Modernization and the Contemporary Sport Stadium

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Modernization and the Contemporary Sport Stadium

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A key component of sport as an entertainment product is the construction of state-of-the-art sport facilities capable of capitalizing on the evolving interests and desires of would-be consumers, partners, and lessees in existing or new markets (Shubert, 2016; Tutka & Seifried, 2015). Within sport management, modernization theory has been used to explain how social, economic, and technological changes in the United States (U.S.) influence consumer desires and industry responses or future trends (Downs & Seifried, 2019). In the U.S., politicians create a political economy by responding to those changes through enacting capitalist, liberal economic policies (Hall & Soskice, 2001). Sport facility scholars, in turn, examined the relationship between politicians and facility management (e.g., Dinces, 2018; Seifried et al., 2015; Trumpbour, 2007). Furthermore, and relatedly, Fried and Kastel (2021) stressed the importance of appreciating the politics of facility management (i.e., political economy) to future sport managers, particularly when planning the renovation or construction of new sport facilities.

We bring this information to your attention because the status of contemporary, major professional sport facilities in the U.S. garnered increased media attention during the spring and summer of 2023 through as many as 12 potential and emerging stadium and ballpark projects (see Table 1). For example, Nevada Governor Joe Lombardo signed Senate Bill 1 on June 15, earmarking $380 million in public financing for a proposed $1.5 billion ballpark, likely to be the future home of Major League Baseball’s (MLB) Oakland Athletics (Harrison, 2023). The announcement of this commitment followed years of efforts by the Athletics to develop a more modern stadium in Oakland to replace the Oakland-Alameda County Coliseum first built in 1966 and last renovated in 1995 (Seifried & Pastore, 2009a). Elsewhere, in August of 2023, the MLB’s Milwaukee Brewers also sought public funding to assist with an estimated $448 million renovation of American Family Field (Spears, 2023). Notably, the Brewers, like the Athletics, suggested they might consider relocation without public funding support to help modernize their 22-year-old facility (Spears, 2023).
<table>
<thead>
<tr>
<th>Planning/Approved</th>
<th>Facility</th>
<th>New/Renovation</th>
<th>Location</th>
<th>Professional Sport Franchise</th>
<th>Planned Completion</th>
<th>Anticipated Cost</th>
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</thead>
<tbody>
<tr>
<td>Approved</td>
<td>Gillette Stadium Renewal</td>
<td>Foxborough, MA</td>
<td>New England Patriots (NFL)</td>
<td>2023</td>
<td>$225 million</td>
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<td>Approved</td>
<td>New Highmark Stadium</td>
<td>Orchard Park, NY</td>
<td>Buffalo Bills (NFL)</td>
<td>2026</td>
<td>$1.35 billion</td>
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<tr>
<td>Approved</td>
<td>New Titans Stadium</td>
<td>Nashville, TN</td>
<td>Tennessee Titans (NFL)</td>
<td>2026</td>
<td>$2.1 billion</td>
<td></td>
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<tr>
<td>Approved</td>
<td>AT&amp;T Stadium Renewal</td>
<td>Arlington, TX</td>
<td>Dallas Cowboys (NFL)</td>
<td>2026</td>
<td>$180 million</td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td>Cleveland Browns Stadium</td>
<td>Cleveland, OH</td>
<td>Cleveland Browns (NFL)</td>
<td>2028/2029</td>
<td>$1 billion</td>
<td></td>
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<tr>
<td>Planning</td>
<td>Everbank Stadium Renewal</td>
<td>Jacksonville, FL</td>
<td>Jacksonville Jaguars (NFL)</td>
<td>2028</td>
<td>$1.3 billion</td>
<td></td>
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<tr>
<td>Planning</td>
<td>TBD</td>
<td>Kansas City, MO</td>
<td>Kansas City Royals (MLB)</td>
<td>2028</td>
<td>$1 billion</td>
<td></td>
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<tr>
<td>Approved</td>
<td>TBD</td>
<td>Las Vegas, NV</td>
<td>Oakland A’s (MLB)</td>
<td>2028</td>
<td>$1.5 billion</td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td>TBD</td>
<td>TBD</td>
<td>Chicago Bears (NFL)</td>
<td>TBD</td>
<td>Over $2 billion</td>
<td></td>
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<tr>
<td>Planning</td>
<td>TBD</td>
<td>TBD</td>
<td>Washington Commanders (NFL)</td>
<td>TBD</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td>TBD</td>
<td>TBD</td>
<td>Tampa Bay Rays (MLB)</td>
<td>TBD</td>
<td>TBD</td>
<td></td>
</tr>
<tr>
<td>Planning</td>
<td>American Family Field</td>
<td>Milwaukee, WI</td>
<td>Milwaukee Brewers (MLB)</td>
<td>TBD</td>
<td>$448 million</td>
<td></td>
</tr>
</tbody>
</table>

