabler, admits that Farmers Field would be a very enticing venue.

"I can't speak to relationships we currently have ... (but) having a football stadium in that downtown footprint (near other AEG venues like the Staples Center and the Nokia Theater L.A. Live) would allow us to do more. From a TV perspective, and we are a TV production company at heart, having the amenities close together would be enormous ... It could help take (X Games) to the next level."

While AEG is not the only company competing for the right to build an L.A. football stadium (real estate developer Ed Roski also has a bid in the works for a stadium in nearby City of Industry), the Downtown location would likely pose a bigger challenge to venues like the Coliseum, Dodger Stadium and the Rose Bowl in Pasadena. But a bigger reason than proximity for rivals to worry is AEG's depth of experience in practically every area of the business -- from promoting concerts to running venues.

"AEG has is the ability to interconnect their content throughout the world," says David Carter, a USC sports business professor and author of the book "Money Games: Profiting from the Convergence of Sports and Entertainment." "They have a chance to cross-promote what they are doing and to integrate prominent AEG sponsors from one venue to another."

In addition, Farmers Field's movable seating plan would allow for 65,000 spectators for one event and 35,000 for the next, meaning it could accommodate a broad range of bookings, according to Phillips.

"The design for this stadium as it has been presented to me is very flexible," he says. "They are going to give me an incredible cut-down (in size, as necessary). We will be able to make it flexible in terms of how you scale events and what the costs are."

Still, a stadium the size of Farmers Field will have an undeniable impact on traffic density, particularly for larger events, that an outlying stadium wouldn't have. And on nights the Lakers, Clippers or Kings are playing at Staples Center, a stadium event would be problematical if not prohibitive.

Nonetheless, even rival promoter Irving Azoff, executive chairman of Live Nation, supports AEG's efforts on this one. "I hope the stadium gets built and Los Angeles gets football again," he says. "AEG (is a) great venue operator. We'll have some of our key promotion partners going there. It's all about getting the right acts for the venue, and the right acts will go there."

Other local operators recognize the challenge Farmers Field would create in L.A.'s live entertainment landscape.

"There is no question if you have a brand-new facility, it will (make) an impact -- especially if it's AEG, because it is so involved with music," Rose Bowl general manager Darryl Dunn says.

But Dunn points out that talk of a new stadium has been ongoing for decades and venues like his, by necessity, have had to be prepared to remain competitive. The Rose Bowl is in the midst of a \$152 million renovation and recently re-upped with anchor tenants UCLA and the Tournament of Roses Assn. for 30 years. The Coliseum signed a 25-year deal with USC in 2008, and Dodger Stadium has the luxury of at least 81 home dates each baseball season.

In addition, some of these venues have shown their ability in recent years to stage massive money-spinning events. For example, in October 2009, the Rose Bowl drew 96,000 for a U2 show, which was a record concert crowd for the venue.

Despite the success of others, there's no doubt AEG will be ready with a strong pitch when it comes to securing top draws.

"Obviously, if an event is going to play Farmers Field, it is not playing the Rose Bowl or Coliseum," Phillips says. "But at the end of the day, what is more important is that we build a state-of-the-art stadium in Los Angeles and attract a football team and bring in jobs. The Rose Bowl and the Coliseum are historic stadiums, but in the 21st century we need a venue like Farmers Field."