

Outside the Lines

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SABR Business of Baseball Committee Newsletter

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Chairman's Letter

Annual Survey Coming in January. The Business of Baseball Committee's third annual membership survey will be conducted in January. This year's poll questions will focus on realignment and possible changes to the schedule. Questions will be E-mailed to all members whose E-mail address is known to me -- if you're not sure I have yours, drop me a note. Members without E-mail addresses can participate in the survey by sending me a SASE by January 15, 1998.

Business of Baseball Award Rejected. Don Coffin's proposed Business of Baseball Research Award was submitted to SABR's Board of Directors at their fall meeting. The Board rejected the proposal, feeling that since books on this topic are eligible for existing SABR awards, a new, specialized award could create a conflict.

SABR Inventory Clearance Sale. For members who joined SABR in the past five or six years, the special SABR Inventory Clearance Sale is a once-in-a-lifetime opportunity to buy back issues of many SABR publications for only \$1.00 each, plus a \$5.00 shipping charge per order! I especially recommend the four volumes of the *SABR Review of Books*, published from 1986 to 1989. For more details, check the current (November-December) issue of the *SABR Bulletin*.

New for the Archives

I found the following items at the Hall of Fame Library:

- Basic Agreement, 1980-83
- Professional Baseball Agreement (majors and the minors), 1983-88
- National Agreements (AL and NL), 1903, 1911, 1912, 1917
- National Commission Rules and Regulations, 1905, 1906, 1911, 1912, 1917
- NL Constitutions, 1900 and 1929
- AL Regulations as of April 1, 1960
- 1903 Cincinnati Peace Compact between the AL and NL
- World Series regulations, 1905.

Other materials received recently from Committee members:

Greg Gajus supplied "Broadway Commons: The Little Idea That Grew" from the May 1997 issue of *Cincinnati Magazine* -- the tale of a small group of persistent fans who are trying to persuade Cincinnati and the Reds to build the team's new park in the Broadway Commons district rather than along the Ohio River.

John Matthew reports on minor league salaries in the Kansas City system, from the program sold at the Lansing (MI) park. AAA players are paid about \$2,100/month, with AA players earning \$1,400/month, A players taking home \$1,000 in their first year, \$1,100 in their second and Rookie League players receiving \$850/month (equivalent to \$5.31/hour for four 40-hour weeks). While early-round draft choices receive six- and even seven-figure bonuses, those taken in the 15th round or later typically get \$5,000-\$10,000.

Phyllis Otto sent along Paul D. Staudohar's overview of the 1994-95 strike from the March 1997 *Monthly Labor Review* (7 pages), and two-page articles by James G. Scoville and James B. Dworkin on MLB's early experience with collective bargaining from the March 1977 issue.

Two documents I'd very much like to add to the Committee archives: the new Professional Baseball Agreement, governing relations between the majors and the minors, and the current Collective Bargaining Agreement. [The CBA should be obtainable from the Players' Association, but due to circumstances beyond my control, I personally can't expect any cooperation from the MLBPA for the foreseeable future. Donations will be gratefully accepted and acknowledged...]

The Numbers

Attendance. Up 5.2% this season, from 26,889 to 28,288 per game; it remains 10.5% below 1994's pre-strike peak. Interleague games, helped by the novelty factor and favorable summer scheduling, drew 20.4% more fans than intraleague games.

Popularity. A Harris Poll released November 3 showed that 17% of Americans considered baseball their favorite sport, compared to 28% for pro football, 13% for pro basketball and 10% for college football. When this survey was first conducted in 1985, 23% named baseball their favorite sport. 50% of respondents said they followed baseball, down from 54% in 1985.

A September *New York Times* poll found 15% of adults "very interested" in baseball, 27% "somewhat interested" and 58% "not interested." The 42% expressing interest were then asked additional questions (margin of error +/- 5%):

Designated hitter: Favored, 50-32.

Geographic realignment: Favored, 44-40. (A September Associated Press poll of 686 self-described fans found a 54-27 majority in favor of realignment, but polls of a narrower but more devoted audience revealed quite different sentiments. A survey of 1,700 Chicago Cub season ticket holders found 77% opposed to radical realignment, 79% in favor of keeping the Cubs and White Sox in different leagues, and 77% strongly opposed to the Cubs' adoption of the DH, while the San Francisco Giants reported that 95% of their season ticket holders opposed radical realignment.

