Executive Summary

This report focuses on the social and market effects of the new Major Soccer League stadium in Downtown Orlando. Research, reports, and conventional wisdom suggest that major sports events have implications for the economic development and socio-cultural wellness of their host cities and regions. The following study will serve to uncover some of these effects and provide suggestions for ensuring that the new stadium resounds positively within Orlando.

The economic effects of this new stadium have become a matter of intense debate over the past several years until the project’s approval late this fall. On the one hand are a series of studies that demonstrate how new stadiums and arenas can work to boost local economies as a result of additional event-related visitation. On the other hand, there is opposing research that suggests the implementation of a new stadium must be highly thought out and done cautiously.

Throughout this report, the importance of “softer” and intangible elements are discussed, in addition to other elements of stadiums and events such as destination marketing, sports development, community enhancement, media coverage, tourism, and spectator visitation. The city of Orlando has positioned itself over the past several years as a modernized and up-and-coming city, and MLS’s new stadium will undoubtedly leave a footprint on the city. Conclusions and recommendations, including about the current optimization of the MLS stadium operation for local benefits, are included.

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Introduction
Since its founding in 1836, the city of Orlando has made an incredible transition into what is now one of the most popular tourist destinations in the world. In 2012, over 57 million domestic and international travelers visited the city, claiming the highest visitation that Orlando has ever seen, and projections show that visitation will only continue to increase in coming years.\textsuperscript{1} With eight theme parks and four water parks, 448 hotels and numerous professional and semi-professional sports teams, it is not surprising that Orlando would position itself as the perfect venue to host the construction of a new Major League Soccer (MLS) Stadium.\textsuperscript{2}

Major League Soccer - Background
With over 24 million Americans playing soccer and a World Cup viewership of 15.9 million in 2010, MLS interest and avidity among Americans has been gaining speed over the past 20 years.\textsuperscript{3} After receiving unprecedented publicity among Americans during the 1994 USA World Cup, Major League Soccer was launched in 1996 after the discontinuation of the North American Soccer League in 1985.\textsuperscript{4}

Today, 19 clubs make up MLS in North America, three of which are located in Canada. In 2012, the sport claimed an average attendance of 18,807 per game - just 59 attendees shy of France’s Ligue 1 attendance report, rendering the league one of the fastest growing soccer leagues in the world.\textsuperscript{5} However, due to the large geographic scale of North America, traveling fan support is limited because of the distance between soccer stadiums. Although this contributes to MLS games having typically smaller crowds than other major league sports, rivalries between teams grow, rendering the league more profitable and extremely exciting.

From a viewership perspective, over 90\% of the season’s games are played during weekend and holidays, encouraging further fan viewership. Additionally, none of the games overlap with FIFA World Cup qualifying matches, helping to reduce any lost viewership from fans of both leagues. Due to the sport’s grand success in the United States, Major League Soccer has vowed to expand to 24 teams by 2020, with Orlando acting as number 21.

Stadium Plans
After three years in USL Pro, the Orlando City Soccer Club has managed, through its on-field successes, to secure a passionate and committed fan base. With the right resident demographics, a successful existing soccer club and two dedicated and enthusiastic owners, Orlando was an easy decision for the next expansion location for Major League Soccer. Months of debate and support from Orlando Mayor Buddy Dyer helped to set in stone the implementation of the new stadium, which will be funded through several channels - $40 million from Brazilian owner Flavio Augusto da Silva, $20 million from the City of Orlando, $20 million in tourist taxes, 2 million from Seminole County, and smaller denominations from other jurisdictions, in addition to a $30 million contribution from the team itself to put toward construction costs as well as $70 million in MLS expansion fees.\textsuperscript{6} Construction is set to begin in the spring of 2014 and finish in the summer of 2015 with the location set in the downtown area of Parramore, current home to the Orlando Citrus Bowl and the Amway Center.

