



MARCH 2013
URBAN INTELLIGENCE UNIT (UIU)

Position statement:
Business plan for
Cape Town Stadium and
Green Point Park

Urban Intelligence Unit (UIU)

This position statement has been produced and compiled by the Urban Intelligence Unit (UIU), the research wing of Future Cape Town and has included consultation with experts and thought leaders in the areas of architecture and urban planning.

We would particularly like to thank Guy Briggs, principal architect of GB | USPD, Paul Krynauw, Joe Schutzer-Weissmann and other thought leaders and experts for their invaluable and constructive advice.

It was further informed by site visits to Cape Town Stadium, Munich Olympiastadion and Allianz Arena, which took place during March 2013.

UIU's research agenda currently focuses on public space and public engagement. In late 2012, UIU commenced the public space research project Future Spaces, using experiential research to explore the possibilities of public space in Cape Town. The Your City Idea installation continues as a legacy project of 2012, as an urban experimentation around the concept of voting on urban issues.

Further information about UIU and copies of UIU's work can be found at www.futurecapetown.com

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accessibility sustainability

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Foreword

We love Cape Town Stadium. It is a symbol of Cape Town's success and aspirations on the world stage. But it is also, and more importantly, an architectural icon with the potential to speak with current and future generations of Capetonians through various forms of engagement.

It is, however, no secret that Cape Town Stadium and the Green Point Urban Park, due to a number of outdated and restrictive zoning regulations and other barriers, have not been able to operate under their full potential.

Our position statement on the business analysis recommendations has thus been centred on the principles of accessibility and sustainability, acknowledging the importance of considering the success of the venue holistically, beyond its ability to produce profits.

Accessibility relates to a spatial, social, emotional and economic connection to the stadium, promoting a sense of ownership to all those who live in the City, while sustainability relates to ensuring that a strategic asset of this scale is operated under a financially sustainable model, aware of the need to concurrently pursue environmental sustainability in any further developments.

The plan sets forth a challenging, but necessary, new path for Cape Town Stadium and Green Point Urban Park, which begins a series of new conversations based on a sound and solid foundation. Future Cape Town believes that Cape Town Stadium has the opportunity to become a loved venue, locally and globally, very much a part of what will make a future Cape Town even greater.



“...Cape Town Stadium has the opportunity to become a loved venue, locally and globally, very much a part of what will make a future Cape Town even greater”

Rashiq Fataar
MD, Future Cape Town

Future Cape Town and the Cape Town Stadium

Future Cape Town is a non-profit think tank, creating a platform and space for debate, awareness and action about the future of cities, and is based in Cape Town, South Africa. Future Cape Town was started in July 2010, in the period after South Africa's successful hosting of the 2010 FIFA World Cup™. The period before the major football event was typically characterised by a narrow debate around World Cup infrastructure developments, often limited to a few viewpoints and lacking in inclusivity. Future Cape Town was created as a means of stimulating broader debate and questioning the future direction of the city. As an organisation that was founded upon the very events surrounding Cape Town Stadium and the Green Point Urban Park, Future Cape Town is very passionate about the way forward for urban development in the city of Cape Town, but more particularly the recent developments for the Green Point precinct.

We are passionate about public engagement on urban issues, and this is an example of an urban issue which has the potential to affect all Capetonians and can set powerful precedents, both in the sphere of public engagement and, more concretely, in terms of the outcomes of the process.

Future Cape Town has followed developments and proposed developments on the Green Point Common since the bid commenced in 1995 for the 2004 Olympics which included plans for an Olympic Tennis Centre, and in 2002 a proposed Mediterranean village complete with a hot air balloon.

“...it is a beautiful piece of architecture which has become associated with the City's brand through the World Cup, both locally and globally; and it holds the potential to catalyse further investments in the area, a veritable goldmine.”

