

Sports Facilities Development and Urban Generation

¹Maassoumeh Barghchi, ¹Dasimah Bt Omar and ²Mohd Salleh Aman

¹Faculty of Architecture, Planning and Surveying, University Technology MARA,
Shah Alam, 40450 Selangor, Malaysia

²Sports Centre, University of Malaya 50603 Kuala Lumpur, Malaysia

Abstract: Problem statement: One major issue on sports facilities construction is the question of their funding and justification for investment. Due to, requirement of huge money for construction, constant maintenance costs and ancillary needs, which are almost certainly with substantial public investment, therefore, sports facilities have been considered. Further, sports facilities construction boom have been started for more than two decades. **Approach:** Recent sports facilities construction was not primary aimed at getting the local community involved in sports, but was instead aimed at spur urban development, changing the image and economic redevelopment. However, there were facilities developed for hosting mega-events. Sports facilities had a wide range of impacts on their surrounding and wider city. **Results:** How and to what extend sports facilities construction were lead to urban generation were discussed in this study. **Conclusion/Recommendations:** Sport was getting more and more influential and it will continue to grow in importance as the world develops into global village. Cities cannot avoid investment in sports. However, there were growing demands for sports facilities development both for hosting and smaller scale facilities. Further development will take place in several considerations, with enhancing the ability of sports facilities as urban generation tools.

Key words: Sports facilities development, funding justification, urban generation

INTRODUCTION

Although so many researches, there is still an ongoing debate to build a new sports facilities with public funds. However, many sports facilities that have been built for world class sporting events struggle to produce sufficient revenue to sustain annual operating costs after the event^[10].

On the other hand, recently cities have seized upon sports facilities as a means to redevelop specific district within their downtowns. However, one of the hallmarks of entrepreneurial city has been the construction of highly visible and very expensive special activity generators or flagship projects. Cultural sports and entertainment facilities are considered as catalytic facilities which receive public support in order to spur development in the immediate surrounding area^[21]. Sport has transcended the boundary from being considered as an active leisure pastime to being recognized as having considerable social and economic influence in contemporary society^[10]. At present, new generation of sports facilities can shape new cities or regenerate decaying areas of old cities. Sports facilities become part of the 'public infrastructure' that define the

quality of life for a city to be successful in the 21st century. A city needs a big public sports facility because that is one of the things that distinguish a city^[17].

There are a wide range of positive and negative impacts that sports facilities construction have on their surrounding areas and wider cities. They may have political, economical, social, physical, legal, environmental and safety impacts. However, they require huge public investment and whether there is enough justification for their funding.

Definition of a Sports facility is different, from open recreational areas such as golf courses to indoor arena, dome and single-purpose or multi-use stadium. For purpose of this study, it is defined as any big enclosed facility for competitive sports where sports are played, can host sports events, needs public money for construction, maintenance and big enough to need ancillary construction.

Generate new construction in the district, reuse of vacant building, changes in land use and spin-off development are examples of physical impacts. Further, there are abilities to provide substantial social benefits. They might create community, improve interaction,

provide recreation, intangible benefits and alleviate deprivation. In addition, improve transportations lead to benefits for local communities.

On the other hand, congestion, litter, traffic, vandalism, noise and wrong kind of clientele are some kinds of negative impacts that sports facilities generate on their surrounding areas.

Proponents of sports investment have made different contents to define sports facilities role in cities, urban development, generation, catalyst, redevelopment, growth, revitalization, economic development and community generation. However, they could provide better public subsidization. Following those, there are many researches to investigate their claims.

Urban regeneration embraces a number of dimensions such as physical, economic, social and environmental and sport is considered more or less relevant to all of them, though in many different ways and in a different geographical scales.

MATERIALS AND METHODS

One of the aims of assessing the impacts of sports facilities development is to justify their huge investment. Further, it is due to justification the requirement of public subsidies for maintenance costs. At a very basic level, the impacts are categorized as economic impacts and non-economic impacts^[4]. Rosentraub^[18] concentrate on benefits and divided them into, tangible and intangible benefits. However, majority of researches on the impacts of sports facilities have also proceeded along two very different paths, one strictly economic and the other with an eye towards non-economic impacts. On the other hand, there are some researches explicitly examine the ability of sports facilities as urban generation in different case studies. These studies consider different indicators for urban development to determine whether or not this has occurred.