MLS Analysis
As the highest level of professional soccer in the United States and Canada, Major League Soccer has already eclipsed both the NBA and the NHL in terms of average attendance at games.\textsuperscript{7} Due to the rapid growth of

\textsuperscript{1} Visitor Volumes
\textsuperscript{2} Estimated Attraction Attendance; Orlando Lodging History
\textsuperscript{3} MLS Soccer USA 94 To Present Day
\textsuperscript{4} 1996 Season Recap
\textsuperscript{5} Major League Soccer Sets New Attendance Records in 2012
\textsuperscript{6} Schlueb, 2013
\textsuperscript{7} MLS.com
popularity incurred over the last 20 years, MLS continues to push ahead with plans to expand the league. Ideally, the league would prefer to seek out rich ownership groups with the financial muscle to not only buy an MLS expansion franchise, but to also fund a team that will succeed in the league.\(^8\) Atlanta, Orlando, and Miami are three potential markets with ownership groups capable of stepping in to Major League Soccer, but when compared to its counterparts, Orlando is the best option due to the consistent and impressive efforts of the Orlando City FC ownership group and the team’s loyal fans. In addition, unlike Miami’s half-empty stadiums, Orlando City has steadily drawn respectable crowds and shown characteristics of a market that could succeed in MLS.\(^9\)

**Orlando City Soccer Club – The Lions**
The Orlando City Soccer Club, The Lions, is Orlando’s American professional soccer team and as a part of USL PRO, the Lions were the League winners in both 2011 & 2012, as well as winners of the exciting 2013 USL PRO Championship this past September. On September 7th, Orlando City Lions took its second USL PRO Championship in a 7-4 victory against the Charlotte Eagles. This incredible victory came in front of a record-breaking crowd of 20,886 at the Florida Citrus Bowl, despite USL PRO holding a spot on the third division of the American soccer pyramid where attendances are typically much lower.\(^10\) This incredible turn out helped secure Orlando’s bid as the next MLS expansion team.\(^11\)

To put the team’s success into perspective, the average attendance of the Lions is 7,918 people per game, which is the highest in minor league soccer.\(^12\) With a proven pattern in previous MLS statistics, and with a 159% average growth in attendance, it is evident that the Orlando City Lions can certainly match up to the standard of MLS attendance rate.\(^13\) According to Orlando City Soccer Club, Montreal, Portland, Vancouver and Seattle are MLS expansion clubs that played in the USL prior to joining MLS and records show that there has been an average of 325% attendance increase for USL teams moving to MLS. Baring this in mind, it is quite logical that Orlando City Soccer will make a successful transition into Major League Soccer.\(^14\)

**Demographic Analysis**
The audience that will be targeted for the new MLS team will include predominantly young adults ages 18-34, both Caucasian and Hispanic, supporting a multicultural fan base that both the league and sport in general has seen grow in recent years. These target markets are generally the most interested in MLS and have strong buying power. The new team plans to market themselves as a young, edgy, cool and fun place for people to gather with friends and partake in further food and beverage purchases. Orlando is typically a destination that appeals to families and tourists in particular, however the new soccer team will be more geared toward young locals who view their city as a cool and trendy place to live. This “counter culture” of young, technologically savvy and enthusiastic adults will be the driving force behind attendance numbers at the new stadium.

**Growing demand**
Orlando, over the years, has reached record-breaking visitation numbers with both domestic and international travelers, leading belief that there will be high demand for the new soccer club. Orlando welcomed a record 57 million visitors in 2012, a 2.9% increase over the previous record-high of 55.2 million visitors set in 2011, according to data collected by Visit Orlando and its partners. Total domestic visitation accounted for 52.7 million visitors, a 2.6% increase over 2011, while total international visitation totaled 4.1 million visitors, a 7.9% increase over 2011. Canada retained its title as the destination’s top overseas market for the fourth consecutive year.

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\(^8\) Galarcep
\(^9\) Galarcep
\(^10\) Orlando City Claims Championship
\(^11\) Orlando City Fans Come out in Record Numbers to See Lions Hoist USL PRO Championship
\(^12\) Orlando City Soccer Club: Bring the beautiful game to the city of beautiful 5
\(^13\) Orlando City Soccer Club: Bring the beautiful game to the city of beautiful 6
\(^14\) Orlando City: Economic Impact Study 8
over the United Kingdom, who was the top supply market from 2000 to 2008. South America has emerged as a rapidly growing overseas market, fueled by burgeoning middle classes in countries such as Brazil, Colombia, Venezuela and Argentina.

