



**City of Cape Town**

**Business plan for**

**Cape Town Stadium and Green Point Park**

**A public information summary and report**



CITY OF CAPE TOWN | ISIXENKO SASEKAPA | STAD KAAPSTAD

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# Executive summary

Making a stadium profitable is a challenge. Cape Town Stadium should ideally be used a lot more than it is. This report outlines what the City of Cape Town has done – and would like to do – to make the stadium more viable.



**T**he City of Cape Town is investigating a business plan for the Greater Green Point Urban Park – which includes Cape Town Stadium and Green Point Park – in order to make the facilities created for the 2010 FIFA World Cup™ more financially viable.

This document provides both a short summary of the facts and proposals, and the detailed technical report from the City's consultants (pages 17 to 47).

The report details the obstacles to making the stadium and park more commercially viable, and concludes that many of these obstacles are due to zoning restrictions, which do not permit commercial activity that is not linked to a specific event.

Relaxation of the zoning and land use restrictions would allow greater commercialisation of the stadium and park, which would offset the cost of maintaining the facilities and reduce the burden on the ratepayer.

As part of the public participation process, open until 31 March 2013, all Capetonians are invited to provide their input and comments on the proposals.

## A global view

The past two decades have seen massive growth in the numbers of large modern sports and recreational stadiums and venues across the world.

This growth has been driven by the requirements of

sports rights holders such as the International Olympic Committee (IOC), Fédération Internationale de Football Association (FIFA), the International Rugby Board (IRB) and the International Cricket Council (ICC) with regard to the hosting of the Olympic Games™, FIFA World Cup™, IRB Rugby World Cup™ and ICC Cricket World Cup™.

However, after the hosting of these major events, the owners and operators of newly built sports and entertainment facilities are confronted with the harsh realities of the extremely competitive major stadium environment. The running costs of modern, technically advanced stadiums are substantial.

The 55 000-seater Cape Town Stadium, built for the 2010 FIFA World Cup™ as part of Cape Town's official host city requirements, is no exception to this reality.

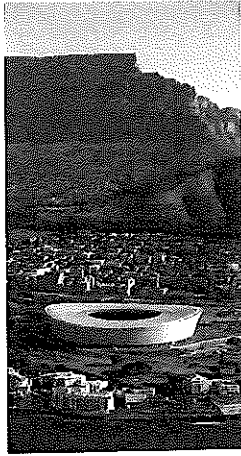
Stadium owners have been forced to re-assess their traditional stadium management structures and event delivery models, and take a broader – and more strategic and professional – view of the spread of products and services required at their facilities.

The last two decades have witnessed a marked worldwide increase in the commercialisation and marketing of major sports stadiums. The last decade has also seen a trend of public funders and owners of such stadiums, for a variety of reasons, taking back control of their assets from major sporting codes.

## In detail

Pages 7 to 16 are a summary of the full report submitted to the City of Cape Town by the business analyst commissioned to examine and develop business models for Cape Town Stadium and Green Point Park.

This technical report, which follows on page 17, is also available at City libraries and sub-council offices, and on the City's website at [www.capetown.gov.za](http://www.capetown.gov.za).



**Iconic:**  
*The 2010 FIFA World Cup™ provided Cape Town with exceptional international exposure, the effects and benefits of which are still being enjoyed by the tourism industry.*

**For the record**  
 When a land or property development requires environmental impact assessments, changes to zoning or land use, or compliance with other legislation, an application must be submitted to the relevant authority – in this case the Western Cape Government – and approval granted (or denied).

The result of the application and the reasons given for approval are recorded in a formal decision document, known as a Record of Decision (RoD). This lengthy process was necessary for the construction of the stadium and extensive reconfiguration of Green Point Common, as it was zoned as a 'public open space for recreation and sport' (see the panel alongside).

### Cape Town Stadium background

Following the decision to award the 2010 FIFA World Cup™ to South Africa, and the Greater Green Point Urban Park being proposed as the site for Cape Town Stadium, the entire Green Point precinct was subjected to a complete re-design, a process that incorporated a comprehensive public participation programme.

Time constraints, due to the urgent need to start construction of Cape Town Stadium in order for the City to meet its 2010 FIFA World Cup™ obligations to National Government and FIFA, had an impact on the final design and the commercial rights granted to the Greater Green Point Urban Park property.

During the 2006 provincial Record of Decision (RoD) process, compromises were made by the City regarding permissible commercial uses of the property. This was done to ensure that the stadium – which was six months behind the other major 2010 stadium builds across the country – would be completed in time. This construction included developing the stadium precinct in terms of FIFA contractual specifications.

At the time it was recognised by the City that, after the 2010 event, there would be sub-optimal commercial use of Cape Town Stadium and its precinct. It was also acknowledged by the City, in a cost-benefit analysis

undertaken at the time, that unless the City sourced a 'substantial and guaranteed external subsidy', the stadium would be a significant future financial burden.

