

# ELEVATE

## **ELEVATE, OAK VIEW GROUP PARTNER UP**

**Live Nation/Ticketmaster part of effort to sell premium seats in OVG projects**

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Oak View Group has formed a new partnership with Elevate Sports Ventures and Live Nation/Ticketmaster to sell premium seats for two NHL arena projects and other venues in which OVG has a principal stake in facility development.

It's a huge step forward in the growth of Elevate Sports Ventures. The company was formed in January as a joint venture among the San Francisco 49ers, CAA Sports and Harris Blitzer Sports & Entertainment, owner of the Philadelphia 76ers and New Jersey Devils. Six months later, Elevate has aligned with OVG, a firm that has secured two big league development deals over the past year.

As a strategic partner, Live Nation/Ticketmaster's technology and consumer database will help Elevate set the right prices for premium seats, according to partnership officials.

OVG's co-owners are veteran sports executive Tim Leiweke and longtime music executive Irving Azoff. Together, they head a company formed in late 2015 and whose projects include the \$600 million redevelopment of Seattle's KeyArena for an NHL expansion team, plus a new arena for the New York Islanders at Belmont Park, a \$1 billion project extending to mixed use. (OVG also owns *VenuesNow*.)

Deals to build new college facilities and renovate civic centers are also in the works, OVG officials said, but those deals have not been made public.

To date, no agreements have been signed for Elevate to sell premium for the Seattle and New York projects, but that is OVG's intention pending approvals by principals involved in those developments, Leiweke said.

Elevate has "to earn the business," Leiweke said. "There's no given here. This isn't inherited." But things are headed in that direction. In Seattle, Elevate is already consulting on premium seats with Tod Leiweke, Tim's younger brother and president and CEO of the proposed NHL team. Together, they're reviewing design concepts by project architect Populous for bunker suites, developing a preview center and putting operating budgets together, pending the NHL's awarding the team later this year, said Al Guido, Elevate's CEO and co-managing partner.

For the two OVG projects, Elevate has hired Shawn Doss as adviser to the CEO and vice president of business development and Flavil Hampsten as chief commercial officer, Guido said. They're experienced sales leaders who came from the New Jersey Devils and San Jose Sharks, respectively. Both worked with Guido at the old Phoenix Coyotes.

Separately, Elevate has deals across all professional sports leagues, the college space and esports, Guido said. Those agreements were in place before Elevate and OVG became partners. They include a renovation, a new build and a college project. To this point, Guido said, he could not identify specific projects after signing nondisclosure agreements.

For OVG, the Elevate deal fills a void in its stable of services that already includes facility management, event bookings, sponsorships and security consulting. OVG looked "long and hard at jumping into the premium space" before entering into a partnership with Elevate Sports Ventures, Tim Leiweke said.

OVG spoke with other firms in the premium space before selecting Elevate, he said. Leiweke's strong ties to Scott O'Neil were key to the Elevate-OVG partnership. They've known each other for about 30 years, dating to when both worked for NBA and NHL teams. For the past five years, O'Neil has served as CEO of Harris Blitzer Sports & Entertainment, an Elevate investor.

In addition, Leiweke recognized the solid job Guido did in leading PSL and premium seat sales for the Dallas Cowboys' and San Francisco 49ers' stadiums over the past 12 years, and he says Guido stands among the new generation of leaders in sports business.

"We have the highest regard for them," Leiweke said.

OVG's goal over the next year is to have deals to develop a dozen projects covering arenas, stadiums and smaller venues such as theaters and performing arts centers, Leiweke said. Seattle and New York are first on the list.

"We have literally hundreds of millions of dollars of inventory to sell, and that's our highest priority for us and our partners," he said. "Having a premium partner in Elevate that has done it in other markets [and] with ingenuity and entrepreneurial spirit is probably worth more to us than the equity. The fact that we got both was a good day for us."

The Live Nation/Ticketmaster piece adds an intriguing dynamic considering its industry dominance. Elevate and OVG officials think it could be the deciding factor in competing for new business against Legends, Van Wagner and others selling premium seats. Securing the promoter and ticketing firm as an investor with access to its vast network of resources "gives us an enormous amount of confidence," Leiweke said.

On the ticketing side, the ability for Ticketmaster to share its technology with Elevate to help reshape the future of ticketing for selling premium across all building types was a "core differentiator for us," Guido said.

“Take Seattle, for instance,” he said. “We’re handling premium services with Tod and building out his infrastructure. For us, it’s how do we work with Live Nation to think about the best way to design facilities for concerts ... and to leverage [Ticketmaster’s] database to make sure we’re generating revenue in a [smart] way. We felt that type of partnership is different than what’s been offered in the marketplace.”

Long term, the partnership will strive to find a solution to the \$8 billion annually that escapes the system through the secondary ticket market, a number Tim Leiweke said comes from Live Nation/Ticketmaster research. For many years it has been a thorn in the side of venues, promoters and acts, who have had little success resolving the issue.

“If you think about the financial risk we’re taking on with these 12 developments, if we can capture the revenue that’s slipping away and put that back into covering the investment we’re making, maybe we’re not as crazy as everyone thinks we are,” Leiweke said.

It’s at the heart of what the partnership is all about, Leiweke said. It’s a topic he’s been talking about for a long time with Live Nation/Ticketmaster executives Michael Rapino and Jared Smith. They’ll team with Elevate officials to rethink the seating manifest for concerts to maximize revenue for clients.

“We have not packaged premium as intelligently and as aggressively as we should,” Leiweke said. “Part of that what we’re doing with this new partnership is bringing Live Nation in early on to help us think about pricing and share in recapturing the money from others taking our tickets for our events and venues and reselling them without being part of the process.”

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