Interleague play: Favored, 75-17. Of the 75% in favor, 12% wanted more interleague games, 5% fewer, 56% the same number. (A September AP poll found 35% favoring more interleague games, 9% fewer, and 47% the same number.)

Permanent Commissioner: Favored, 45-42, over the status quo. Of the 45%, 16% favored Selig, 22% someone else, 7% no opinion.

Ratings. Despite a relatively unattractive matchup and games which dragged on forever, the 1997 World Series finished with a 16.9 rating (down 3% from 1996) and a 29 share of the television audience. With World Series games as five of the week's six most-watched programs, NBC won the weekly ratings battle by its widest margin since the 1996 Olympics -- but by the time the final ratings were in, writers and broadcasters had spent two weeks howling that "baseball is dying" and weren't about to back down.

Salaries. Average salary: \$1,312,997, up 19% in 1997 after an 0.6% rise in 1996. Median salary: \$400,000, up \$100,000 from 1996. Total player payroll: \$1,119,537,215. At the end of the 1997 season, owners had already committed \$720.2 million to 208 players in 1998, \$443.7 million to 96 players in 1999, and \$270 million to 45 players in 2000. [Ironically, the salary explosion was sparked by owners who had taken the hardest line in labor negotiations: Wayne Huizenga, Jerry Reinsdorf and the Tribune Company, whose inexplicable decision to pay Sammy Sosa \$10 million/year will be cited by arbitration-eligible players for years to come.]

MLB News

ESPN Radio replaces CBS. MLB signed a new five-year radio contract under which ESPN Radio will broadcast a weekly Sunday night game of the week, all postseason games and the All-Star Game, plus at least two games on holidays and Opening Day and three additional games each week during the September pennant races. Terms of the deal were not disclosed.

Marketing head axed. Greg Murphy, beleaguered president and CEO of Major League Baseball Enterprises, was fired in October, 16 months after taking office and six months after Bud Selig had indicated he was on the way out. No replacement has been named.

NL adopts unbalanced schedule. While the AL will retain a balanced schedule for 1998, with each club playing all rivals 11 or 12 games per season, clubs in the 16-team NL will play approximately 12 games against each divisional rival and nine against clubs in the other divisions. The nine games will be divided into three three-game series, with each club making only one trip per season to half of its non-divisional opponents.

Public ownership? On September 18, MLB voted to allow clubs to sell a minority of their shares to the public. At present the Florida Panthers and Boston Celtics are the only major sports franchises with publicly traded shares (the publicly-owned Green Bay Packers issue restricted shares) -- but a squib in the September 9, 1997 *Sporting News*, reports that at that time, shares of both the Cincinnati Reds and St. Louis Cardinals were traded on their local stock exchanges.

Realignment fizzles. After considering proposals which would have destroyed the American League

and National League as they have existed for almost a century, the owners opted for a simpler solution to yet another problem of their own creation. One morning this summer, the owners woke up to realize that the 15-team leagues they had already approved would necessitate interleague play every day of the season, eliminating any "special" aura they hoped to create around interleague games. The simple solution was to move the expansion Arizona Diamondbacks to the American League, but MLB had foolishly guaranteed the Diamondbacks their preferred slot in the NL.

The radical plan encountered strong opposition from the New York and Chicago teams, which demanded to remain in separate leagues, and from others as well: the Braves, Reds, Mets and Pirates all threatened to veto plans to shift them into the American League. Some concerns were satisfied by a revised plan which would have shifted Anaheim, Oakland, Seattle, Kansas City and Milwaukee to the NL, Florida, Houston, Montreal and Philadelphia to the AL, but other objections could not be finessed. Giants' owner Peter Magowan threatened to sue if placed in the same league as the Athletics, and MLBPA head Donald Fehr objected to the AL's withdrawal from the West Coast, warning that the Association would veto interleague play after 1998 if such a move was made.

