

Case Study : Sports & Entertainment Districts

Sacramento, USA (development proposal)

Context

In Sacramento, the capital of California, USA, plans for a new sports stadium to replace the existing ARCO Arena initiated a considered effort to integrate the stadium into the city. The question of how to use it as a catalyst for a new development persisted. The city wondered whether it should (1) construct a stadium as part of a coordinated, multi-use, master-planned site, or (2) construct a stadium without such supporting development. The city commissioned a study to answer this; the resulting plan, for a 'Sports and Entertainment District,' has not yet been developed, but the planning process is instructive to Foshan.

The proposed site, 240 acres of underused rail yards in the heart of the city, sits adjacent to the waterfront river but is separated from the amenity by an existing highway corridor. Additionally, the site is adjacent to downtown Sacramento, the Central Business District, and the city's historic area, "Old Sacramento."

Key Features

The main reason for developing a "Sports Entertainment District," rather than engaging in piecemeal development, was to build natural synergies between uses. Several sites were considered for the project, which were assessed based on selection criteria. These incorporated: "Access" to the site; "Arena Factors" based on parking requirements and arena construction parameters, especially the ability to sink the floor 25 feet below ground; "Cost Factors"; "Synergy & Impact" from and to the surrounding area; and "Urban Design," insofar as new development bettered the city.

The project was to include several kinds of development:

- A 60-acre residential community with approximately 3,000 housing units at a density of 65 units per acre was planned to be constructed in roughly two phases: (1) low-rise apartments and townhouses, and (2) high-density stacked apartments. The first phase was to be primarily rental; the second, for-sale.
- Office use was planned in several areas of the site, totaling 4.95 million square feet of space.
- Retail was planned for ground floor areas, the success of which was deemed dependent on the development of the 'Sports Entertainment District' rather than just a stadium development.
- Hotel space was considered, but no firm recommendations were made as to size or quality. Final considerations were to be based on hotel occupancy and room rates, presumably to be delivered upon by seasoned hotel developers.
- Culture and leisure amenities were incorporated from the beginning. A "Railroad Technology Museum" was planned as a cultural attraction, and open space was inserted throughout the site.

Process and Implementation

As an existing rail yard, the primary challenge of the site was supplying infrastructure and utilities; this was a necessary precondition to redevelopment. Access consideration was based on short-term (5-year) and long-term (10-year) requirements. The main efforts were rationalizing interchanges, widening roads, and providing public transportation options. Shuttle bus services were deemed appropriate for heavy-use periods. Surface parking and “backbone sewer, sanitary, and stormwater” systems were important to site success. To develop ‘priority’ infrastructure, plans called for \$73 million of investment; ‘recommended’ levels of infrastructure were projected to cost \$118 million; and total long-term infrastructure was estimated at \$234 million. Development in the southern portion of Foshan involves similar obstacles, as infrastructure provisions are a central concern for the concentrated development that occurs in stadium areas; roads and other access paths to such a high-use area are vital to project success.

The ability of the market to absorb new developments was also considered a fundamental factor to project success. Documentation suggests that the absorption of new development would be higher in the case of a planned ‘Sports and Entertainment District.’

Cost-Benefit Analysis:

Benefits of the project are assumed to be the creation of jobs and economic multiplier effects: “more than \$1 billion in construction period impacts to the greater Sacramento region (including approximately 19,500 jobs); and more than \$383 million in regional economic impact (approximately 12,700 jobs) annually.” Additionally, the project was assumed to improve city morale and encourage more development -- as well as shift national media attention to the city.

Principles/Guidelines

The point of this study is to consider the real estate benefits that can accrue from co-locating similar uses, and thereby creating an area that is better used than one that develops without oversight.