Both the Nevada government’s desire to entice an MLB team to relocate and the Brewers leadership’s threat to move the franchise if they could not secure public financial support demonstrate that new markets (e.g., Portland, Nashville) have emerged where major professional baseball could succeed as a municipally supported entertainment product (Thompson, 2023). Next, the various new stadium or major renovation plans validate opinions that professional sport organizations want to play in modern facilities capable of producing substantial revenues and positive recognition; however, franchises are frequently challenged to understand and predict what facility changes may be necessary due to the evolving expectations of fans, business and media partners, and goals of ownership.
The use of public funds to support the construction and renovation of sport facilities also complicates stadium construction initiatives particularly after facility finance reforms surfaced following the Tax Reform Act of 1986 (Williams & Seifried, 2013). The Tax Reform Act of 1986 enabled state and local governments to partner with privately owned teams to finance the construction of major sport facilities through public–private partnerships (Brown et al., 2016). Since the mid-1980s, sport organizations regularly enhanced their favorability for public financial support by suggesting or claiming that they are vital parts of their local communities and economies (Downs & Seifried, 2021a; Seifried, 2010). Further, decades of economic growth within the U.S. contributed to a revitalization of U.S. cities as corporations attracted employees who were catered to with a growing variety of leisure and entertainment amenities within facilities (Van Nieuwerburgh, 2022). Overall, major sport stadiums and arenas emerged to accommodate and capitalize on this growing consumer economy as well as other partners who might improve team revenues and city attractiveness (Downs & Seifried, 2021a).

The post-COVID political and economic realities, however, may require sport managers to adjust their expectations about consumers and business or media partners. As evidence, at the onset of the pandemic, urban office occupancy stood at 95% but by September 2022, office occupancy stood at 47%, foreshadowing a sharp decline in economic activity in cities along with collectable tax revenues as many employees continue to work from home or relocated out of city centers (Gupta et al., 2022). Additionally, inflation and increasing interest rates may depress consumer activity while also making debt financing less favorable (Davidson, 2023). These looming economic issues will likely result in government policies aimed at mitigating possible negative outcomes (Stiegler, 2010). Further, the apparent shift in workplace behavior and likely government response will require sport managers to consider future economic conditions, as well as consumer behaviors and desires when designing, constructing/renovating, and financing their facilities (Downs & Seifried, 2021a).

We raise these points to ask this important question: How can sport facility managers in the U.S. interpret the political economy to make reasonable assumptions about the future to inform construction decisions? To answer this question, we provide an understanding of past conditions within the U.S. political economy that led to the contemporary standing of sport facilities. We also present modernization theory as a lens or sample guide for sport facility managers to consider when attempting to position their facilities to maximize profits while satisfying consumers and partners. Modernization is the “process of human development, in which socioeconomic development brings cultural changes that make individual autonomy, gender equality, and democracy increasingly likely, giving rise to a new type of society that promotes human emancipation” (Inglehart & Welzel, 2005, p. 2).

Modernization Theory for Sport Managers

Modernization is particularly important in the sporting context of the U.S. because it focuses on understanding the Western framework and has particular utility in understanding how the sport industry has responded to the way capitalism evolved in U.S. urban centers (Gruneau, 1988). Next, modernization allows sport managers to consider how sport changes as society responds to economic, social, and technological change (Adelman, 1983). Moreover, modernization theory emphasizes human agency and
appreciates consumer demands in response to those economic, social, and technological changes (Downs & Seifried, 2019). Modernization affords its practitioners the ability to make reasonable assertions and assumptions about how a particular industry will change in the future (Seifried & Novicevic, 2017). It is for these reasons, in part, that Downs and Seifried (2019) encouraged sport managers and sport management researchers to embrace modernization theory in the 21st century within facility management.

