

BUILDING A LEGEND

Legends Hospitality seeks to redefine concessions at the new Cowboys and Yankee Stadiums

by LISA WHITE

Concessions at the new New York Yankees and Dallas Cowboys Stadiums is a story of east meets southwest.

Newark, N.J.-based Legends Hospitality Management, a ground-breaking initiative between the two sports teams, seeks to revolutionize stadium concessions with this venture. The company will manage regular concessions, suite catering and team stores at the new venues.

The Yankees and Cowboys will each own a third of the new concessions company. Per Major League Baseball revenue-sharing rules, the Yankees will share proceeds from its concessions agreement with Legends with the

league, not including any profits its stake in the company may generate.

The company is the brainchild of Gerry Cardinale, managing director at investment firm Goldman Sachs and creator of the Yankees' regional sports channel, the YES Network. News reports indicated that Cardinale and several other investors put up \$100 million in start-up funds for the company.

"The timing for this business enterprise was what helped put it in motion, since the new Yankees and Cowboys stadiums were scheduled to be completed around the same time," said Michael Rawlings, chairman and CEO of Dallas-based CIC Partners, a private equity firm and investor in the company, along with New York City-based Goldman Sachs.

The Yankees' new 52,000-seat stadium hosted the Chicago Cubs for its inaugural pre-season baseball game on April 3.

Dallas' new 100,000-seat stadium will hold its first opening event on June 6 with headliner George Strait, Reba McEntire, Blake Shelton and Julianne Hough. The venue, which will host its first Cowboys' game in September, is the site of the 2011 Super Bowl.

It took approximately nine months of discussions between the teams and its investors before the agreement details were finalized. Rawlings serves as Legends' chairman and CEO, with Dan Smith at the helm as COO and Marty Greenspun as president. A 10-member board of directors represents the investors.

"This is the first time two team owners from two markets have formed a company of this type," said Chris Bigelow, a concessions consultant with The Bigelow Companies in

Kansas City, Mo. "One of the biggest challenges will be the lack of corporate backup. These are two of the biggest stadiums in the country, and they have their work cut out for them this year."

As major league sports' largest concessions contract, the Yankees produced almost \$70 million annually in food and retail sales at the former stadium with Centerplate as concessionaire. The new stadium includes three times the dining options offered at the old venue and 146 more points of sale.

The old Cowboys' stadium managed food-service in-house, with suite holders choosing their own catering services. "The Cowboys have always operated concessions in house, so this will be less of a change for them," Bigelow said.

Rawlings said the biggest challenge in starting the new concessions business has been hiring the necessary people to make it work. More than 2,300 people staff the concessions at Yankee Stadium.

With foodservice known for being labor intensive, Bigelow said these venues will need to spend more time hiring the right people to manage the premium services being implemented.

Along with its ownership structure, Legends' business model is different than a typical concessions business.

At the onset, research was conducted to determine what Yankees and Cowboys fans were looking for in the concession areas. As a result, speed of service and food quality will be emphasized.

The increased number of concession stands and portable locations is aimed at shortening lines. Credit cards are accepted at all stands and carts.

turnkey venues poll

RECENTLY THE NEW YORK YANKEES AND THE DALLAS COWBOYS PARTNERED TO FORM CONCESSION SERVICES COMPANY LEGENDS HOSPITALITY MANAGEMENT. HOW MANY MAJOR VENUES WILL THE COMPANY HAVE UNDER CONTRACT IN THREE YEARS?

Just stadiums of parent companies	38%
3-5 major venues	26%
Not sure	18%
6-10 major venues.....	10%
Company will not exist in three years	4%
More than 10 major venues	3%

Results from 113 respondents from the April 2009 Turnkey Venues Poll, a collaboration between *Venues Today* magazine and Turnkey Sports and Entertainment. If interested in participating, email linda@venuestoday.com.

In addition, Yankee Stadium's point-of-sale ratio for fans has increased by more than 50 percent as compared to the former venue. The stadium's open concourses will provide fans with continuous viewing of the field while at concession stands. State-of-the-art, high-definition video monitors will broadcast live games at concession and dining areas.

Although there are some similarities across the two stadium concepts, Legends takes a local approach to food and product preferences. "Most businesses of this type have a 'one size fits all' mentality. We are tailoring our products to the region," Rawlings said. "Local operators have control over what they are doing and the products they are delivering."

With entrances both in the stadium and at street level, Yankee Stadium's Hard Rock Cafe and NYY Steak restaurants will provide alternatives to traditional concessions for game

attendees and the general public.

"The Yankee Stadium menu is more East Coast focused, featuring cheesesteak, sushi, dry-aged beef and other local fare," Rawlings said. "The Cowboys Stadium menu is more focused on barbecue, Tex-Mex and grilled items."

The Yankees also are implementing a fresh-to-order system designed to reduce the amount of pre-wrapped food sold in concession areas. Approximately 70 percent of these sections will have cooking capability, compared with 14 percent at the former stadium.

As part of the fresh-to-order initiative, Yankee fans can see butchers from Lobel's of New York preparing steaks through a window in the left-field concourse of the Field Level. Lobel's steak sandwiches will be sold off of a cart at this location.

Traditional Yankee Stadium fare such as Carvel Ice Cream, Famous Famiglia Pizza and

Nathan's Famous hot dogs will be supplemented by new items, including Brother Jimmy's BBQ, Moe's Southwest Grill and Turkey Hill Ice Cream. More eclectic fare, including garlic fries, Cuban sandwiches and noodle bowls, also will be available.

Value also will be emphasized at the New York venue, with hot dogs and soft drinks available for \$3 each. A Family Value merchandise line offers low-priced items, including peanuts, Yankees t-shirts and key chains.

The Cowboys' Stadium will have five areas that encompass the food and beverage division. These include the concessions area, suites, plaza, clubs and special events.

"We will have menus associated with every area in concessions and mobile carts on all platform levels," said Amy Phillips, Legends' senior vice president.

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All Cowboys Stadium concession stands will be serviced by non-profit groups. These community organizations will receive a percentage of gross receipts from the stands. According to Phillips, there are several hundred non-profits that have committed to work concessions. Non-profit group coordinators from each company will provide training for stand workers.

State-of-the-art equipment will be implemented, simplifying fresh-to-order cooking. "We have a great culinary team supporting the

concession stands, which will provide support for non-profit workers," Phillips said

The menu includes chef-inspired cuisine. There also is a kid's cart and a farmer's market area serving local produce.

Bigelow said it may be difficult gauging the success of the new business immediately. "Typically, with self-operated venues like the Cowboys Stadium, it isn't about judging success on the bottom line. Instead, it's the level of service and fan opinions that count," he noted.

Because the facilities' concessions opera-

tions have been expanded, sales comparisons from years past cannot be made.

"Our goal isn't to be the largest concessions company, but to be the best," Rawlings said. "We want to grow slowly with the right partners who are aligned strategically with where the Cowboys and Yankees are. Legends will grow steadily while focusing on quality." ●

Interviewed for this story: **Chris Bigelow**, (816) 985-5326; **Amy Phillips**, (817) 892-4500; **Michael Rawlings**, (214) 871-6864