Most of the literature on sports facilities come from the North American experiences as their professional sports facilities are very popular. However, the facility construction boom that hit the North American in the 1990s started to spread internationally^[12] which lead to a lot of researches on sports facilities.

Following Coates and Humphreys^[8], there are two types of studies have dominated the economic impacts literature: (1) economic impacts analyses undertaken for a specific proposed or existing sports facility or team, (2) longitudinal and/or cross-sectional studies of the impacts of sports on cities in North America. The economic impacts are including changes on income per

capita, employment, land value, local economy and new business creation.

Many scholarly studies conclude that sports facilities have not significant positive economic impacts^[2,3,4,8,15,20].

On the other hand, Chema^[7] in his article to respond Baade argued that context is the key and the value as catalyst for economic development depends on where they are located and how they are integrated into a metropolitan area's growth strategy. In 2005 Santo^[19] mentioned although Siegfried and Zimbalist declared the case closed, but this is a dangerous generalization that ignores the importance of context which is very important. He concludes a facility's ability to impact its local economy is tied to its context. His finding reports new evidence, derived from recasting the landmark study of Baade and Dye with current data, which contradicts their conclusion. It indicated that context matters.

The current generation of sports stadiums and arenas serve a different purpose and attract a different economic class of customers than those facilities constructed prior to 1990. However, the construction of new sports facilities through public funding cannot be statistically or economically justified.

The large and growing peer-reviewed economics literature on the economic impacts of stadiums, arenas, sports franchises and sport mega-events has consistently found no substantial evidence of increased jobs, incomes, or tax revenues for a community associated with any of these things^[9].

Although, in terms of land property value there are some evidence indicate that in contrast to prevailing assumptions, sports facilities can have a positive impact on residential values in the surrounding area^[10,23].

Davies^[11] uses a comparative case study to examine the effects of stadia development on the commercial property market. It uses the expert opinion of professionals working in real estate, together with the experience of key stakeholders to provide empirical evidence that stadia can create tangible and intangible impacts on the commercial property market. In his study regenerating image, confidence and pride in the commercial sector are considered as intangible impacts.

However, there has been ongoing debate to build new facilities with public funds, the literature on non-economic impacts is somewhat more positive, concluding that non-economic impacts are present and often positive^[4,25].

More generally, literature on non-economic impacts is much smaller and less developed. In recent years, scholars have begun to turn their attention to non-economic matter. In addition, globalization and

increased popularity of hosting sporting mega-events among cities lead to enhance the role of non-economic effects of sports facilities development.

Percy^[14] argues that in addition to the physical contribution that stadia can make to a community, sports stadia can also affect people's perception of their neighborhood. Further, they have generated confidence and pride within the local community and the wider city^[10].

Rosentraub^[18] list the tangible and intangible factors related to economics of sports in the framework. Those intangible benefits include the excitement from sports, image, identity, social mixing and location of economic activity. He concludes the decision to invest in a sports facility has both pecuniary and non-pecuniary effects.

The important issue is how to measure the intangible effects. Because more traditional quantitative evaluation techniques are less easy applied to noneconomic impact analysis, findings come primarily from case studies of specific towns, projects, or sporting events.

Contingent Valuation (CV) method is the only method attempting to empirically measure intangible non-use values and potential consumption benefits associated with sports subsidies^[24]. Nonetheless, given the economic impact studies typically produce negligible or even negative estimates of net benefits from hosting major sporting events or building sports facilities, constructing an argument in terms of willingness to pay represents a more credible approach to this policy choice problem^[11].

Although much of the research in CV method field has sought to test the validity and reliability of the methodology, but it has been employed by sports researchers to identify consumer preferences toward team relocation and new facility construction. It is also been used in ex post and ex ante studies of impact assessment for hosting sporting events in different cases.