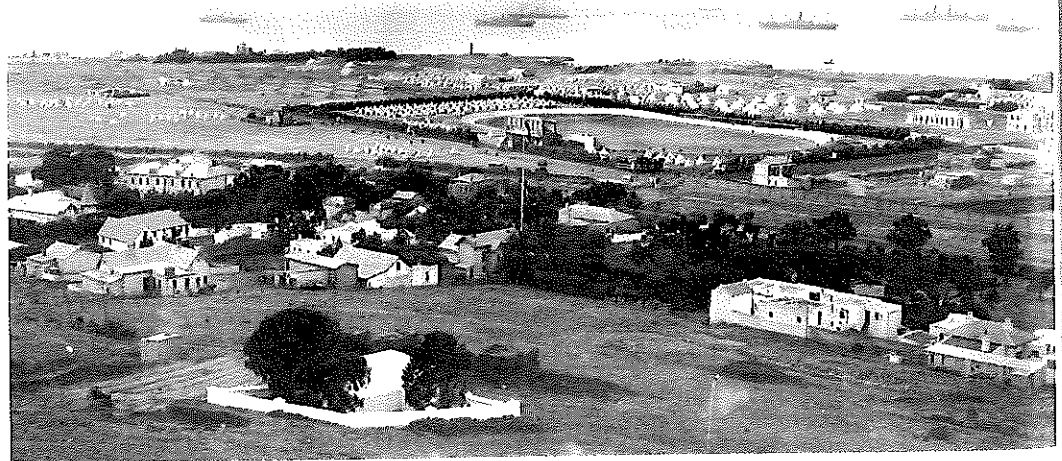
Despite the financial implications, however, it was also understood that Cape Town Stadium and Green Point Park would represent a 'green jewel' for use by, and the benefit of all Capetonians. Hosting eight games in such a remarkable setting provided Cape Town with exceptional international marketing exposure, the effects and benefits of which are still being enjoyed by the local tourism industry in spite of a global recession.

### The current operational realities

However, the City has had to revisit its original decisions regarding the governance, operational management and land use of the Greater Green Point Urban Park (the entire stadium precinct and park).

The stadium and park operate in an extremely fluid and challenging environment. The global recession, coupled with a highly competitive stadium business environment between 2010 host cities, have severely limited the opportunities for stadium usage.

That usage is also restricted by current land use zoning, and commercial activities are not permitted unless they are directly related to approved events.



The Green Point precinct has a fascinating history. It was once a seasonal vlei, and was known as 'De Waterplaats' (the foreshore) in the 1700s and 1800s.

After the British annexed the Cape in 1806, horse races and sailing regattas were held there (and dairy farmers also grazed their cows). The vlei was filled in during the early 20th century, and in 1923, King George V ceded the land to the City as a 'public open space for recreation and sport'. This condition meant that a change in zoning and land use was required for the new stadium and park, and this was reflected in the Record of Decision of 2006.

The common is home to South Africa's oldest rugby club, Hamiltons, founded in 1875; the Green Point Cricket Club, founded in 1897, and has venues for athletics, cycling, tennis, bowls and golf.

It was the birthplace of soccer in the country, as

the first recorded game was played on the common in 1862 between '15 officers of the army and a like number of gentlemen in the civil service'.

It has had its grimmer side too. It housed prisoners of war and British troops during the Anglo-Boer War of 1899-1902 (pictured), and in 1920, Cape Town's first air crash fatality occurred there.

An 18 000-seater stadium built in the 1940s was used mainly for football, and has been the home ground for Santos Football Club, Hellenic Football Club and Ajax Cape Town. It is being revamped into a 5 500-seater multi-use stadium, with new clubhouses and change rooms, and an upgraded athletics track.

The 2010 FIFA World Cup™ provided the City with the funds and opportunity to reconfigure the common, build the stadium, establish the park, and make the whole area more accessible and attractive.



This restrictive municipal legislative framework does not allow the business flexibility required to make this R4,5 billion asset financially viable.

In addition, the operator has been unable to attract a premium anchor tenant, a move that would greatly enhance the financial viability of the stadium.

**History of the stadium operation**

In late 2009, following a tender process, the City appointed SAIL/Stade de France Operating Company (Pty) Limited – a joint venture between a local sports and entertainment marketing company and the management company of the Stade de France Stadium in Paris – to manage Cape Town Stadium and Green Point Park.

For various legal, administrative and financial reasons, the contract was terminated on 1 December 2010, and the City was obliged to take over the management of the stadium. The City's 2010 operations team assumed this function on 1 January 2011.

At the same time, the City authorised the appointment, by tender, of an experienced stadium business analyst with local and international experience to provide guidance on a viable and effective business model for the stadium. This report is a summary of the business analyst's findings and recommendations.

It was intended that the business analyst would professionally advise the City regarding the future legacy of Cape Town Stadium and Green Point Park.

**About the business analyst**

In September 2011, after a comprehensive tender process, International Risk Mitigation Consultants (Pty) Limited (IRM) was appointed as the business analyst.

