



CHAPTER 1

Introduction and History

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CHAPTER OBJECTIVES

Upon completion of this chapter, the reader will be able to:

1. Outline the origins of sport facilities and events
2. Explain the evolution of facilities in terms of design, financing, and use
3. Define the main components of the sport facility and event management and main content areas discussed in detail throughout this text

CHAPTER OVERVIEW

This chapter will outline the evolution of facilities and events from the Greek and Roman eras to modern day. It will outline the trends in facility construction, financing, and design over the past few centuries to develop a strong understanding of the evolution to modern facilities. Finally, it will give a brief outline of the entire text to establish an understanding of how to properly navigate the text.

IndustryVOICE

Don Schumacher—Executive Director, National Association of Sports Commissions



The National Association of Sports Commissions was created to promote amateur sport and support the Olympic ideals in the United States. As such, we assist the two most important players in the facility and event industry:

the event owner and the host communities or facility. We develop best practices for both groups to follow, as well as the opportunity for those two groups to come together to help improve the sporting opportunity and experience. In my current role as Executive Director of the National Association of Sports Commissions, I inform our members of these strategies and assist in developing the relationship between the two groups.

My first position in venue management was Executive Director of the College Football Hall of Fame from 1981 to 1984 in Kings Island, Ohio. As part of the National Football Foundation, the College Hall of Fame built a 10,000-seat football stadium to host various college and high school football events in the stadium and bring in more tourists and visitors to the Hall. My role was to ensure the stadium was constantly in use with either football or nonfootball events. My next position was President of the Cincinnati Riverfront Coliseum, now known as the U.S. Bank Arena. In this role, I managed the relationships with our tenants (e.g., University of Cincinnati basketball team) and also hosted various entertainment and sport events. I later joined the management team at Cinergy Field to help develop events not connected with the two tenants. Other assignments included management of three major seat license and premium seating campaigns before transitioning into my current role.

People who want to work in the sport industry should be motivated by more than just an interest in sports. They should be able to offer something of value to the sport organizations for whom they would like to work. As you begin your career, show management you can make a real contribution while hopefully working toward your goal position. One way to do this is to develop selling skills; doing so is the easiest way to show an organization that you bring value. Developing your communication and selling skills will enhance your confidence and reduce the fear of selling. In my current role, I feel I am selling 90% of the time. I am continually selling new ideas and new concepts. The ability to sell helps us perform as well as we do. Every sport organization needs a great sales staff in order to be successful.

One of the characteristics I look for when hiring a new employee is the willingness to learn. There is always more to learn in this industry, and it is a continuous process, so the willingness to learn is something that will help the individual succeed. I also look for individuals who are proficient with Microsoft Office products, in particular Word and PowerPoint. And personal communication skills are essential. You need to be able to write and communicate well in person, by e-mail, and on the phone. In our business, we are constantly writing reports, bids, proposals, etc., and the ability to do so well is very important. The ability to write and communicate well can be difficult to find among individuals searching for entry-level positions. It is a skill that anyone wanting to enter this industry must develop to better his or her chances.

The sports event travel industry's challenge is that it has received a reputation for being recession-resistant. Because the business grew throughout the recession, it has attracted the attention of organizations that are focused on increased profits

over anything. Events are becoming more about the bottom line than offering the opportunity for young athletes to continue to improve. This emphasis on profit can place hotels in the difficult position of agreeing to rebates on each room night. These rebates are passed on to the event owner or facility. The money is used to offset event costs, resulting in higher rates for each room. Hotels are understandably reluctant to participate. Our association works to educate all parties to each transaction on the impact such practices can have.

Event bidding will remain important because there are events that have a steady history of drawing large numbers of visitors to the host community. At the same time, facility owners and host communities are beginning to develop their own events. They do so either by establishing relationships with an existing event and helping the event grow or by creating an entirely new event that will bring people

into the community. This level of involvement allows the host organization to control the event and each year strengthen it and increase its beneficial impact. To be able to do this, it is necessary to have strong personal relationships. The sports event travel industry places great emphasis on trust and relationships, which can lead to success for all.

