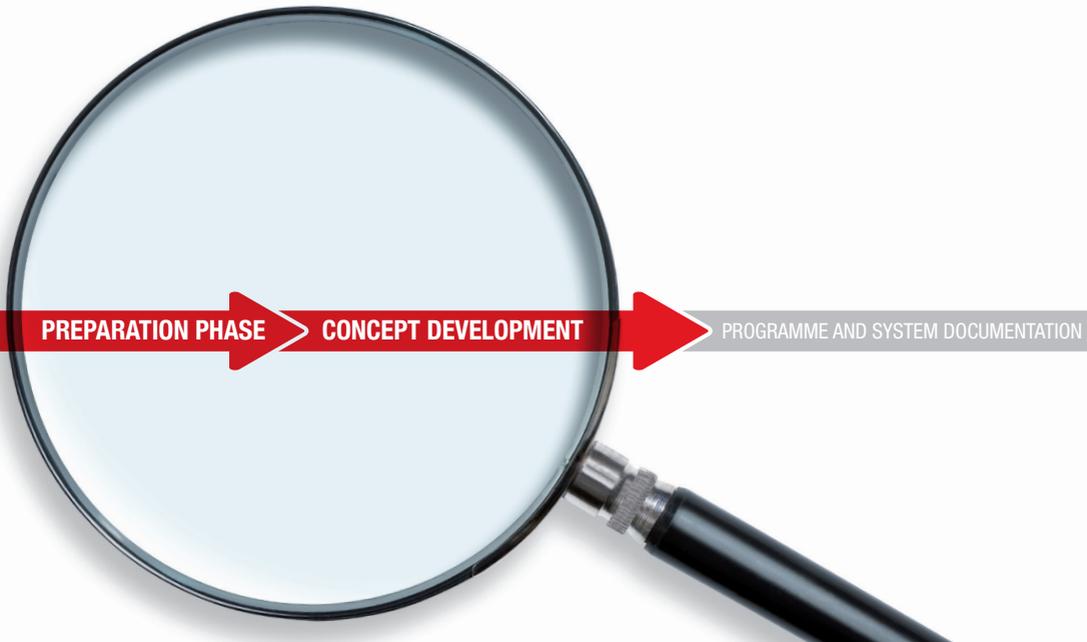


SO YOU'RE THINKING OF BUILDING AN ARENA?

– TIPS AND INSIGHTS FROM AN EXPERIENCED ARENA DEVELOPER

SO YOU'RE THINKING OF BUILDING AN ARENA?

Few people receive the opportunity to participate in an arena project. But such an opportunity also brings with it many questions and a great deal of responsibility. That is why we have created this document. It consists of valuable tips and insights from an experienced arena developer with more than 40 successful arena projects to its name.



There is a general understanding that a form of “arenafever” has taken hold in Scandinavia. And a fair amount of construction is certainly taking place – for various reasons: weary sites from the 60s and 70s need to be replaced with facilities that can cope with modern day demands; clubs and associations are making ever-increasing demands, and visitors are expecting greater levels of comfort than have existed in the past. There are many different parties that need to be satisfied.

Everyone wins from making Scandinavia’s future arena projects as successful as possible. And the ability to ask the right questions, even when the arena is little more than an exciting vision yet to be fulfilled, is one way to ensure that the requisite quality will be achieved. That is the only way to ensure that you arrive at the right time schedule and the right budget calculation from the start, without the need for time-consuming and expensive amendments and modifications.

At the end of the day it is all about achieving and maintaining control, and knowing what you are doing, regardless of the size of the arena, stadium or sports facility in question. The questions you ask, and the way in which you ask them, will ultimately affect the answers and the information you receive.



SPECIFICATIONS

TENDERS

CONSTRUCTION PHASE

1

UNDERSTAND WHAT YOU ORDER

There is a difference between a multi-functional arena and a sports hall: The restaurant must work well in conjunction with the hot dog stand, which must be in sync with the handball match being played, after which everything must then be able to be reorganised in time for the concert being played that evening ... in other words, the arena requires a great degree of flexibility. This means that, while architectural aspects are one part of the feasibility study, there are also many other factors that must be considered when making decisions.



No one individual can know everything about everything. Make sure you involve different parties with relevant expertise for the various phases of the planning process. It may sound paradoxical, but doing so will actually save the project from ending up on the back burner.



The users are not only the spectators. Comfort aspects and logistics must work smoothly for all concerned, including visiting artists and their entourage that arrive with a fleet of vehicles. Otherwise their first visit will also be their last.



Build what is necessary, and ensure a relevant degree of flexibility when it comes to adapting the arena for the staging of different types of events. Will concerts be held there? What about conferences? By ensuring an ability to adapt the facilities to different types of events, the arena will be capable of staging a large event or show without the need for significant modifications after the arena has been built.

START FROM THE BEGINNING

2

Passion and dreams are at the heart of an arena project. But they must be supplemented with common sense, the right tools and the right cost calculations. Start by investigating the actual fundamental requirements, even if it is tempting to focus on the visual design: what do we really need? And what can we afford?

Understand that the project's initial phase will cost money. Performing a couple of study visits at other facilities is not enough; no two arena projects are alike, and the requirements for your individual project must be considered from a regional and local perspective.