There are researches to assess the ability of sports facilities as urban generation. Robertson^[16] provided a useful framework for assessing the catalytic abilities of these projects. He outlined the "special activity generator" strategy. It is centered on the idea that large facilities that generate special activity within a district can anchor redevelopment within that district by drawing visitors and suburbanites to downtown for events.

Rosentraub^[17], investigate urban redevelopment through three central objectives underlying the special activity generator strategy including generate spillover benefits for the surrounding district, generate new

construction in the district and rejuvenate a blighted area.

Chapin in 1999 concentrate on the generation of spill-over spending benefits that accrue to the community, the generation of new construction in the surrounding district and local-level revitalization^[6]. However, Chapin^[6] has assessed the ability of sports facilities to catalyze redevelopment, defined as the development of vacant land, the reuse of underutilized buildings and the establishment of a new district image. Finally, he concluded that district redevelopment is by no means guaranteed by these investments.

To understand catalysts per se, it can achieve in several ways^[21]. The first and most important way is by generating comings and goings. The second category of effects on other buildings is through the mediation of builders and architects. Third, a building may serve as an amenity, affecting passers-by and attracting them, even if they do not enter the building. Fourth, the building's presence may shape investors' perceptions, increasing confidence and promoting additional investment, especially if the building replaces a previous desultory landscape or a previous condition of uncertainty. Fifth, the building's signification may reinforce, or detract from, the surrounding area's thematic features. He concludes that development surrounding a large sports facility is nonetheless sometimes attributed to the sports facilities.

RESULTS

Consequences of existing researches:

- Non-economic impacts of sports facilities construction are present and more positive, but it is hard to quantify
- Impacts are more on small area surrounding rather than whole city or metropolitan area, however it has yet to be assessed due to difficulties in obtaining and handling data
- The ability of sports facilities as urban generation is based more on non-economic matters and in the small area surrounding
- The ability of sports facilities as urban generation depends on several consideration including location or context, usage, culture and how to connect with surrounding area

DISCUSSION

The ability of sports facilities as urban generation depends on several consideration. However, it can provide better justification for their funding. These are

including location or context, usage, culture and how to connect to their urban surrounding. These factors have direct affect on the ability of sports facilities.

Recent wave of sports facilities construction have been marked by a migration of such facilities back to the urban core. These shifting the location of sports facilities into the cities provide the new role as catalytic buildings and for spur development. In other words, context of the sports facilities has been changed.

Three possible scenarios can be identified concerning the location of a new sports facility including: city centre, edge city and deprived neighborhood with different implications.

In the previous trend, as cities decentralized, so did sports facilities. However, a major trend of the sports facilities construction in 1960s and 1970s was the building of large stadiums on out-of-town locations where crowds, whether well or badly behaved, would create fewer disturbances to the everyday lives of people not attending events. These facilities have less potential for significant spillover benefits for communities in which they were constructed.

Studies completed by Baade^[2,3] indicate the second generation of stadiums had very little effect on urban economic development. It is plausible that the new generation of sports facilities within city area provide more impacts.

Another important consideration is related to sports facility usage the years after its construction. However, the sustainability of impacts is dependent upon future usage. Sports facilities are provide physical facilities but this hardware without software which is program is not able to have affects. Ken Perry assumes that the benefits accrue through attendance and therefore measuring the change in attendance can in some way quantify these benefits.

On the other hand, as it stated earlier most of the literature on sports facilities come from the North American experiences. However, the culture of sports is different there. Sport has become a defining part of life and culture in North America. There is a profound connection between sports and numerous parts of life: language, holiday celebrations, national, regional, city and school identities and school social life^[17].

People want a high quality of life. In addition, they want access to sporting events and want sports to be an important part of their lives. A city “needs” sports to establish itself as a prime location for development and as a “player” in American society.

In America Sports facilities have been as staple of the urban redevelopment toolkit and they will continue to serve as major urban redevelopment tools. To study in different geographic places it is important to consider

the culture of sports among people however it might have direct relationship with facilities impacts.

Sports facilities merely are not enough for urban generation. Chema^[7], explains the return on the public investment in a sports facilities come not from the facility itself, but from the jobs created in new restaurants, taverns, retail and hotels, that spring up on the periphery of the sports venue.