In addition, visitor spending soared to an estimated $34.7 billion in 2012, a more than $3 billion increase over the $31.6 billion spent in 2011. New theme park additions such as the Wizarding World of Harry Potter at Universal Studios in June 2010 have also positively impacted visitation levels and tourist spending over the past two years. In 2013, Walt Disney World unveiled the Magic Kingdom’s new Fantasyland and SeaWorld Orlando opened Antarctica: Empire of the Penguin in the spring of 2013, further fueling tourism to the area. These new attractions coupled with increased visitation from domestic and international source markets should continue to support tourism growth for the Metro Orlando area.

The forecast for 2013, which is produced by Tourism Economics and published by Visit Orlando, predicts that the number of visitors to Orlando will surpass the record set in 2012 with 57.3 million visitors, representing a modest 1.0% increase over 2012 levels. Although the increase is modest, the city historically continues to increase visitation year after year.

**Popularity**

Soccer has been gaining popularity across the United States in regard to participation numbers over the last 20 years, and this upward trend does not appear to be stagnating any time soon. During the last two World Cup games in 2006 and 2010, Americans purchased more World Cup tickets than any other nation, indicating a high level of demand for the sport. Previous research indicates that by geographic region, the Soccer-MLS attendance percentage in the southern United States in 2012 is 20.5%, falling .5% from 2011. In the northeast region, the attendance percentage increased by almost 10%, which might have resulted from the forming of a new MLS team in New York. Therefore, further research will help predict the potential market capacity of forming a new MLS team in southeast region, where both southern and northeastern fans may be attracted.

**Transportation Infrastructure**

With such a high multitude of visitors annually, Orlando tops the list of most-visited destinations in the world. Downtown Orlando itself is the 19th largest market in the United States and features an up-and-coming vibrant, creative and intelligent community. With such a large influx of annual visitors, it is crucial that the available infrastructure can accommodate all visitors sufficiently without affecting the quality of life among residents. Although many of the city’s transportation modes center around Walt Disney World, Universal Studios and SeaWorld, it is important that the downtown part of Orlando also has a highly-functioning infrastructure to support the stadium.

The City of Orlando has, over the past several years, taken transportation improvements seriously in order to match the efficiency of similarly sized cities with excellent public transport. Looking back to 2006, the city created the Downtown Transportation Plan that focused and continues to focus on creating a better place to live and visit by improving the quality of roads, increasing parking availability, increasing connectivity between regional destinations, increasing the amount of pedestrian friendly areas, growing public transportation options by expanding into new areas and increasing connectivity to commuter rail (through the installation and growth of light rail, streetcar, trolley and bus systems). The City of Orlando also holds a strong focus on improving the city by making it increasingly automobile-friendly, as this is the most popular method of transportation within and around the Orlando Metro area. Lastly, the city has implemented plans for improved way-finding, especially important for visitors from out of town. Signage has been put in place to accommodate for foreign language

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15 Sport Business Research Network
16 City of Orlando Transportation Plan
speaking travelers, in particular Spanish and Portuguese. Not only will this assist foreign tourists in getting around the city, it will create a more welcoming environment for non-domestic travelers.

It is clear that Orlando is a heavily road-based city when it comes to transportation; cars, buses and taxis are the highest used transportation options among tourists and locals alike. One of the often-made recommendations is that Orlando should base its transportation structure more closely to that of Walt Disney World or Miami as they have three important things in common: they are user-friendly, they have few stops, and they have ample way-finding assistance.\(^{17}\)

**Ground Transportation**

In response to chronic traffic congestion in the downtown area of the city, two public projects have been put into motion to help transform Orlando’s transportation offerings. First, the SunRail commuter train is currently under construction in order to become more user-friendly to locals and tourists alike.\(^ {18}\) While the major expressway, Interstate-4, is under construction in late 2014, commuters and tourists are going to look to the SunRail for an alternate transportation option, hopefully concluding with the implementation of a 5-mile airport link.\(^ {19}\) Cities regionally linked to Orlando will have the opportunity to develop and connect train systems, making the SunRail an even further reaching public transit system. The second project includes the construction of a new train route to the northwest of Orlando to complement the SunRail. Lastly, other proposed transportation improvement is a MagLev train system, which would reach through the tourist corridor of the city, connecting tourism hubs such as Walt Disney World, MCO Airport, the Convention Center, and others. Further down the line, this MagLev train system could potentially connect Orlando to other cities in Florida, beginning with Miami. This addition will be a clean, quiet and efficient way of transporting tourists from the typical tourist hubs in Orlando to the less popular but up-and-coming hubs such as the new MLS stadium.