The sports industry is no different than any other industry in that the very word *industry* denotes a commercial activity. Therefore, all of the skills necessary for a successful commercial activity have to translate to sports. Without salespeople, managers, operational staff, risk managers, etc., the sports industry cannot function. It is important to be able to strategically plan to develop organization goals, processes to achieve the goals, and a method to measure success. The remaining chapters discuss these skills in a practical and systematic way so you can develop your skills for a successful career.

Introduction

Throughout history, sport, sport events, and sport facilities have been a major cultural component of our societies. Dating back as long as 30,000 years ago, there is evidence to suggest the enjoyment of sport and sport for leisure, as supported by the prehistoric cave art found in France, Africa, and Australia (Masterman, 2009). The common sports displayed in these renderings are wrestling, running, swimming, and archery. While these renderings do not truly depict sport in a manner in which it is consumed and participated in today, cave paintings in Mongolia dating back to 7000 BC display wrestling matches with crowds of spectators.



Combined, these portrayals demonstrate the continued importance of sport participation and consumption within our societies.

This rich history of sport events was largely associated with ceremonies created to honor either religious gods or leaders of the civilization. For example, drawings found on pharaonic monuments depicted individuals participating in various sporting activities (e.g., swimming, boxing, wrestling, running, handball), believed to be designed and governed by ancient kings, princes, and statesmen. In addition, some argue that these events were the first in which basic rules, officials, and uniforms were used during the sport events. While some argue England is the birthplace of football (commonly known as soccer in the United States), the ancient game of cuju was played from 206 BC to 220 AD in China, Korea, Japan, and Vietnam. This game was very similar to football: Players were not allowed to use their hands, points were scored when the ball was passed into a net, and two teams would compete against one another. The games were designed as a method of military training in which the two teams would strive to control the ball to demonstrate their dominance over their opponent. In the United States, lacrosse is considered the country's oldest sporting activity on record. According to records, the game was designed and participated in by Native American men located in the western Great Lakes region. Rules during that time are very similar to the rules of the current version of the sport.

The modern Olympic Games are also rooted in a rich tradition. Originating sometime in the tenth or ninth century BC, the events that would become the Olympic Games were a component of a much larger religious ceremony to honor Zeus, the god of the sky and ruler of the Olympic gods. These ceremonies were held every 4 years, similar to today's Olympics, and included the discus and javelin throws, a foot race, and the long jump. Along with the Olympic Games, these events included the Hera Games, Pythian Games, Isthmian Games, and Nemea Games (Toohey & Veal, 2000), and they are largely considered the first instance of mega-events in which multiple regions participated in and spectated the event. In 393 AD, these events were discontinued by Theodosius I, a Christian Roman Emperor, because of their affiliation with the Greek god. They were revitalized in 1896 AD.

The stadiums used to host the ancient events were located in the Peloponnese region of southern Greece and were combined with religious facilities. It is widely believed that the first Olympic Games were held in 776 BC; however, recent archeological evidence suggests that the original Olympic Stadium and hippodrome were constructed after 700 BC. The stadium held an estimated

40,000 people, and the design was not much different than the U-shaped style commonly used today. The hippodrome, which originally hosted chariot and horse racing events, could host hundreds or even thousands of spectators, depending on the event. The Roman Empire continued to follow a similar design and style of the facilities constructed during the Greek Empire.

The Roman Colosseum, originally named the Flavian Amphitheater after the Flavian Dynasty, was constructed in 80 AD under the order of Emperor Vespasian as a gift to the people of Rome. For those who have seen the movie *Gladiator*, the truth behind the story is that Titus, the son of Vespasian, did in fact host 100 days of games, including the gladiatorial contests; however, it was to celebrate the opening of the Colosseum. Other events that took place during this time included venationes, or wild beast hunts, which placed humans and animals in the Colosseum in a fight to the death, and naumachiae, also called sea battles, in which the arena was flooded and two fleets of ships fought in portrayal of previous naval battles (The Games, 2008). The Romans during this time provided us with some of the same tools we use today to build stadiums. For example, they used one of the first known cranes, consisting of rope, wooden wheels, and a long wooden arm that would lift items to the higher levels. The Colosseum was one of the first structures made from a concrete-type material, and the arched design is still modeled in many modern stadiums. Archeological evidence also shows that the Romans used tickets, numbered gates, and reserved seating during their events. Finally, one of the most impressive features of the Roman Colosseum was that the design allowed for 50,000-plus people to exit the stadium in less than 5 minutes—something most modern facilities are unable to achieve.