The current proposal involves relaxing the land zoning of the Record of Decision of 2009 (Future Cape Town media release on the topic) to allow for partial commercialisation of the area, as well as two four-storey buildings — a commercial building and a parkade.

While we support the need for finding a way forward based on sound precedent and logic, and agree that partial commercialisation could be key to this, we wish to caution against commercialisation at the expense of the existing potential inclusivity of the precinct.

As part of viewing the Stadium within its existing context, Future Cape Town strongly opposes the radical proposal that the Stadium be demolished. Its construction, which involved significant investment, catalysed major infrastructure changes; it is a beautiful piece of architecture which has become associated with the City's brand through the World Cup, both locally and globally; and it holds the potential to catalyse further investments in the area, a veritable goldmine. It is the most modern venue in the province, and through events such as the Bafana Bafana vs. Norway soccer match has brought a diversity of spectators together.

Cape Town Stadium facts

- Cape Town Stadium was built between 2007 and 2009
- Its current capacity is 55,000 spectators (p.7)
- It successfully hosted eight games during the 2010 FIFA World Cup™;
- in addition, it hosted five events prior to the World Cup, has hosted six international friendly games following the World Cup and was also set to host 13 international musical artists between 2011 and May 2013

According to the business plan, the challenges currently faced by the Stadium include knock-on effects of “the global recession and high stadium competitiveness”, which have limited the opportunities for stadium usage, as well as:

- the lack of business flexibility due to restrictions on land use
- a restrictive municipal legislative framework and,
- the stadium operator (currently The City of Cape Town) being unable to find a premium anchor tenant.
-

The Stadium and the Green Point Urban Park are not considered either financially or socially viable as they are, and do not currently represent best value to the City and ratepayers.

In light of these challenges, a business plan has been drafted and is being considered for implementation. It aims to select a suitable business model in order to make the stadium commercially and financially viable for the City, to identify all obstacles and re-assess all traditional management structures and event delivery models currently in place, to seek a broader, strategic and professional view of the distribution of services and products that is required at the stadium.

This position statement is in response to the aforementioned business plan and the call for public comment, which closes on 31 March 2013.

The business plan in brief

The plan proposes a mixed-management model taking the form of either a public/private partnership (cf. the Cape Town Partnership and Cape Town Tourism) or a municipal entity (cf. Convenco). This would translate into comparatively lower financial risk, with increased flexibility in terms of legislation such as the Municipal Finance Management Act.

It recommends that land use zoning for the area be amended to allow for partial commercialisation of the precinct, so that commercial activity can take place other than on event days.

In terms of capital investment, it proposes adding more suites to the stadium structure, as a way of adding to the potential revenue generating capabilities of the Stadium itself, as well as two four-storey buildings — a commercial building and a parkade.

Under the proposed model, the business plan envisions the loan for capital investments being paid off over 20 years, and for the Stadium to become profitable in as few as three years.

Introduction to the position statement

Our position statement on the business analysis recommendations is centred on the principles of accessibility and sustainability, acknowledging the importance of considering the success of the venue holistically, beyond its ability to produce profits.

Accessibility relates to a spatial, social, emotional and economic connection to the stadium, promoting a sense of ownership to all those who live in the City, while sustainability relates to ensuring that a strategic asset of this scale is operated under a financially sustainable model, aware of the need to concurrently pursue environmental sustainability in any further developments.

accessibility sustainability

Principle: *Cape Town Stadium and the Green Point Urban Park must encompass environmental and financial sustainability in all its operations, in particular in relation to proposals for commercialisation and further developments in the precinct, as well as the proposed mixed-management model.*

Towards a financially viable stadium and park

Future Cape Town believes that aspirations for profit making or profit maximization should not be the sole aim, neither the sole determinant of success of the venue. Instead, financial stability and transparency should be pursued, through a complete understanding of the full operational costs, including socio-economic externalities.

