

Gulls' Return A Hit On Ice, at Box Office

SPORT: Teams Ranks 2nd In League Attendance
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San Diego — Even as Chargers fans gear up for an election battle to keep the football team in San Diego and the Padres struggle to come back from record-setting early-season futility, there is a bright spot in professional San Diego sports:



The San Diego Gulls closed their inaugural regular season with the second-best attendance in the American Hockey League, with more than 8,600 fans per game. Photo courtesy of San Diego Gulls Hockey Club

The San Diego Gulls, the minor league affiliate of the Anaheim Ducks, ended its inaugural regular season this month with some of the best revenue and attendance in its league.

The Gulls, formerly the Norfolk, Va., Admirals, were one of five American Hockey League teams to relocate to California last year, expanding the AHL's fan base beyond the East Coast and Midwest. AHL President David Andrews said the new Pacific Division has been an unequivocal hit as the five teams drove overall AHL ticket revenue up 15 percent from last year.

"We've had an amazing success led by the success in San Diego," Andrews said. "They're near the top of the league in terms of ticket sales and revenue."

The Gulls' average home game attendance was 8,675, second only to the Hershey Bears, typically the most popular AHL team, with 9,790. The Gulls declined to disclose revenue figures.

But Ari Segal, the Gulls' president of business operations, said the team had healthy season ticket sales of about 3,000. The vast majority of season ticket holders have already renewed for next year, and almost all of those renewals are multi-year deals.

"For a first-year team, we are blowing through any reasonable expectation of renewal rates," Segal said. "We'll end at close to an 83 percent renewal rate, which would be fantastic in October and it's only April."

Segal also said the Gulls were also near the bottom of the league in giving out free promotional tickets, with fewer than 600 per game on average. Season tickets can cost between \$340 and \$2,210, while individual tickets run between \$18 and \$60.

Closer to Big League

The primary aim of the Pacific Division was to bolster player development, an easier task when minor league teams are thousands of miles closer to their National Hockey League counterparts. The other teams that formed the division are affiliated with the Los Angeles Kings, Calgary Flames, Edmonton Oilers and San Jose Sharks. The move also cut down on transportation costs when AHL players were tapped to play NHL games.

The Gulls, who play in the Valley View Casino Center, are also playoff-bound, finishing fifth in the AHL's Western Conference.

The strong attendance figures bode well for the Gulls' fiscal health. While NHL and other major league teams can rely on lucrative broadcasting and endorsement deals, minor league teams like the Gulls are far more dependent on ticket sales, according to David Carter, the executive director of the University of Southern California's Sports Business Institute. Major league franchises can be profitable without capacity crowds because advertisers want to reach home audiences, but the lack of television broadcasts means companies are paying minor league teams primarily to reach fans at the games.

"Most of a major league team's success is determined from regional TV contracts and corporate sponsorships," Carter said. "Minor leagues often rely much more heavily on revenue from the turnstiles."

The Gulls only have a radio broadcasting deal, with games aired on Mighty 1090 or ESPN 1700.

Andrews, the league president, agreed that ticket sales were crucial for an AHL team's success. Corporate sponsorships only account for about a third of most teams' revenue, he said.

"Tickets drive everything," Andrews said. "Our sponsorship dollars are driven by ticket dollars."

Corporate sponsorships make up less than 30 percent of the Gulls' revenue, according to Segal, but he noted the Pacific Division only plays 34 home games, 10 percent fewer than the rest of the AHL. He also stressed those deals were signed before the Gulls demonstrated its impressive turnout.

"We no longer have to project," Segal said. "We can just point to our attendance. The story is easier to tell."

More than a half-dozen minor league hockey teams have tried to make a foothold in San Diego dating back to the 1940s. The first team to use the Gulls name launched in the mid-1960s. William O'Ree, the first black NHL player, was a Gull for seven seasons after a career with the Boston Bruins. But while none of those minor league teams lasted much more than a decade, with many of their leagues' shutting down, the latest iteration of the Gulls believe their direct connection to the Ducks and the NHL make them a safer bet.

Jim Lackritz, co-founder of San Diego State University's sports business MBA program, believes the Gulls fill a demand among sports fans for a reasonably-priced evening out. That's a strategy the Gulls have pursued, positioning games as an alternative to a night at the movies.

"We have the Chargers and this double- or triple-A team at Petco they're charging major league prices for," Lackritz said, referring to the Padres' crushing early-season losses. "To be able to get a ticket for \$25 for a good night of entertainment, it's great."



Ari Segal