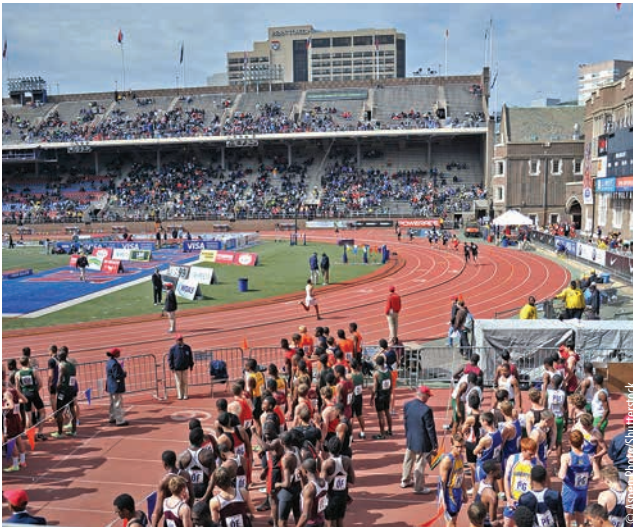
Evolution of Facilities

The revival of the Olympic Games in 1896, the addition of collegiate sports in the United States, and the early growth of professional baseball fueled the development of sport facilities in the modern era. From an international perspective, the revival of the Olympic movement facilitated the construction of facilities in Greece, London, and Los Angeles, as these cities hosted the first three editions of the modern Olympic Games. The Panathenaic Stadium was constructed from the remains of an ancient Greek stadium and

TIP



The Colosseum incorporated many other design features still in use today. The History Channel provides several videos discussing the construction of the facility, the events it hosted, and the operations associated with the events. Visit www.history.com/topics/ancient-history/colosseum to learn more about the Colosseum.



is the only stadium in the world constructed of white marble. Recently, the Panathenaic Stadium was renovated to host various events associated with the Olympic Games in 2004, and it is still in use for national and regional events. The White City Stadium in London was constructed to host the 1900 Olympic Games and went through several renovations until it was demolished in 1985. During its time, it housed varying sporting events, but was most recently known for greyhound and auto racing. Los Angeles Memorial Coliseum is the only stadium to host two Olympic Games (1932 and 1984).

It has also hosted two National Football League Super Bowls (I and VII) and a Major League Baseball World Series (1959, when the Dodgers hosted three home games). In addition, the Coliseum holds attendance records in international soccer (92,650 spectators during a Chivas vs. Barcelona match in 2006), baseball (115,300 spectators during a Dodgers vs. Red Sox exhibition game in 2008), and special events (134,254 spectators during a Billy Graham event in 1963). In 1984, the Coliseum became a registered landmark, and recently the University of Southern California signed a lease agreement through 2054, which should guarantee its maintenance and upkeep.

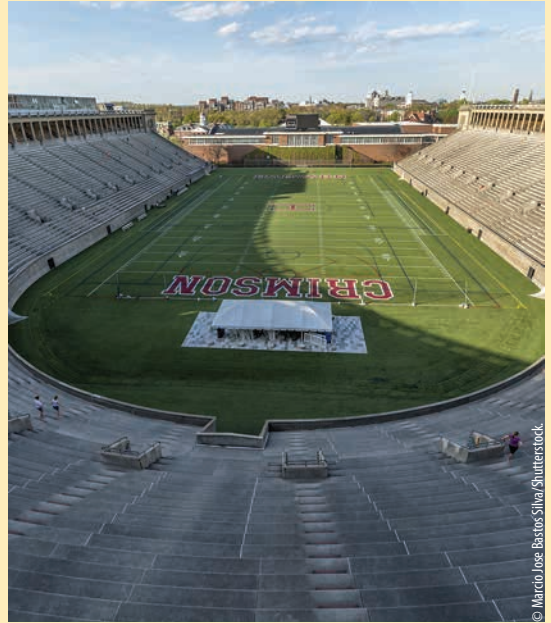
Within intercollegiate athletics, Franklin Field in Philadelphia, Pennsylvania, is recognized by the National Collegiate Athletic Association as the oldest university stadium used to host an intercollegiate event. Originally constructed in 1895 for \$100,000, the facility hosted the first Penn Relays (the oldest and largest track and field competition in the United States) and the University of Pennsylvania (Penn) football team, with a capacity of approximately 30,000 seats. Since then, the facility has gone through several renovations and has been home to other Penn intercollegiate teams and even the Philadelphia Eagles. Currently, Franklin Field is the home for Penn's football and lacrosse teams, with a capacity of more than 50,000 seats. Even in the early years of intercollegiate athletics, universities participated in what is known as the **arms race**, in which they compete with one another

arms race As it relates to the sport event industry, the competition between sport organizations to have the best facilities, resources, revenue-generating amenities, and other event features to ensure an advantage in the marketplace.

