



Stadium Makeovers

Changing forms of entertainment and evolving economics are directing the development of sports facilities across the nation, including indoor arenas in mid-sized markets. The expansion of minor league sports (including hockey), the introduction of new indoor sports such as arena football, the expanding needs of nonsports events, and an increased reliance on corporate revenues have all changed the face of arena development. Nowadays, the trend is toward new, flexible facilities capable of supporting multiple tenants and a variety of events, while catering to corporate financial interests with premium seating and advertising opportunities.

For those cities that built new arenas as recently as the 1980s and have been finding themselves the owners of suddenly obsolete facilities, the question is whether these cities should continue to market their existing, slightly aged facilities or simply replace them. Still another option is renovation, which can be a cost-effective alternative to investing in a completely new building.

The Cumberland County Civic Center in Portland, Maine, offers an example of an older facility considering renovation, rather than replacement. Built in 1977, it is strategically located in downtown Portland, not far from the Old Port dining and shopping district. The Civic Center, built, in part, as an economic redevelopment effort, is credited with contributing to the revitalization of Portland's downtown core. It is home to the Portland Pirates of the American Hockey League and hosts, on average, 120 events a year. While the facility has been well maintained, it is beginning to show its obsolescence as it competes with new arenas in nearby Manchester, New Hampshire, and Lowell, Massachusetts.

Lacking several of the amenities, facilities, and revenue generators associated with modern facilities, the Civic Center has a fundamental shortcoming in its

seating capacity of 6,700, which makes it unable to meet the key threshold of 10,000 seats required for consideration by many promoters and family show booking agents. It does not have luxury suites, club seats, a restaurant, or a private club lounge—features in new arenas considered integral to the financial sustainability of a minor league hockey team. The concourses are narrow and often crowded with patrons in line to use inadequate restroom and concession services. Only one truck at a time can access the loading dock, plus all chair storage is located outside the facility. It also lacks appropriate meeting, banquet, and reception facilities. Recent architectural estimates suggest that minimal maintenance improvements involving expansion to restrooms and improvements to circulation within the plaza at concourse level would cost approximately \$5 million. A \$12 million general seating and \$9 million premium seating addition could potentially increase revenues by \$1.8 million, compared with \$45 million to \$50 million to produce similar revenue streams in a new arena.

The Richmond Coliseum is another facility experiencing increased competition from new facilities. Built in 1968, the 11,000-seat coliseum is the oldest of four comparable venues in the Richmond, Virginia, market. Located in downtown Richmond with easy freeway access and adjacent to the Sixth Street Marketplace, the facility is the home of the Richmond Renegades of the East Coast Hockey League and the Richmond Speed of the Arena Football League2; it recently lost the Richmond Rhythm of the International Basketball League to a competing facility within the market. The coliseum also hosts an average of 150 events per year.

A renovation program totaling \$5 million was deemed necessary to maximize the facility's competitiveness with improvements associated with premium seating, advertising, and sponsorship, including the addition of 12 luxury suites, 500 club seats, and the remodeling of an existing club lounge. Patron ameni-

Rather than construct a new arena, a number of existing facilities are undergoing renovation to meet modern standards. Shown here is the Arena at Harbor Yard in Bridgeport, Connecticut.

ties and the concourse areas are also slated for improvement with the addition of two restrooms and two concession areas as well as the remodeling of the existing facilities. Other improvements target back-of-the-house areas, including audio/video systems, dressing/locker rooms, remodeling of the existing exhibition area, and the introduction of a curtaining system. The \$5 million investment in the renovation was projected to increase annual revenues by almost \$2 million.

Effective renovation plans must first be structured to improve or introduce the modern revenue generators that modern facilities require. For example, in both the Cumberland County Civic Center and the Richmond Coliseum, provisions are made to increase premium seating revenues with the retrofitting of both luxury suites and club seats. Plans include improved advertising and sponsorship revenues with the improvement of concourses and the introduction of appropriate signage opportunities in both the concourse and the seating bowl. Patron amenities are targeted with improvements to restrooms, concession areas, and retail spaces to increase concession and merchandising revenues. Also, various improvements are included to increase the marketability of the facilities for concerts, conferences, and other nonsports events. The addition of an anchor tenant could help fill and strengthen the facilities' event calendars and improve rental and concession revenues. These kinds of improvements to existing sports facilities can be a means of ensuring a profitable capital investment in a civic resource.—**Terry A. Gianville**, associate, and **Jason R. Thompson**, analyst, with **Brailsford & Dunlavey**, located in Washington, D.C.