



BREAKING
GROUND
DON MURET

Sale of Centerplate may spur clause in Lucas Oil Stadium deal

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The last thing **Lucas Oil Stadium** developers need to worry about as they prepare for a late August opening is the uncertain future of the building's concessionaire.

As **Centerplate**, the Indianapolis Colts' food provider, considers whether to sell to a competitor, officials face the possibility of having an operator that was not involved in the building's planning taking over during its opening year.

Centerplate signed a five-year deal in 2005 with the Capital Improvement Board, which owns and operates Lucas Oil Stadium, to manage general concessions and premium dining at the 63,000-seat venue. The contract starts this month.

The board pays Centerplate an annual fee to manage concessions and suite catering, compared with a profit-and-loss agreement, where the food operator invests millions to install equipment and shares a portion of sales with the client.

Should Centerplate change hands, the board will turn to what is called an assignment clause in the food contract that gives it the right to accept or refuse the new operator, said **Barney Levengood**, the board's executive director.

The board would make that decision after a sale was completed. "Until all the facts are available, any answer will be speculative," Levengood said.

Some of Centerplate's other sports clients indicate they have similar "escape" clauses, including the \$249 million college basketball arena in Louisville opening in 2010.

Centerplate signed a 10-year profit-and-loss contract with the Louisville Arena Authority in 2007 and has until October 2009, one year before the facility opens, to pay \$7.5 million in up-front capital, said **Jim Host**, the authority's chairman.

In addition, Centerplate must pay a minimum of \$2.5 million in annual revenue to help cover the building's operating costs.

Host said the authority would not anticipate a problem approving a new concessionaire as long as the operator accepted those terms, and if not, the contract could go out to bid again.

“I would think we would be a prime asset to the sale and it would be very difficult to present that asset to a buyer without them agreeing to those terms,” he said. Sources at **Aramark** and **Comcast-Spectacor’s Ovation Food Services**, two competitors taking a look at Centerplate, said a buyer for the company could be in place by the end of July. **Delaware North Sportservice** is also interested.

A sale would be subject to Securities and Exchange Commission approval.

► **WILD CARD: SMG**, the largest manager of arenas and stadiums, is a fourth firm seriously considering whether to buy Centerplate, according to a former SMG official with close ties to the company.

Wes Westley, SMG’s president and CEO, spent 13 years working for Aramark before joining SMG, which has made a concerted effort in the past year to grow **Savor**, its food business.

Savor landed its first major league account after a Seattle court ruled that the NBA’s SuperSonics could move to Oklahoma City for the 2008-09 season. Savor has the food contract at SMG-managed **Ford Center**, where the team will play its home games.

► **LIONS’ LED:** Penn State’s **Beaver Stadium** and **Bryce Jordan Center** are introducing LED ribbon boards for the coming seasons.



Rendering shows how electronic signs will light up the end zones of Beaver Stadium this fall.

The Big Ten Conference school signed a deal worth more than \$3 million with software supplier **ANC Sports**. The deal includes 350 linear feet of electronic signs in each end zone fronting the football stadium’s upper deck and 960 linear feet of LED signs in the basketball arena.

LSI Saco Technologies is providing the boards for Beaver Stadium; **Mitsubishi Electric** is doing the same for Bryce Jordan Center.

The projects will be completed by the start of the football and basketball seasons, ANC Sports officials said.