

BY KEITH GRIFFITH

On the Friday after Memorial Day, Michael Alter, 51, wrapped up his day job in Skokie and headed to Allstate Arena, where he works a second job with the Chicago Sky, a WNBA team. Before the basketball game began, he dropped off a change of clothes in one of the private locker rooms, which he uses when he bikes to the games. Such are the privileges of being team owner.

Alter joined his wife and their oldest son in his court-side seats, for which he pays full price. When asked if owners typically buy their own tickets, Alter shrugs. “I don’t know,” he says. “I can’t really answer ‘typical owner’ questions, because I’m probably not a typical owner.”

Nor is Alter your typical multimillionaire. Perpetually the most casually dressed person in the room, Alter is the president of the Alter Group, a real estate development firm that owns an estimated \$600 million of commercial property nationwide. He also carries a flip phone and commutes by bike. Among his past investments: a stake in The New Republic, which was sold to Facebook co-founder Chris Hughes last year. Among his philanthropic bona fides: starting the Chicago chapter of City Year, a year-long public service project whose 188 volunteers completed 300,000 hours of community service.

In his business and philanthropic endeavors, Alter has rarely experienced failure. But owning the Sky has given him a taste of it. The women’s basketball franchise, which he founded in 2005, is the only WNBA team that’s never made the playoffs. Although

Real estate mogul Michael Alter has spent eight years building Chicago’s WNBA team. Could this be the season his team finds success, on and off the court?



attendance has inched upward each year, last year’s average crowd of 5,500 ranked third-to-last in the WNBA. “It’s been a lot harder than I thought it was going to be,” Alter says. “I feel determined to make it

successful, but I haven’t yet in the major measures — we haven’t been successful on the court, and we haven’t been profitable yet.”

Part of the Sky’s trouble emanates from its struggles

on the court — the team has yet to finish a season above .500. But the underlying economics of owning a WNBA team haven’t proven hospitable either. In 2008, the Houston Comets, which won

the league's first four championships, folded. Last year, in the league's 16th season, only two of its 12 teams turned a profit: the Connecticut Sun, independently owned by a casino, and the NBA-affiliated Minnesota Lynx.

It doesn't help that the Sky, like the WNBA itself, gets little attention. Even last year, when the team started 7-1, the Chicago media took scant notice. Before this season, Alter can only recall one local sports columnist attending a Sky game in seven years — Sun-Times writer Rick Telander, who was there to interview to a player on the opposing team. “The media piece is shocking,” Alter says. “As far as we’ve gotten as a society, people don’t take women’s sport seriously.”

Alter himself hadn't heard of the league until 2004, when he attended the NBA's All-Star Game in Los Angeles as a guest of Adam Silver, then the president of NBA Entertainment and now the league's deputy commissioner and chief operating officer. After Silver told him that Chicago had no WNBA team, Alter paid a reported \$10 million franchise fee to bring the Sky to town in 2005.

Alter's personal wealth comes mostly from the real estate development company founded by his late father, Bill, who started out by flipping small residential lots. By the end of his career, Bill Alter was scouting development sites in a twin-engine plane.

Growing up, Alter had little interest in his father's real estate business. Instead, he got a law degree from the University of Chicago and went to work for a large firm downtown. But in 1990, he left the firm to spend a year tagging along with his father at the family business. “I got into commercial real estate the same way I got into bas-



ketball — very haphazardly,” he says. “I really didn’t know commercial real estate, but I was attracted to the idea of being a steward.”

In 1993, he took over as president at the Alter Group, and has since steered the firm in a different direction, says longtime Alter Group executive Tom Silva. “His father was from the old line of developers, where it was about building and holding forever. Michael comes from the new breed, which is really about putting the old product on the market.”

In 2000, Alter sold off more than \$100 million of his father's development portfolio, establishing a capital base that sustained the company's growth through two recessions. “He really understands the Wall Street side,” says Silva. “He’s a very good player when it comes to timing his developments.”

Alter sees the Sky as a business, but also as a way to engage the community. “It’s hard for me to distinguish the two, and to me that’s one of the challenges and motivations of it,” he says. “I want to demonstrate that you can take something that has civic importance and make a successful business out of it.”

Alter's made significant strides toward achieving that goal this season. Television, sponsorships and ticket sales

are the team's main revenue streams. Through the first five games, attendance is up 15 percent and sponsorship revenue is up 20 percent. In May, the team announced its first long-term local television deal, a five-year contract with WCIU (the team hasn't disclosed the terms). Its game against the Tulsa Shock, televised on ESPN2, was the most-watched regular-season WNBA game in nine years.

Pre-sales for the next home game have passed 7,000, selling out the arena's lower bowl. That's an important threshold — a team executive says that consistently selling out the lower bowl would likely bring the team into the black. The Chicago Wolves, a minor league hockey team, turn a profit at Allstate in front of crowds that average in the 7,000s. The two teams' ticket prices are roughly comparable.

At the center of the uptick in interest is Elena Delle Donne, a 6-foot-5 rookie who's proven to be the Sky's most marketable star yet. Delle Donne is being promoted along with fellow rookies Brittney Griner and Skylar Diggins in the league's “3 to See” campaign. Delle Donne's draft sparked an endorsement bidding war, nearly unheard of in the league, with Nike eventually

At 6-foot-5, Elena Delle Donne is Sky's most marketable star yet.

AP PHOTO

besting Adidas to sign the rookie.

Delle Donne is already attracting sponsorship interest in the team, too.

“For a small business to align themselves with someone like Elena is great,” says Matt Bercovitz, owner of Berco's Popcorn in Lincoln Park, who is talking to the Sky about promoting his brand at home games. “She has the potential to be one of, if not the most, recognized faces in women's basketball, and that's very appealing as a potential sponsor.”

Team President and CEO Adam Fox believes that growth will beget more growth. “This is something that's going to get built over time,” says Fox. “Hopefully with more people you have more media, and the visibility attracts more of the corporate community, which funds the thing.”

And unlike those of his NBA counterparts, Alter's team expenses aren't eye-popping. WNBA payroll is capped at \$900,000 — less than the minimum salary for a single three-year NBA veteran. His non-basketball staff is lean, at around 20.

Could this be the year Alter's team, and its P&L, break through? Much will depend on the Sky's in-game performance. Last year the Sky started hot before a series of injuries sent them to a 14-20 finish.

“I feel really good about where we're at,” says Alter, whose team was 4-2 at press time. “I am more positive today than I have been since the very beginning, when I probably didn't know anything.” PHOTO BY MIKE SCHWARTZ