

# Bidding for Super Bowls not for the faint of heart

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Prospective Super Bowl hosts are greeted with a dense document from the National Football League, jammed tight with 150 pages of requirements of seemingly every conceivable size and type.

Seventy-thousand fixed stadium seats. Three thousand parking spaces for staff. Four hundred TVs, and even a re-sodded field are just the beginning of the NFL's extensive demands. In some cases, local roads and hotel rooms must be added. Naturally, the NFL makes all of the money from the game, too.

Hostile takeovers seem friendlier.

The bottom line, found deep in the NFL's 2013 hosting bid package, reads, "The NFL shall own exclusively, on a worldwide basis, all rights relation to the commercial exploitation of any kind to the Super Bowl and all official events..." with "revenue enhancements" and "cost avoidance enhancements" littered throughout the agreement.

"Basically, the circus is coming to town," says Victor Matheson, an economics professor at the College of the Holy Cross. "The circus doesn't stay. They pack up and leave town with all the money they can gather."

Bidding on a Super Bowl isn't for the weak. Still, the prize for a local community is so valued that costs are almost irrelevant. Americans embrace the Super Bowl as their biggest unofficial annual holiday with only Thanksgiving seeing more food consumed, while more than 100 million people watch the NFL's championship game.

In return for those 200 million eyeballs, the league pits cities against each other to host the event. Aside from dangling the game as a potential economic carrot to entice public funding of its stadiums, the NFL projects hundreds of millions of dollars in economic impact from perhaps one million hungry and thirsty tourists ascending into town.

Economists say it's a great con job, and insist most financial forecasts are far overblown. Yet, hosting cities said it's the best chance to raise their profile to international status much like Olympic games. And unlike the international counterpart, one U.S. city will get the Super Bowl annually.

"If given the choice, I think every city in the country, if not globe, would want to host," says Roy Higgins, executive director of the Tampa Bay Sports commission that is hosting Super Bowl LV in 2021. "The economic development opportunity is tremendous. The tourism spending is phenomenal. But the ability to entertain and make a first impression with so many different CEOs and companies visiting has significant value itself. We've had somebody visit our community for the first time with a major event fall in love with our community and come back for vacation or relocate a company."

Mostly, the Super Bowl has long been the province of the US' southern and western regions with warm tropical breezes and proven experience in large-scale hospitality. Miami, Florida, will play host to a league-record 11<sup>th</sup> Super Bowl on Feb. 2, while New Orleans gain its 11<sup>th</sup> to tie the mark in 2024. Los Angeles sees its eighth Super Bowl and first since 1993 in 2022 at the [new SoFi Stadium](#), the long break only caused by the Rams moving to St. Louis in 1995 before returning 20 years later. Tampa, Florida, gains its fifth in 2021, while the Phoenix, Ariz. region gains its fourth in 2023.

The NFL does throw an occasional game to a new city, often to help encourage public-sector support for a new stadium development. The league even breached its own rule mandating outdoor Super Bowl hosts have an average February temperature of at least 50 degrees by staging Super Bowl XLVIII in 2014 at MetLife Stadium outside New York, in part as an economic boost to the region following the 9/11 terrorist attack in 2001. That it snowed heavily the day after the Super Bowl will likely deter owners from tempting Mother Nature again anytime soon.

Overall, only 15 cities have hosted the 53 Super Bowls played to date with a Miami-New Orleans-Los Angeles circuit dominating and a wild-card host randomly added. That's why non-traditional cities lobby so intensely for the rare chance to host.

"You have a scarce resource that gathers a tremendous amount of publicity so no chamber of commerce is going to pass," says Richard Sheehan, a finance professor at Notre Dame and author of "Keeping Score: The Economics of Big-Time Sports." "You have one shot at it in 15 to 20 years."

Brett Daniels, chief operating officer for Atlanta's Super Bowl LIII host committee in 2019, says there was a definite competitive feel to the bidding against other cities. Indeed, the NFL has groups practice their speeches one day earlier in the same room as the presentation. Only two speakers are allowed when appearing before the 32 owners with no outsiders in the room. But rather than worry over what competitors offer, Daniels said the key is for bidding cities to focus on their own strengths.

"It's not about chess moves other cities did, [but] the chess moves we needed to make to get [the Super Bowl] to come back," he says. "In 2000, the [icy] weather was a factor so we had to show preparedness that weather wasn't an issue. That was a big selling point for us."

