

LA28-USOC joint venture snags Nike as first partner

By [Terry Lefton](#) and [Ben Fischer](#)

March 4, 2019

Los Angeles 2028 is finalizing a blockbuster deal to make Nike a sponsor of the 2028 Olympics and Team USA through that year, with an option for Nike to extend its rights through 2032.

The extensive pact is the first long-term sponsorship completed by U.S. Olympic and Paralympic Properties, the joint sales venture of LA28 and the U.S. Olympic Committee launched in January.

Terms are not known, but sources described it as a comprehensive shoe and apparel deal covering everything from consumer merchandise to volunteer uniforms to the outfits American medalists will wear on the podium.

Experts say it's a strong start for LA28 sales because its swift securing of a long-term deal with Nike adds credibility to executives' assertion that there will be enough excitement to meet a \$2.5 billion domestic sponsorship target, and for the deals to be completed well in advance of the first domestic Summer Olympics since 1996.

"It's so important to get a big start coming out the gate, and a well-known brand coming out of the gate, because it will set the tempo going forward and really raise the expectations of the marketplace," said Rob Prazmark, co-founder of 21 Marketing and the doyen of American Olympic sponsorship sales.

Insiders say the joint venture is pricing top-tier packages for the '28 Games and USOC rights from 2021 to '28 well into the nine figures. Nike has been a USOC footwear and apparel sponsor since 2005, and its current agreement, believed to be worth about \$4 million annually, extends through 2020.

Because of the wide range of merchandising, licensing and promotional value that an apparel sponsor can provide, "I can see easily a \$200 million relationship because it will encompass so many different things," said Prazmark, who has no personal knowledge of the specifics.

Nike often does long-term deals; its MLB and NFL on-field rights are secured through 2030, and it's tied up with USA Track & Field, the largest Olympic sport governing body, through 2040.

One of the leading questions about LA28 deals is what additional elements will be added to enhance their value and encourage long-term agreements. A source familiar with the deal said specific programs were not yet agreed upon because of the extended timeline.

However, the overall theme will be one of youth and grassroots, along the lines of the NFL's "Play 60" campaign. "The huge push, especially for the four years leading up to the '28 Olympics, will be about encouraging youth to make sport a daily habit," the source said.

Nike's close association with young, culturally relevant athletes is something the L.A. Games will try to replicate, another source said.

One of the most intriguing potential assets for an apparel brand is LA28's hopes of funding local youth sports programs from the Olympic budget. Details are still in development, but it may include uniforms, potentially opening the door to manufacturing and branding rights for Nike at play fields, gyms and pools throughout Los Angeles. The idea is made possible by a \$180 million advance on the International Olympic Committee's contribution to the Games, which the IOC gave L.A. in exchange for standing down from its contest with Paris to host in 2024.

Another source noted the long-standing relationship between LA28 Chairman Casey Wasserman and Nike, adding that Nike has already done preliminary logo and design work for the committee. As a current USOC sponsor, Nike had first-negotiation rights with the joint venture.

Nike's competitors could still get a piece of the Olympic action via deals with individual Olympians and foreign Olympic teams, or through national governing bodies. Current Olympic rules make apparel manufacturers the only commercial marks permitted on athlete clothing at the Games, but Nike's current rights are limited to podium wear and a "village" line. Competition uniforms are sold separately by national governing bodies, and athletes have the right to choose their own specialized sports equipment.

Until 2028, the summer host cities of Tokyo (2020) and Paris (2024) are in two of Nike's most important foreign markets. Also included in the deal are Team USA rights to the 2022 Beijing Winter Olympics and the '26 Winter Games, which will likely be awarded to either Sweden or Italy.

Salt Lake City is expected to bid for the 2030 Games, and the outcome of that race will be known before Nike decides whether to exercise its option.