On October 15 -- during the World Series, and months after preliminary 1998 schedules were supposed to be distributed -- the owners finally voted 27-0 (San Francisco abstaining, Tampa Bay and Arizona not eligible to vote) for a proposal which shifted Detroit from the AL East to the AL Central and allowed Kansas City, Milwaukee or Minnesota, in that order, to choose whether to switch leagues to the NL Central. Despite early support for an intra-state rivalry with the Cardinals, the Royals opted not to move -- enabling Acting Commissioner for Life Bud Selig, whose involvement with baseball dates to his efforts to keep the Braves from moving to Atlanta, to complete the circle by bringing the Brewers into the National League.

The Teams

The *Wall Street Journal* reported in September that Disney lost \$12 million on the **Anaheim** Angels in 1996 and forecast a \$15 million loss in 1997. To cushion the blow, the club signed a 20-year, \$50 million sponsorship deal with a local utility: the park will be renamed Edison International Field of Anaheim, with the power company also receiving prime advertising space inside the park and the use of a \$165,000/year suite.

In **Cincinnati**, where the Reds and local government officials have disagreed over the best location for a new stadium, team officials have suggested that they would prefer renovating Cinergy Field to moving to the city's proposed location, away from the riverfront. But when suspended owner Marge Schott talked to the press about the situation, MLB fined her an undisclosed five-figure sum for granting an interview without permission.

Detroit broke ground for a new 40,000-seat downtown stadium. The stadium's estimated \$260 million cost is being shared among Tigers owner Mike Ilitch (\$145 million, including responsibility for cost overruns), Detroit's Downtown Development Authority (\$60 million) and the Michigan Strategic Fund (\$55 million, which must be returned if the stadium is not completed by August 2000). The park will have 80 luxury boxes, renting for \$75,000-\$250,000/year.

In **Florida**, the World Series title takes a back seat to owner Wayne Huizenga's magic wallet. After claiming in June that the Marlins would lose \$30 million in 1997 without providing any supporting data, Huizenga adhered this estimate even after the playoffs and World Series alone attracted over 400,000 fans, paying premium prices, to Pro Player Stadium. Huizenga, who *owns* Pro Player Stadium, says that the five-year-old Marlins need a taxpayer-funded, retractable-roofed park "where luxury suite and all other revenue go directly to the team." Recognizing that south Floridians aren't likely to subsidize a business owned by one of the world's richest men, Huizenga proposes to sell the Marlins to a group headed by club president Don Smiley -- an insider who, despite Huizenga's claimed losses, appears willing to pay \$150 million for the franchise.

Houston broke ground on October 30 for its new park, to be called the Ballpark at Union Station. The BUS, scheduled for completion by the start of the 2000 season, will be a \$250 million, 42,000-seat baseball-only stadium with a retractable dome and natural-grass field. The Astros' 30-year lease calls for the team to pay \$4.6 million/year in rent, as well as \$2.5 million/year into a fund for capital expenses.

The **Kansas City** Royals have been offered for sale by the trust which has owned them since Ewing Kauffman's death. Surprising many, board chairman David Glass said he wouldn't bid. Interested parties include Chiefs owner Lamar Hunt and a group headed by local legend George Brett and his brothers.

Rupert Murdoch reached agreement to buy **Los Angeles** for a reported \$350 million. The deal still awaits approval from the other owners, but even long-time Murdoch nemesis Ted Turner is remaining quiet. Perhaps Turner believes the Dodgers' claim to have lost \$35 million since 1994, including over \$12 million in 1997 -- even though the team has a moderate payroll, owns its own stadium, and dominates the country's second-largest market.

Unable to reach agreement with state and local government on a new stadium, Carl Pohlad has signed a letter of intent to sell the **Minnesota** Twins to North Carolina businessman Don Beaver, setting a November 30 deadline for Minnesota officials to approve a new stadium proposal. The Twins' lease at the Metrodome allows them to leave after the 1998 season. Pohlad hoped to break a legislative logjam by offering to contribute \$111 million toward the cost of a new park, and has considered donating the team to the state if it agreed to assume \$85 million in outstanding debt, but the legislature could not agree on a plan to fund the state's share. Minneapolis voters reacted to Pohlad's pressure by voting, 70-30, to require a public referendum before the city can spend more than \$10 million on any sports project. At press time, the Minnesota legislature remains adamantly opposed to funding a stadium -- but North Carolinians haven't approved a stadium for prospective purchaser Beaver, either. Under Beaver's best-case scenario, the Twins would remain in Minnesota for a lame-duck 1998 season, then move to Charlotte's minor-league park for two years while their own park is built.

