

Money or Mirrors?

SUPERBOWL FEVER

By Troy Anderson

*Sweeps
Houston*





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or Ric Campo, the benefits of Super Bowl 2017 transcend the cash it will put in people's pockets.

Sure, Houston Mayor Annise Parker expects the economic impact to exceed the \$480 million generated in New Orleans during its Super Bowl in 2013.

But Campo, chair of the Houston Super Bowl bid committee, understands the greater impact of more than 1 billion eyeballs on Houston for Super Bowl Sunday.

"The reason that we as a city competed for the Super Bowl is because it further enhances the city's image—the city's world-class image—and Houston has been on a serious roll over the last five or six years," says Campo, the chief executive officer of Camden Property Trust, a public company with 2,000 employees worth \$9 billion.

"It's always been a great city, but I think it's been sort of an undiscovered city for a long time. It's the world capital of the oil business and the energy business, but here of late, it's really come into its own and is starting to get noticed by a lot of other folks."

For example, the *New York Times* recently published an article about the top 46 cities to visit in the world, and Houston was in the top 10. The story named Houston as the first city in the United States people should check out, noting that it's the state's "cultural and culinary capital" and boasts an array of new and expanded museums.

"They cited our diversity, our restaurants and our culture. Culture was not surprising to us, but it was surprising to a lot of others. We have some great fine arts, great museums and world-class facilities, and Houston is coming into its own and getting noticed around the world."

In May, the National Football League announced they had awarded the 51st Super Bowl to Houston.

"This is a worldwide stage that will be constructed in Houston, and the world will be watching," Houston Texans owner Bob McNair says. "It's an opportunity to showcase our wonderful city, the NFL, and the Super Bowl all at the same time."

The single biggest game in American sports will take place at Reliant Stadium in February 2017, drawing hundreds of thousands of fans, unprecedented media attention, and tremendous economic benefits to Houston.

The event will once again bring a worldwide spotlight to Houston, Parker said at a recent press conference. →

"Each year, the Super Bowl gets bigger and better. We know how to do a major sporting event, but we learn every time we do it, and with this 51st Super Bowl we are pulling out all the stops," Parker said. "The NFL will work with us to create a really phenomenal fan experience."

Parker said this Super Bowl will be a two-week festival.

"This isn't just a weekend in Houston, but a two-week festival that will draw up to 1 million visitors to Houston," Parker said. "We are calling it Super Bowl El Centro, and this Super Bowl will be marketed not only throughout the U.S., but also to Mexico and Central America, with the idea that whether or not you have a ticket to the game, you can still come and have a great fan experience at Super Bowl El Centro."

Alex Brennan Martin, owner of Brennan's of Houston, says the 2004 Super Bowl in Houston brought many benefits to the city and he expects this upcoming one in 2017 to do the same.

"I think the Super Bowl was a big part of the beginning of the change in impression nationally about Houston," Martin says. "*Fortune* magazine is calling us the coolest city in the country. *The Wall Street Journal* is putting us on top, and even the *New York Times* is saying nice things. A lot of people point to the Super Bowl we had in 2004. I think it's incredibly important for the city and the city's businesses."

Economic Impact

The Super Bowl will cost \$35 million to host—with most of the funds coming from the state and the rest being raised through the private sector, Parker said.

"But the real benefit of the Super Bowl is not in the city's coffers," Parker said. "It's to all the businesses across the city that will benefit. New Orleans reported an economic impact of \$480 million in the greater New Orleans area. We think we can surpass that, and a \$35 million investment of public and private funds for a return of more than 10 times is a great investment. And because we are going to have an extended celebration, it's going to make it easier to hit our target."

In 2004, the last time Houston hosted the Super Bowl, the city calculated the event generated \$350

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million in direct and indirect spending. The city spent \$2.3 million on security, traffic control, and similar services, but collected \$3.2 million in hotel, sales, and other taxes.

Despite the estimate that the economic benefits for this Super Bowl will exceed \$480 million, Latha Ramchand, dean of the University of Houston Bauer College of Business, says she believes the net economic impact for the Houston area, given "displacement" and other costs, is more realistically in the range of \$100–\$120 million. She bases that estimate on a study by a professor at Williams College in Massachusetts that most Super Bowls actually bring in about a quarter of what is predicted for the host city. The study found that most corporate profits from hotels and sales of products don't remain in the local economy.

