



Sports Raising Profile and Experience

How stadiums are more than just a place to watch the game

John Barrow from the world's leading sports architects HOK Sport met with Locum's Roger Hobkinson to discuss the future of sports destinations and how they are set to create an even richer experience than simply a place to 'watch the game'.

Sports sells places

Over the past 15 years or so, city authorities and business have been trying to capture the value, sometimes quantifiable other times not, of stadiums and arenas as a tool for city revitalisation, repositioning and brand strategies. This has often been driven by a city's desire to make a statement about its aspirations and its external and internal perceptions.

On their own, such iconic buildings are unlikely to underpin revitalisation strategies, but as part of a creative and well thought-out destination development business plan, they can provide a powerful catalyst for successful destination development.

21st century cathedrals?

In May 2008, over 100,000 Glasgow Rangers fans made the pilgrimage from Glasgow and all corners of the world to the UEFA cup final in Manchester. A week later, an estimated 60,000 fans of Manchester United and Chelsea flew across Europe to Moscow for the show piece of the European football calendar, the Champions League Final. My colleague Tia Williams, our sustainability guru, tells me with absolute disgust that the carbon footprint of flying 60,000 fans to Moscow and back is 40,000 tonnes of CO₂. If the game had been at Wembley, London it would have been about 3,500 tonnes of CO₂. Tia hates football even more now.

So, one destination development question we are posing is "why is this happening?"



A global advert for a place

World cities compete ever more aggressively for the privilege of hosting big events. They want the profile that these events offer in terms of media images broadcast worldwide, with guaranteed audiences into the hundreds of millions. This acts as a huge global advertisement for the city. Part of the reasoning is that, in the global economy, a city needs to promote itself more than ever before, dress itself up, show it has a great range of city facilities, such as a great stadium, and send out images that profile it as a fun place to live in, work in and visit.

So, to stand a chance of hosting such events, any aspiring or successful city should, within its portfolio of facilities, offer the market place a great stadium.

So does that mean "If you build it, they will come"? No, not any more. This line from Kevin Costner's 1990's movie *Field of Dreams* is no longer apt, if indeed, it ever was.

On one hand, we have seen cities wanting to generate profile and develop their destination brand through large stadium developments, often as part of a large scale city redevelopment project. On the other hand, increased consumer incomes, pressurised lifestyles, high ticket prices, and competition from other leisure opportunities, mean a base of much more sophisticated customers who seek a richer, higher quality range of experiences. That is to say if they go to the game and it is a bore, other parts of the destination experience elevate their enjoyment. As John summarised, "what this means is that the new range of stadiums (and arenas) coming on-stream are all about 'entertainment' and creating a great 'event.'"

Creative stadium destination development

With the competing demands from city authorities and consumers, which way is stadium development now going?

As a first step, there needs to be some focused product development work that looks at:

- What might the vision be? What type of place is the location going to be and is there a 'route map' of how to achieve this? What will the experience be that can be captured in a destination brand?
- What are the limits of the urban and economic context and what possible achievements might there be?
- In terms of supply and demand and other trends, where will demand come from in the future and how might the location best align with these trends? What is the supply of competitive products like now and what will it be like in the future?
- What type of residential, office, leisure and retail concepts could also be introduced? Can they be operated individually and yet be part of a lively, innovative development?
- How might the project be delivered and what parties need to be involved in the private and public sector?

The 'mega' stadium

HOK Sport considers that there is a two-strata approach emerging in stadium development. Firstly, for the mega-stadiums i.e. those for the Olympics and World Cups, the Beijing Bird's Nest stadium is unlikely to be repeated. Yes, the design is great and we assume that for fans it will provide a first-class viewing experience. Yet John notes "one simple statistic, in an era of rising costs and concern about the environment and transparency on public spending: The Beijing Olympic stadium has used 45,000 tonnes of steel. In engineering terms, the stadium could have been built with 4,000 tonnes of steel."

Cities are becoming increasingly clued-up and wanting more for their money and are very wary of taxpayer complaints on spiralling stadium costs. In any savvy western democracy, you will not be seeing a bird's nest stadium near you...or for that matter a white elephant. That is, unless you live in Athens, where the 2004 Olympic stadium is now proving to be the dreaded white elephant with limited use and high maintenance costs.

John went on to explain:

"Expect to see future mega-stadiums only comprising what you need, with high flexibility in core use and alternative uses paramount. The London 2012 stadium is providing a blueprint of what the future of mega-stadiums might be. Yes, it will have a capacity of 80,000 plus for the Olympics and yes, it will have an eye-catching façade through the clever use of temporary fabric walls and lighting. In its legacy mode, however, it is unlikely to require such a capacity. Technology, creative design, cost requirements and community reuse mean that it will be deconstructed and downsized to an appropriate scale for long-term use."

Designed to be downsized, the London 2012 stadium will see over 50,000 seats, along with the roof, dismantled and reused by other UK or international venues. The smaller stadium is likely to have about 25,000 seats, an anchor user (probably a football or rugby club) and a range of events and activities. These range from football, rugby teams, athletics events, training facilities, education facilities, office space, or retail space that can all give a critical mass of uses to the local community that will emerge on the Olympic site in the years from 2013.

“ you will not be seeing a Bird’s Nest stadium near you ”



Community stadiums – the real opportunity?

