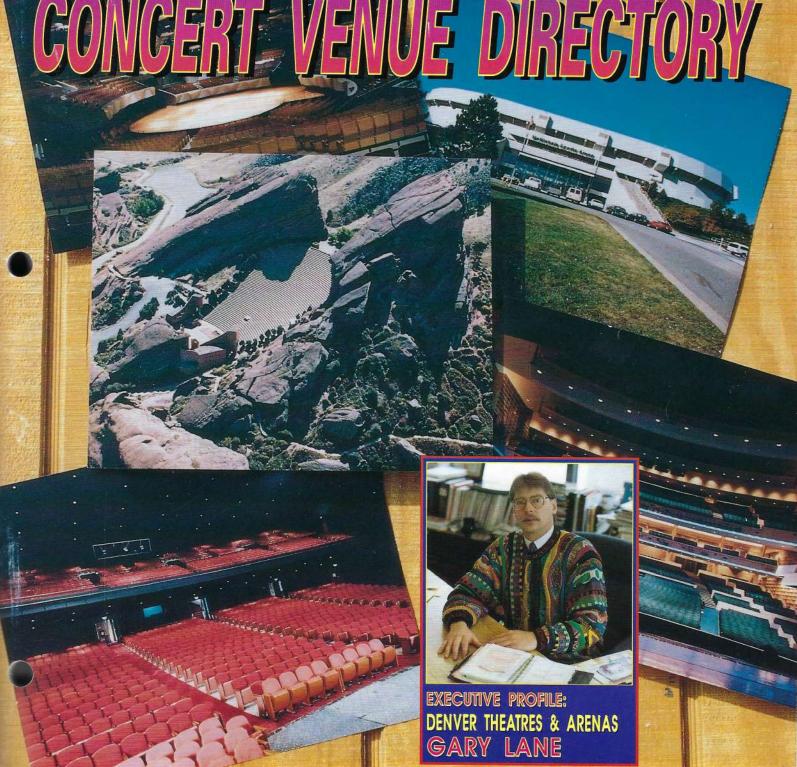
# THE CONCERT HOTWIRE MARCH 1992 COCCESSIVENCES DISCONS



# DENVER THEATRES & ARENAS GARY LANE

Gary Lane, director of Denver's Theatres and Arenas complex, came into facility management in a roundabout way. He started college as a pre-med student, but eventually decided he'd like to have more fun and less stress in his career so he switched to business management with an emphasis on marketing and communication. He didn't know exactly how best to utilize his skills upon graduation, so he became a Teamster and worked on a truck loading dock for a while. "It didn't take long before I thought that I should try to use my brain rather than my back and maybe look for a way to get into the entertainment business," he said. That idea lead him to a marketing job with the National Hockey League's new Denver Rockies franchise which was in the process of moving from Kansas City to Denver. But after a year in the Mile High city, the team took off and Lane wound up back in his native Pennsylvania, working for the NHL's Pittsburgh Penguins. When that team was sold, Lane joined the circus, literally, as a field rep for Ringling Bros., Barnum & Bailey. He was on the road with the company for almost eight years, advancing shows in about 30 markets. When the time came to put down some roots, he began thinking about what city he'd like to live and work in. "It ended up that a new position was created in Denver for a marketing director for the division of theatres and arenas. That division never had anybody from the private sector involved in it before." That was 1986. Today, Lane oversees operations at the 18,500-seat McNichols Sports Arena, the 11,500capacity Denver Coliseum, the 9,000-capacity Red Rocks Amphitheatre, the 2,634-seat Boettcher Concert Hall, the 2,100-seat Auditorium Theatre, and the new 2,800-seat Buell Theatre.

#### Where does your operation fit within the civic structure of Denver?

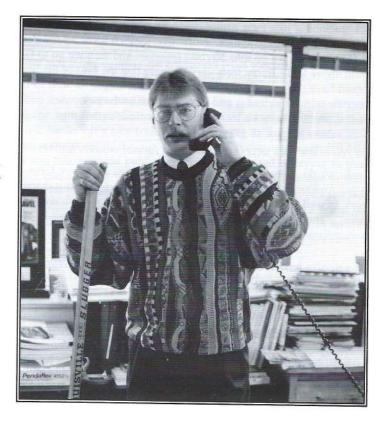
We're sort of the liaison between the hard-core private sector and the hard-core public sector. We report directly to a mayoral cabinet position and operate within a city budget.