According to the City of Orlando’s Transportation Engineering Executive Charles Ramdatt, city officials define the way in which people travel to downtown Orlando as “trip chaining.” Typically, people traveling to the city center arrive by car, which they then park, and continue on to their final destination via a second mode of transportation – either by walking or taking a shuttle. The city hopes that visitors of the new soccer stadium and other Church Street venues will do the same. To avoid traffic congestion in the area, the venues in this area have limited parking facilities, encouraging visitors to park further away from the stadium. Typically, parking fees close to these venues are the most expensive, while parking lots further away from the stadium cost less, creating a trickle-out effect of where visitors decide to park. Most of the available parking locations are within a quarter mile of the venues, or a 15-minute walk, giving attendees an option of either a free public shuttle or a leisurely walk to their venue of choice. In addition, the renovation and reconstruction of the Church Street venues will repair the road itself, turning the street into a pedestrian friendly option for getting to events at the venues.

**Air Lift**

In addition to ground transportation, Orlando has the advantage of being within a close proximity of several international airports. The city itself has one large international airport (MCO) that serves 73 domestic and 23 international destinations connected by non-stop flights, in addition to a multitude of connecting options. The state of Florida has twelve international airports in total, rendering Orlando immensely accessible to both the domestic and international traveler.

International destinations and their flagship carriers have also realized the revenue opportunities in facilitating travel to Orlando. In 2009, TAM Airlines implemented a direct flight from Sao Paulo, Brazil to Orlando to

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17 Learning From a Tourism Based Transit: An Orlando, Florida Case Study.
18 How to Revolutionize a City’s Transit System: An Orlando, Florida Case Study
19 Lack of Funds Stall SunRail Route to Orlando Airport
accommodate for the high numbers of Brazilian travelers to Central Florida. Immediately after this implementation, Orlando shopping outlets such as the Mall at Millenia and the Prime Outlet Malls measured double-digit increases in sales, thanks to the direct flight and increase in high-spending tourists.

More recently in 2012, Tam Airlines introduced another new direct flight from Rio de Janeiro, Brazil to Orlando. With over 230 passengers, this regularly scheduled flight is expected to carry predominantly tourists, traveling to Orlando with the purpose of visiting Disneyworld, SeaWorld and Universal Studios, with a small portion being business travelers and cargo transport. Just this past January, the Greater Orlando Aviation Authority counted 18,255 Brazilian travelers coming into Orlando, and according to recent announcements by TAM Airlines, seating capacity on routes to Orlando will increase by 55 percent by January of 2014. This would send the visitation for January 2014 to an estimated 28,300 visitors, meaning an estimated additional $10 million in spending would come from these visitors just over this short period of time.

**Market Analysis**
According to Mayor Dyer, building the new MLS stadium in Orlando is more than just adding a sports franchise to the downtown area; it will bring a positive economic impact to Orange County’s local businesses for generations to come. The benefits of new MLS stadiums in Orlando include increasing global brand exposure for Central Florida as a destination, bringing international travelers to the area and more specifically boosting hotel occupancy and revenue.

*Increasing global brand exposure*
In recent years, thanks to the rapid development of America’s soccer market, the sport to become a major asset to the country’s tourism industry. As the fifth most visited city in the United States by foreign travelers, (2,788,000 arrivals for a 10% market share) the city of Orlando still needs to improve its exposure to the international markets. The economic effect of tourism is largely felt by the local economy in and surrounding the city of Orlando, and it is important for the city to capitalize upon their international marketing opportunities in order to hone these revenue opportunities.