Seifried and Novicevic (2017) identified two distinct but related versions of modernization in the U.S. context (i.e., reflexive and ecological). Reflexive modernization seeks to limit risk to society or industry (Giulianotti, 2009). Within this type of modernization, individuals utilize communication networks inside and outside of their organizations to respond to existing and emerging threats (Downs & Seifried, 2019). For example, reflexive modernization explains how politicians prioritize sport facility construction to establish positive community during times of crises (e.g., Great Depression) or take advantage of economic booms. In contrast, ecological modernization emphasizes industry solutions to environmental concerns (Johnson & Ali, 2018). For sport managers, ecological modernization can explain how increasing environmentally friendly policies (McLeod et al., 2018) gradually yielded business benefits for the organization adopting those policies (Johnson & Ali, 2018).

Sport scholars have specifically identified how professional sport venues changed over time as a result of human agency in the context of football and baseball (Seifried, 2010; Seifried & Pastore, 2009a, 2009b, 2010) and in hockey and basketball (Downs & Seifried, 2021a, 2021b). Practically, sport-based modernization scholarship established specific markers to assist sport managers in determining if their facilities meet the needs and expectations of their current consumers. Downs and Seifried (2019) presented 14 index categories to assist practitioners in determining if a contemporary facility is modern. Downs and Seifried (2021a) also advanced the modernization literature by putting forward future recommendations for sport facilities owners to adopt to maintain competitive advantage.

**Modernization as a Foundation for Sport Facility Management**

One of modernization’s greatest strengths for sport managers is that the theory helps to understand how economic conditions influence changes in society and culture (Inglehart & Baker, 2000; Inglehart & Welzel, 2005; Seifried & Novicevic, 2017; Thornton, 2005). Seifried and Pastore (2009a, 2009b, 2010) and Seifried (2010) emphasized that sport organizations choose to renovate existing facilities or construct new facilities to generate revenue in response to changing consumer expectations. The contemporary major professional sport venues were all designed, constructed, and/or renovated during the economic realities of the latter half of the 20th century and early 21st century (Seifried, 2010).

To appropriately utilize modernization as a predicting and advising tool, an understanding of the influences of the political economy on sport facility design is critical. In the decade after World War II, the U.S. economy transitioned away from a pre-war industrial economy to a service economy (Young & Young, 2004). This transition, as well as overall post-war prosperity, resulted in more income for families and increased spending on leisure activities and material products, such as the newly invented television (Hendricks, 2019; Young & Young, 2004). In addition, the population of the U.S. increased and shifted in the decades after the war. Within this point, Hendicks (2019) found that the country’s concentration
of population shifted to the South and West Coast in part because World War II deployments normalized moving away from home.

By the late 1970s, the economy slowed as wages failed to keep pace with inflation (Moffitt & Campbell, 2011; Weiss, 2011) and both facility renovations and new constructions stalled. The administration of Ronald Reagan adopted economic policies to reignite the economy that improved wages while expanding corporate power (Batchelor & Stoddart, 2007). These policies continued through the 1990s, and subsequent legislative action (e.g., North American Free Trade Agreement and the Financial Services Modernization Act of 1999) increased corporate wealth while simultaneously contributing to a decline in incomes for many middle- and lower class Americans by 2010 (Harrison, 2010; Oxoby, 2003). Consequently, as corporate wealth and upper class income increased into the 21st century and migration trends continued, sport managers developed facilities to address newfound expectations of the corporate class and business partners while also providing more tailored accommodations to satisfy other specific income brackets’ preferences.

MLB, National Football League (NFL), National Basketball Association (NBA), and National Hockey League (NHL) expansion and relocation became important topics beginning in the middle of the 20th century before escalating during the 1990s and 2000s after the growth of various economies. Franchise relocation and league expansion became possible, in part, due to the changes that emerged through the political economy. Specifically, MLB awarded expansion franchises in 1993 (Miami and Denver) and 1998 (Phoenix and St. Petersburg) as their populations and economies demonstrated strength and vitality. Next, the MLB approved the relocation of the Montreal Expos to Washington, DC, for the 2005 season. The NFL expanded into Charlotte and Jacksonville in 1995 and approved the relocation of the Cleveland Browns to Baltimore in 1996 and Houston Oilers to Memphis and then Nashville in 1997. This all occurred before expansion franchises surfaced in Cleveland and Houston in 1999 and 2002.