The **New York Mets** are close to announcing their plans for a new \$300 million stadium to be constructed in the parking lot adjacent to Shea Stadium. The park, billed as a "new Ebbets Field," would seat a cozy 40,000, with a retractable roof Charley Ebbets and the Brooklyn Sym-Phony could only dream of.

Voters in an 11-county area around **Pittsburgh** rejected a proposed seven-year, half-cent sales tax increase to fund new stadia for the Pirates and Steelers, as well as other projects. The measure lost by a 58-42 in Pittsburgh's Allegheny County, and by wider margins in outlying areas. The lease signed by Pirates owner Kevin McClatchy allows him to move the team if a new stadium isn't substantially complete by Feb. 14, 2000.

With two seasons remaining on their lease at Qualcomm Stadium, the **San Diego** Padres are exploring sites for a new park in or near San Diego.

Reversing course, Interbrew SA, the Belgian-based owner of the **Toronto** Blue Jays, has decided not to sell the team and its SkyDome home.

The Docket

Bob Nightengale, former *Los Angeles Times* baseball writer, has sued the paper, claiming that he was fired for writing articles about racism in baseball which offended Dodger officials. The *Times* says he was fired for violating its policy against unauthorized freelance work.

Pete Rose, who in 1989 accepted lifetime banishment from Organized Baseball in return for an end to its investigation of charges that he bet on baseball, has petitioned the Commissioner's Office for reinstatement. With the Commissioner's chair vacant, the decision will be made by the Executive Council, chaired by Bud Selig and including four owners from each league and the two league presidents.

The South Carolina Supreme Court denied two charities' request to be allowed to raise money for their research by auctioning off Shoeless Joe Jackson's signed will. The charities, beneficiaries of the estate of Jackson's widow, asserted that a document with Jackson's signature could bring \$100,000 at auction, but the court ruled that the will was property of the state and must be maintained, intact, in official files.

Terms of Major League Expansion

1961 AL expansion (Los Angeles Angels and new Washington Senators): No franchise fee, but clubs obligated to spend at least \$2.1 million on players; the Angels also had to pay \$550,000 indemnification to the Dodgers for moving into their territory. Each existing AL club made available 15 of the 40 players, including at least seven who had been on the 25-man roster prior to 9/1/60. The newcomers had to pay \$75,000 for each of 28 players, subject to position requirements: 10 pitchers, two catchers, six infielders, four outfielders, six from anywhere. The Angels and Senators could also draft one player from each existing club's farm systems for \$25,000; the Angels drafted two this way, the Senators three. Thus the Angels paid \$2,150,000 for 30 players, the Senators, \$2,175,000 for 31.

1962 NL expansion (Houston and New York Mets): No franchise fee. NL adopts AL's rules for draft eligibility: 15 players from each existing club, including seven from the 8/31 25-man roster. Houston and NY required to pick two from each roster for \$75,000, and allowed to pick a third for \$50,000. After this done, each existing club puts up two more players from its 25-man roster for a "premium draft" -- Houston and NY to pick four each, one from each club, for \$125,000 each. Mets wind up spending \$1.8 million for 22 players; Astros spend \$1,850,000 for 23.

1969 AL expansion (Kansas City and Seattle): \$100,000 franchise fee. Each team acquires 30 players (3 from each team) for \$175,000 each -- a total of \$5.25 million. Draft eligibility: organization can protect 15 players (not limited to those on the 40-man roster), then 3 more protected after each player lost. New clubs don't share in national TV money for 1969-71, which costs them an additional \$2,062,500.

1969 NL expansion (Montreal and San Diego): \$4 million franchise fee, with each club required to have an additional \$2.5 million working capital. Clubs draft 30 players for \$200,000 each, for a total cost of \$10 million. Draft eligibility: organization can protect 15 players (not limited to those on the 40-man roster), then can protect three more after each player lost. NL allows expansion clubs to share in TV money.