*Increasing international travel*
Orlando City Soccer President Phil Rawlins has been adamant in ensuring that the team targets South American, and in particular Brazilian, travelers and soccer fans. Ideally, these South American travelers will budget time in their travel schedule to include attending a soccer game at the stadium as part of their vacation as opposed to spontaneously deciding to attend a game while in the city for other purposes. Major League Soccer in tandem with the Mayor have placed a great importance on the promotion of the team by making it an outstanding brand amongst the other attractions in the area. Excellent sports marketing plans are essential to the success of the new soccer team as it will ensure that the team benefits from a piece of the $32 million tourism industry pie afforded by Orlando. Not only would travel to Orlando for soccer benefit the city and the team, games would be broadcasted throughout the country and in many cases internationally, increasing the city’s exposure exponentially, in particular to markets that don’t typically have the opportunity to see Orlando digitally.

*Increased attendance in Soccer-Specific Stadiums*
MLS officials have long placed an emphasis on the important role of soccer-specific stadiums in the league’s continued development. Soccer stadiums typically hold a smaller crowd than other major league stadiums,

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20 What is the Economic Impact of an Orlando MLS Team?
21 Orben, 1
22 Bilbao, 1
23 City of Orlando Community Venues
24 Smith
25 Bilbao, 1
26 Love, Kvazis, Morse and Mayer, 40
creating a more intimate and exciting atmosphere for fans as well as players. One potential benefit of new soccer-specific stadiums is increased fan bases for clubs in the league. From research in numerous sport contexts, it appears that one major potential benefit derived from the construction of a new stadium is the novelty effect leading to increased attendance.\(^{27}\) In fact, numerous studies have found that teams’ attendance figures tend to increase after moving into new venues. Montreal, Portland, Vancouver and Seattle are MLS expansion clubs that played in the United Soccer League (USL) prior to joining MLS and studies show that USL teams that have moved to MLS have averaged 325% attendance increase. After the initial increase in attendance over the first few years of the new team and stadium, it will be extremely important for the team, league and city to thoroughly plan out marketing efforts to ensure that the team stays at the front of people’s minds as to not fall into a state of irrelevancy.

**Boosting hotel occupancy and revenue**

As part of the deal to bring an MLS franchise to Orlando, the team has been offered two MLS All-Star Games and up to 5 International Soccer Games over a five year period, beginning in 2015. The following table shows the attendance figures calculated based on averages of the last 5 international games and based on these numbers, an average of 33,799 people will likely attend each international game.\(^{28}\) Approximately 30% of attendees traveled from out of town and if each of these attendees stayed for two nights and two visitors stay in each room; the projected room nights incurred during each game would be approximately 10,805.

<table>
<thead>
<tr>
<th>Soccer Games</th>
<th>Stadium</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>US v Germany</td>
<td>RFK Stadium, Washington DC</td>
<td>43,000</td>
</tr>
<tr>
<td>Honduras v Israel</td>
<td>Citi Field Stadium, New York</td>
<td>26,170</td>
</tr>
<tr>
<td>Mexico v Nigeria</td>
<td>Reliant Stadium, Houston</td>
<td>62,107</td>
</tr>
<tr>
<td>US v Belgium</td>
<td>First Energy Stadium, Cleveland</td>
<td>27,720</td>
</tr>
<tr>
<td>Germany v Ecuador</td>
<td>FAU Stadium, Boca Raton</td>
<td>10,000</td>
</tr>
</tbody>
</table>

In addition, a new soccer stadium will undoubtedly provide an opportunity to host events, which in turn will create more room nights within the area. The following chart illustrated the potential events that are expected to be held in the new stadium and the room nights that can be generated. Seminole County also expects to gain at least 750 hotel room nights in the first year of the stadium’s operation, which then would grow by 750 more room nights each year for nine more years.

<table>
<thead>
<tr>
<th>Potential Events in Soccer Stadium</th>
<th>Room Nights</th>
</tr>
</thead>
<tbody>
<tr>
<td>FHSAA State Boys/Girls Soccer Finals</td>
<td>600</td>
</tr>
<tr>
<td>ECAC Lacrosse League Championship</td>
<td>700</td>
</tr>
<tr>
<td>NCAA Division II &amp; III Women’s LAX Championships</td>
<td>1,000</td>
</tr>
<tr>
<td>Drum Corps Associates World Championships</td>
<td>5,600</td>
</tr>
<tr>
<td>ACC Women’s Soccer Championship</td>
<td>1,200</td>
</tr>
<tr>
<td>SEC Women’s Soccer Tournament</td>
<td>1,500</td>
</tr>
</tbody>
</table>

