

## **Compare & Contrast: LA Chargers vs Las Vegas Raiders New Stadiums**

Two recent sports team moves in recent memory which have generated cause for comparison are that of the Chargers, from San Diego to Los Angeles, and the Raiders, from Oakland to Las Vegas, of the National Football League (NFL). Both franchises have been relatively prominent in the league as far as producing passionate fan bases and holding a key place in the history of the sport, and thus these not only stadium transitions but complete removals of teams from their respective original homes have caused a variety of both similar and opposing ripple effects throughout the Chargers and Raiders organizations. When analyzing a variety of factors like stadium cost, capacity, leadership, as well as some positioning and politics, it becomes transparent that while both venues reserve the right to have the respect as the state-of-the-art ventures which they are, the Las Vegas Raiders have seemed to develop a plan that holds a great abundance for opportunity and expansion (not necessarily physically) because of their strategic positioning and more conservative initial investment.

### **COST:**

The initial comparison to be done between the two franchises' moves has to do with the cost of each new stadium. For the Chargers, SoFi stadium in Inglewood, California was priced at about \$5 billion dollars, while Allegiant Stadium for the Raiders in Las Vegas, Nevada cost about \$2 billion dollars. However, SoFi stadium also sits on about 298 acres of land and has plans to install a "Hollywood Park" outside the venue that will be a multi-use hub, while, according to an article from the *Las Vegas Review-Journal*, Allegiant Stadium sits on 62 acres of land and does not have any official plans for installments outside of the stadium itself (Akers). It is important to note, however, that this vast difference in size also must do partially with the fact

that the Raiders' Allegiant stadium resides right off of the Vegas strip, making it not optimal to claim large amounts of new land. Raiders management has briefly discussed the possibility of a stadium district which could be used to add restaurants, bars, hotels, and other means of hospitality and entertainment outside the stadium (Akers), and relative to this proposition, the location of the Raiders' stadium being near the strip and their cheaper investment probably serves as an advantage to the Raiders organization. I believe that while the Chargers massive land claims and broad stadium scope in the initial phase is ambitious, the Raiders' current state might be more optimal for growth given that it was not only a cheaper development, but because of the relative location and surrounding area of the venue as explained previously. Because of this, they will have abundant ways to grow stadium ticket revenue. The Chargers, at least initially, seem to be more dependent completely on the stadium features itself, which *possibly* could mean being dependent on the standings and relevance of the team, which is in fact working for them right now. For example, because of the strategic positioning of the Raiders directly next to downtown Las Vegas, they are bound to receive a lot of foot traffic, and therefore people who will choose to go to Raiders games in the future, whether they consider themselves fans of the team or not. While SoFi Stadium should not have trouble attracting fans given the strong sports market in Los Angeles, and the fact that their move was not quite as drastic in terms of distance, they do not reap the same face value benefits that the Raiders do in terms of stadium positioning. Furthermore, while this is an issue that only has to do purely with the product on the field, a *Bleacher Report* column from 2016 ranked the (at the time, San Diego) Chargers at 26<sup>th</sup> and the (at the time, Oakland) Raiders at a much higher 5<sup>th</sup> place in a polling of the NFL's Greatest Franchises, using statistics like Super Bowl titles, pre-Super Bowl championships, conference titles, and overall record as criteria (Freeman). Combining this with the fact that both franchises

were established in the year 1960, it can be argued that over time, the Raiders have done a better job of attracting a larger following and fan base, which would lead to a higher likelihood of the Raiders continuing to have a bigger following than the Chargers because of the fanbase reproducing through generations of families. This would thus cause the location of the team never to be an issue, as a successful team will usually always be able to rely on its fans traveling well, helping maintain stadium ticket revenue. While this is a rather subjective issue, in my opinion it simply cannot be underplayed, and is important to keep in consideration. We have seen, first-hand, younger or less successful NFL franchises like the Jacksonville Jaguars having issues with *home* fan attendance in their own, home stadiums, which would, logically, most definitely result in less flexibility in terms of team and stadium relocation.