In the same vein, the sources of revenue generation, through events and the commercialisation (in fact a rationalisation of the uses of the stadium) of the venue, should be equally understood and transparent.

Future Cape Town believes that it is possible to reach a profitable state within three years (2016) as per the proposed mixed-management model (see Table 20 and 21), but that this would require all conditions to be met as outlined in the business plan.

Perhaps a less ambitious or more realistic goal of profitability in five years could be considered and modeled, which would not depend on such strict criteria being met.

We strongly encourage additional modeling of the two recommended models (5A and 5B), which have not allowed for variations in the initial assumptions, which, if changed, could have a significant impact on the projections. The modeling presented in the plan serves to compare variations across the different models, with the same set of assumptions for each, but the resilience of the two recommended models will be tested by variations in these. A fuller understanding of the costs and risks are encouraged over a false sense of hope around profitability.

We would also like to see additional information on the developments proposed on p.38:

- A. Potential in-stadium hospitality (corporate suites, business clubs, hospitality lounges, etc.) – depicted in table 23)
- B. Potential property commercialisation development schedule

Our concerns in particular are:

- No explicit figure (or range of figures) is provided in terms of the foreseen capital expenditure, neither the foreseen revenues generated from the developments.
- Considering the added burden these changes would place on the public/private partnership or municipal entity managing the Stadium, we would like to see a consideration of an alternative scenario in which a special purpose vehicle is used for implementing these

changes (cf. the Olympic Delivery Authority for the London 2012 Olympic and Paralympic Games), so that the managers are solely in charge of operating the Stadium precinct.

In summary: we would encourage the city to share the full costs and risks foreseen, including running costs and the costs of making further modifications, and the level of certainty of added revenue associated with each change.

A mixed-use future through commercialisation

Future Cape Town supports the recommended commercialisation of the precinct, in particular the opportunity to create a mixed-use facility which can support a functioning public realm, with the possibility of commercial and semi-commercial uses, e.g. a sports centre, museum, merchandise store — which are vital to placemaking and successful street design.

The impact of not commercialising has a twofold negative impact: a significantly degraded public realm and a major revenue-generating barrier, both of which are unnecessary. We thus believe commercialisation to be logical and in line with best practice and case studies from similar venues around the world. It should be noted that, in fact, the current design makes provision for commercial uses, as seen in the Fritz Sonnenberg edge of the podium.

Comparable case studies include the London 2012 Olympic Stadium, which has “a perimeter array of spectator facilities, particularly retail and food service” — Cape Town Stadium could improve on this model by having this not simply being seen as “spectator facilities”, but rather year-round, everyday facilities, which would activate the space around the Stadium whether there was an event being staged or not.

Durban’s Moses Mabhida Stadium also includes a retail element as well as bungee jumping, which draws customers whether they are spectators or not. Future Cape Town would, however, like to see space being made for retailers that are locally based as opposed to large franchises, who can afford higher rental rates but who will not necessarily add societal value.

Future Cape Town would also raise the concern that the entity or partnership tasked with running the Stadium guard against creating an exclusive commercial zone, or one that cannot engage with the majority of Capetonians, given the socio-economic dynamic of the broader metropolitan region. In this regard, particular attention should be paid to the relation between commercialisation and the City’s draft Economic Growth Strategy, with a focus on SMME’s in relevant sectors, e.g. tourism, retail and hospitality.

A partnership model

Future Cape Town supports the recommendation, as outlined in the business plan, for either a public/private partnership (like the Cape Town Partnership or Cape Town Tourism) or a municipal entity (like Convenco).

Given the significant investment involved, Future Cape Town would prefer a municipal entity that acknowledges the national, provincial, local government and other investments in its existence thus far.

We would encourage a formal structure for knowledge sharing and mentorship between the existing public/private partnerships and municipal entities and the new entity tasked with the management of the Stadium precinct. It would draw knowledge and learn from the successes and challenges faced by the existing bodies, a crucial step in forming what will become the new body.