\(^{27}\) Love, Kvazis, Morse and Mayer, 34  
\(^{28}\) How Will an MLS Team Impact Tourism
Big East Men's Soccer Tournament 1,500  
US Bands National Marching Band Championship 8,000  
NCAA Women's Soccer College Cup 1,800  
NCAA Men's Soccer College Cup 1,800  
Projected Total 23,700

### Increased Job Opportunities

According to the Economic Impact Analysis conducted by The Pizzuti Group, the construction of the stadium will create approximately 890 jobs. Eighty-five percent of the construction budget, which amounts to approximately $36 million, will be spent locally and these new job opportunities will serve to increase the average household incomes of the area directly.

### Intangible Impacts

There are also several intangible factors that may also play a part in the impact of this new stadium on Orlando and the surrounding areas. For instance, research notes that the presence of major league soccer in a community provides for a better quality of life. Advocates of public financing for major league sports claim that having a team makes a city "major league" and thus elevates a city to a globally competitive level. This, in turn, may translate into increased economic activity through tourism or a reason for industry or individuals to choose one city over another. In addition, local sports teams are said to enhance the sense of community that is created by shared interest in the local team.

### Key Findings

MLS Commissioner Don Garber announced that the league would expand to 24 teams by 2020, leaving the league with a few decisions to make in regard to conference structure: A 24-team league would enable a 34-game schedule for each team. If the league was split into two 12-team conferences, each team would play twice against teams within their conference and once against teams in the other conference. Alternately, the league could decide upon splitting into three divisions, in which each team would play their division rivals twice and all other teams once, making for a 30-game schedule. But with MLS clubs relying so heavily on ticket revenue, it would seem unwise to forego two home games per year.

### MLS Fans in the U.S.

The dilemma Collins explains are the problems US professional soccer faces. Collins concluded that although there are 3.2 million youths playing the game and 75% of MLS games are televised, the league has yet to gain popularity in the US market as a spectator sport akin to that of professional baseball, football and basketball. Markovits and Hellerman mentioned that even though the American public follows the World Cup every four years, there is only a small following of avid fans who regularly keep up with the MLS matches. Gardner (2002) describes TV ratings of MLS as typically low and is described as “just short of invisible”. Brown (2006) has also suggested that MLS is often unable to match the salaries of the best players that are paid by their club teams, thus encouraging the top players to play elsewhere, particularly internationally.

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29 Reich  
30 Sport Industry  
31 Sport Industry  
32 Collins, 2006  
33 National Sports Other Myths, 7:355-363  
34 Markovits and Hellerman, 2005  
35 The Olympianization 46:1533-1549
Media

An interesting point to note is that the television deals for Major League Soccer are set to expire at the end of 2014 season, meaning that the league will be looking for a new and improved deal prior to the start of 2015. The current deals are priced at $80 million for eight years with Spanish speaking network Unvision which was signed in 2006, enacted to broadcast 25 MLS games a year (which is controlled by MLS’ marketing branch SUM). At the time, ESPN spent $64 million on an eight-year deal, which includes regular season games, the prestigious All Star Game and MLS Cup.  

Major League Soccer has seen a decline in viewing figures this season as compared to 2012. ESPN/ESPN2 finished the 2012 season with an average of 311,000 viewers for its games, but that number is down to 227,000 this season. Meanwhile, NBC Sports Network averaged 125,000 viewers per game last season, and is currently at 102,000 in the 2013 campaign. This was to an extent because of the lead-in with Olympic programming thus showing that there has at least not been a complete downturn and that everyone has lost interest in MLS all of a sudden. There is clear evidence that there is interest in soccer in America, but only when the networks show just as much passion and enthusiasm for it as the league does. Networks should not use their acquisition as a tool to merely satisfy the needs of the true soccer fans but instead bring it into the mainstream.

Hispanic Population

On a broad level, there is a sense that the league’s potentially largest market - Mexican Americans and other Hispanics - have yet to fully embrace the sport and pack the league’s stadiums. On a national level, 27 million of the 42 million Hispanics in the United States as of 2006 are Mexican-American.

