

**The Carolina Panthers:  
The Effect of a Pro-Football Stadium on Food Services in Charlotte**

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North Carolina's largest city is Charlotte. It is known for its arts, sciences, and historical attractions. (CRVA "About Charlotte"1) Yet another appeal to the city is for all professional sports fans. The creation of the Bank of America football stadium has opened up many doors for economic prosperity for the city of Charlotte. However, the team's arrival to Charlotte has caused a change in the downtown atmosphere and will continue to facilitate growth in the surrounding area as a result. One of the main influences the stadium has on the down town area of Charlotte is in the food services industry. These businesses experience positive and negative results from the presence of this multi million dollar facility.

**The Carolina Panthers and Bank of America Stadium**

The 29<sup>th</sup> NFL franchise was selected on October 26, 1993. It was decided that the Carolina Panthers would claim this title and their home in Charlotte, North Carolina. This decision would allow for many changes to be made within the city of Charlotte, some with positive and negative effects. Previously to the selection, Jerry Richardson had announced his plan to privately own and facilitate this new stadium. On July 1, 1993 Richardson made Permanent Seat License, luxury boxes and club seats available for distribution. Within the first day club seats sold out totaling 8,314, and 104 luxury boxes were reserved. But the most impressive was the selling of 41,632 PSL in the first day.

Bank of America Stadium was to be the first professional football stadium that North Carolina had ever called its own. (Carolina Panthers “History,” paragraphs 1 and 7)

The stadium opened for the first time during the summer of 1996 with the capacity to hold 73,298 people. The stadium sits on thirty three acres of land in uptown Charlotte. It is not only a playing field but home to three practice fields, training facilities, and administrative offices. To expand upon the exterior appeal large arches were incorporated into the architectural design along with the team’s colors, large towers, and six colossal panthers guarding the three entrances. The central location of the stadium allows for the availability of 46,500 parking spaces and 4000 hotel rooms within the vicinity of the stadium. Also, it grants access to 130 restaurants around and near the stadium. (Carolina Panthers “Stadium Facts,” paragraph 1,2,5,)

### **Food Services in the Stadium**

The stadium provides its ticket holders with eating facilities of its own. There are 412 concession points within the stadium. All are uniquely designed to attract crowds and allow customers to have a shorter waiting time in line to get their food. Stadium Food and Beverages, INC. provides the food in which the stadium distributes. They sell American style cuisine such as hamburgers, sub sandwiches, nachos, hot dogs, pizza, barbecue, ice cream and a variety of specialty items. (Carolina Panthers “Stadium: Facts,” par 17 and 18) Jon Richardson, president of Panthers Stadium, LLC, said that the prices of food are the same within every stadium in the U.S. that use Stadium Food and Beverages, INC. However, providing concessions for the fans is not a necessity. The stadium could operate with or without it. The fans would not appreciate the lack of

accommodation when they are paying for an expensive ticket. They want to be able to have access to food if the desire is there. If the fans are happy they will continue to buy tickets and as long as ticket sales continue to be successful the stadium will remain open and operating. Pleasing the fans is a marginal benefit that encourages the stadium to supply food services for the ticket holders. Also, every other NFL stadium provides food services and if the Panthers did not they would not be partaking in the competitive side of stadium facilities.

### **Game Days**

The Carolina Panthers have on average eight home games during a regular season. These games typically are held on Sundays in the afternoon. However, some games are held on Mondays in the evening. People come from all over the country to see these games and as a result the business of Charlotte is greatly affected by the influx of tourists. One type of business that the stadium's presence has had a big influence on is the surrounding restaurants. The stadium typically sells out every home game and as a result the city benefits from the circular flow. Circular flow is the flow of expenditures among economic actors in a locality. (Conway) Households make money that flow into other businesses which allow profits to be made and money to circulate. The households can be in or out of state.