#### Does the city ever promote or co-promote events?

I like to say we do whatever it takes, but in a prudent manner. We end up promoting events that may not otherwise happen in Denver, like the 1990 U.S. Gymnastics National Championships, or the U.S. vs. USSR in boxing. If we weren't able to stick out our neck a little bit those events wouldn't have happened. For concerts, we prefer to work through promoters and let them deal directly with the agents. You have to remember, we deal in all types of events like pro sports, amateur sports, road show theatre, symphony, opera, family shows, trade shows, conventions, and festivals.

MCA owns Fiddlers Green Amphitheatre, the only major non-civic facility in Denver, and recently bought a half interest in Fey Concerts. Whereas Barry Fey fought tooth and nail with MCA last year to bring you shows for Red Rocks, are you worried his new relationship will cause you to lose business this coming season?

I don't think so. It's the merger of two giants in the business. Barry, along with his right hand, Pam Moore, is probably the most



knowledgeable person about the market. You've got a combination now of someone with decades of depth in the market aligned with a very smart company in MCA. Even though it's competition for us that they opened Fiddlers Green, I give them all the credit in the world. They have moved into a good concert market and found a good venue niche and they've got the pockets to back up what they want to do. The jury is still out though on how many events it means Red Rocks will do this year, but I think with MCA and Barry together, the acts will go to the right place instead of going through the bidding war that existed before. I would anticipate that we may have a couple fewer Red Rocks shows because of the new ownership situation with Fey Concerts, but since we deal in such an inexact science it's really difficult to project that kind of thing.

#### Does the city have a policy on festival seat shows?

We have done them under controlled circumstances in the past, but only very rarely. The fire marshall as well as the city has decided we do not want to do festival seating. We have not done one in McNichols Arena for ages. The only one that I can think of in recent history was Red Hot Chili Peppers at the Denver Coliseum, where there was roughly 40 yards cut across the arena for special tickets holders that were allowed into that GA area. It was also barricaded off so that people couldn't access it without a wristband. Every concert that has been done At Mile High has been reserved seat. Barry Fey is very much in favor of reserved seating and he has been in the business far longer than I have and I respect his opinion. He feels much more comfortable with seats than without.

#### Have there been any festival seat shows at Red Rocks?

Not all GA. Depending on how the promoter wants to handle it, we can do reserved and general admission in the same performance.

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## Executive Profile

For something like Paul Simon we'll go 100 percent reserved. It depends on the demographics. Normally, the first 25 or 30 rows can be GA and then we go into 30 rows reserved and then we go to GA again above that. Barry feels very strongly that the fans of the band should have the opportunity to be close to the stage. It adds to the entertainment experience, and I think it adds to the enjoyment of the band as well. There's a lot of enthusiasm close to the stage.

#### Do you allow rock acts into your more formal concert halls?

Yeah, we do. One of our most recent ones was the Black Crowes at the Auditorium Theatre. Boettcher is in the round so it doesn't work as well for hard rock. Natalie Cole did her symphony show there. The Auditorium Theatre is where we play most of the contemporary shows.

#### Do you also have a convention center as part of your facilities?

We have two convention centers. The old one is 100,000 square feet and the new one if 300,000 square feet. It's still under our division but it has its own director because the convention business is fundamentally different than the performance business. It was a natural split. When you deal with the pure convention business it's a whole separate clientele. We don't want to be spread so thin that we constantly worry about not spending enough time with our primary tenants.

#### What kind on impact has the recession had on Denver?

It's difficult to say. Phantom Of The Opera just came in and sold out 10 weeks in the Buell Theatre and grossed \$11 million. Bob Garner of Center Attractions is the promoter of the majority of our theatre business and I would say looking at those figures you couldn't tell there are any economic problems. The unemployment rate here is actually lower than the national average. That doesn't have anything to do with the perception of the general public, but the statistics show that Denver is currently better off that the rest of the U.S. I think it's more important to deal with the perception in the mind of the public, whether they're optimistic or pessimistic. If they're more optimistic about the future and that their jobs will be here, then they're more willing to spend dollars than if they're pessimistic and are unsure of their employment. Concert wise, with Metallica we just sold out two shows at McNichols and the third one was 80 percent capacity. Last summer was tough, but we're looking at that as past history. We still averaged about 80 percent capacity at Red Rocks last year. There were a few shows that really took it on the chin. But there were also a lot of shows that did exceptional business. I think we had eight or nine sellouts at Red Rocks.