#### CAPACITY:

As for capacity, SoFi again claims the higher tally. The new Chargers stadium holds about 70,240 fans while the Raiders stadium can hold only about 65,000 fans (Akers). These two appear quite similar in this statistic, however where SoFi Stadium stands out is in its capacity for larger events which it can expand out to for (i.e., the Super Bowl). While Allegiant stadium could expand for such events to a capacity of 72,000 attendees, SoFi stadium could branch all the way to 100,240 available seats. This characteristic should certainly allow SoFi stadium the ability to host mass-capacity events. However, it's debatable whether the Raiders would actually "lose" when comparing with their smaller total stadium capacity, simply because while the smaller scope gives them less flexibility, they obviously can still host some events, and the final result might actually be the stadium being more associated with the *Raiders* brand than the Chargers' stadium being associated with the *Chargers* brand, which is definitely also a

marketing advantage. And as with every newly debated topic in today's era, we must also seriously consider the impacts of the coronavirus. During the height of the pandemic, every sporting event elected to have absolute minimal fans, or even no fans at all, regardless of the venue (NBA Bubble 2020, 2020-2021 NFL Season, etc.). According to a *Front Office Sports* article entitled "The Future of Stadium Capacity Post-Pandemic", it is argued that the COVID-19 pandemic has not only caused the live sports industry to take a hit but also raised the question of whether fans will attend sporting events live in the future at all, meaning "the size of future venues is now coming under the microscope" (Moran). While Jon Niemuth, the director of AECOM Sports (who was responsible for the construction of SoFi Stadium) also notes that a return to a semi- "normal" landscape for sporting events in the immediate future is more than likely, he has also noticed that around the sporting landscape, new stadiums and arenas have consistently been smaller than their predecessors (Moran). Hence, Las Vegas Raiders management seems to be moving in this direction based on Allegiant's capacity. This is a notable trend, not only because of COVID, but because of the bigger picture of the future of live sports entertainment. Simply put, it is very clear given the designs of the NFL's recent new stadiums that teams and construction companies are modeling their new venues to be used for much more than NFL games on Sundays. Between in-stadium bars and restaurants as well as retractable roofs and state-of-the-art big screens, football stadiums are clearly set out to be dynamic hosting sites for a variety of events and more than just football games. It's also quite important to recall the cliché but inevitable reality of technological advancements that continue to happen in our current world. Between the rise of virtual sports gambling and the interactive tools that were used in sporting events to include fans at home during the pandemic, there are clearly becoming more and more ways for fans to stay just as invested in a live sporting event from the comfort of

their home. For the sake of the Chargers, the timing of their unveiling of a massive stadium and extremely high investment in creating this large-capacity venue might not actually reap the same benefits in the current state of the sports industry when compared with a team taking a more strategic and less expensive approach to stadium relocation, like the Las Vegas Raiders.

### IMPACT OF NEW HOME (CHARGERS)

One aspect that makes franchise moves different in sports compared to other industries is the fact that consumers tend to have loyalty towards a specific brand, or in this case team, and thus franchise relocation in sports can have a very significant impact on a team's core region of fans. In fact, in an article by the *Times of San Diego*, it is argued that the Chargers could have kept more of their San Diego fans if they, ironically, also moved to Las Vegas rather than Los Angeles. Sportswriter Nick Canepa was extremely critical of Chargers president, Dean Spanos, citing that Spanos simply did not put forth enough effort to attempt to keep the team in San Diego, and did not "have the spine to be a pioneer (and move the team to Las Vegas) when staying in San Diego no longer became a reality" (August). Alex Spanos, the late relative of Dean Spanos, was claimed to have, on the contrary, never mentioned attempting a move to Las Vegas, as Alex was doing everything to work with politicians and stay in San Diego. A longtime friend of Alex's said "the city lost out big time" because of this and blames mostly the state of politics at the time for the stadium move. Through conversations had with anonymous staffers on the Chargers, it is largely believed that Dean Spanos should've taken advantage of seizing opportunities for relocation in Vegas because of prior business connections and residence he held there after it was clear that the Rams (who moved from St Louis to Los Angeles) took over the

Los Angeles professional football market. Many Chargers employees held this sort of belief, and it was said by one that “Dean Spanos is not a very good businessman” (August).