VIGNETTE 1-1

The Arms Race in Intercollegiate Athletics

In 1903, Harvard University in Boston, Massachusetts, constructed the first stadium to use reinforced structural concrete in its design. Seating more than 23,000 spectators, the facility's design was similar to the Panathenaic Stadium in Greece. Not to be outdone by their archrival, in 1912, Yale University in New Haven, Connecticut, built the first stadium designed exclusively to host events. The facility originally hosted 18,000 fans but was quickly expanded to more than 23,000 seats just 4 years later. Since this early period, the two universities have continuously spent money to upgrade their stadiums and increase the capacity. Currently, the Yale Bowl can seat approximately 61,500 fans and is the largest stadium in the Football Championship subdivision. Harvard Stadium is close in number, seating 57,200. What this competition demonstrates is known as the arms race in intercollegiate athletics. While the ideology behind the arms race has not changed over the last 100 years, the amount of money universities are investing in their athletic facilities has substantially increased. For example, Texas is known for its love of both high school and college football. In 2006, Texas A&M completed construction on the second largest video board in college football, the largest board belonging to their archrival, the University of Texas. Recently, Texas A&M developed plans to not only expand its stadium (Kyle Stadium) to 106,511 maximum seating capacity, 6000 more than their rival, but also to enlarge its video board to



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7661 square feet, more than 200 square feet larger than the University of Texas's video board (Lester, 2014). The initial cost estimates for this project are \$450 million for the entire renovation. The arms race is a constant chase for the best facilities for the athletes and spectators, and it is not limited to football expenditures, as both Texas A&M and the University of Texas spent more than \$150 million combined on indoor track and practice facilities.

to have the biggest or best facilities and amenities associated with their athletic programs. Review the vignette for more information about the arms races as well as early and modern examples.

The oldest Major League Baseball (MLB) facility still in use in the United States is Fenway Park (1912), home to the Boston Red Sox, followed closely by Wrigley Field (1914), home of the Chicago Cubs. These two facilities are

TIP

You can view photos of the transformation of these two facilities. For a timeline and photos of Fenway Park, visit mlb.mlb.com/bos/fenwaypark100/timeline.jsp. For Wrigley Field, visit www.chicagotribune.com/videogallery/76640826/.

staples in the sport facility landscape but have gone through several renovations since their inception. Both facilities followed what is known as the jewel box design, which is characterized by the two-tier grandstand; steel, wood, or concrete support beams left exposed and incorporated into the design; seats that are traditionally green; and an unconventionally shaped outfield, as most stadiums in this era were built to fit within one square city block. During this early era of baseball, several facilities were constructed across the country to host teams. In fact, between 1880 and 1920, the MLB lists more than 60 stadiums that were built. The growth in the number of teams and stadiums became a part of the American landscape during this era and was part of the great migration toward the city centers and away from the farmlands during that time.

Trends in Sport Facilities

From this early part of the modern era until the early 1990s, stadiums were constructed and continuously maintained and renovated to remain competitive in the sport facility landscape. However, with changes in the way stadiums were funded, an increase in demand for suites and luxury seating, and a rise in sport-specific stadiums, an estimated 84% of professional sport facilities underwent either major renovations or brand new construction since 1980 (Fried, 2010). The recent construction of Levi's Stadium in Santa Clara, California, the home of the San Francisco 49ers, may be the best example of the various reasons for the changes in sport facilities and will be used as an example throughout the following discussion to highlight these changes.