"You also have to take into account security costs, congestion, and the fact that people may leave the city," Ramchand said. "How many people leave a city during a Super Bowl? You have to include the displacement costs."

Positive Image Exposure

However, Ramchand agrees with Campo that the benefits to the business community in the greater Houston area go beyond the net economic impact. For many years, Houston, despite being the nation's fourth largest city, has been "an underdog in terms of what people think the city has to offer," Ramchand says.

"I think the biggest benefit will just be the exposure the city will get, in terms of the fact that when people come here, they will see how affordable things are here and how easy it is to live here,"

Ramchand says. "At the same time, Houston is unique in that it's a very diverse city. It's very international. You don't really believe that until you come to live here. And it's a very entrepreneurial culture. It has an attitude of, 'We can get the job done. We'll do everything we can to get the job done.' It's a great city for business."

Greg Ortale, president and chief executive officer of the Greater Houston Convention and Visitors Bureau, says the Super Bowl will give Houston area businesses "Major League cache that will have some real value."

"In addition to the promotional opportunities, when you can say, 'Super Bowl LI will be hosted in Houston, Texas,' that gives you a certain marketing presence," Ortale says.

Janis Schmees Burke, the chief executive officer of the Harris County – Houston Sports Authority, says the late Robert Dale Morgan, the president and chief executive officer of the Super Bowl Host Committee in 2004, described the intangible impact of the Super Bowl as the "halo effect."

"He used to say that it's a mega-sporting event that has become one of the largest social events in corporate America," Burke says. "It's not just a sporting event on television with a lot of marketing benefits. There are a lot of benefits to companies. For example, a company might take a client with them to the Super Bowl and use that time to develop a relationship."

Additionally, various hospitality events leading up to the Super Bowl offer companies opportunities to reward their employees, Burke says.

"When you have a positive experience, there are strong ties that are developed. It's long lasting, and it's a benefit that goes way beyond the borders of the event itself. It can bring future business to the city. There are definite biases shown by decision makers to bring in other events when you look at something as prestigious as the Super Bowl. So, all the way around, there are different benefits and marketing opportunities that happen that, as he explained it, are part of the halo effect that happens when you host a major sporting event."

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the Harris County Sports & Convention Corporation, describes as the “largest Super Bowl party ever.”

The multiday festival at the urban park across the street from the George R. Brown Convention Center will feature a variety of ancillary events.

“Super Bowl El Centro is a big cultural event that is all things Super Bowl,” Campo says. “The idea is to have people come in the weekend before the Super Bowl—not only visitors, but local people too—and to have concerts and all kinds of different Super Bowl-related events. The idea is to give people who don’t have a ticket the Super Bowl experience.

“When you think about it, there are only 74,000 tickets. Houston has 6 million people and 100,000 who come to the Super Bowl. The Super Bowl seems to be out of reach to a lot of people. This way, those without a ticket can experience the energy and fun.”

New Hotels, Renovations: Landscape Changes Around the Convention Center

As the Super Bowl approaches, the area around the George R. Brown Convention Center is expected to undergo a number of changes. By kickoff, the area will have added east-west light rail, several new downtown hotels, and The Nau Center for Cultural Heritage.

This will include a 1,000-room Marriot Marquis adjacent to the convention center. The massive hotel, along with the existing Hilton Americas Houston, will bookend Discovery Green. In addition to the hotel’s 100,000 square feet of meeting space, it will also feature a Texas-shaped lazy river, retail shops on the ground floor and an attached 1,800-car garage.

American Liberty Hospitality is developing a 14-story property with two hotels with 300 rooms under the same roof—a Hampton Inn and Homewood Suites. Also, three blocks from the convention center will be the 261-room, 11-story Hyatt Place. Additionally, the 102-year-old Samuel F. Carter Building—the tallest building in Houston when first constructed—has been gutted as crews work to transform it into a 323-room JW Marriott. The \$80.8 million luxury hotel will be at the corner of Rusk Street in the middle of downtown. Finally, the historic Humble Oil Building complex,

already home to a 191-room Courtyard and 171-room Residence Inn, will add a third hotel, a 166-room Springhill Suites.