Franchise relocations like the ones being analyzed are all about context. This is critical to note in the Spanos case because while the move to Los Angeles may have seemed to work out overall thus far, the missed opportunity in Las Vegas with the Raiders has left a pocket of confused team employees and likely therefore a cluster of disgruntled fans because of the connection Dean Spanos already had there. While the opportunity to move to Vegas and possibly even create a joint stadium with the Raiders could’ve been an extremely beneficial marketing strategy for the divisional rivalry of the Raiders and Chargers, the Chargers still have a chance to do their best to redeem themselves by generating a more regional rivalry and competing with the Rams to be the best team (and more marketable product) that plays at SoFi stadium in Inglewood.

#### POLITICS:

The main factor which has already been briefly discussed that unfortunately brings along the most political baggage is the reality of the COVID-19 pandemic. As touched on earlier, the most obvious impact of COVID is that it caused practically all live sporting events to be held without fans for a full year and gave us a glimpse towards a future that could possibly include less and less need for mass in-person attendance at live sporting events because of the benefits of enjoying sports from home. However, in the more immediate future, it is also important to consider how government intrusion with vaccine mandates, required negative COVID-19 tests, and other new policies will impact SoFi’s and Allegiant’s abilities to maximize use of their new venues.

For the Raiders at Allegiant stadium, as of the beginning of this 2021 season, masks were officially dropped as a requirement for fans, but that is only because they became the first team to require all fans in attendance to be fully vaccinated, after partnering with the app, Clear Health Pass, where fans can upload vaccination status. Conversely, the Chargers' most updated policy regarding vaccination amidst the pandemic is that fans must have proof of vaccination *or* proof of a negative COVID test within 72 hours of entering the game.

While Raiders owner Mark Davis made a relatively polarizing statement regarding their ruling on COVID policy by saying “We’re not a political party...[and] if its not you, it might be the person sitting next to you that we’re keeping healthy” (Rosch, *News 3*), the stance does seem to be cause for some confusion on team values, as in saying so Davis is in fact taking what is a political stance with today’s COVID climate. There is also a quite distinct misalignment of values in this case, as while staff are also required to be fully vaccinated for the season, players were not required to do so. Although it is, again, a relatively difficult topic to tread because of the political division surrounding it, it does in fact seem that the Los Angeles Chargers have caused less need for concern about vaccine beliefs or political strife interfering with the number of fans they would be able to have attend games.

COVID-19 appears to also have affected not only the fan attendance policies for both venues, but also had an impact on the final stages of construction when each stadium was about to be built. The Raiders dealt with a great fear of government intervention that could’ve slowed down construction of their “Death Star” Allegiant Stadium project in 2020. According to an article by the *Las Vegas Sun*, “Don Webb, chief operating officer for Las Vegas Stadium Co., said its likely that only a government-imposed mandate...would alter plans for the 65,000-seat domed stadium to be finished on schedule” (Horwath). Allegiant stadium was not alone in this

matter, as the construction of SoFi stadium received some slight backlash for the decision to continue construction of the new site during the absolute height of COVID, seemingly implying that the building of the new football and event venue was an “essential” operation. In an article from *Yahoo.com*, writer Shalise Young noted how, at the time, Governor Gavin Newsom issued a mandate declaring only essential workers may continue to work, and “building a football stadium [did] not seem to fit the definition of ‘essential’” (Young).

Simply put, the reality is that the coronavirus pandemic is something that has dramatically affected all our lives and become a core cause for political division on large ventures like these, because of its polarizing affect on certain issues.

#### LEADERSHIP:

According to the *Los Angeles Times*, NFL commissioner Roger Goodell had his sights focused on bringing the NFL back to the Los Angeles sports market “long before he was commissioner” (Farmer). Furthermore, it is also said that the weightiest document associated with the official declaring of the establishment of SoFi Stadium was a 2-page document written by the commissioner himself, which was said to be a ‘keep out’ warning for some teams in moving to LA, and a ‘how to’ guide for others. It is stated that although the Oakland Raiders making the return to LA was one of the initial ambitions of Goodell’s project, it was Rams owner Stan Kroenke that took the initiative, and who “never wavered, never compromised the stadium” through all the challenges of making it happen, as said by Roger Goodell (Farmer). Eventually this project worked out for Kroenke and the Rams, when he won the stakes for moving his team to LA by finding a second team to bring with him once Dean Spanos moved the Chargers north of San Diego.