Further, Hispanics are becoming younger as the average household consists of three children. Due to the increase in youth and the growth of the population, the spending power of Hispanics has increased to an estimated $1.2 trillion. This is quite different than what the general public may perceive. Herbig and Yelkur (1997) mentioned the Hispanic population is seen as an impoverished group but realistically speaking it is a group with much affluence that is rising every year.

Currently, it may be argued, none of the major professional leagues within the United States have successfully captured this growing segment of the market. To understand why it is important to focus on the culture of the Hispanic community. In regards to consumer marketing, Hispanics generally feel as if their culture is not valued by the greater population as marketers use stereotypes to increase awareness of their products at the expense of defaming cultural pride. This particular market is an important one for MLS to focus on when piecing together their strategic marketing plan for the new team.

Public Funding

Melaphinay suggests that new sports stadiums usually create jobs and though many stadiums simply replace older facilities in another part of town, employment is usually increased at new facilities. New elaborate stadiums tend to require more staff, and prove to be more successful at increasing net expenditures originating from outside the immediate geographic area. These new expenditures minimally increase direct employment, such as stadium and franchise staff, but can significantly boost indirect employment serving local businesses as well as hotels, restaurants, and transportation. The specific local and regional job multipliers related to new stadium are highly contested, though it is clear that new stadiums tend to successfully attract spending from

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36 TV Deals Define Future of MLS  
37 Brown  
38 Nielsen Report  
39 Differences between Hispanic and Anglo 35: 125-132  
40 Herbig and Yelkur
those outside of the region and create new local employment. Some argue that as long as no better job-
creation strategy is in place, these new jobs are well worth subsidizing."[41]

Subsidies are constructed in a variety of ways, though the taxes imposed on stadium activities such as ticket,
concession, and merchandise sales don't tend to supercede the significant abatements offered directly to teams
by host cities. Proponents argue that new stadiums stimulate spin-off development such as new retail
establishments, restaurants, concession suppliers, and parking structures. These new developments, coupled
with a boost for existing local economic players, and increased property values, generate enough of a tax base
increase to pay off the initial stadium investments while laying the groundwork for a healthy and sustainable tax
base."[42]

**Multiplier & Substitution Effects**

Baader (1987) suggests that spending spurred by sports events may represent spending that would still occur
elsewhere in the area. Attending a sporting event is but one possible use of an individual’s leisure time and
money. It is possible that no connection between professional sports and per capita income growth emerged
because sports pending imply substitutes for other forms of leisure spending. Critics of stadium subsidies assert
that the production of new stadiums promotes little, if any, new consumption. They argue that these
developments provide a mere substitute for existing entertainment alternatives and that the huge costs of
subsidies in no way justify this minor increase in overall entertainment spending."[43]

**Leaky Bucket Effect**

Melaphinay (1996) noted that a problem associated with substituting entertainment spending from another
market into sports expenditures, other than enormous development costs, lies in the fact that approximately
half of the revenues collected at sporting events are distributed to franchise owners and athletes. Opponents
argue that since many athletes and owners don’t necessarily live or reinvest in their host cities, it is quite
possible that the substitution effect is in fact draining more revenues from the host city than alternative
entertainment opportunities might produce."[44]

**Low-Wages**

Noll and Zimbalist suggest stadiums divert economic development toward labor-intensive, relatively low
unskilled labor (low-wage) activities. To the extent that this developmental path diverges from less labor-
intensive, more highly skilled (high-wage) activities characteristic of other economies within the region, it would
be expected that the sports-minded area would experience a falling share of regional income."[45]

The types of jobs induced by stadium activity are typically low-wage and seasonal: ticket takers, ushers, vendors,
restaurant and bar workers, guards, parking lot attendants, and so on. City development subsidies that
concentrate on these types of jobs could lead a city to gain a comparative advantage in unskilled and seasonal
labor. Long-term future growth in sports communities will be concentrated in low-income jobs."[46]

Jennifer Wakefield, spokeswoman for the Metro Orlando Economic Development Commission, acknowledged
the region has been overly dependent on low-wage jobs, but she said officials are working to change that. To
put it into perspective, Metro Orlando is currently the 23rd-largest labor market in the nation, with about 1
million jobs."[47] Metro Orlando’s median pay ranks last among the nation’s 50 biggest metropolitan areas, and it