The Contemporary Sport Stadium

The contemporary sport stadium emerged within all this activity as a response to the changing sociocultural conditions in the United States. Currently, MLB facilities feature an average capacity of 41,950 whereas NFL facilities can accommodate an average of 70,277 customers. Collectively, those
facilities over time produced an average cost of $524,289,333 when they were built. The smaller venues that host the NHL and/or NBA offer fewer seats. Specifically, NBA facilities average 19,187 seats and NHL facilities average 18,299 seats (Downs & Seifried, 2021a). The comparable facility costs for contemporary NBA/NHL arenas averaged $251,450,000. Part of the explanation for the difference in cost and increase over time can be attributed to various amenities. For instance, the Association of Luxury Suite Directors found the NFL and MLB combined on average to offer 113 luxury suites, and the NBA and NHL arenas offer roughly 93.5 luxury suites (Frame, n.d.). Club seats are also another premium seating option that increases construction costs but have the potential to provide substantial revenues. In the case of the combined four major sport leagues in the U.S., they support, on average, 2,880 club seats, with the NFL offering nearly 8,500 on average per facility (Frame, n.d.). Other amenities such as restrooms and concessions, press boxes and production space (e.g., radio, television, internet, and WiFi), and advertising, including scoreboards, also impact the size and cost of contemporary venues. For instance, Seifried (2010) and Downs and Seifried (2021a) revealed football, baseball, hockey, and basketball facilities all offer significantly more and better quality modernization markers than their predecessors built between the 1950s and 1980s.

Last, although the indexed facility characteristics are useful to sport managers in assessing the modern status of their facilities, Downs and Seifried (2021a) also utilized modernization to make eight reasonable recommendations for future facility design elements. Of those eight, seven are applicable to venues beyond NBA and NHL facilities. The authors called for (a) increased social spaces and decreased capacity, (b) inclusion of team heritage sites in venue, (c) expanding accessibility beyond ADA seating requirements, (d) incorporating sports betting sites, (e) management of digital applications and elimination of cash business, (f) construct, renovate, and operate in an environmentally conscious way, and (g) position facilities as anchors for community economic development.

Conclusion

The sport industry and sport facilities do not exist in a vacuum. Rather, sport managers must respond to political, social, economic, and technological changes for their organizations to remain financially viable. Modernization theory emphasizes the agency of sport managers in responding to changes to the world around them (Downs & Seifried, 2019). In the preceding paragraphs, the forces that shaped the sociocultural realities of the previous 70 years were emphasized. Those changes impacted the design, construction, and renovation of professional baseball and football stadiums (Seifried, 2010) and basketball and hockey arenas (Downs & Seifried, 2021a). As sport managers look to the future of facilities, short- and long-term changes to society will influence sport facility design, construction, and renovation and necessitate the application of reflexive and ecological modernization.

There are several immediate challenges and policy responses that could impact how sport facility managers operate in the coming years and how they mitigate risks to their operations (i.e., reflexive modernization) and navigate the changing climate (i.e., ecological modernization). First, the Federal Reserve’s key interest rate is the highest it has been in two decades as the institution attempts to curb post-pandemic inflation (Cox, 2023). This immediate risk to sport organizations may require facility managers
to adapt their short-term practices to attract fans and/or reduce expenses. Changing work behavior and the decreased daily foot traffic in urban centers (Gupta et al., 2022) could also challenge the viability and desirability of downtown venues. Finally, increasing global temperatures will likely impact future migration and weather patterns (Plumer, 2023), impacting facility design and location.

Future inquiry into facility management should consider the relationship between the political economy in the U.S. and sport facility management. Hall and Soskice (2001) described the political economy of the U.S. as a capitalist liberal economy with relatively little government intervention in the market. To better understand how sport facilities emerge and evolve in the U.S., research using modernization and the capitalist perspective of the political economy should be pursued. Applying modernization theory will allow sport managers to exercise their agency reasonably to beneficial financial ends through tracing the patterns and trends of the past and considering that information with contextual information of the present and future. Modernization theory can help sport organizations and municipalities looking to build or renovate professional sport stadia. We challenge scholars to think more about modernization to assist predictions regarding the future of sport facilities.

References