IRM is a local and internationally recognised provider

of specialist legal, technical and risk consulting services to the sporting and recreational sector. In its bid, it had assembled the leading project-specific professional stadium business analyst consultants in the country, with specialist international advisory assistance, to undertake the required mandate of the City.

**The need for a business plan**

There is significant potential for the commercialisation of the stadium and its precinct beyond that which is being done. From a financial and a social perspective, the stadium and park do not represent the best value to the City and its ratepayers in their current form.

As a result of the compromises made during the 2006 Record of Decision (RoD) process, the RoD stands as an obstacle to the effective commercialisation of the stadium and park. It is to this end that the report has explored the proposed relaxation of some of the more restrictive provisions of the RoD. It has also explored various commercial property development opportunities both inside the stadium and in its immediate precinct.

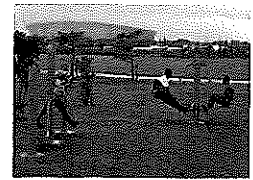
**The business analyst's brief**

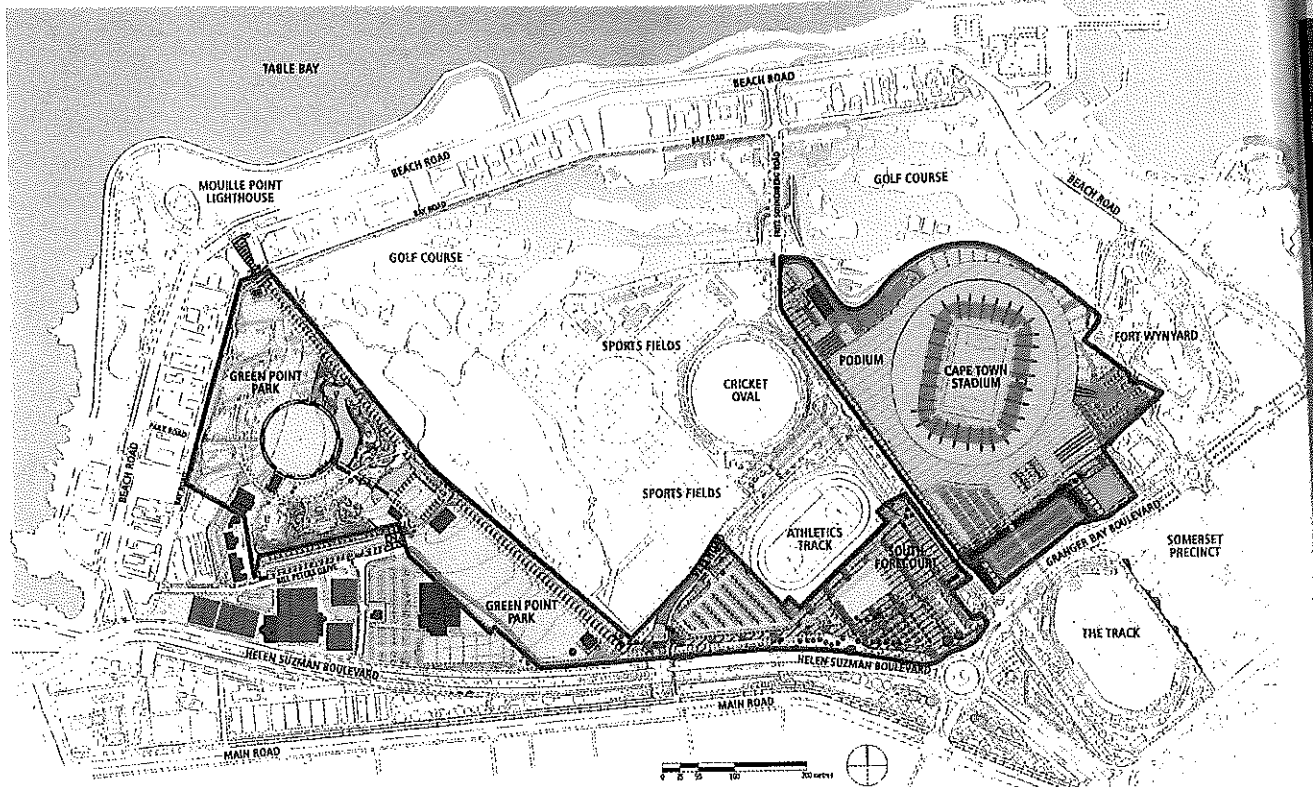
The City clearly set out what it required from the appointed business analyst as far as the development of the business model was concerned. This included:

- a consideration and development of five possible future stadium governance and business models that could be deployed at Cape Town Stadium (with reference to best international and local practice);
- a consideration of the pros and cons of the five stadium business models; and
- a recommendation as to a preferred governance, management and business model for the stadium.