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[41] The Impact of Stadiums and Arenas, pp.36-39
[42] Economic Impact of Sports Teams & Stadiums
[43] Is there an Economic Rationale
[44] Impact of Stadium Arena, 1996, pp.36-39
[45] Economic Impact of Sports Teams and Stadiums
[46] Cities in Pursuit of Sports Franchises
[47] Powers & Stratton
has the largest share of jobs paying less than $25,000 a year at 37%. Among the 50 largest cities, Metro Orlando ranks last in jobs paying $50,000 to $75,000 and last in jobs paying $75,000 or more. It finishes 39th in jobs paying $25,000 to $50,000. Middle-income jobs, in particular, were decimated by the recession after expanding earlier in the decade. Since 2007, the region has lost more than 155,000 jobs that paid between $25,000 and $75,000.

Environmental Concerns
Over the years, the Parramore community has been home to a coal gasification plant, numerous bulk petroleum facilities, insecticide and chemical manufacturing facilities gasoline, service station and automobile repair facilities, dry cleaners and three historical USDA Bureau of Entomology Research Laboratories. In addition to brownfields, a number of other cumulative social and environment issues have resulted in an unfortunate and unsanitary situation for Parramore. The community was bisected in the 1960’s by the construction of Interstate-4 and then again by the East/West Expressway in the 1970’s. The construction of these highways severed Parramore from the rest of the downtown and introduced yet another source of air, noise, water, and soil pollution to the community. Home to the City’s poorest residents, the Parramore community is also the most environmentally at risk population in the City living in the oldest, most dilapidated housing and in the closest proximity to the remnants of the City’s heaviest commercial and industrial uses.

Conclusion
Due to the short history of Major League Soccer, little-to-no comprehensive data has been compiled as to the socio-cultural impacts incurred by a city due to the implementation of a new stadium. This factor, combined with the new stadium’s unique and unprecedented location in the downtown area of an already-booming local economy, rendered this analysis a challenging one. Cities across the United States are implementing new stadia and arenas as centerpieces of urban renewal projects, and through there is no conclusive evidence and research proving their value to emerging and established cities, the new stadium in Orlando appears to have a promising future. The results of interviews and research conducted throughout this study coupled with the positive outcome of the economic impact study should render the new Orlando stadium a successful venture for all stakeholders.

It is important to remember that no two cities or sites are the same, and it is critical to realize that a proposed stadium in any given community will undoubtedly produce a different set of results than any previous analyses or case studies. When it comes to success, it is crucial that the proposed stadium is planned and designed in a fashion that integrates the interest of the team, the local community, and the city at large. With these issues properly addressed, one will be better equipped at deciding whether or not a sports stadium construction in a particular locale fits within the greater interests of the constituents at play.

Below are several recommendations that may aid in leading this new stadium to success:

Recommendations

- Marketing and public relations experts suggest that several MLS teams should choose international-sounding names to appeal to ethnic groups of fans that follow long-established international soccer leagues including Mexican-Americans and other Hispanics.

- MLS needs to secure a more lucrative TV contract, and bring the world’s best players to America instead of sending the most promising young players from the USA to play overseas. The success of MLS will be tied to some extent to the performance of the national USA men’s team.
  - MLS should perhaps be looking to seek assurances that when the deals that arrive are made, getting respectable time slots is critical.

Florida Department of Environmental Protection
• Developing marketing and promotions tied to major events and working to gain the support from a very loyal fan base are key concepts that will affect the success of sports public relations efforts in the future. MLS should consider promoting during the World Cup and other international events.

• Public relations practitioners should not use the same marketing efforts to reach all Hispanic groups within the same geographic target market (i.e., people from Colombia, Mexico, Cuba, Venezuela, etc.) but should instead create distinct efforts to reach people from individual Latin American nations. Each Hispanic ethnic group has its own distinct culture and connection with sports. To increase fan loyalty, MLS franchises should consider recruiting top players from the dominant Latin American nations represented in their market. This may be especially true since soccer evokes a great sense of national pride within its most loyal followers.
Works Cited


Melaphinay, John C. The Impact of Stadiums and Arenas, Real Estate Issues , December 1996, pp.36-39