However, Sternberg^[21] concludes development surrounding a large sports facility is nonetheless sometimes attributed to the sports facility, but it is more likely to have occurred because of general urban growth and land demand, especially because sports facility construction uses up land or because of the infrastructure improvements put in place during sports facility construction. However, he has proposed simple concepts to help make the facility's design as catalytic as possible.

The most important way to spur surrounding development is by generating coming and going: drawing people through the urban environment into the facility and later discharging them back into the environment, creating opportunities in both occasions for the visitors to patronize other buildings.

Therefore, district-level planning has emerged as an important element in linking redevelopment to new sports facilities. The identification of downtown activity nodes and the formulation of a strategy to connect these nodes are central elements to this new approach.

The Visual and physical connections of sports facilities to their urban environments are key because they begin to establish a linkage between the prospects of the stadium or arena and the land around it. Cities have also begun to approach redevelopment at a geographic level rather than the individual project site^[5]. Research indicates that district-level planning with an expressed goal of catalyzing district development is important to realizing development outcome^[3].

Sports facilities can lead to urban generation if they consider in larger development strategy. In order to overcome the isolation the sports facility development needs to be integrated into a local regeneration strategy to enhance the contribution of the sports facility to local community^[22].

However, new generation of sports facilities are along with development of city life. They complement a mix of residential, commercial, retail, dining and entertainment spaces as real life center and a 365 days using. Further, by focusing on non-game elements that allow the flexible facility to work on different ways all the years and so to develop the revenues in the sports facility and around.

Sport is getting more and more influential and it will continue to grow in importance as the world develops into global village, sharing the English language, technology and sports^[13]. Hosting sports events gain increasingly popularity and influential among cities. There are growing demands for sports facilities development both for hosting and smaller scale facilities. Further development will take place in several considerations, with enhancing the benefits of such a public investments.

CONCLUSION

- New generation of sports facilities have the potential to shape new development or regenerate decaying areas of old cities
- District generation is one possible positive outcome that can justify sports facilities funding.
- There is still a debate to use public money for sports facilities construction. Although there are positive impacts but it might gain more benefits through other public investment
- New location within downtown areas, usage of sports facilities during the years, culture of sport among people and connection to the urban environment have direct relationship on the ability of sports facilities as urban generation
- Sports facilities can lead to urban generation if they consider in larger development strategy
- There are growing demands for sports facilities development both for hosting and smaller scale facilities. Further development will take place in several considerations, with enhancing the ability of sports facilities as urban generation tools

ACKNOWLEDGMENT

This article is supported by RMI (Research Management Institute) of UiTM (University Technology MARA).