“We would encourage a formal structure for knowledge sharing and mentorship between the existing public/private partnerships and municipal entities...”

This structure could also serve to avoid duplication, particularly in areas around events strategies and destination and place marketing, helping the City form a more co-ordinated approach in these areas.

Development and re-development

Cape Town Stadium (and Green Point Park) should be able to leverage and exploit the various re-development opportunities within the stadium footprint as well as the outlined precinct, such that it contributes to the financial stability and sustainability of the venue. However, new buildings should be designed in such a way as to be compatible with the existing built form, respecting the architectural presence and design of the Stadium.

Future Cape Town would like to see as much effort and thought go into the architecture of new structures as went into the Stadium itself.

The proposed developmental changes include the construction of a commercial building and a four-storey parking garage facility. This is to be done at what is currently an open-air parking bay along Granger Bay Boulevard. The suggestions for the proposed commercial building's use include a sports science centre, office blocks or a hotel.

The parking garage is purported to meet the growing demand for parking spaces. SMME retail stores may also be incorporated on ground floor level, as well as non-franchised restaurants, coffee shops, sports bars and late-night venues.

Future Cape Town would encourage the use of some of the 1,170 parking bays inside the Cape Town stadium structure to serve the new development, before the construction of a second parking building, for which no clear motivation is provided.

The stadium podium includes a substantial amount of parking, very likely sufficient for the non-event uses that are envisaged, and the Stadium is located close to two IRT stops; any statutory parking requirement should therefore be reduced. For events, limited or no parking is provided, and those attending the events are encouraged to use public transport and the Fan Walk — to great success.

In addition, the development of a multi-storey parking structure would enormously detract from the public realm, negating some or all of the positive contribution to streetscape activity that would be provided by commercialisation in and alongside the stadium — i.e. retail, offices and hotel.

“...the development of a multi-storey parking structure would enormously detract from the public realm, negating some or all of the positive contribution to streetscape activity.”

The number and sizes of the proposed new suites have been provided (p.39), but a clear graphical representation needs to be given on how they will be accommodated in the existing structure, as well as how the silhouette — a key architectural feature associated with the Stadium — will be affected. Consideration also needs to be given to how more concessions on the ground level will affect the free space or free-flow “feel” of the venue.

A masterplan for the future

The Stadium is one (albeit large) piece in a larger puzzle.

Future Cape Town believes that more thinking is needed on integration, such that a cohesive and legible master plan is designed for the Stadium, the Park and the surrounding land parcels and opportunities.

“The Stadium is one (albeit large) piece in a larger puzzle.”

Additional compatibility is required with regard to potential other developments falling outside of the stadium precinct, e.g. Fort Wynard, Granger Bay Boulevard, the Somerset Hospital site, and the immediately adjacent precincts of the V&A Waterfront.

As an example, we invite the City to think about the future of the precinct as a major events hub, with multiple events taking place simultaneously, and how a master plan would enable this.

Future Cape Town strongly recommends that existing work on the vision and future of the Fan Walk be accelerated, perhaps involving the re-zoning of this crucial link such that it embeds itself in the match day experience, and works synergistically with the Stadium and Park.

“Future Cape Town strongly recommends that existing work on the vision and future of the Fan Walk be accelerated...”

The lack of a clearly defined events strategy for the City and region also has an impact on the Stadium, and the recommendations on p.45 under Cape Town Stadium event bidding process should be followed — identifying suitable events and establishing an event bidding committee. Consideration should specifically given to funding for event bidding — and whether the City would fund this, or if the new managing body would be required to fund it.

Given the timeframes involved in re-zoning and planning for what the precinct will become, Future Cape Town believes that a suitable events strategy for Cape Town and the Western Cape, to be run in parallel, is suitable, to give clarity to the public, potential investors and the events industry.