**A green jewel:**

*Over time, Green Point common had become a haphazard patchwork of sporting facilities and underutilised open space. The development of the stadium also provided the opportunity to reconfigure the common, which now provides access to an outstanding public park, biodiversity garden, open-air gyms, and walking and cycling facilities.*





**Operating areas and zoning:** The area managed by the operator (currently the City of Cape Town) is highlighted and bordered in red. This includes the stadium and immediate precinct, and the park. The yellow line around the stadium precinct shows the area zoned for 'community facilities'. The remainder of the Green Point precinct – including the park, golf club and the various sporting facilities – are zoned as 'public open space'. The zonings determine what types of commercial activity are permitted.

The analyst had to assess which of the possible business models had the potential to generate sufficient revenues based on current income streams, and provide options to maximise these revenues.

There also had to be a consideration of sustainable income streams that the City could include in order to recover the cost of the operation of the stadium and park, with a view to the possible generation of surpluses to cover costs and reward stakeholders.

#### The five business models

The City required the business analyst to investigate and consider five different business models (two with sub-categories), as follows:

- Model 1: City as operator, with anchor tenant
- Model 2: Independent operator, with anchor tenant
- Model 3: Anchor tenant as operator
- Model 4A: City as operator, with no anchor tenant
- Model 4B: Independent operator, with no anchor tenant
- Model 5A: Analyst-proposed mixed-management model – public/private partnership
- Model 5B: Analyst-proposed mixed-management model – municipal entity

#### The business analyst's methodology

In essence, the business methodology employed for this project involved, among others:

- a detailed documentary and information review of the historical stadium and park operations;
- a comprehensive analysis of the historical and current financial position of the stadium and park;
- detailed research relating to major local and international sports and entertainment venues;

- benchmarking against best domestic and international practice in stadium governance, management and business modelling; and
- in-depth interviews and work sessions with stadium staff and City of Cape Town officials.

The Cape Town Stadium business planning process was based on the following factors:

- Financial viability
- Consideration of the City's best interests from a commercial and social development point of view
- Sustainability
- Practicality, i.e. no 'pie in the sky' approach
- Provision for the possibility of 'quick wins' on the stadium management and operations front
- Alignment, where possible, with the City's Integrated Development Plan (IDP)
- Compliance with the applicable legislation
- Protection and enhancement of the City's financial, commercial and associated interests in the stadium

#### Investigation and evaluation

In the technical brief, the City specified certain areas of investigation and evaluation for each of the possible business models. The consultants used these guidelines during the research and model evaluation process.

Key assumptions were identified, developed and applied across the five possible models. Finally, various risk factors were identified and evaluated for impact, and each model was given a total risk score.

These key assumptions included the optimal number of events that could be held, with and without a premium anchor tenant (and dependent on the specific anchor tenant), pricing of event tickets, costs of compliance with the Municipal Finance Management



Act (MFMA), salaries and wages, operational expenditure, the number and capacity of suites, annual escalations, rights inventory pricing and inclusion, business club seats, season tickets, food and beverage, property development and park events.

In the scenarios where anchor tenants are included, the following three anchor tenants were considered:

- Western Province Rugby Football Union
- Ajax (Cape Town) Football Club
- Big Concerts

Since the drafting of the report, another anchor tenant, Chippa United FC, has been considered. However, as Chippa United was not included in the original modelling process, it was not included in the underlying assumptions for the document. This does however represent a future potential revenue stream.

The assumption regarding property was that all property development options that would contribute to the viability of the stadium would be implemented after a process of rezoning has been undertaken. This would optimise the usage of the stadium, and limit the City's potential exposure to operational losses. The property development was assumed to be funded from debt, which would be repayable to the City over 20 years.

In terms of rights, whichever rights are the property of the stadium would be able to be sold by the stadium operator (be it the City, an independent operator or an anchor tenant as operator) for its benefit. This includes naming rights, founding partner rights, pouring rights, franchise rights, snack-food franchise rights, suite income, business club income, season ticket income, stadium advertising, stadium tours and merchandising.

An independent operator would however not be responsible for the additional cost that results from

compliance with the MFMA, nor have the means to maximise the events calendar by buying in events.

#### Financial modelling

The financial modelling process took into account possible stadium events and their attendance, the type of anchor tenant and its ability to attract events, the commercial terms of the catering, the number of suites that would be sold as well as the price of such suites, the possible income and expenditure of park events, the operating income (including rights that can potentially be sold by the operator) and cost, staff costs, and repairs and maintenance.

Following the application of the business model assumptions and risk factors, the financial modelling process resulted in seven different financial models (five models, two with sub-categories). These models are described in detail in the full technical report.

#### Conclusions drawn from the process

The risk evaluation undertaken as part of the reporting process highlighted the fact that all models with a high level of City involvement will result in a lower level of risk. This includes model 1 (the City as an operator, with anchor tenant(s)) and model 5 (alternative model – public/private partnership or municipal entity).

Model 4A (the City as an operator, with no anchor tenant) also shows lower levels of risk, but the lack of financial stability ensures a higher level of risk than model 1 and model 5.

The conclusion relating to these financial models for each scenario is that only models with a premium anchor tenant would result in possible medium-term revenue generation and cost recovery.