REFERENCES

1. Atkinson, G., S. Mourato, S. Szymanski and E. Ozdemiroglu, 2008. Are we willing to pay enough to "back the bid"? Valuing the intangible impacts of London's bid to host the 2012 summer olympic games. *J. Urban Stud.*, 45: 419-444. DOI: 10.1177/0042098007085971
2. Baade, R., 1996. Professional sports as catalyst for metropolitan economic development. *J. Urban Affairs*, 18: 1-17. DOI: 10.1111/j.1467-9906.1996.tb00361.x
3. Baade, R., 1996. Stadium subsidies make little economic sense for cities, a rejoinder. *J. Urban Affairs*, 18: 33-37. DOI: 10.1111/j.1467-9906.1996.tb00364.x
4. Chapin, T., 2002. Identifying the real costs and benefits of sports facilities. Lincoln Institute of Land Policy Working Paper. http://www.arroyoseco.org/671_chapin-web.pdf
5. Chapin, T., 2002. Beyond the entrepreneurial city: Municipal capitalism in San Diego. *J. Urban Affairs*, 24: 565-581. DOI: 10.1111/1467-9906.00144
6. Chapin, T., 2004. Sports facilities as urban redevelopment catalysts. *J. Am. Plann. Assoc.*, 70: 193-209. DOI: 10.1080/01944360408976370
7. Chema, T., 1996. When professional sports justify the subsidy, a reply to Robert A. Baade. *J. Urban Affairs*, 18: 19-22. DOI: 10.1111/j.1467-9906.1996.tb00362.x
8. Coates, D. and B. Humphreys, 1999. The growth effects of sports franchises, stadia and arenas. *J. Policy Anal. Manage.*, 18: 601-624. <http://www3.interscience.wiley.com/journal/64500396/abstract?CRETRY=1&SRETRY=0>
9. Coates, D. and B. Humphreys, 2008. Do economists reach a conclusion on subsidies for sports franchises, stadiums and mega-events? *Econ. J. Watch*, 5: 294-315. <http://econpapers.repec.org/paper/spewpaper/0818.htm>
10. Davies, L., 2005. Not in my back yard! sports stadia location and the property market. *J. Area*, 37: 268-276. DOI: 10.1111/j.1475-4762.2005.00630.x
11. Davies, L., 2008. Sports and the local economy: The effects of stadia development on the commercial property market. *J. Local Econ.*, 23: 31-46. DOI: 10.1080/02690940801906718
12. Fried, G., 2005. *Managing Sport Facilities*. Human Kinetics. Boston London Singapore, ISBN: 0736044833, pp: 363.
13. Majumdar, B. and A.J. Mangan, 2005. *Sport in South Asian Society*. Routledge, London, New York, ISBN: 0415359538, pp: 334.
14. Percy, R., 2001. *Planning Bulletin*, issue 10: Sports and regeneration Sport England, London. http://www.sportengland.org/facilities_planning/planning_tools_and_guidance/idoc.ashx?docid=946fe3de-5a1c-4f92-86be-e906406088dd&version=3
15. Richards, Z., 2005. Public subsidization of professional sports stadiums: A point-counterpoint review of current research. *J. University Tennessee*. <http://zacharywrchards.googlepages.com/stadiums.pdf>

16. Robertson, K., 1995. Downtown redevelopment strategies in the United States: An end-of-the-century assessment. *J. American Planning Association*, 61: 429-437. DOI: 10.1080/01944369508975655
17. Rosentraub, S.M., 1996. Does the emperor have new clothes? A Reply to Robert J. Baade, *J. Urban Affairs*, 18: 23-31. DOI: 10.1111/j.1467-9906.1996.tb00363.x
18. Rosentraub, S.M., 2006. The local context of a sports strategy for economic development. *J. Econ. Develop. Q.*, 20: 278-291. DOI: 10.1177/0891242406289349
19. Santo, C., 2005. The economic impact of sports stadiums: Recasting the analysis in context. *J. Urban Affairs Assoc.*, 27: 171-191. DOI: 10.1111/j.0735-2166.2005.00231.x
20. Siegfried, J. and A. Zimbalist, 2000. The economics of sports facilities and their communities. *J. Econ. Perspect.*, 14: 95-114. <http://www.jstor.org/pss/2646921>
21. Sternberg, E., 2002. What makes buildings catalytic? how cultural facilities can be designed to spur surrounding development. *J. Architect. Plann. Res.*, 19: 30-43. <http://direct.bl.uk/bld/PlaceOrder.do?UIN=111424512&ETOC=RN&from=searchengine>
22. Thornley, A., 2002. Urban regeneration and sports stadia. *J. Eur. Plann. Stud.*, 10: 813-818. DOI: 10.1080/0965431022000013220
23. Tu, C., 2005. How does a new sports stadium affect housing values? The case of fedex field. *J. Local Econ.*, 81: 379-395. DOI: 10.3368/le.81.3.379
24. Walker, M. and M.J. Mondello, 2007. Moving beyond economic impact: A closer look at the contingent valuation. *Int. J. Sport Finance*, 2: 149-160. http://econpapers.repec.org/article/jsfintjsf/v_3a2_3ay_3a2007_3ai_3a3_3ap_3a149-160.htm
25. Walton, H., A. Longo and P. Dawson, 2008. A contingent valuation of the 2012 London Olympic games: A regional perspective. *J. Sport. Econ.*, 9: 304-317. DOI: 10.1177/1527002507308769