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Watching the Hogs From a Cash Cow

The Redskins See Green in Cooke Stadium's Suites

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Sure, the Redskins use the playing field, and 76,000 fans occupy the seats. But in a sense, the House That Jack Built was really built for people like Raul Fernandez and John McDonnell.

The two old friends and business associates watched Sunday's inaugural game at Jack Kent Cooke Stadium from the leather-appointed confines of a luxury suite, one of 208 that ring the new venue in Landover. Like other denizens of the suites, they ate and drank and cheered and schmoozed. Mainly, they spent: Fernandez, McDonnell and two other business colleagues pitched in to lease their 20-yard-line aerie for \$ 85,000 a year.

"Business is about building relationships, and this is a great place to do that," said Fernandez, 31, the chief executive of Proxicom Inc., a Reston company that designs corporate Internet sites. "You can enjoy the game, but you can also talk through [business] issues here in a relaxed setting."

The mix of business and pleasure figures to be a very profitable one for the Redskins this year. At a rough average of \$ 100,000 per suite, the two tiers of luxury boxes at the stadium will generate more than \$ 20 million, which would cover almost half of the team's \$ 41.5 million annual player payroll. That doesn't include untold dollars from food and drink, which cost extra.

For the Redskins, the sweetest thing about it is that it's all basically gravy. Consider that the team had zero revenue from luxury boxes last year at suite-less RFK Stadium, its old home. What's more, owner John Kent Cooke doesn't have to split any of the suite-leasing money with other NFL teams, unlike TV licensing fees and other revenue.

All told, the Redskins could generate enough money from the suites over the next 10 years to cover the entire \$ 180 million construction cost of Cooke Stadium, with something left over to pay for an all-pro quarterback or two.

Indeed, suites are "the impetus behind all the new stadiums that are being built," says Jeffrey Turner, an associate of Brailsford & Dunlavey, a Washington-based sports facilities consultant. "It's really the cash cow that drives all of these projects." That includes suite-laden new facilities

for both college and pro teams, such as the new, taxpayer-funded home for the football Ravens in Baltimore and the privately financed MCI Center for basketball's Wizards and hockey's Capitals in downtown Washington.

Redskins officials won't comment on specifics of their leasing operation, citing "client privacy." But a team spokesman does allow that almost all of the stadium's suites had been leased before Sunday's game, with a sellout predicted before the season is over. (Cooke himself offered free use of several suites on Sunday, to Bill Cosby, D.C. Mayor Marion Barry, Sen. Charles S. Robb of Virginia and others.)

The paying customers ranged from small businesses such as Merrifield Garden Center to big corporations such as Pepco, Washington Gas, Price Waterhouse, NationsBank and The Washington Post Co. The biggest suite -- a triple-wide job overlooking the 50-yard line -- belongs to OAO Corp., an information technology company based in Greenbelt.

To someone approaching from the rear, the suites are as nondescript as Bronx apartment tracts. Inside, however, guests find a nicely furnished den, with TV sets, cushy chairs, a bar and a private bathroom. There are waiters assigned to each compartment, and there's a concierge on each of the private suite concourses to direct lost guests and handle complaints and questions.

All this for prices ranging from \$ 59,950 for an end-zone suite to \$ 159,950 for a prime mid-field perch (and the cost isn't tax-deductible, under rules passed by Congress two years ago). A standard suite includes 12 tickets to each game.

Food and drink cost more -- lots more. "You're probably looking at \$ 1,000 worth of food here," said small-business owner Fred Schaufeld, gesturing toward a generous but by no means lavish spread in the suite he shares with three business partners.

From a fan's perspective, watching a game from the suites can be an odd experience. At times, it feels as if you're simultaneously at the game but not quite there. Given the comfort of the surroundings and the relative isolation from the larger crowd, watching from a luxury suite sometimes feels as though 75,000 people have gathered for a game outside your living room.

But then, this gentrified real estate isn't purely for appreciating sports. It's a social and business environment, much like an expensive restaurant with an elaborate floor show. Although many suite occupants invited family members to Sunday's inaugural game, most people said in coming weeks they'll use the suites for business purposes, perhaps to reward employees or cozy up to clients.

"I don't think you'll close any deals here," said Schaufeld, who owns an electronics warranty company in Sterling, "but you'll go a long way toward it. It's a great deal for us. It's a little leverage play" for entertaining clients and associates.

Adds Nancy Moses, a spokeswoman for Potomac Electric Power Co.: "All the wining and dining in the world won't keep your large customers happy, but [an invitation to the suite] is a nice thank-you. Maybe we'll invite board members, or if we have visiting officers of other utilities in town."

And, oh, yeah: "It's conceivable we'll have politicians or government officials" who are responsible for overseeing Pepco's regulated rates, Moses said.

"The good thing about the suites is that you can pick your moments," said George Franconia, an executive with stadium contractor Volume Services Inc. "You can step back and talk business when there's a lull on the field, and you can watch the game when the action gets hot."

Don't let the crab cakes and upscale clothes fool you: There's still a football game going on. As Raul Fernandez and John McDonnell sang the praises of their new digs during yesterday's game, McDonnell's eyes wandered to the play on the field.

"Bull! Bull! Bull!" he screamed at the referee, who'd just called one against the home team.

Yes, even up in the suites, they still love the 'Skins.

CORRECTION-DATE: September 17, 1997

A Business story yesterday incorrectly stated that Potomac Electric Power Co.'s luxury suite at Jack Kent Cooke Stadium might be used to entertain officials responsible for regulating the utility's rates. A spokeswoman for Pepco said it does not intend to invite officials who regulate the rates. However, other government officials may be invited from time to time, she said.