*More than a pitch: The 55 000-seater Cape Town Stadium offers much more than an exceptional venue for rugby or soccer matches. Existing facilities within the stadium include 250 suites, an 1 800 m<sup>2</sup> conference hall, TV studios, a medical centre, 530 toilets, and basement parking for 1 170 vehicles. Close proximity to the city centre and excellent transport links – including dedicated MyCiti stations – make it extremely accessible.*





**Concert pitch:** One of the first big international acts to perform at the stadium was U2.

The mega-group's international 360° Tour featured a 190-ton revolving stage. Other performers at the stadium have included Coldplay, The Eagles, Kings of Leon and Neil Diamond. Most of these events were sold out. Groups that will be performing in the near future include the Red Hot Chili Peppers and Bon Jovi.

The financial modelling also highlighted the need for full commercialisation of the stadium in order to create the environment for possible revenue generation and/or cost recovery, and most effective cost control.

The full commercialisation of the stadium and the maximisation of potential revenues would in turn rely on a governance model that would allow for the business flexibility required to operate a major stadium. As such, the commercially restrictive provisions of the MFMA and its impact on the various business models were carefully considered during the process.

#### **A proposed solution: A mixed-management model**

After all the models and scenarios were analysed, the business analyst proposed to the City that it consider a mixed-management model (model 5) of stadium governance and management (with primary and secondary anchor tenants) at Cape Town Stadium.

The 'public' entity would be the City, and the 'private' entity could, in terms of legislation, be a public company, a private company, a non-profit organisation, a business partnership or a sole proprietorship.

In terms of the contract between the City and the external organisation, there would be a requirement to establish an anchor tenant management committee to manage the business relationships between the primary and secondary anchor tenants and the City, and among the anchor tenants themselves. This would be effected by means of an agreement.

The agreement could, among others, regulate the following matters:

- Rights of use of the stadium
- Event scheduling rights and processes – including priority scheduling for primary anchor tenants
- Stadium rental payments (including agreed gate percentages)
- Commercialisation matters
- Stadium ticketing and access control matters

- Use of office and parking space within the stadium
- The proposed model is flexible and can be modified by the City to incorporate a medium or long-term model.

It is envisaged that, from a City oversight perspective the Executive Director: Tourism, Events and Marketing would oversee the performance and implementation of the preferred model, as decided by the City Council when it considers all options, including the comments and submissions made during the public participation process as set out in the Municipal Systems Act (MSA).

In short, the recommended mixed-management model would allow for the essential levels of dynamic, risk-taking and flexible business management that would be required for the successful commercial leveraging of the stadium and park.

There are no operational success guarantees in what is worldwide a challenging area of large sporting facility ownership and management. However, the business analyst was of the view that, from a pure business risk management, legacy and sustainability perspective, there is merit in the City adopting the mixed-management model for the future governance and management of these key assets.

The business analyst has recommended that the City, pending completion of the legislative processes in connection with its preferred business management model, retain its current stadium management team.

It is anticipated that the required statutory processes would take 24 to 36 months to complete.

#### **Current restrictions regarding property**

When the City, as a 2010 FIFA World Cup™ host city, planned Cape Town Stadium and Green Point Park, the entire precinct was subject to a complete re-design. This process involved an intensive public participation programme, and resulted in a Record of Decision (ROD) by the Western Cape Government that clearly laid out the permissible (and restrictive) uses of the Green Point



precinct (which incorporates the stadium, park and the public space leased to various sporting codes and clubs).

### Cape Town Stadium

The current permissible uses of the stadium in terms of the RoD and City of Cape Town land use zonings cover four main areas (detailed in the panel below):

- **Bowl events:** Events held within the stadium bowl itself and on the pitch, such as sporting events and public gatherings, and the related food, beverage and merchandise sales
- **Non-bowl events:** Events held within the stadium, but not using the pitch, such as conferences and public gatherings, and related sales

### Activities currently permitted at Cape Town Stadium

The original and current permissible uses of Cape Town Stadium in terms of the Western Cape Provincial Government's Record of Decision and City of Cape Town land use zonings are as follows:

**Bowl events:** All sport and recreational activities; sport and recreational entertainment; screening of sport and recreation-related films; public gatherings, including religious, political and cultural gatherings; food and beverage sales; merchandising sales, and catering and restaurant facilities.

**Non-bowl events:** Conferences; exhibitions; corporate events, including marketing events, product launches, team-building exercises, annual functions, shareholder functions, media briefings, etc.; registration point and start/finish venue of events such as the *Cape Argus* Cycle Tour and Two Oceans Marathon; screening of sport and recreation-related films; public gatherings; food and beverage sales; merchandising sales, and catering and restaurant facilities.