# Do you agree with Fred Rosen's philosophy that premium seats should be legitimately sold for a premium price rather than leaving those dollars for ticket scalpers?

I don't disagree with Fred, but I'm not sure that solves the problem. It might be a step in the right direction. Family shows have done it for years. Ringling Bros. did that as far back as 1979 with a show called The International Circus Festival of Monte Carlo Spectacular. There were royal seat boxes and we actually put boxes down on the floor right around the ring. However, how do you price that particular seat for a major act, like U2 or Bruce Springsteen, where you're going to have a higher degree of scalping than other acts. Is

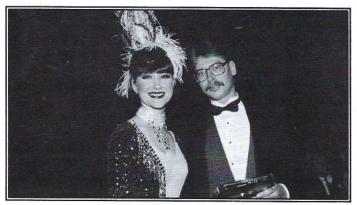
it fair to charge a patron \$150 for that seat, or are you locking out the true fan of the act from having their opportunity to be as close as possible to their musical hero? It's somewhat of an ethical question. I don't disagree that there should be some difference, but at what point do you philosophically then hurt the fans of the band. If you sell tickets for \$100 and a scalper gets ahold of them, he would turn around and sell them for \$200. I don't know where that ends.

#### Are ticket prices in Denver holding steady this year?

For the most part they are. They went up a little bit last year but that was do to the fierce competition for acts between Fey and MCA. Barry has said he feels prices will come down a little bit this year. Over the last six or seven years, I don't think we have been up more than about 15 percent, which isn't too bad.

#### How active are ticket brokers in Denver?

Brokering of tickets is illegal in the city and county of Denver, but there is a small town adjacent to Denver's city limits called Glendale where there are four or five active brokers. It's very, very rare that we have people selling in front of the buildings, although we did experience a little bit with the NCAA Final Four. But it's not illegal to sell a ticket at face value on city property. It's only against the ordinance if it's sold at higher than face value. Scalping is not as common as it is in other major metro markets but it is there.



Lane accepts the first of three Concert Industry Awards won by Red Rocks Amphitheatre for outdoor venue of the year.

As a civic government entity, have you faced any attempts at censoring the nature of events that are allowed into your venues?

We have had some pressure from the public in different areas. We cannot really be that subjective to say what Denver's is and isn't allowed to see. We did 2 Live Crew shortly after their obscenity trial. We did AC/DC shortly after the Salt Palace incident. We did Guns N' Roses about 10 days after the St. Louis problem. There are people who come forward who are against certain things but so far we have been able to successfully make our case to the mayor and city council. They supported our decisions and the talent was allowed in Denver. We've got a very good city council. They are very intelligent and up on the issues. We have a new mayor, Wellington Webb, that took office in August and he's shown exceptional ability to look at the big picture. He's a big fan of cultural advancement regardless of personal preference. He's created a mayor's office on art, culture and film, which is really a progressive step. The city allows the market to make the decision, which is very important. The public votes with it's wallet. With 2





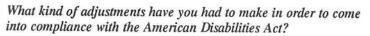
Live Crew, I think we ended up with only 840 people in McNichols for their concert.

#### Do you have a formal policy on selling alcohol at concerts?

We don't sell alcohol unless we expect the majority of the people to be over 21 at an event. We're probably more conservative than many other markets. We check with venues preceding us on a tour to find out it if they served or not and what problems there might have been that we can anticipate. For someone like a Paul McCartney, we absolutely will sell; for a Skid Row, no, Metallica, no. We would much rather be on the safe side in that area.

#### What's the status of the Red Rocks expansion?

We had the final meeting of the citizens advisory committee and technical advisory committee about two weeks ago. The consultant and architects will be working with the manager of general services, which is the cabinet level that we report to along with the manager of Parks & Recreation, to determine a priority list of improvements. Everybody wanted to talk about the seating and the potential expansion, but there are many, many other things involved. There are some safety, staging, and loading dock issues. We expect that within a couple of months the recommendations will be passed up the line. If everything that is being talked about was implemented, the price tag would be around \$14 million. That amount on money doesn't exist, so we will probably have to make enhancements each year out of whatever dollars are available.



