PARTNERS IN SUCCESS

Jon Coxeter-Smith, Founder & CEO Sagacity MCS Ltd, gives a practitioner's view on the role of 'Partnerships for successful venue delivery'.

Tempus fugit wrote the classical Roman poet, Virgil; he wasn't wrong! As I write, it's already two months since I returned from the highly successful Stadia & Arena Asia Pacific 2017 Conference and Exhibition at the Makuhari Messe, Chiba City, Japan. Where does the time go?

The event showcased the high levels of Japanese sport sector activity:

- the busy preparations for hosting two of the world's largest sporting events - the **Rugby World Cup 2019**, and the **Summer Olympic Games, Tokyo 2020** (and the preceding portfolio of test events);
- the analysis of future bidding opportunities such as the 2026 edition of the **Winter Olympic Games**, an opportunity for Sapporo to build on its successful hosting of an outstanding **Asian Winter Games**;
- the continuing development of professional sports organisations such as **Nippon Professional Baseball**, the **J League** (association football), the **Japan Golf Tour** and others;
- the Japan Sports Agency's announcement of a Japanese version of the **US NCAA** model for college sports.

Activity in the sector across the wider region, such as the **OCA 2018 Asian Games Jakarta and Palembang**, was also prominently featured.

My intense participation included chairing a fascinating presentation and Q&A session on the commercialisation programmes from **Eden Park** (home of the iconic **All Blacks**); moderating two international round tables 'lifting the lid' on factors to consider when thinking about the choice of roof for a sports venue and on key considerations for organisers of major sporting events respectively, and as a panelist on a roundtable focused on delivering and operating sports venues which match a city's needs.

It was especially gratifying to note that the latter roundtable kept the underlying strategic objectives for commissioning the venue to the fore; perhaps serving the city's positioning in the competitive global landscape as they strive to influence choices to visit, study, work, live or invest in their favour.

PARTNERSHIPS IN ACTION

The event set out to promote collaborations and knowledge transfers and was organised through partnership between international and local entities. Partnerships too were a recurring theme of many of the conference speakers.

Reflecting on my own professional experiences of various forms of partnerships in action in venue delivery, it seemed appropriate to devote the rest of this piece to some thoughts distilled from those experiences.

Motivations underlying a sports facility complex are typically mixed, often including considerations of image, impact on wider communities – for example in terms of economic regeneration – and enhancing the sense and worth of place in a community.

Historically, the first resort has been the Public Private Partnership (P3/PPP) model involving a public sector agency and a private sector entity formed to be responsible for some or all the life cycle phases (Design, Build, Finance and Operate).

The case for partnership is shown in the table.

But experience has shown though that some cautionary words are required too. There have been several instances where P3/PPP partnership models for venue projects have been over »

The Case for Partnership in Sports Facility Delivery
The benefits required are wide ranging and their impacts widely dispersed. The investment opportunity can be spread among beneficiaries, lessening the reliance on any single party.
A partnership arrangement provides access to a wider resource pool including: ▶ Legislative authority. ▶ Entrepreneurial flair. ▶ Know how (for example, operator skills). ▶ Capital and labour.
Traditionally separate stages of the lifecycle – design, build, operate and maintain – can be joined up. An integrated, seamless approach allows a common sense of purpose to prevail across all stages and mitigates the risks often found in the 'seams'.
Partnership also allows a sharing of risks, which can be allocated on a case by case basis, to the party best able to manage the risk.

« reliant on private sector investors. It is unrealistic to expect investment only from the private sector where part of the return (and that might be the very thing that makes a project bankable) is inaccessible to that sector.

A further twist on this caution comes from other experiences where public-sector impositions have limited the operator's ability to operate the venue on a commercial basis and yet are not matched by any compensatory investment.

We've seen examples of the challenges and the complexities of constructing P3/PPP arrangements for the development of major sport facilities.

At the time, the financing of **Sydney Olympic Stadium** was labelled "one of the most innovative but complex and challenging transactions in Australia's corporate history".

The impact of this complexity on schedule and in limiting the numbers of potential participants, and therefore competition, should not be overlooked.

A personal favourite example of an alternative partnership model for venue delivery comes from the **Estádio do Dragão** and wider Antas area regeneration project in Porto, Portugal. Here a major stadium anchored, urban regeneration project was formulated to respond to a combination of factors acting as the main drivers:

- Portugal had recently won hosting rights for the European Football Championships **Euro 2004**.
- The city of Porto was promoting a master plan, to stimulate the economic regeneration of the Antas area.
- **FC Porto** sought to renew its old stadium which was degrading and economically and code obsolete.

The key participants and their contributions are shown in the table.

The new stadium was officially and successfully opened in November 2003 with a match between FC Porto and **FC Barcelona**. Unknowingly, those of us at the match were witnessing a piece of football history in the making for in the 75th minute a 16-year-old **Leo Messi** made his first team debut for FC Barcelona.

Estádio do Dragão provided the venue for the opening game of the UEFA 2004 Championships, several group games and a semi-final. And FC Porto Football Club won the **European Club Championship** in May 2004, less than five months after moving in.

Beyond the stadium the wider area Masterplan was completed at pace.

My own visits, post 2004 saw a new, vibrant and economically active area of the city that was previously underdeveloped, and one that was enhanced by the improved infrastructure including Metro and new ring road and motorway connections put in place during the regeneration.

The model here involved a broad partnership that represented the range of expertise and investment necessary to deliver such a wide ranging and complex project, with the public sector playing a leading role in developing the vision at the urban scale and enabling that vision both by providing infrastructure to service the development framework, leadership and legislative support.

A P3/PPP model would have required the formation of a single entity to act as the lead agency. Analysis showed that this lead did not sit comfortably with any single entity, supporting the decision to proceed with a collaboration between multiple parties.

The additional effort required for coordination and risk management across this model was balanced favourably against the savings of schedule and effort realised by not forcing the formation of a single project entity.

The results achieved in Porto commend the partnership model as a sustainable alternative to the conventional P3/PPP versions subject to the organisational maturity, experience and capability of the public-sector organisations involved and provision of the necessary leadership.

In closing, if the role of government is to govern, maintain a balanced overview and function as guardian of civic interest, then it seems to me that as the public sector matures and strengthens, we will see better and stronger partnerships in turn better enabling the public sector to discharge its roles. ■

Estádio do Dragão and Antas Area Master Plan – Principal Participants

Party	Nature of Participation
National Government	Subsidy of construction costs of football stadium (approximately 25%). Legislation to promulgate the Antas Area Masterplan; to enable land registrations, land swaps and the like.
City Government (Municipality)	Leadership and support for the development of the Masterplan. Funder for new infrastructure and utility services to enable the Masterplan.
FC Porto Football Club	Stadium developer. Part funder. Financing for the new stadium included: ▶ Debt finance secured against future revenues from corporate hospitality facilities. ▶ Subsidy (see above) ▶ Capital receipts from sale of land occupied by existing stadium site.
Commercial Property Sector	The Masterplan included various commercial property elements: ▶ Hotel ▶ Retail ▶ Leisure ▶ Residential