There are close to 130 restaurants within a reasonable distance of the stadium. On a typical Sunday afternoon game day Matt's Chicago Dog, a hot dog restaurant located about five minutes from the stadium gets to extend their work month by staying open to facilitate the football fans hunger before and after the game. Matt Sielsky told me in an

interview that they are not open on Sundays but as a result of the profits made on game days they open if the Panthers are playing at home. This not only allows them to lengthen their work month but increase profits by two days worth in one day. He also told me that on Monday night games they stay open until nine in order to feed the evening crowds. “We duplicate an entire day sells from 4pm-9pm on a Monday night when there is a game,” said Matt. “Our hours are from 10am-4pm because of our location. We are not on a side of town, in which the night life is present so we only serve lunch, but on a game day the traffic gets pushed down our way and we stay open because we see great benefits with profit when we do.” He also said that the side of town in which they are located is like a “ghost town” after 4:30 which explains why they only serve lunch except for on Game Days.

Another close by restaurant is the Mellow Mushroom. It is known for its delicious pizza, fun atmosphere, full bar, and six television screens placed throughout the restaurant to accommodate all sports fans. John Taylor in an interview said, “Our business is always affected on game days. On Sunday games we see more business than Monday games because people rush out after the games to get drunk especially if the Panthers win, but on Monday the game are in the evenings so the stadium takes our night time business.” He also said that they get more business on away game days because the football fans come to the restaurant to drink, eat, and watch the game. He said on Sunday night’s business is typically slow without a game but when there is a game business always picks up. “When there isn’t a game we typically do not serve football fans; our customers tend to be more family oriented,” said Taylor.

### **Decisions Restaurants are Faced With**

Restaurants are faced with many decisions when it comes to making a beneficial profit. They have to weigh the opportunity costs of every decision and decide what will be more beneficial or what they will lose as a result of their decision. Opportunity costs are the next best alternative that is sacrificed when a choice or action is undertaken. (The Economic Way of Thinking, pp.75 ) Fixed costs are costs that do not change with the quantity produced. (Conway) A fixed cost for a restaurant would be the rent a restaurant has to pay in order to use the facilities. This price will always remain the same regardless of how business is going for the restaurant. A variable cost is a cost that changes with the quantity produced. (Conway) Examples of this would be; the amount of food that has to be ordered, because on a game day the amount of food needed would be greater than on a regular day. Also, the number of employees to hire is a variable cost because depending on the number of customers determines the number of staff needed for a particular day. Matt Sielsky explained that there are not enough home football games to justify hiring extra staff. Therefore he pays the staff he has overtime in order to have ample employees to facilitate the large crowds and still make a profit. The Mellow Mushroom also keeps more staff available on game days to help keep the service good and the customers happy. (Taylor) Also, the decision made to stay open on game days or open specifically for a game day is one made solely on the extra profit that can be made as a result.

### **Charlotte's Plan for Continuing Growth**

The Economic Development Office for Charlotte, North Carolina put together a strategic framework for the next five years. Included are the ideas that the department

has to create and bring growth to the city of Charlotte. Tom Flynn explained that the stadium has a huge effect on the economics of the city, especially the downtown area. He said that the average turnover rate for a restaurant in downtown since the stadium has been built is three to five years. With a 130 restaurants in close proximity to the stadium changes will always be made. New, fresh restaurants will come in and old, outdated, not so successful restaurants will close. He also told us that the creation of the stadium has increased the popularity of downtown immensely. A lot more night life has moved in, which includes bars, restaurants, and clubs. The downtown area will forever continue to expand after the positive effect the stadium has had on this part of town. A new art museum is being built and new attractions are coming in constantly. The ED in their framework talked about how the City not only wants to continue to expand and bring in new businesses and restaurants, but maintain and encourage growth within the existing ones. “By Understanding and responding to the needs to existing businesses, the City can have a direct impact on the retention and growth rate of existing businesses.” (EDO “Economic Development Strategic Framework,” pp. 8, par. 4)

### **Closing Remarks**

The question is has the arrival of this multi-million dollar facility encouraged the overall growth and economic prosperity of the City of Charlotte? The answer is absolutely. Not only has it incorporated one of the largest franchises in the history of the U.S. into the Carolinas, but it has brought a sense of pride to the people who love and appreciate football within our state. The creation of this facility has allowed Charlotte to increase the number restaurants to provide for the football masses, and has brought

business to the ones that were already established. The Carolina Panthers have been for the most part a friendly addition to the City of Charlotte and its economic prosperity.

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