***Principle:** Cape Town Stadium and the Green Point Urban Park should be accessible to all residents in the metropolitan region, with specific emphasis on the need to promote a sense of ownership of the Stadium and Park, fostering a functioning, permeable, welcoming and vibrant public realm, as well as supporting the creation of economic opportunities*

accessibility
sustainability

Spatial

Any implications of the business plan must ensure that spatial accessibility is maintained. Advantage has to be taken of the fact that the Stadium is fully accessible to disabled persons and that it is easy to reach for citizens all over Cape Town via public transport. This has allowed a diverse range of people access to social and cultural events, and is thus able to draw local and international visitors alike, with the natural beauty as a scenic backdrop – even without the staging of events, its mere presence is an attraction in itself.

We would mention here again the importance of considering the broader spatial context of the Stadium, in terms of ensuring that pedestrian and other non-motorised transport access is maintained and encouraged between the Stadium precinct, Cape Town Station via the Fan Walk, the V&A Waterfront, and any other future developments or facilities.

The Stadium should be integrated with the urban and social fabric, rather than isolated as it currently is. Fritz Sonnenberg road, for example, remains widely accessible as a multi-purpose zone for informal trading and open markets, for recreational, sporting and educational facilities, restaurants, and a meeting place for social events.

“The Stadium should be integrated with the urban and social fabric, rather than isolated as it currently is.”

Various models should be explored that do not focus on maximising rental revenues to the exclusion of accessibility.

Emotional and social

Emotional or social accessibility refers to ownership of the Stadium in the minds and hearts of citizens. This can be achieved through hosting events appropriate for the intended audience in the Stadium and the surrounding area, and it is essential here that the intended audience include the majority of Capetonians.

Compare a venue such as Melbourne’s Federation Square, with Performing Arts, a design centre, a public hub, tourist info and guided tours, bicycle rentals, a meeting place, pop-up activities, sports activities, a large news and sports events screen, busking, a venue for street events, SMME locality,

public holiday gatherings, a new year gathering place, a skateboard park inside the stadium parking structure, a venue for the annual jazz festival — the mind reels at the possibilities!

All it needs is for a visionary to unlock these kinds of activities within the urban development context. The Stadium forecourt and surrounding spaces should be mated directly with such a facility to create the kind of vibrancy, footfall and shared culture, for ultimate commercial sustainability.

The landscape links to the Urban Park, Beach Road and public transport stops should be strengthened.

Communication with said audience should also be significantly enhanced. This would be relatively simple to implement but could have very important ramifications for this facet of accessibility. Transport information, ticket pricing and sales and events promotion should all be readily available and actively communicated to the public.

“All it needs is for a visionary to unlock these kinds of activities within the urban development context”

The business plan mentions citizens being exposed to a range of activities in the Stadium and the Park, with event organisers and local and international visitors as the target population, as they are key to achieving the projected business outcomes (p.47).

However, the cost of accessing these activities is not addressed, which we feel should have been considered given the socio-economic dynamic of the target population should be.

While financial viability needs to be pursued, this need not be done at the expense of inclusivity. The plan therefore needs to reflect sensitivity in terms of what precisely is planned in terms of commercialisation — an exclusive dining strip, for instance, could serve to alienate the majority of Capetonians.

It is also true that the Stadium and any future development at and around it should be loved and owned by its surrounding communities — that is the residents and business people of Green Point, Mouille Point and the V&A Waterfront. To this end, it is recommended that the City consult as widely and comprehensively as possible in the local area, rather than limiting its consultation to groups such as the Green Point Ratepayers Association, which represent a narrow point of view and a small but vocal membership.

Economic

The commercialisation of the Stadium precinct should also be inclusive in terms of economic development. While large franchises may be able to pay higher rental rates, we would caution the City not to miss this opportunity for encouraging local businesses and SMMEs. Future Cape Town would suggest a policy e.g. an extension to the Draft Economic Strategy, in this regard, which would aid in future planning as well.