We feel like we are already in pretty good shape. The mayor has an office which deals with the concerns of the disabled. We have had a few meetings with them to discuss where we are now and where they feel we need to be. There's a good deal of gray area that will be defined by either future litigation or future understandings between disabled organizations and the actual events or attractions themselves.

On an interim basis, professional baseball's new Colorado Rockies franchise is going to play its first season at Mile High Stadium in '93. What's the status of the new ballpark being built for them?

A one tenth of one percent sales tax was passed that created a special stadium tax district. That tax will fund the construction of what is going to be called Coors Field in the lower downtown area. That facility isn't scheduled to be completed until the 1995 baseball season. It will be a baseball-only stadium. The Denver Broncos will continue to play at Mile High.

#### What is your philosophy for running a successful building?

There are many heavyweights in the venue management business that have been around for many, many years. Back when I was still on the road with Ringling Bros. I learned something from every venue manager that I worked with. I still continue to try to do that. I don't consider myself an expert in this business by a long shot. Some venue operators act like talent industry pros but really only a few are and I don't proclaim myself to be one of them. We do know our market and we know how to reach certain demographics. Venue managers and promoters are all rowing the same canoe. None of us

can really benefit without the bodies in seats. The one thing that I try to do is keep a very cooperative relationship with everybody.

What was it like to make the transition from working in the private sector to working for publicly operated facilities?

When I first came to Denver I was like a bull in a china shop in dealing with the public sector operation. Sometimes it was just an uphill battle. It's like trying to teach a pig to sing; it wastes your time and just upsets the pig. Eventually I decided to back off a little bit and talk to these public sector people instead of trying to push them into a corner with what I though was right. I needed to learn a little bit more about where they were coming from. My job is to bridge that gap and to really make it work for everybody. When you try to dominate an issue based on your past philosophy in an area where it is not necessarily the overriding factor, then you need to regroup and think twice about your approach.

### Has there been any discussion about privatizing management for Denver's facilities?

We look at that option from time to time. We want to make sure that we are either meeting or exceeding industry standards, which means we need to keep up with things that are happening in the national and international business. Obviously, one trend over the last few years has been the continuing privatization of public facilities. We've been in contact with the major private management companies and we'll continue to be. If there is a time in the future that it makes sense we'll probably get more serious about it. At this point, that match made in heaven hasn't been there. That's not to say it won't be there somewhere in the future.

#### How big of a budget do you oversee for all your facilities?

The performing arts complex alone was a \$2.6 million operation last year. That's two theatres and a concert hall. The Coliseum was a \$1.3 million operation. These numbers are all operating expenses and don't include debt service. McNichols was a \$2.3 million operation and Red Rocks was about a half million dollar operation.

Building managers are constantly being asked to reduce their fees and expenses in order to land major events. How do you respond to those kinds of efforts?

When people hammer you for a deal or a reduction on expenses, it sometimes puts you in a tough position because we are responsible for running, in our case, probably a \$120 million worth of buildings. It becomes an asset-management situation. It's not unlike when the act is putting all of their money into their production, but it is multiplied many times over. And I think people don't necessarily understand how expensive maintenance and upkeep on a facility can be. I mean, on McNichols, we're spending \$1.5 million over twoand-a-half years just to replace the seats. All of the unsexy items are extremely expensive when you know they have a limited life. One must be ready to have the available dollars to keep the heating and cooling systems operating for the enjoyment of the promoter, the act and the public whenever they want to use the facility. A new building has to worry about a huge debt service. The older building has to worry about huge capitol maintenance and improvement costs. So either end of the stick there's a massive investment in the asset. That doesn't stop them from asking for the discount. A wise man once told me, if you're running with the big dogs then sometimes you have to learn to lift your leg a little higher.

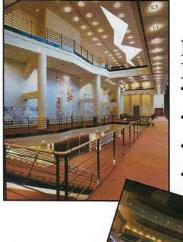
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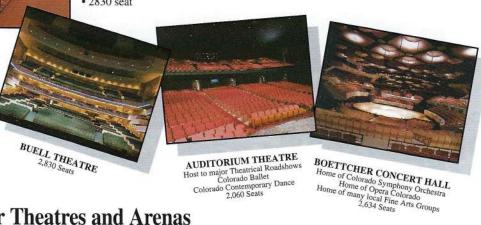
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