Several hotels are undergoing renovations too, including the 135-room Hotel Icon located inside the 1912 Union National Bank building, the historic 97-room Sam Houston Hotel, the Lancaster Hotel, and the Westin Houston Downtown.

“I think it will provide us with a significant core for the Super Bowl’s official family, if you will, who will come to the Super Bowl,” Ortale says. “They want to be within walking distance. We are trying to make this as much of a compact walking experience as we can.

“Considering the number of events at the convention center, as well as

at Reliant Stadium, which is where the game will be played, we have an opportunity where people can come to the Super Bowl and not need to have a rental car if they choose.”

Meanwhile, workers are installing a new, \$16 million video board at Reliant Stadium. It will be the world’s largest indoor video board at 52 feet tall and 277 feet wide, Hoffman says.

“It’s going to take up a grand total of about 14,549 square feet,” Hoffman says. “To put that in perspective, the new video board is wider than the wingspan of a 747.”

Transforming the Dome

Also, officials are proposing a renovation of the nearby Reliant Astrodome—the former “Eighth Wonder of the World”—that they expect will transform The Dome into a high-tech entertainment and exhibition space.

The proposed improvements to The Dome, which was first built in 1965, are expected to cost \$194 million and transform it into a “state-of-the-art, enclosed, air-conditioned and versatile facility that offers 350,000 square feet of on-grade, unobstructed, column-free space with 175-foot ceilings—an expanse and height of open floor unmatched anywhere in the world.”

The New Dome’s refreshed exterior—cleared of towers, ticket windows, ramps, and berms—will regain its pristine historical appearance, enhanced by inviting glass entries, an easy guest flow, canopies for shade, a 400,000-square-foot plaza, and acres of green space. Events that can directly benefit from the

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advantages of the New Dome include the upcoming NCAA Men’s Basketball Regionals and Final Four and the 2017 Super Bowl. The New Dome will also provide a highly adaptable venue for stand-alone events, ranging from high school football games and volleyball tournaments to concerts and festivals, graduations, and corporate or civic events.

The project is expected to take 30 months to complete. In order to finish prior to the Super Bowl, work would need to commence immediately following the 2014 Houston Livestock Show and Rodeo.

“We are excited about being able to accommodate large events – Texas-size events in Houston – and the improvements that we are proposing will yield one of the largest places in the United States to have convention and international events,” Hoffman says.

“We are an international city and we need to have a facility to accommodate international events.”

Campo sees three “really big ticket items” in terms of the benefits of Houston hosting the Super Bowl.

Super Bowl Fever

The first is the energy and community spirit generated by the city’s selection to host the Super Bowl, Campo says.

“It’s just the intensity that local people get as a result of being selected to host the Super Bowl and the activity that goes on several months before the Super Bowl, the 10-day period during the Super Bowl and kind of the after-glow after the Super Bowl,” Campo says. “That’s really hard to put a price tag on—having positive community spirit and people walking with a zip in their step and feeling they live in a world-class city.”

Secondly, Campo says the Super Bowl generates a lot of positive press for Houston.

“The biggest benefit is from Houston being showcased for the Super Bowl,” Campo says. “If you think about it, every time during the game that they pan the downtown skyline, Super Bowl El Centro, or Reliant Stadium, or announcers talking about what they did in Houston while at the Super Bowl, we are getting a massive amount of positive press about Houston being a world-class city.”

Finally, the Super Bowl will have a big economic impact on the metropolis.

“The economic impact is measurable,” Campo says. “You get some people arguing it’s as small as \$50 million versus some saying it’s more than \$480 million. We know all the hotels will be full, it will be very difficult getting into a restaurant, and people will rent lots of cars and buy lots of products. That economic impact is a significant number, whether you call it \$50 million or \$500 million.” **N**

An award-winning journalist at the Los Angeles Daily News, the Press-Enterprise and other newspapers for 20 years, Troy Anderson writes for Reuters, Newsmax, Christianity Today, Bankrate Insurance and many other magazines and online publications. He lives in southern California. For more information, visit www.troyandersonwriter.com.