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Metro takes bids for naming rights

Airport seeks big bucks from new terminal

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With its sleek décor, walls of glass and snazzy lighting, the new North Terminal at Detroit Metro Airport offers a hip, fresh gateway for travelers. But there's nothing too cool about that name.

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Wayne County Airport Authority officials are hoping for something a bit catchier and more profitable than "North Terminal."

The airport is putting the naming rights for its \$431-million terminal up for bid, hoping a corporation or other entity will pay big bucks to have its brand at the top of travelers' minds. Metro is believed to be the first U.S. airport to offer up a terminal's naming rights.

"We're looking for opportunities to generate revenue," said Scott Wintner, a spokesman for the airport authority. "We're the first airport to pursue it ... We're going to become the benchmark. Assuming this catches on, it will be everyone looking to Detroit."

About 20 companies have expressed interest in naming the terminal that's set to open Sept. 17. Chris Foy and Darci McConnell, who formed GSA McConnell Airport Consulting to handle the naming rights, said they hope to have a deal in the next 45 days.

While Foy and McConnell wouldn't divulge names, both said the companies that have expressed interest have strong presences in the Detroit area. Foy is president of General Sports Alliances of Rochester, which the airport authority selected to handle naming

rights and other marketing opportunities for the North Terminal. His company then formed a joint venture with Detroit's McConnell Communications to handle the deal.

"The North Terminal is the first one you see, all main traffic goes by it," Foy said. "It's an impressive building, well-designed, well-streamlined, and it has the potential to deliver a tremendous amount of value."

Foy declined to say how much revenue the deal could generate. The airport authority has not set up a minimum bid, but Foy said the naming rights deal is expected to be for at least 20 years and to generate a significant amount of money.

Similar agreements with sports stadiums have gone well into the multimillion-dollar category. Comerica Bank paid \$66 million in 1998 to name Comerica Park for 30 years. Ford Motor is paying \$50 million for the naming rights to Ford Field for 25 years.

It's hard to compare the two, Foy said. A sports stadium has lots of media potential -- being mentioned in news stories or during game broadcasts -- but the airport has a tremendous number of people going through it daily. For instance, each year 7.5 million passengers use the L.C. Smith Terminal, which the North Terminal replaces.

"Anytime you can get a brand name positioned in a way to get a consumer to buy your product, that's a good thing," said Todd Smith, chief executive of ClearBlue Communications in Birmingham.

However, Smith says he's not convinced that hearing a brand name again and again actually influences purchases. The naming rights opportunities on sports stadiums are actually as much civic investments as marketing, Smith said.

"The sports stadium is viewed as giving to the home team," Smith said. But take Comerica Park, for example, "I just don't know if people switch banks because of that."

Smith also added that a company has to be careful -- airports don't always have a positive association. You don't want travelers remembering your brand when their luggage is lost or flights delayed, he said, or in the worst case, associated with an airline disaster.

The airport authority will have to approve any naming rights deal, and of course there are some things that won't fly.

Foy said the company has to be fiscally strong, involved in the community and have appropriate signage.

In Canada's Manitoba province, the Winnipeg Airports Authority attempted to sell the naming rights for an airport this year but chose instead to name it the James A. Richardson International Airport, after a Canadian aviation pioneer.

Barry Rempel of the airport authority said its members spent about nine months determining what they were willing to sell and decided not to sell the terminal's name. But they are still considering selling naming rights on facilities like a new parking garage.

"For airports, it is no longer sufficient to simply raise fees to customers, whether the traveling public or the carriers. With carriers in the condition they are, and with the expectations that airports will provide more and more services formerly provided by the airlines or the government ... we need to find new, creative ways of meeting customer needs with diverse sources of revenue," Rempel said.

Jake Bullen is a Toronto attorney whose firm worked on naming rights deals, including the naming of Scotia Bank Place where the NHL's Ottawa Senators play. Bullen says naming an airport terminal has lots of potential.

"If you can get your name out there in connection with something positive, most brand analysts will tell you there's value in that," Bullen said.

Bullen added that the terminal doesn't have the sentimental attachment of a well-known name, like some sports stadiums. There was backlash when the Hoosier Dome in Indianapolis became the RCA Dome, for example, and Jacobs Field in Cleveland was re-named Progressive Field.

But that doesn't mean there's no sentimentality among Metro's runways. Consider how Michael Berry is feeling these days.

The 88-year-old former Wayne County Road Commissioner's name has been on the Berry Terminal since 1974. He's surprised that he has lived long enough to see a building named for him headed to demolition.

Both the Smith and Berry terminals will be decommissioned on Sept. 17, the official opening day of the North Terminal. Both will eventually be demolished, although the Smith terminal still houses the airport authority offices and may be around a while.

Berry says he's a bit disappointed to see his terminal go.

"I'm saddened to hear they are tearing down the terminal because that was one of the highlights of my life," he said from his Dearborn home. "But this is progress."

He's proud of the airport and the roads around it, the construction of which he directed. He's hoping to get the bronze plaque from inside the Berry terminal and didn't object to selling the new terminal's name.

"I felt elated that they decided to name it after me," Berry said. "But if they need the cash it would generate, so be it."

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