1977 AL expansion (Seattle and Toronto): Total cost of \$7 million for Toronto; \$6.5 million for Seattle, which got its team in partial settlement of an antitrust suit. This figure includes the \$5.25 million cost of drafting 30 players for \$175,000 each from other AL clubs, which were allowed to protect 15 in the first round, three more after each of the first three rounds, two more after the fourth.

1993 NL expansion (Colorado and Florida): \$95 million expansion fee, including the right to select 36 players. Expansion clubs don't share in 1993 TV money, costing each roughly \$14 million more. AL receives \$42 million of the \$190 million expansion money, but must also participate in the expansion draft. Each existing team allowed to protect 15 players from its 40-man roster; after each of the first two rounds, NL clubs can protect three more, AL clubs, four more. In third round, all 12 NL clubs, but just 8 of 14 AL clubs, lose players.

1998 major league expansion (Arizona and Tampa Bay): \$130 million in expansion fees -- \$32 million in July 1995, \$25 million in July 1996, \$40 million in July 1997, \$33 million in November 1997 -- plus foregoing \$5 million from baseball's central fund in each of the five years 1998-2002, for a total of \$155 million. The draft pool includes all players on the 40-man roster, plus anyone in the organization drafted in 1994 or earlier and those 19 or older when drafted in 1995. The expansion clubs draft 35 players. Existing teams can protect 15 players from the draft pool in the first round, then three more after each of the first two rounds. In the third round, only seven teams in each league lose players.

View from Japan, by Yoshihiro Koda

One of the reasons I like to visit American ballparks is the green of the grass. In 1997, 20 of 28 baseball fields for major league teams in North America are covered by natural turf. On the other hand, only 3 of 12 in Japan feature natural grass; the rest use artificial turf.

Indeed, the number of artificial turf fields in Japan continues to increase. Since last season, the Chunichi Dragons of Nagoya moved from an open stadium with natural turf to a newly-constructed indoor stadium. Of course, it has an artificial turf field. On the other hand, the use of artificial turf is declining in North America. Not only do all American stadiums which have opened since 1990 have natural-turf fields, but Busch Memorial Stadium in St. Louis re-converted from turf to grass during this period.

For baseball administrators, an artificial field is probably more profitable than one made of grass: artificial turf needs no time to recover and is more adaptable to multi-purpose use. But how about for players and fans?

Artificial turf is harder on the players. I feel that the increased use of artificial turf in Japan has led to more leg injuries among Japanese players. This means the waste of considerable talent -- a big loss not only for the players themselves, but also for the fans. Why haven't Japanese owners or managers considered this

factor?

The high price of land is probably one factor. With land much more expensive in Japan than in North America, a baseball stadium requires even more investment. Under the circumstances, administrators naturally prefer artificial fields, which will allow them to recover that investment sooner. But on the other hand, these administrators must provide fans with the best-quality games possible, and if players are injured more frequently on the artificial-turf fields, fans are forced to watch games of lower quality.

Is a compromise possible? One idea is to increase the number of games in Japanese leagues. Japanese teams play a 135-game regular season, 27 games fewer than their American counterparts. The Japanese postseason consists of a single best-of-seven series, compared to North America's one best-of-five and two best-of-seven series. If the Japanese leagues can schedule more games, club administrators will have more opportunity to profit.

But in the end, it depends how much Japanese baseball administrators love baseball. One skeptical observer is Masaaki Mori, former manager of the Seibu Lions and one of Japan's best recent field managers. Mori, who won eight League Championships and six Japan Championships in nine years of managing, is now a commentator for Japanese TV. While in the United States to broadcast the 1996 World Series to Japan, he observed on the monitors that the owners of both the Yankees and the Braves attended every game. He heaved a sigh and said, "This would never happen in Japan." This may be the basic difference between the North American leagues and their Japanese counterparts.

(Yoshihiro Koda, one of the Committee's newest members, follows both the Japanese and American major leagues from Hong Kong.)

Mariners' Stadium Update, by John Pastier

Seattle's new ballpark for the Mariners abounds in firsts and superlatives. When completed, it will be the most expensive stadium project ever built in the U.S., the first to cost more than \$300 million, and possibly even the first to exceed \$400 million. It will be the first roofed stadium incapable of temperature control, other than for 352 prime seats. Its public subsidy component, which may exceed \$400 million (or more than 99% of project costs), will also set a record. The project will also mark the first time a permanent major league ballpark will be abandoned and demolished after only 22 years of use, and, indeed, the first time a domed ballpark will be razed.