Recent years have seen many mega-stadiums built whether for clubs or major events, or often both. There will be demand for mega-stadiums, especially from a range of cities in emerging markets, but fewer from the mature markets.

The next range of opportunities will be for smaller, more 'community-minded' stadiums. There will be far more of them and they will be cross-funded through a mix of development that will require creative destination thinking from architects, property specialists, planners and consultants. These stadiums and arenas will have to respond to local needs, accommodate a more regular programme of sports events and share services and perhaps back-of-house facilities within an overall business plan. They will be flexible and support many different uses. They will also be capable of future expansion by being built to their full capacity but allowing for additional seating tiers to be dropped in as needed.

In these situations, creative thinking is needed to blend and accommodate uses on mostly urban sites, with the stadium itself being largely funded by commercial uses. This presents an intriguing design and commercial conundrum, but one that is solvable as developments such as Wembley, Emirates Stadium (Arsenal), The O2 Arena and Lansdowne Road are showing.

For example, the practice of locating residential (often a high value use) adjacent to a stadium or arena is becoming more acceptable and common. The use of soundbreak systems helps to minimise excessive noise and makes the residential component much more viable. Furthermore, all uses are likely to require their own clearly defined access areas. These allow for independent working but still provide the feel of an integrated destination experience. For example, parking and servicing under a podium level can eliminate many problems.

Such projects will have to undergo a significant amount of product development. This will include understanding the market and potential uses, the type of users and occupiers, the market size, and the emerging destination brand. It will require business planning and value engineering between the different components and finding the enlightened developer who understands the approach and can see the long-term destination effect.



Images from bottom: London 2012 Stadium, The O2 (courtesy of Chris Gascoigne), Lansdowne Road Stadium (internal & external)

Operating – it's all about experience and a mix of uses

For both the mega-stadium hosting a major event or for the more community-centred mixed-use project, delivering a great consumer experience is of key importance. For example, high quality stewarding that enables quick and easy access and dispersal is essential.

A good example of extending the stadium experience is The O2 Arena in London, where the operator Anschutz Entertainment Group is purchasing more high speed ferries to transport visitors from central London to their Greenwich Peninsula location.

The smaller stadium will increasingly be part of a mixed-use stadium/arena district. This means providing the critical mix of commercial facilities and experience drivers that might comprise a combination of hotels, residential, offices, retail, leisure and, of course, a great business plan to help draw more people in. On their own, stadiums and arenas are unlikely to underpin destination development and city positioning strategies.

So, in summary, we expect the stadium of the next decade to capture the following as its contribution to successful destination development:

- **Regeneration.** From low value brownfield land to a vibrant neighbourhood with increased footfall and potentially offering 24/7 operation.
- **Quality of life.** Community pride and the provision of a critical mass of community and commercial facilities.
- **Experience.** An experience flowing from the above factors that results in people regarding the stadium as 'my kind of place', somewhere they want to be with a rich tapestry of experiences capturing the fusion of leisure, entertainment and retail uses.
- **Profile.** The proposal through the projection of 'place' that the destination is open for business as a place to live in, work in and visit.
- **Economic.** The rise in real estate values that will provide the opportunity to attract higher value uses, greater spend and potentially superior investment performance.

John Barrow

Senior Principal, HOK Sport Architecture

Stadium naming rights and sponsorship

Naming rights and event sponsorship are an increasingly important and intricate component of many sports venue destinations. Roger Hobkinson of Locum posed a few questions to Adrian Heath-Saunders and Richard Isham of Wedlake Bell, a leading London law firm with a specialist sports law team.

Locum: What does naming rights or sponsorship mean for a stadium or arena?

Wedlake Bell: Firstly, there is clearly a significant financial angle for the venue itself. Naming and sponsorship rights provide a crucial income stream, whether to help initial capital expenditure or ongoing cashflow. Arsenal received £100 million from Emirates for the stadium naming rights (15 years) and shirt sponsorship (8 years).

Secondly, there needs to be consideration of the alignment of interests between the venue, anchor team and the sponsor. It is not simply about putting your name to a venue and walking away. There are many issues to be considered, especially around protection of the sponsor's brand image and reputation. For example, Emirates airlines will want customers at the Emirates Stadium to develop a positive association from their experience at the stadium.

Locum: What does this mean for the business relationship between the organisations?

Wedlake Bell: The sponsor will want rights to control quality and this will often be captured in a legal framework. Additionally, control of the rights of other businesses to advertise at the venue or the pouring rights for different food & beverage companies may be offered. Sponsor and venue will also want to have rights to terminate if something occurs that might damage their reputations. Given the audience and media coverage there will also be many other implications for the sponsor that might include:

- Brand strategy and protection, including trade mark and domain name clearance and trade mark co-existence agreements
- Website content and Internet-related issues
- Image rights and rights of privacy
- Acquisition and disposal of intellectual property rights
- Risk management, litigation and dispute resolution
- Staging and event management agreements
- Broadcasting and production agreements
- Ticket distribution and agency agreements
- Facilities management, outsourcing and sub-contracting arrangements including outsourcing of catering services
- Advertising issues including copy clearance (television, print and online), sales promotions including prize draws and competitions

Locum: Besides brand development and financial aims, what else is driving the increase in sponsorship and naming rights?

Wedlake Bell: Corporate Social Responsibility is becoming more important. Corporates are increasingly aware of their need to be seen to be doing positive things in a local community. They may put their name to the venue and will often agree to a range of local activities, programmes and events.