The activities currently permitted in the precinct complement the social and historical purpose of the Green Point Common with sporting facilities, pedestrian and cycling paths, and the outdoor urban gym.

“The commercialisation of the Stadium precinct should also be inclusive in terms of economic development.”

The activities which would be permitted at the Stadium also complement the zoning of the precinct as a whole, with a sports museum, a fitness and wellness centre, and conference, office, kitchen and dining facilities, in association with sporting merchandise and marketing activities. The operation of these would promote and stimulate SMME growth and could provide a boost to more established commercial ventures, including hotels and restaurants, in the Green Point area.

Speaking with the people

As mentioned previously, Future Cape Town believes that more effective communication around Stadium events and plans would help engender a feeling of ownership by all citizens of the City. A necessary first step is a website.

Engagement via social media would also be encouraged. Signboards at the Stadium itself, advertising upcoming events, would also help to build excitement around these.

“...more effective communication around Stadium events and plans would help engender a feeling of ownership by all citizens of the City.”

An understanding of how citizens access information could be useful in this regard. If people in one area are accustomed to finding out about events through posters on lampposts, and people in another area are more used to pamphlets, then events should be marketed as appropriate in each area.

It is important to remember that while a website is a cheap and efficient way of communicating with citizens, not all Capetonians have reliable Internet

access as yet. The introduction of free basic Wi-Fi during stadium tours should also be explored with the aim of using visitors as part of the marketing of the Cape Town.

Recommendations

Taking into account all information contained in the *Business plan for Cape Town Stadium and Green Point Park*, the findings by Urban Intelligence Unit, as well as the opinion expressed by the various experts and, Future Cape Town makes the following recommendations:

- **The proposed mixed-management model:**
Future Cape Town supports this, provided a formal knowledge sharing mechanism is set up with existing public-private and municipal entities, in light of the benefits of avoiding the stringent conditions of the Municipal Finance Management Act.
- **The proposed commercialisation of the precinct:**
Future Cape Town supports this, provided that clear policies and guidelines are put in place to ensure that local SMMEs benefit from the business opportunities provided and that commercialisation is not pursued at the expense of accessibility (in its fullest sense) by all Capetonians.
- **The proposed construction of additional suites:**
Future Cape Town supports these, as they are crucial to securing an anchor tenant, but should be subject to a design review. The capital cost and delivery of the additional suites needs to be clearly separated from the costs of operating the Stadium.
- **The proposed four-storey commercial building and parkade:**
Future Cape Town does not disagree with the commercial building in principle, but the responsibility of any large-scale construction should not be borne by the Stadium operator — a special purpose vehicle might be more suited to this task. Future Cape Town is also opposed to any additional parking being provided, as we are of the view that this is neither necessary nor desirable.

Conclusion

The calm, elegant, shell-like facade of Cape Town Stadium belies the truly remarkable multi-functional, multi-use potential of a venue. What we term Cape Town Stadium is, in fact, more than a stadium — it is rather a series of spaces in a well-orchestrated building, which could become significantly busier and more viable.

It was during a recent visit to Allianz Arena in Munich when the concept of accessibility really hit home. One of the world's most financially sound football clubs, and stadium, opens its gates to the public to wander around parts of the stadium, with or without a guided tour, to access the podium, concourse, restaurant, and merchandise stores.

It is our view that, with enough support, logical thinking will triumph over paranoia and cynicism involved in debates surrounding Cape Town Stadium and the Green Point Urban Park. The business plan provides a departure point for more constructive engagement about its future,

We look forward to the outcome of this process, and look forward to our role in formally engaging the City of Cape Town and all sectors of society towards a joint vision for Cape Town's jewel.

Rashiq Fataar,
Managing Director, Future Cape Town

List of visit dates

Cape Town Stadium	04 March 2013
Munich Olympiastadion	28 March 2013
Allianz Arena	28 March 2013