**Stadium facility activities:** Fitness and wellness centre(s) – gymnasium, health spa, etc.; high-performance sports centre and associated facilities, including offices, kitchen and dining facilities, an indoor sprint track and small-scale accommodation facilities directly associated with the sports centre; an operating theatre and medical facilities linked to the sports centre, including a recovery

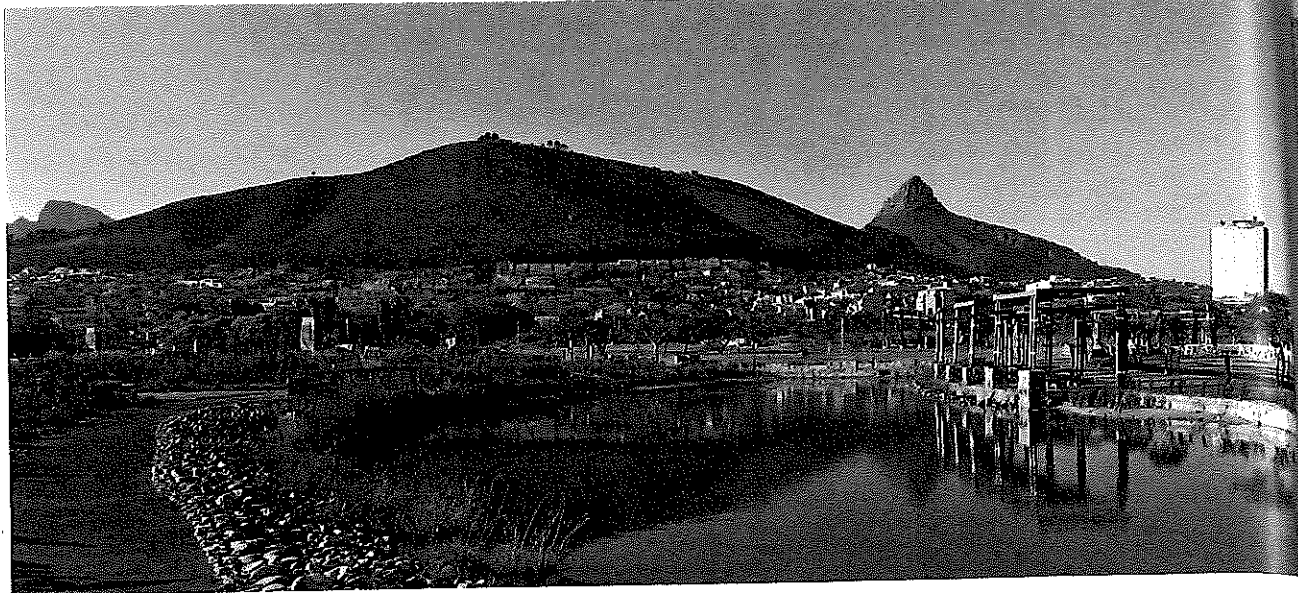
- **Stadium facility activities:** Events that make use of stadium facilities and cover a very wide range, from gatherings, to sports science facilities, catering, merchandising and educational facilities.
- **Stadium event activities:** Activities linked to events at the stadium, and include coaching, tourism-related activities, catering and merchandising

### Remainder of erf 1056, Fritz Sonnenberg Road

In terms of the RoD, this can be used as a place of assembly, including passive and active social, cultural and recreational activities; place of instruction, including City-approved passive and active educational, sporting and recreational activities; shops – informal

### Public spaces:

*Permissible uses for Green Point Park include many types of outdoor events and public gatherings.*



**Natural heritage:**  
*The park includes a biodiversity garden, which showcases the indigenous flora of the Cape Town area in an accessible and informative display. The park's water is delivered via a 5,2 km pipeline from the Oranjezicht springs – the city's original water source. An eco-centre, which will add to the educational value of the park, and a 'green' café and tearoom are planned.*

trading and open-air markets only; food and beverage sales, linked to approved activities, and restaurant(s), including tearooms, linked to approved activities only.

#### **Green Point Park**

The permissible uses of the park include the following:

- Events-based park activities: Allows for many types of outdoor events, such as concerts, exhibitions and shows, as well as educational, leisure and hospitality events and informal trading.

- General park facility activities: Allows for sporting activities in a 43 ha area that includes playing fields, management offices and ablutions; a 12,5 ha public park, tearoom, pedestrian and cycle paths, as well as picnic facilities, outdoor gyms and parking.

On 5 April 2011, an amendment was made to the Record of Decision, which added the following permissible uses to Green Point Park in terms of facilities: shops in an open-air serviced facility of appropriate scale and limited to 500 m<sup>2</sup> per shop; plant nursery; informal trading stalls; tearoom linked to location and approved public space/event-related activities only; restaurant linked to

location and approved public space/event-related activities only, and a picnic facility.

Commercial activities within the stadium and the number of events that may be hosted are restricted. Only event-based retail activities are permitted.

The uses within the park are also currently very restrictive and tightly controlled.

#### **Recommendations regarding property Green Point Park**

The report proposed that the current and new structures required for the park would be limited to the following permissible structures:

- Eco-centre
- 'Green' café
- Tearoom

These are limited to the park, and, for the foreseeable future, no further development is envisaged.

