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## **SPECTRA TAKES THE REINS OF THE CASPER EVENTS CENTER**

The City of Casper probably will subsidize its Events Center forever.

But if the experience of Spectra by Comcast Spectacor is any indicator, the subsidies won't be as much, the company's regional vice president said Tuesday.

"Most venues, in these size markets, there's always a subsidy," Rick Hontz said at a news conference at city hall after Casper City Council unanimously approved the professional services agreement with Spectra effective Saturday.

"It's hard to say what that number's going to be, but it's certainly going to be less than it is now," said Hontz, who works from the Spectra-managed arena in Loveland, Colo.

City officials hope this will resolve a longstanding problem with the Events Center, otherwise known as the "Pizza Hut on the Hill."

The 34-year-old building generates about \$8 million a year for the local economy, according to a news release from the city. The impact comes from the 200,000 people who attend concerts, athletic events, theatrical performances, the College National Finals Rodeo and other events.

Despite that, the Events Center hasn't been able to pay for itself, so the city spends nearly \$1 million a year to subsidize it.

City council wanted a change.

With the impending retirement of its manager Bud Dovala earlier this year, the city began looking for a private company to oversee its operations. Spectra already provided the ticketing services for the building.

Now it will provide food services, marketing and the benefits of having an international reach, purchasing power, and nearby regional venues that could include Casper in the touring schedules of bands and other performances, Hontz said.

That has worked elsewhere where it has taken over operations of publicly owned facilities, he said. According to the contract, the city will pay Spectra a fixed management fee of \$130,000 a year. If the city's subsidy exceeds \$994,000 during the second year of the contract, Spectra will refund up to half that.

Other terms include Spectra receiving 3 percent of food and beverage revenues, 15 percent of the sale of commercial rights, and a 20 percent of any reduction of operating losses. For example, if the city's subsidy is cut by \$100,000, Spectra gets \$20,000.

All the city employees who work at the Events Center will now work for Spectra. Their pay was not cut, and they are immediately vested with their seniority, vacation and other benefits.

Hontz said this is good for both Casper and Spectra, and the company's experience validates that. A year ago, for example, Spectra took over operations of an arena in Nampa, Idaho, he said.

“That’s a very similar-size facility as this (Events Center), exactly the same size; the market’s very similar,” he said. “We had that subsidy, when we took it over, was \$1.2 million. At our first year, it’s \$600,000.”

Spectra was able to cut the subsidy in half with more activities, events, making events more profitable, and selling corporate sponsorships for the building, Hontz said.