The only U.S. stadium effort in the works that may challenge it in cost is the Seahawks' future home, which will rise about a block to the north. Built for Paul Allen, the fourth richest person in America, it too seems likely cost more than \$400 million -- roughly what he made on paper in one day when Microsoft stock rose after a favorable quarterly earnings report.

These efforts make the city-supported reconstruction and expansion of the Sonics' basketball arena seem almost insignificant in comparison. The public costs of that project are dependent on suite sales and cash flow, and have so far been kept from public attention. Although it doesn't have money to fix its potholed streets, Seattle clearly loves subsidizing its big-league sports teams even more than it loves its morning latte.

In early November, the Mariners let the public know what it would be getting for its record-breaking subsidy: "you will now have a new world of seating options unlike anything you've experienced in the Kingdome." That was no exaggeration, since those options included \$870,000 suite contracts (covering a six year period); the chance to purchase \$50,000-a-pair charter seat licenses (singles aren't an option) which pay not for actual seats, but merely for the right to buy season tickets at \$4,536 per pair; and Diamond Club box seats for as much as \$390 a pair (again, no singles are available), which must be bought on a seasonal basis for \$31,590. There will also be Terrace Club seats at a per-season price of \$2,673. Occupants of Diamond Club and Terrace Club seats "will be able to enjoy food and beverage service without ever leaving their seats."

To meet a legal requirement of affordability, there will also be 3,700 bleacher seats at \$5 and \$7, compared to 18,000 cheap seats in the Kingdome today. Assuming a 95%-sold-out first season, the Mariners will be paying rent equivalent to 20 cents for each paid admission -- one-fifth of what the Double-A Trenton Thunder, playing in a 6,000 seat park with no retractable roof, pays its landlord. A single sold-out game at the new park (including the income from concessions, parking, and stadium advertising), will pay for roughly two years rent. As prices rise during the 20-year lease period, one sold out game will eventually pay for about four years rent, since the \$700,000 yearly charge will not be adjusted for inflation.

Three of the seven board members of the public agency in charge of the new stadium project voted against this permissive lease, and two of them resigned in protest shortly thereafter. Major League Baseball

contends that such sweetheart deals are needed to offset the owners' allegedly debilitating, yet unaudited, losses. These concessions are supposedly the price of putting a competitive team on the field. The Mariner's Nov. 7 letter announcing the new ticket scale also promised such competitiveness: "Staying competitive on the field is the key to what will make the ballpark experience rewarding for everyone. From the beginning, these were our two priorities." The other priority was "to give [the fans] the greatest choices and to give the Mariners the opportunity to generate increased revenues."

The letter was sent within days of a team announcement that it would not be offering Randy Johnson, the best pitcher in franchise history by a wide margin, an extension on his 1998 contract, and was planning to trade the ace. If only the M's definition of generating increased revenues were as modest as their definition of staying competitive.

For years, the Mariners have been publicly bemoaning their limited revenue potential in the Kingdome. In 1995, the Mariners claimed, with a straight face, that playing seven postseason games before sold-out crowds totalling nearly 400,000, at an added player salary cost of zero, actually increased their losses for the year. But the fact is that team revenue at the Kingdome has increased dramatically in recent years, due to rising attendance and steadily increasing prices. (When the team announced its \$195 box seats for second-half 1999, it also announced Kingdome ticket increases for 1998 and 1999.) Even without a new stadium, the M's more than quadrupled their ticket income in a three year interval, and will nearly quintuple their ticket income in a 5-year interval:

	Year	1994	1995	1996	1997	1998	1999	
Average Ticket Price			\$9.66	\$9.66	\$11.95	\$13.35	\$14.89	\$16.53
Total Attendance			1.104	1.982	2.722	3.313	3.000	3.000
Total Ticket Revenue		\$10.7	\$19.1	\$32.5	\$44.2	\$44.7	\$49.6	
Total Stadium Revenue		\$13.9	\$24.8	\$42.3	\$57.5	\$58.1	\$64.5	

Notes: 1999 is a half-season, since the team will be moving to the new park in mid-season. For comparison purposes, it is projected out to a full year. Attendance and revenue figures are in millions. Attendance includes postseason home games. 1998 and 1999 attendance is assumed to be about 10% less than 1997. Stadium revenue includes parking, on-premise advertising, and food, drink, and merchandise sales. It is conservatively estimated at 30% of ticket revenue, but may actually be higher.