Tampa lost its bid for 2021 only to suddenly gain the game when Los Angeles needed an extra year to complete the construction of SoFi Stadium. Higgins said simply relying on past hosting isn't enough anymore. It's what cities learn from past Super Bowls, regardless of where they are played, that help gain another one.

"Every time you get a chance to host an event a second time you're trying to raise the bar," he says. "We took the foundation from previous opportunities. We coupled that studying other opportunities that people hosted. We put on our own touches. It's always an evolving process. One dovetails into the next one."

There's even victory in defeat for losing cities, says John Boyd, founder of The John Boyd Co., a New Jersey-based consultancy specializing in corporate site selections.

"Even if you submit a losing bid," Boyd says. "It strengthens relationships between private and public sectors."

Daniels warned staying current is absolute for prior-hosting cities because of the league's still-growing needs for additional floor space, security, and technology.

"Those [upcoming] cities have a history of hosting in the past, but it wasn't a recent past," he says. "The Super Bowl continues to grow. Whether you hosted [Super Bowl] 46 or 43 and in L.A.'s case 28, the enormity of the game has changed in that time."

*Hard Rock Stadium in Florida, site of Super Bowl LIV this coming February.*

Higgins also says, "a lot of emotion" goes into the bidding process. But that's just the start. Atlanta welcomed not just 500,000 visitors into the city, but 1,593 private jets and 150 corporate parties. Throw in 250,000 volunteer hours performed by 10,000 people, and the week itself is seemingly one big, unending event. Indeed, Atlanta's MARTA subway system operated 94 straight hours over Super Bowl week rather than taking its usual nightly breaks.

"Hosting gave the world a chance to see what Atlanta has become," Daniels says. "They didn't realize how much Atlanta had changed. In hosting, it's all about getting people here for an extended period of time. The chamber of commerce bought a lot of people in trying to connect to those people to use as a platform to talk about Atlanta."

But are Super Bowls really worth the effort to cities? Do they truly bring claims of up to \$700 million in local economic impact that the Glendale, Arizona, Committee cited from the 2015 game or the \$500 million projected by New Orleans for 2024?

Economists says double counting and money generated by corporate hotels and restaurants merely redirect money away from that would have already been spent elsewhere the local economy. With cities now spending more than \$40 million to host the game, some experts say it's closer to a break-even deal.

"There is some real impact the actual week, but we've never been able to identify a long-term impact," Holy Cross' Matheson says. "If you're talking a Super Bowl causing a tourism boom, that's completely wrong. The biggest thing that drives tourism on vacations is word of mouth. If people go on vacation to Miami they say, 'It's great, we did this and this.' All of their friends say, 'Great, we'll go to Miami.' If they go to the Super Bowl, they say, 'The game was great. We saw the halftime show and Tom Brady in a bar and John Madden eating in a restaurant.' Their friends say, 'That's awesome, we're going to go to a Super Bowl.' That tourism benefit doesn't really work as a benefit for a city."

Said Notre Dame's Sheehan: "A typical Super Bowl, counting all the positives and negatives, it would be close to zero. It's not going to be that big because many of the benefits come from double counting or ignoring some of the costs. When you have tens of thousands of people, it will bring in revenues, but you impose costs, too."

Yet, Atlanta gained 10.6 million social media comments as publicity for future corporate relocations and tourism. Surely, that has value.

"[The Super Bowl] has the potential to last much longer than the immediate economic boom," Boyd says. "All economic development is cumulative. They take time to bear fruit."

It took months to wrap up the Atlanta committee business after the game. Yet, Daniel says the panel may regroup in a year to work on its next Super Bowl bid. The NFL has an uncharacteristic grace period with Super Bowls scheduled through 2024. The next wave will surely include Las Vegas as a host following the Raiders move from Oakland in 2020 to [Allegiant Stadium](#).

"The Las Vegas hospitality industry foot soldiers are already beginning to assemble their Super Bowl pitch to the NFL," Boyd says. "It should be a slam dunk not unlike the successful inroads Vegas has been making with the NBA as a warm up to getting the next franchise. No city knows sports and gaming are now connected at the hip and city branding like Vegas."

London has also gained whispers of one day gaining the game when the NFL is ready to expand into Europe besides its current handful of annual regular season games. But a NFL franchise moving to London would be needed first.

"It would be great for the game and league," says Daniels of a London game. "It would be a challenge if there's not a team there because so many owners are invested in their cities."

Then again, the NFL is always looking for a good deal – on its terms.