Howard and Crompton (2002) outlined the trends in sport facility financing. During the early to mid-1900s, stadiums and arenas for professional use were financed and maintained primarily by the owners of the team, a method known as private financing. Starting in the 1960s, team owners began to put increasing pressure on their host community's leadership because of the opportunities to build new facilities in other locations and the support they could get from those new communities. Coined the gestation period, Howard and Crompton (2002) reported that 88% of new stadium construction was done with public funds, meaning municipalities

(city and county governments) used tax monies and other resources to fund stadium construction. From 1970 to 1984, nearly all (93%) of the stadiums and arenas that were built were funded and completed with public funds. This era was brought to a halt because of various legislation passed that changed how facilities could be financed using government funds, beginning the era of the transitional phase. The mid-1990s introduced the fully loaded era in which stadiums and arenas were abandoned because they were no longer commercially viable for the teams who used them. This era, ending in 2003, has developed the closest balance between public and private financing, in which a portion of the cost was covered with public financing while the balance was covered by team owners, seat licenses, and sponsorships. Currently, citizens are beginning to call into question the use of public funds for these facilities and are voting down **referendums** to increase taxes to fund their construction. For example, Levi's Stadium in Santa Clara was met with lots of resistance, and several referendums for the use of public funds were voted down. Ultimately, the City of Santa Clara garnered \$850 million to attract the San Francisco 49ers away from their current home, demonstrating a possible shift toward public financing. Furthering this possibility, the Atlanta Braves recently reached an agreement with Cobb County in Georgia that the two entities will each cover half of the \$672 million stadium.

Levi's Stadium altered design away from the traditional bowl seating associated with most American football stadiums, which may change the landscape of football stadiums. The design of the stadium includes the traditional bowl seating in the entire facility at the lower and club levels. However, on one side of the stadium, above the lower bowl and club-level seating, four levels of luxury suites are stacked on top of the second tier. This design not only provides the 49ers with a larger amount of premium seating, it reduces the risk of not achieving enough attendance, so they may avoid **television blackout** in the local market, which may have a positive impact on the team's ticket sales. In addition, the bank of suites creates a large flat exterior surface that faces a major transportation artery in the city; this surface could be used to generate additional revenue through sponsorship partnerships.

The move to Levi's Stadium is a move from Candlestick Park, which was originally designed to host both baseball and football—a design most cities have moved away from in the recent era. For example, the Cincinnati Reds (baseball) and Bengals (football) now each play in sport-specific stadiums.

referendum A direct vote in which an entire electorate (i.e., voting public) is asked to accept or reject a proposal put forward by the community leadership.

television blackout The National Football League's policy stating that if the nonpremium or luxury suite tickets have not been sold out, then the game will not be televised in the local market.

In the past, they shared Riverfront Stadium. This change in facility provides fans with a much better viewing experience during the events because the two events have different center points. In baseball, the majority of people want to sit near home plate, while in football they prefer to sit closer to the 50-yard line. Because of the manner in which these two fields are constructed, the shared stadium would place football's end zone on either the first or third baseline of a baseball field, with the 50-yard line somewhere behind second base, creating poor sight lines. In San Francisco, the Giants (MLB) moved away from Candlestick Park into what is now called AT&T Park in 2000. This move allowed the Giants to have a baseball-specific facility; however, it came at a cost for the team owners, as it was the first baseball stadium to be 100% financed since Dodger Stadium in 1962. The city did provide a \$10 million abatement to improve the infrastructure around the facility, including a connection to the city's metro service.

Trends in Local Sport Facilities

The National Association of Sports Commissions reports annual spending on sport travel has continued to increase in the past decade, with spending greater than \$8 billion in the United States alone. To tap into this source of revenue, more and more local municipalities are developing their facility inventory so they can compete in this marketplace. For instance, Carson City, Nevada, invested under \$100,000 over a 2-year period in their infrastructure and staffing for sport tourism, which generated approximately \$20 million in new economic activity for the community over that period. This new method has shifted local parks and recreation departments from managing local sport leagues and tournaments to competing on a national stage while balancing local facility demands. These new demands have increased the costs associated with maintenance and upkeep of the facilities; however, the new revenue has allowed municipalities to improve the quality of their facility inventory.