On the other hand, the Raiders' leadership at first needed to contemplate a change of venue because their current stadium was simply not adequate for playing home football games. As written by Jordan Greer of *Sporting News*, the franchise at first tried to address its stadium issues in Oakland, but after the NFL declined its proposal for addressing the concerns, a promise of \$750 million in public funds from Las Vegas to move the Raiders there basically meant "game over" on the decision to relocate near the Vegas strip (Greer).

It is important to note the sharp dichotomy here in leadership and their determination to get things done when it came to these franchises' respective movements. While the development of SoFi was groundbreaking and opened a new realm for multi-event hosting, it is intriguing to see that it was largely Stan Kroenke of the Rams, and not any sort of Chargers leadership, who took the reins on embracing a new stadium opportunity. The Raiders, in comparison, seemed to be much more direct and committed in their decision making, and did not have to be "pulled" by another franchise as it appears the Chargers were. While the issue of stadium development leadership may seem minor if the organization continues reaping the monetary benefits, one must also remember that for the Chargers (and Rams) a larger, more expensive stadium was ready to be used but couldn't be in its groundbreaking year because of the removal of fans due to the pandemic. Although this issue affected every NFL team, thus including the Raiders, the extremely large investment in SoFi Stadium means potentially a more difficult recovery for the Los Angeles Chargers. Some would argue that this would have to do a lot more with luck, but the Raiders' more reasonable investment could allow them to "make up" for any profit they missed out on sooner in the future, but still equal opportunities exist for expansion, especially considering their location.

## IMPACT OF NEW HOMES/NEW STADIUMS FOR TEAMS:

Due to all the previous analysis, it has become more and more clear that the relocating of these two NFL teams has appeared to be similar in a handful of ways but also has presented some more subtle differences in the journey to construct Allegiant and SoFi Stadiums that will certainly influence the ways in which each venue can be used in the future. The relevance of the coronavirus pandemic and how it has caused some political division as far as how vaccine mandates and fan attendance policies should be addressed can also not be underplayed. Throughout the development, planning, and finally, construction processes, these projects become not only new stadiums, but also new homes for beloved NFL franchises and their fans. Having a well-developed plan of execution is crucial, as there is also the opportunity for these venues to host a variety of other events like concerts or other brands of entertainment which would give the new homes even more value and profitability. Based on some of the above comparisons, as well as an especially strong growing argument for the case against overly sized sporting arenas, it seems as though the Las Vegas Raiders developed a stadium plan which best suits them for the uncertain future of not just sports, but all other forms of live entertainment hosted in the Vegas market.

## CONCLUSION:

In summary, I believe, when taking into consideration both present and future potential benefits, that the Las Vegas Raiders' Allegiant stadium model is better. Between the constantly evolving Las Vegas market, historically competitive football team, and dominant Raider brand, it seems that the Las Vegas Raiders have a model that is built perfectly for the future state of sports and live entertainment. When analyzing each team move, it seemed as if, while not necessarily

absurd, a lack of transparency and decisiveness was more present at least *relatively* in the case of the Chargers compared to that of the Raiders. There is a possibility of the Raiders limiting potential fan attendance in games with their current vaccine/COVID policy, however that will probably be a smaller problem in the long-term future because of how much things can change. This is also where a lesser total stadium capacity number helps the Raiders and Allegiant stadium because of the shift in live sporting and entertainment events towards smaller-sized venues. Overall, between the variety of unique live shows hosted in Las Vegas and obviously the Raiders or any football/sports team playing in the area, Allegiant will have a wide array of options for utilizing their venue and possibly extending it beyond just the Las Vegas Raiders. When considering that compared to the Los Angeles Chargers, their cost was cheaper and capacity designed more for the current outlook of live sporting event crowds, it seems to me as if the Vegas Raiders' Allegiant stadium will serve as the catalyst to a much better sports and entertainment center for now and into the future.

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