

THE O₂ AWES UNDER THE BIG TOP

AEG IS REINVENTING LONDON'S MALIGNED DOME

By Steve Cameron

LONDON — It's amazing enough that a place might be considered one of the most famous buildings in the world.

But AEG, to whom almost nothing seems impossible these days, apparently is thrilled to give the same structure a shot at making the elite list again.

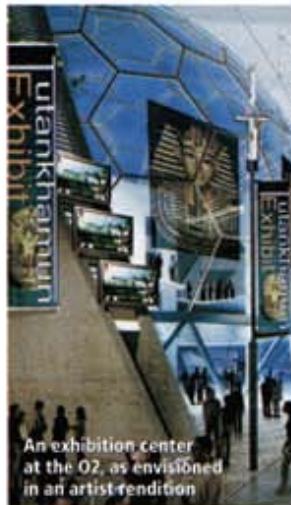
Successfully, this time.

The \$1.2 billion Millennium Dome on the banks of the Thames became an international icon for all the wrong reasons on its first flirtation with fame. Built to celebrate the year 2000 with a variety of exhibits and shows, the giant white tent was a loser from the start.

Only 6.5 million of a projected 12 million visitors trekked through the dome during that one-year stint, so the British government was in the red even while the place was in use. And after the crowds went home, well ...

"Unfortunately, it was a truly remarkable structure that turned into an international joke," says David Campbell, AEG president of European operations. "Needless to say, it cost a lot of money just to maintain it, and nobody could think of any use for it."

"It's a spectacular place, but everything went wrong with making it a symbol of the new century. Transportation was a problem — people couldn't get to



An exhibition center at the O2, as envisioned in an artist's rendition

Artwork courtesy of AEG

the place. It became the kind of thing where everyone in Britain would look down at the ground if you just mentioned it. Even the minister (Michael Heseltine) who championed the whole idea of the Millennium Dome gave up on it as a bad idea.

"The entire episode was really pretty sad."

That was before AEG, of course.

"Right from the beginning, when we began to think about it and imagine all the possibilities, it was really, really exciting," says AEG boss Tim Leiweke, the man who decides where to invest billionaire Phil Anschutz's money. "You've got one of the world's

great cities, a center of music and entertainment, and there's simply no venue in London of any sufficient size and quality to handle all the shows you'd expect to see in a place like this."

Anschutz and Leiweke decided they were ready to risk a bundle — it'll be well north of \$700 million eventually — on making the much-maligned dome the hub of an entertainment universe.

"We started with the concept of an arena, somewhere in the 20,000-seat range, and just went from there," Leiweke says.

Where they've gone is nothing short of breathtaking.

When you walk into the monstrous tent now — it's called the O2, with the mobile phone company ponying up about \$11 million annually for the name and

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The vast complex is expected to open in June 2007, if not earlier.

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The O2

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rights to download concerts — it's almost impossible not to gawk.

In addition to the arena (which has been bumped to 23,000 capacity), things under construction include a 150,000-square-foot casino and what AEG calls an "entertainment zone," which will



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house a 2,200-seat music club, the British Music Hall of Fame and other delights.

Yes, it'll all fit, and then some.

"The place is even bigger than you think," says Gary Hunt, director of European projects at Icon Venue Group, the development company that has become part of a joint venture with AEG on buildings all over globe. "It's one full kilometer to walk around the outside, and it's high enough (about 160 feet at the apex) to put just about anything you want inside it."

In fact, the arena roof is being constructed with tons of room to spare on the floor of the dome.

Perhaps the biggest surprise is that despite endless zoning and permit wrangles, construction of the entire O2 complex is six weeks ahead of schedule.

"The roof is a good example," Hunt says. "The plan is to have the roof in place by March so all the finishing work can begin underneath it, but we're shooting for February. There are crews on this full time, believe me."

Frankly, that part is hard to visualize. Standing inside the dome, peering across the dirt floor to various concrete forms, chunks of steel and assorted pieces of machinery, it appears that only a handful of people are anywhere around.

"That's what I mean about misjudging the scale of place," Hunt says. "There are about 350 workers inside right now."

Yes, Hunt enjoys regaling visitors with amazing stories of what

is, well, an amazing venue.

"We got a late start," Hunt says. "We started putting piles in the ground on June 17, and we'd been planning to get going in May. But it turned out we had to do a survey for bombs that might be buried in the ground. The Greenwich area was one of the most heavily bombed in all of England during World War II, so before you can build anything, you have to sink probes every few feet. Considering the size of this place — and the area outside that will contain a plaza and David Beckham's soccer academy — that's a lot of time on probing for old bombs."

But wasn't there a full bomb search when the Millennium Dome originally was built?

"You'd have to ask the government," Hunt says. "We just work with them the best way we can."

Actually, the British government and city of London have been fairly cooperative concerning AEG's giant-sized dream.

"One of the biggest complaints from the outset (when the dome opened in 2000) was how difficult it was to reach," Campbell says. "It's not a great place to travel by car, and there just wasn't sufficient capacity on the tube (subway) to hold the numbers of people who might visit a facility like this."

"That's all being changed. Tube stations have been upgraded, along with the signaling that makes it possible to run more trains. When we open the O2 — it's scheduled for June 2007 but

we'd like to make it by May — we should be able to bring 30,000 people per hour in here by train."

Accessibility, however, won't mean anything unless people discover that they really want to reach the O2. And that's where AEG's strength comes into play, along with partners such as food and beverage purveyors Wolfgang Puck and Levy Restaurants.

AEG has had a string of successes with its show-business projects in the U.S., and as Campbell says, "It's just a company that knows how to do this sort of thing the right way — and in a spectacular way."

Brandon Phillips, former manager for rocker Rod Stewart, is AEG's point man booking acts for the O2 and thinks he might wind up turning people away. "There are about 15 major artists already lobbying to open the O2," he says.

"I can't think of a more sure-fire bet than this project," says music industry vet Irving Azoff, who handles the Eagles, Seal and Christina Aguilera, among others.

"I mean no disrespect, but when the Eagles played at London's Earls Court, the guys in the band asked me if we were in Russia. It's like something out of the Dark Ages, and the sound quality is appalling."

"It's extraordinary that a city like London, with such a formidable reputation for great music, doesn't really have a place to stage major bands. This venue will make life so much more pleasant for the people who want to see live music."

Phillips suggests a target of perhaps 150 events a year in the O2 arena, and that doesn't include deals already in place for things such as the World Gymnastics Championships and Olympic-style competitions leading to the venue's use when the Games themselves come to London in 2012.

The AEG gang still hears from the occasional doubters, particularly in England, where defeatism sometimes creeps into daily life. Leiweke finds himself continually having to explain the improved transportation facilities, for example.

"They once said Canary Wharf was hard to get to, and now it's the financial capital of Europe," Leiweke says. "At the outset, a lot of people looked at us as though we'd lost our minds. Maybe (people) in England are smarter than us, but there has never been a moment I haven't gone to bed knowing we were exactly right on this one. If we do it right, it will be the point of destination in Europe for music, sport and nightlife."

Campbell takes those words from his boss as gospel — and he's a true believer. "AEG's way is to do it right, and that's what the O2 will be," he says. "We'll have the venue, we'll have the access, we'll have the best entertainment to offer — and I believe we'll get what we need (a government sanction) for a super casino."

"Put all that together and offer it to the people of London and Great Britain with the right mentality, and this is a winner — an absolute winner." □