Similar to the professional arenas and stadiums, these local facilities need to pass the approval process to receive public funding, and this has proven challenging for some. For example, the Frankenmuth Youth Sport Association (Michigan) developed a plan to develop a self-sustaining recreation center that would include an indoor track, multi-use courts, meeting

rooms, 13 outdoor fields, and a splash park that would be free for residents to use. However, even with the breakeven analysis provided by the association, the community residents voted against the facility construction. Alternatively, Elizabethtown, Kentucky, was able to secure \$29 million in public monies to invest in the construction of a sports park through a 2% increase in the restaurant sales tax.

Recreation Management recently reported that more than half of the community centers in their survey expected to engage in new construction projects within the next 3 years. Typical features of these recreation facilities include classroom/meeting spaces, fitness centers, bleachers and seating, locker rooms, exercise studios, concession areas, playgrounds, indoor/outdoor sports courts, and open spaces. The common changes or additions to the recreation centers include splash pads, synthetic turf fields, park structures (e.g., shelters and restrooms), and the addition of some of the more traditional items that the facility may be missing from its inventory. Another development is the proliferation of running and biking trails. These two sports have seen considerable growth in participation

VIGNETTE 1-2

Greenways Increase Healthy Living

Greenways are typically paved corridors throughout an urban environment that provide transportation access separated from automobile traffic. In doing so, greenways provide a safer opportunity to engage in cycling, running, rollerblading, and other activities that enhance physical fitness. Federal, state, and local funds have begun to be used for the development and maintenance of these greenways because they provide a marketable value for the community, demonstrating that the community believes in a healthy and active lifestyle. In Denver, Colorado, they developed 81 trails, covering more than 300 miles. In addition,

they have developed boat ramps, parks, and other attractions along the South Platte, which was once a polluted river that most residents would not even use for swimming (Crouch, 2009). These developments have led to an increase in tourist activities, including visiting the museums, art galleries, and gardens and shopping along the trails. Since the development of the trails, Denver has been largely considered one of the healthiest cities in the United States. For instance, *Forbes Magazine* recently ranked Denver as the fifth healthiest city, noting the value that the park and greenway system have on the community.

over the past decade (Running USA, 2014; Fineman, 2014), and parks and recreation departments have responded by funding these trails. In addition to the changes in their facilities, centers also plan to add new programming such as nutrition and diet counseling, mind–body programs, sport clubs (e.g., running, swimming, cycling), and sport tournaments and races.

Scale of the Sport Event Industry

The sport event industry may be one of the most challenging industries to define because of the volume and variety of sport event opportunities that could be included in industry estimates. For example, the sport event industry could include something as small as a 50-person 5K (5-kilometer) fun run to raise money for a local charity or something as large as the FIFA World Cup, an event that draws more than 3 million spectators, with another 250 million watching via various international broadcasts. This example highlights two different kinds of events that will be commonly discussed throughout this text: participant led and spectator led. In the first example, the 5K race is considered a participant-led event because the majority of the revenue is generated from those who are participating in the event. In contrast, spectator-led events derive the revenue either directly (e.g., tickets) or indirectly (e.g., sponsorship) from those who are watching the event.

In 2014, the Plunkett Report, a market research organization that provides annual industry reports, estimated that the sport industry is a \$435 billion industry, with annual spending of more than \$28 billion on sport-related products or services. In the United States alone, the sport industry employs approximately five million people in the broad categories of interscholastic and intercollegiate athletics; professional, community, recreation, and sport organizations; health and fitness organizations; and sporting goods manufacturers. Estimates suggest that the sport industry is expected to eclipse the \$450 billion mark in the next 5 years, and sports-related jobs are projected to increase by 23% for the decade ending 2018 (Plunkett et al., 2014). Additionally, the U.S. Bureau of Labor Statistics has reported that 130,570 people work in the spectator sport industry, a small segment of the overall sport industry, with a 9.8% growth rate from 2002.

Who Manages Sport Events?

Sport event management is vastly spreading from the normal professional, collegiate, and parks and recreation governing structures. For instance, chambers of commerce and visitors bureaus have begun to invest in staff and infrastructure associated with hosting sport events to attract tourists to their communities. The National Association of Sports Commissions (www.sportscommissions.org) was developed in 1992 to provide a communication network between event owners and facility owners to increase access to event information and education to best practices. Currently, the membership is at an all-time high, with more than 650 member organizations and 1600 event owners. With this level of growth in the sport event and facility management industry, there is an increased need for individuals who can manage multiple sport events throughout the year, and a need for a better understanding of the event management discipline. For instance, sport event and facility managers need a strong foundation in risk management, finance, human resource management, marketing, customer service, and project management, which leads us to the contents you will find throughout this text.

