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This Week's News

Real Salt Lake, mine firm strike a naming deal

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Less than two weeks before opening a new \$115 million stadium, Real Salt Lake and its owner, SCP Worldwide, unearthed a 10-year naming-rights deal with global mining giant Rio Tinto that could be worth up to \$20 million.

The deal, which is set to be announced today, will see the 20,000-seat soccer stadium in Sandy, Utah, become known as Rio Tinto Stadium. The deal is comparable to other MLS deals in size and scope, putting its value at \$1.5 million to \$2 million annually for 10 years.

"It's a huge show of confidence in our team, our franchise, the sport and the league," said SCP Worldwide Chairman Dave Checketts. "This is not only a very large Utah company, but an international company that appreciates what we're doing in terms of the international game and its implications."

Rio Tinto, which is based in the United Kingdom and has a market cap of \$106 billion, will use the naming-rights deal to promote its ownership of Kennecott Utah Copper, one of the state's largest employers. Kennecott operates one of the world's largest open-pit copper mines in Bingham Canyon, 28 miles southwest of Salt Lake City.

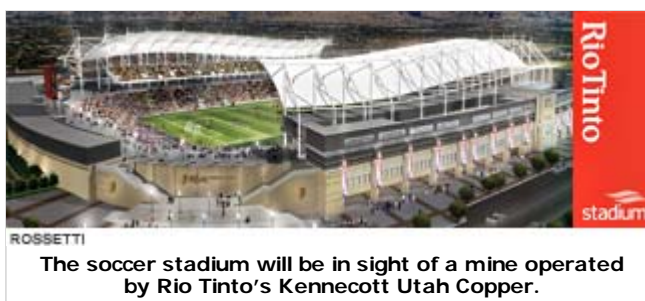
The Bingham Canyon mine can be seen from the stadium, and the company is considering setting up an educational area that explains Kennecott's operations on a stadium concourse that offers a view of the mine. Some part of the stadium will be called Kennecott Plaza, as well.

Along with the rebranding message, Rio Tinto will support the entitlement with community outreach, including clinics at the stadium as well as around Salt Lake City.

"Soccer seems to be a sport that transcends economic and cultural boundaries, and this is a real branding opportunity with the most perfect timing for us," said Gina Crezee, principal adviser for government and community relations for Kennecott Utah Copper. "Obviously, we are not a consumer brand, but we live and work in this community and we want to hold on to our reputation and show that we plan on being here for a long time."

"This is all about supporting the local team and delivering a message that they [Rio Tinto] are a community fixture," said Real Salt Lake President Bill Manning.

A business-to-business company, Rio Tinto is an anomaly among naming-rights partners, which are normally consumer brands dependent upon name recognition. However, given the current economic squeeze, this could be the harbinger of more such deals, as those selling venue names look for new sources of sponsorship dollars.



Other business-to-business naming-rights deals include Cisco Field, Steel Yard (U.S. Steel) and Compuware Arena. Of course, the many financial services firms with names on sports venues often target business and consumer customers when doing those deals.

"A lot of people think the ultimate naming-rights partner is someone with a thousand retail outlets where you can sell tickets and merchandise and be completely aligned," Checketts said. "In this case, I think it's perfect because when I was a child in Utah there were things branded Kennecott. Now Kennecott is Rio Tinto, and I could not be more thrilled to help communicate their message to the people of Utah."

SCP Worldwide began searching for a naming-rights partner a year and a half ago. It signed IMG, the agency where Checketts is a board member, to handle the sale initially, but the agency was unable to secure one and ceased working on it earlier this year. There were few prospects for SCP and Real Salt

Lake at the time, but Checketts was convinced that Kennecott would be a good fit.

Late last spring, he phoned Rio Tinto's CEO, Bret Clayton, to talk to him about the opportunity. The two connected instantly because they had both grown up in Salt Lake City. Checketts invited Clayton to visit the stadium the next time he was in Salt Lake.

Clayton scheduled a visit in July, and Checketts contacted Manning and encouraged him to impress Clayton. Manning erected temporary Rio Tinto signage and brought in telescopes from the University of Utah and set them up around the stadium so that Clayton and the Rio Tinto guests could get a good view of their nearby mine. Then they sat the group down and gave them the pitch.

Clayton called Checketts shortly after the tour and said he was interested in exploring the opportunity further. Over the last two months, the Real Salt Lake team met with the Rio Tinto people in Utah to finalize the agreement.

"We were as surprised as anyone in terms of how quickly this got done [six weeks]," Manning said.

The deal is being announced 11 days before the stadium opens with a nationally televised game between Real Salt Lake and the New York Red Bulls on ESPN2. Three more events are scheduled to be held in the stadium this year, including another nationally televised MLS game.

SCP plans to hold some 40 to 50 events at the stadium annually. Like other MLS stadiums, its events likely will include a mix of sports and music.

The Rio Tinto deal is consistent with other MLS naming-rights agreements. In 2007, Dick's Sporting Goods signed a 15-year, \$30 million naming-rights agreement to the Colorado Rapids' stadium and complex, and in 2005, Toyota cut a 10-year, \$7.5 million naming-rights deal for the Chicago Fire stadium.