 **Build your arena for the right people.** Arenas with strong reputations have always been built with the customers in mind; in other words the people who will ultimately spend money on food, tickets and other attractions.

 **Ensure that all relevant parties are informed and involved,** including local trade and industry as well as the region's clubs and associations, in order to capture the various aspects and wishes that will be relevant for your particular arena.

3

BE SENSIBLE WITH REGARD TO MONEY, NOT CHEAP

The price achieved during the procurement process is naturally of extreme importance. But what is the “right price” in reality? There is much to be gained from ensuring that the procurement criteria stipulated place relevant emphasis on parameters such as organisation, sustainability, reference projects and an understanding of operating costs. The cheapest option is not always the best option.



An arena construction is more than just a building. Make suitable allowance for the importance of logistics, infrastructure and other supporting business activities in and around the arena.



Use clear, unambiguous procurement criteria. You will then avoid any unnecessary discussions regarding additional work, risk-taking and the responsibilities of the various parties involved.



Do not budget too tightly. Anyone who deems safety measures to be unnecessarily expensive has probably never been involved in an accident before. If the necessary allowance for potential snow load is ten per cent, do not be tempted to compromise, even if the official requirement for that particular snow zone is only five per cent.

GIVE ENERGY ASPECTS THE ATTENTION THEY DESERVE



Do you have an energy policy? Good. Your goal should be to comply with – or if possible surpass – your energy policy, even if it may feel like an unnecessary additional cost initially. It will pay dividends in the long run. Because it is all too easy to underestimate the volumes involved with a multi-functional arena.



Think in cubic metres, not in square metres.



Pay attention to details: Different surfaces have different effects on operating costs.



Delegate clear responsibility to ensure that energy-related issues are taken seriously and that they are followed up appropriately. It will pay dividends in the long run.

5

DARE TO TAKE COSTS

The philosophy behind the construction of an arena is different to any other large construction project. Accept a few loss-making years and analyse what will benefit the long-term economy. These decisions should rely upon depreciation and amortization based on the life cycle of buildings and activities. Expect the content and “arena concept” to survive for 10-12 years and for the building to manage 25 years before requiring substantial modernisation to cope with the competition. The economic conditions are unique to each project – there is no black or white. Looking in perspective, it is a short period of time that will have a tremendous impact on the total costs. Try to also take the socio-economic effects into consideration, even though these can be difficult to apply in financial reporting.



Appoint a professional organisation to operate the arena, with a clearly expressed assignment to maximise the number of events held there.



Be patient and consider the benefits for the community. Higher occupancy rates, a greater degree of attractiveness as a municipality, increased hotel stays etc. The positive effects will span a long period of time.

REACH AGREEMENT REGARDING THE ROLE OF THE LOCAL MUNICIPAL AUTHORITIES

6

Few or possibly no arena projects can be carried out without the support of the local municipal authorities. In order to be able to produce a clear mission statement prior to the feasibility study (and thus save both time and money) it is important that all parties involved are in agreement. Examples of some aspects that need to be agreed include:



Which infrastructural components are to be financed

by the local authorities? (Electricity, access roads, parking facilities etc.)



Do the sports teams that will use the arena fully

understand the conditions that apply? In other words, do the necessary areas and functions exist – and are they sufficient?



Is there understanding of the fact that events yielding poor financial returns might not be able to be staged in the arena?



Can development rights be used as a means to reduce the investment costs?



Keep a tight control on the process, even internally.

Everyone has their own particular wishes – but still they wonder how it could end up being so expensive.

7

KEEP EVERYONE IN THE LOOP

A construction project requires all parties involved to be work together and strive to achieve a common goal. This can become very complicated, even with the very best of intentions are involved. An arena project that is planned and executed using a BIM-model avoids the risk of information losses and coordination mistakes. The use of BIM-modelling might cost a bit more than an ordinary 2D drawing initially, but it makes it possible to save both time and money – up to 15 % of the total cost of the project.



BIM stands for Building Information Model. Involved parties and other stakeholders gain access to a centrally stored model that can be formed and developed in parallel with the arena development.



BIM-modelling makes it possible to tie in utilised time and financial data to the project. 4D and 5D effects are often referred to with these two additional dimensions in play.

FOCUS ON THE RIGHT THINGS



The basis for the procurement process should not be allowed to become too detailed. Initial project planning has its advantages, but if the work becomes too detailed it runs the risk of stagnating. It can become difficult to make corrections and alterations and to take advantage of the contractor's expertise. The alternative is to ease off on the detail slightly and to manage the project continuously through clear guidelines rather than a strict framework. Such an approach leaves scope for for positional adjustment throughout the process and therefore makes it possible to reap maximum benefit from the entrepreneur's expertise during each phase of the project.



Show humility. As a rule, an arena project is something that people become involved with only once in their working lives. Surrounding the project manager with the right skills and expertise will enable him/her to make the right decisions during the course of the project, even if there is a lack of adequate experience from similar projects.

ArenaProjekt, formed in 2004, are specialists when it comes to creating and conceptually developing arenas. The business is led by Sven-Åke Wikers, a leading authority within Scandinavian arena development and an experienced project developer within the construction industry.

ArenaProjekt has been involved in around 50 successful projects to date. Please visit our website for more information.
www.arenaprojekt.com.