SUMMARY

For more than 30,000 years, organized sport has been a component of human civilization. As humans and communities have evolved during this time, so have the sport events we participate in and spectate, as have the facilities we use to host those events. While the designs of our facilities have not changed much in terms of structure, the ancillary items we place inside them and the events they host have changed considerably. The remainder of this text will outline the major components of both facility and event management as they pertain to recreational, leisure, and competitive sport events.

DISCUSSION QUESTIONS

1. Explain the relationship between religion and sport in the development of sport events.
2. What is the foundation of sport facilities, and how have the designs and funding changed over time?
3. What role has the “arms race” played in the development of facilities in the United States?
4. What organizations are involved in the management of sport events in your local community? University community?

Case STUDY

Is It Time to Renovate or Rebuild Cameron Indoor Stadium?

Duke University is a private institution located in Durham, North Carolina. With an enrollment of 6600 undergraduate and 6000 graduate students, it is one of the most prestigious universities in the country. Tuition runs about \$40,000 a year, making it one of the most affluent schools in the country. Located in what is known as the Research Triangle area of North Carolina, the Raleigh–Durham area has a metropolitan population of 1.5 million people and hosts several headquarters for major corporations.

The Duke University men's and women's basketball teams play their home games in Cameron Indoor Stadium, the crown jewel of college basketball. The stadium was originally built in 1935 and was remodeled in the late 1980s.

Sports Illustrated ranked the stadium fourth on the list of the country's greatest sporting venues of the twentieth century, ahead of Pebble Beach, Wrigley Field, and Fenway Park. The stadium offers little room for concessions and no room for corporate sponsorships. Stadium capacity is 9314, with 3500 of those seats being bleacher seats reserved for students. To say the stadium is antiquated would be an understatement. The Board of Regents thinks a new facility needs to be on par with the other schools in the area; however, they are aware of the public sentiment for Cameron Indoor Stadium. Keep in mind that the University of North Carolina, Wake Forest, and North Carolina State all play in new, modern facilities.

Things to Consider

Take into account that the University of North Carolina sits 8 miles away from the Duke campus, and North Carolina State is about 22 miles away. Wake Forest University is located about 80 miles away. The Raleigh–Durham area is full of graduates and fans from these and other Atlantic Coast Conference schools who would love to buy tickets and watch their school play against Duke, but have been unable to due to Cameron's low seating capacity. Thus, in addition to the opportunity to sell more tickets to its own fans, Duke has the opportunity to sell lots of tickets to visiting teams' fans.

Questions That Need to be Addressed

In determining the fate of the Cameron Indoor Stadium, the following questions must be addressed:

- Who pays?
- Who should pay?
- Who benefits?
- How do you finance this project?

As an agency hired by the Duke athletic department, the athletic director of the university has asked you to evaluate building a new basketball arena or a complete remodeling of the current facility. The athletic director wants you to take into account the number of seats the arena will hold and the added revenue from corporate sponsorship as well as a possible naming rights deal. In theory, a new arena would have many new areas for corporate advertising and hospitality. However, this is debatable because donors might want the new arena to have more of a “campus field house” feel (such as that found in the University of Maryland or Indiana Pacers facilities).

You will have a chance to present your proposal to the Board of Regents. The Board is split on this proposal, and it is a very touchy subject. Some feel that the success of Duke teams in the last 20 years makes this the perfect time to build an arena, while others disagree. Choose whether you would like to renovate or rebuild the arena, and answer the following questions:

1. What part will the Iron Dukes (the athletic department’s fundraising/donor group) play in the financial process?
2. What is the Basketball Legacy Fund?
3. Does the Raleigh–Durham area have the corporate infrastructure to support suite/club seat sales?
4. Would a surcharge on student fees work at Duke?
5. How many suites and club seats would you include in a new arena?
6. How would you position a capital campaign for a new stadium?
7. How many seats would this arena hold?
8. Who will own and manage the arena, the athletic department or the school?
9. If remodeling, where does Duke play in the meantime?
10. Would the women’s team continue to play in Cameron? Consider this decision from a financial standpoint.
11. Will a new facility be a recruiting advantage or disadvantage?

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