From an events perspective, current RoD and City land use approvals for the park permit the erection of temporary event infrastructure. However, this is still subject to, and governed by, the City's normal approval

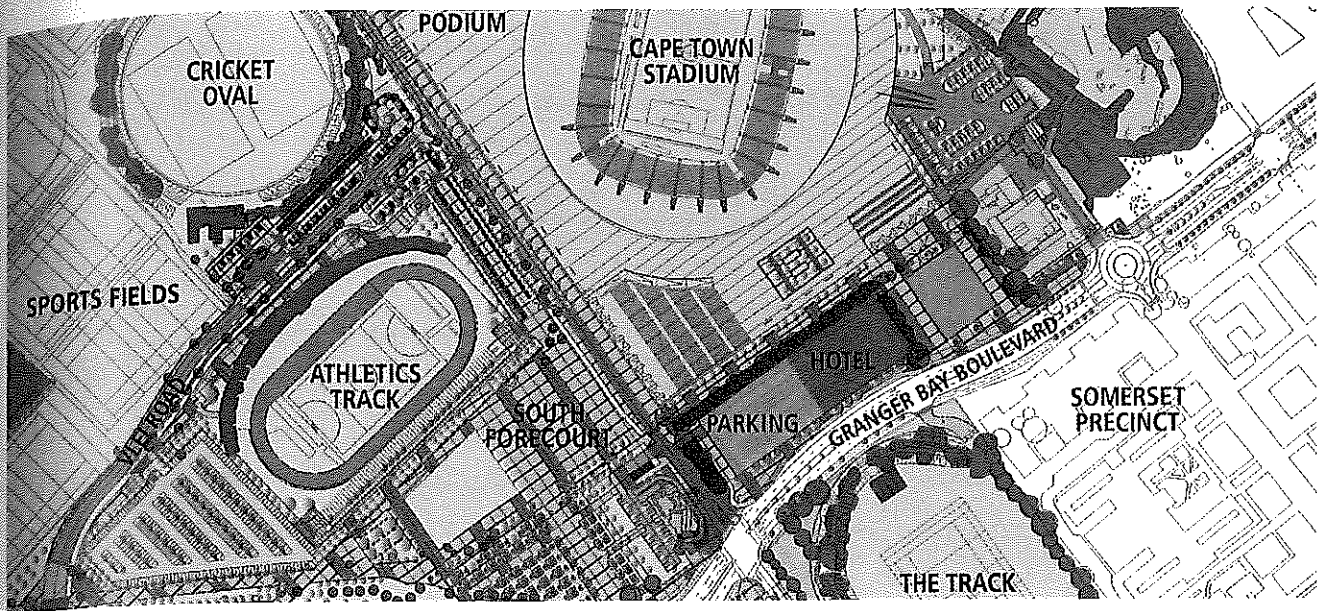
### **Activities currently permitted at Green Point Park**

The original and current permissible uses of Green Point Park in terms of the Western Cape Provincial Government's Record of Decision and City of Cape Town land use zonings are as follows:

**Events-based park activities:** Outdoor events, e.g. small concerts, art exhibitions, dog shows, show-jumping, flower shows, etc.; sporting code event activities; environmental education facility; outdoor lecture facilities; informal trading, including flower-selling; temporary rental of park facilities for film and advertising shoots; indoor and outdoor hospitality activities, e.g. hospitality villages; food and beverage sales linked to event-related approved activities; restaurant(s) linked to public space/event-related approved activities only; catering linked to public space/event-related approved activities only, and merchandising sales linked to public space/event-related approved activities only.

**General park facility activities:** Accommodation of sporting

codes, 43 ha in extent, including playing fields, management offices and ablutions; public park for general public use and enjoyment, 12,5 ha in extent; public tearoom, can be hired; public hiring facility, bicycles and paddle boats, etc.; pedestrian and cycle paths; picnic facility, can be hired and picnic basket sales permissible; environmental education facility, building of an appropriate restrictive scale allowed; outdoor gym equipment for general public use; active public recreation areas, such as a skateboard park, adventure activities, cycling areas, jogging areas, a putt-putt course, etc. (no buildings permitted); passive recreation areas – places of public assembly, places of instruction, chess-playing areas, card-playing areas, reading areas, etc.; temporary and permanent parking related to approved activities; display of outdoor advertising material promoting the stadium and park and associated activities; park management offices, and public ablution facilities.



process for events permits and the City's bylaws.

### Cape Town Stadium

With regard to the stadium, many revenue-generating activities are prohibited. The business analyst report has identified a number of possible solutions to the current restrictive RoD and land use zonings.

These will involve the City's submission of formal applications of amendment to the existing RoD and land use zonings in terms of applicable City planning legislation and any City-approved property development of the stadium and park business modelling. This will in turn involve the sourcing and submission of all environmental management systems (EMS) and plans to the Western Cape Government.

The identified property development-related opportunities for the stadium and stadium precinct (excluding the park) are as follows:

#### Currently permitted

- Suites and related hospitality lounges (essential in order to attract a premium anchor tenant)

### How will the proposed changes affect residents?

#### What are the financial implications?

Making more effective use of the stadium and its surrounding facilities will reduce the cost to the City of managing and maintaining those facilities. This will reduce the burden on ratepayers, and free up funds that could be better used elsewhere.