It is almost certain that the M's are the only team to increase its ticket prices five times in a four year span (counting the new park), and also possible that it will be the only major-league team to increase its stadium revenues five years in a row.

But these increases pale before the jackpot represented by the new park. Assuming a pro-rated annual attendance of 3.6 million (about 2.5% less than a sold-out season), and an increase in total stadium revenue from 1.3 times ticket sales to 1.4 times ticket sales (which is probably conservative), there are the projected annualized figures for the new ballpark:

Average Ticket Price - \$23.58 (2.44 times 1994 average)
 Total Ticket Revenue - \$84.9 million (7.96 times 1994 total)
 Total Stadium Revenue - \$118.9 million (8.55 times 1994 total)

How many mature companies have ever increased their gross revenues almost ninefold in five years, without expanding or acquiring other businesses? Seattle's supposedly struggling, allegedly small-market team seems to be actually doing quite well.

When the M's announced their spectacular ticket price increases, the city's two daily papers ran predictable sticker-shock stories, but did not attempt any real financial analysis. They didn't even bother to calculate average ticket prices, much less seasonal revenue. They also avoided a very obvious conclusion: most of the best seats in the new ballpark will go to major businesses, a few very wealthy individuals, and of course, members of the media who will not pay for their seats and will get free food and drink to boot.

Although the stadium is legally defined as a publicly administered project, the Mariners have called virtually all of the shots. They have been able to credit stadium naming rights, not theirs to sell, toward their required \$45 million contribution to the project. (Assuming a \$40 million deal for 20 years of these rights, the team will

pay slightly more than 1% of the project cost.) They are required to pay for any cost overruns, and anticipated project costs have risen about \$180 million from the first rough estimates in 1994, but the base line for overruns was set so high that they will never have to pay a cent. The team has insisted on a stadium with gold-plated bells and whistles, located away from existing bars, restaurants and souvenir shops, so that it could capture a greater share of that spending. They have insisted on a costly accelerated schedule in order to be able to move into their money machine a little sooner.

Almost all of this is being paid for by a captive public in the form of increased taxes on rental cars and restaurant bills, including those at McDonald's and Taco Bell. After the ballpark's novelty wears off, and attendance stabilizes at, say, 2.5 million, taxpayers will be subsidizing Mariner operations at an average level of about \$15 per ticket. There is no misplaced decimal point in this calculation; the number is correct.* In a neat variation on the old stock market cliché of "buy low, sell high," the Mariners have managed to implement a "pay next to nothing, charge an awful lot" business plan.

* This is based on the difference between an annual project carrying cost of roughly \$35 million, plus a waived 5% city admission charge totalling about \$3 million, less the Mariners' \$0.7 million rent.

Bibliography Update

Our regular Bibliography feature from the Research in Baseball Index (RBI) will return in the next issue. **Larry Gerlach** submitted a few more titles for the "broadcasters and broadcasting" bibliography:

Ken Coleman, *So You Want to be a Sportscaster* (New York: Hawthorn Books, Inc., 1973)

William O. Johnson, Jr., *Super Spectator and the Electric Lilliputians* (Boston: Little, Brown, 1973)

Terry O'Neil, *The Game Behind the Game: High Stakes, High Pressure in Television Sports* (New York: Harper & Row, 1989)

Ron Powers, *Super Tube: The Rise of Television Sports* (New York: Coward-McCann, 1984)

Benjamin G. Rader, *In Its Own Image: How Television Has Transformed Sports* (New York: The Free Press, 1984)

Jim Spence, *Up Close & Personal: The Inside Story of Network Television Sports* (New York: Atheneum, 1988)

Shelby Whitfield, *Kiss It Good-Bye* (New York: Abelard-Schuman, 1973)

Roster Changes

New members:

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