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Eyes of Texas on revamped stadium

More seats mean more money -- not just for UT but for many in Austin

Austin Business Journal - by [Sandra Zaragoza](#) ABJ Staff

After a lengthy renovation, the University of Texas' D.K. Royal-Texas Memorial Stadium is offering more seats, more spots to grab a bite and the potential for a \$2 million boost to the local economy each home game.

The expansion at the north end of the stadium -- already the largest in Texas -- coupled with additional bleacher seats in the south end zone will add 10,000 seats, bringing capacity to **100,000 seats. There will be 94,000 seats ready by the first game day on Aug. 30.**

The north end expansion includes 47 suites, almost 2,000 club seats and about 2,400 chairback seats. Additionally, an 800,000-square-foot structure on the north end of the stadium will offer retail stores, concessions, a Veterans Memorial Plaza, academic space and student amenities.

UT is investing \$176 million in the stadium renovation, with about \$35 million coming from private gifts and the remainder from loans.

UT says football games at the stadium generate \$60 million to \$70 million annually. Ticket sales for each home game add about \$5 million to the pot. Much of the revenue trickles into other sports programs such as golf and swimming.

More fans in stands also means more business for the city's hotels, restaurants and stores, experts say.

UT and the Austin Sports Commission, a division of the Austin Convention and Visitors Bureau, have commissioned a study to evaluate how the stadium's new capacity will impact the city. Patrick Rishe of

Sportsimpacts in St. Louis should complete the study by mid-August.

"This is good timing for an updated study with the capacity changing," says Matthew Payne of the Austin Sports Commission. "We do expect the economic impact to increase with the additional seats."

Sweet suites, and of course a Starbucks

Construction crews will finish the renovations in November, but the north end and its vital components -- such as seats and restrooms -- will be complete for the Aug. 30 home opener against Florida Atlantic University, says Jim Baker, associate athletic director who is in charge of the renovation.

Officials say UT is depending on three main revenue streams to pay back the construction debt: tickets, concessions and sponsorships.

By far, the biggest revenue generator will be ticket sales, with luxury suites accounting for a big chunk of gross revenue, UT officials say.

"The great thing is that the suites are paying for the renovation and a lot of the money is going to retire the debt," Baker says.

The 47 new suites -- which lease for an average of \$62,000 annually plus the cost of season tickets per person -- are all taken. About 20 people or companies are on the waiting list, UT says, looking forward to when one of the stadium's 111 suites become available. The suites' annual leasing fee is paid as a donation to the Longhorn Foundation, a nonprofit unit within UT Athletics.

The suites, which feature flat-screen TVs, wet bars and great views, are a favorite of corporate sponsors, which use the boxes to "cultivate business prospects," says Chris Plonsky, senior associate athletics director for UT.

More than 80 percent of the stadium's new club seats and chairback seats have also been sold to fans who will likely spend money at concession stands and retail shops in the north end.

"What you don't compute as easily are the 10,000 new customers who will buy concessions, souvenirs and novelties," Plonsky says.

The north end is also housing a Starbucks, Freshens Smoothies and World of Wings that will be open year-round for students and visitors.

Plonsky says that while the financial gain from the new stadium will be significant, it's important not to lose sight of the department's mission.

"At the end of the day, what we do with all the revenue is give 600 young men and women student athletes the opportunity to compete," Plonsky says. "It ultimately goes back into every single facet of the athletic department, from hiring great coaches to providing the best academics and training facilities."

A 'bullish' economy

For those outside UT, the financial impact of the home games can be equally as impressive. A 2004 study completed by AngelouEconomics reported that the city of Austin scores more than \$24 million each home-game weekend. The study found that about 40 percent of game attendees were from out of town and spent an average of \$200 per day.

John Rees, associate project manager at AngelouEconomics, estimates an 11 percent increase in seat capacity could generate an additional \$2 million in local spending per game on top of what the games may be generating today.

UT will have seven home football games this season.

Kerri Holden, director of public relations for the Four Seasons in Austin, says that it's common for the 291-room hotel to operate at greater than 90 percent occupancy during a home-game weekend.

"I think one of the nice things is you see a lot of the same faces. They enjoy the camaraderie and the excitement of the hotel. Everyone is in a good mood," Holden says.

Standing in the shadow of DKR Memorial Stadium every Saturday, Scholz Garten restaurant and bar is maxed out during Longhorn home games, manager Erin Rourke says.

"It's a big deal, absolutely," Rourke says. "We are right in the area, right next to the garages and the tailgating."

Rees, of AngelouEconomics, says that with many of Austin's hotels operating at near full capacity during home games, visitors may have to stay in nearby cities until new hotels come on line.

Courtesy of JB Goodwin