#### Why does the land use and zoning have to change?

At present, most commercial activities can only be held where they are linked to certain types of event. Changing this would allow development of more sustainable commercial enterprises.

#### Why would commercial activity be a benefit?

Apart from contributing to the cost of maintaining the stadium and precinct, it will make a superb yet

- Gym
  - Entrance foyer
  - Visitors' centre
  - Bulk waste management area
- Currently permitted, but related to events/stadium business only (other usage would require environmental and town planning applications)*

- Parking under podium and in stadium embankment
- Offices
- Conference facilities
- Kitchen facilities
- Kiosks on podium and level 6 of stadium
- Banquet facilities
- VIP blind suites
- VIP hospitality lounge and foyer
- Liquor and beverage distribution area
- Conferencing and banqueting facilities

*Currently not permitted and for which rezoning applications would be made*

- Small retail spaces
- Stand-alone restaurants, coffee shops, sports bars and late-night venues

#### Potential future development:

*A proposed commercial building and a parking garage – both four storeys high – in what is currently an open-air parking area alongside Granger Bay Boulevard have been recommended. The commercial building could be developed as a sports science centre, hotel or offices. The parking garage would cater for the increased parking demand, and will replace parking bays lost due to commercialisation of space within the stadium structure.*

severely underutilised area more vibrant, and will attract investment and opportunities.

#### What will it mean in terms of noise, traffic and other impacts?

Very little. Planned activities will be sited to take advantage of the excellent transport infrastructure around the Green Point precinct, and will not affect neighbouring residents any more than the commercial activity along the Main Road.

#### Will it lead to more development and building?

Only the planned four-storey commercial property and parking alongside the stadium on Granger Bay Boulevard (which is a commercial area, not a residential one), and the 'eco-centre', tearoom and café in the park.



In order to become a financially viable venue, the stadium and its immediate precinct require the ability to attract large sporting and entertainment as well as non-event-day opportunities. This, in turn, requires a certain amount of commercialisation. If service excellence can be demonstrated, there is literally an endless bouquet of functions that could take place.

- A four-storey commercial building located on the current gravel parking to the south-east of the stadium along Granger Bay Boulevard, possibly to be used as a sports science centre/hotel/offices
- A four-storey parking garage alongside the commercial building to cater for the increased parking demand, and to replace parking bays lost due to commercialisation of space within the stadium

**The way forward**

Regarding any proposed property development and any required amendments to the current Western Cape Government RoD and City of Cape Town land use zonings in respect of the stadium and immediate precinct (excluding the park), the way forward would involve a three-stage legislative process:

- The City will select an appropriate business model based on the organisational structure that makes the most sense in terms of ownership, asset management, equity and stakeholder management. This will involve an extensive public participation process.
- A detailed and comprehensive RoD amendment and town planning application will have to be prepared and submitted to the Western Cape Government, to cater for all desired medium to long-term uses that may be required by the City. These uses include commercial office development, commercial parking, and restaurants and coffee shops. Any RoD amendment and planning application would need to set out clearly the need, desirability

- and uses to justify amendment of the existing RoD.
- A similar application process as set out above would have to take place in as far as the meeting of legislated Land Use Planning Ordinance (LUPO) and environmental impact assessment (EIA) requirements is concerned. This would again include an extensive public participation process.

**Conclusion**

In order to become a financially viable venue, Cape Town Stadium and its immediate precinct require the ability to attract both large sporting and entertainment as well as non-event-day opportunities. This, in turn, requires a certain amount of commercialisation.

If service excellence can be demonstrated to the market, there is literally an endless bouquet of stadium serviced business/private functions that could take place simultaneously at the stadium on non-event days, unlocking brand-new revenue streams.

Besides direct food and beverage revenues, other commissionable services, such as staff solutions, temporary staffing, hiring, decor, floral, stage and sound entertainment, could bolster stadium operating revenues even further, while also boosting employment and business opportunities in Cape Town.

The report demonstrates that, without the lifting of certain of the Record of Decision land use and/or activity restrictions, Cape Town Stadium will not within the medium term, under any of the considered business models, achieve the desired break-even on stadium running costs and surplus revenues.

**Public participation, comments and enquiries**

Members of the public are invited to participate in the legislative and nomination processes relating to the governance and management of Cape Town Stadium and Green Point Park.

Comments, compliments, complaints or other input should be submitted before 31 March 2013 to:  
E-mail: [haveyoursay@capetown.gov.za](mailto:haveyoursay@capetown.gov.za)

Fax: 021 418 7446  
 Post: Stadium Business Plan  
 Attention: Michelle Jackson  
 Tourism, Events & Marketing Directorate  
 PO Box 298, Cape Town 8000  
 or visit the City's website at  
[www.capetown.gov.za/haveyoursay](http://www.capetown.gov.za/haveyoursay)