

Outside the Lines

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Chairman's Note

Good to see so many of you at the convention in Milwaukee. We picked up a number of new members, including several prominent Web authors: Sean Forman and Jim Furtado of the baseballthinkfactory.com family of sites (notably baseball-reference.com and baseballprimer.com), and Chris Kahrl of baseballprospectus.com. In their honor, here are a couple of Internet-related notes:

- An archive of articles from the first six years of *Outside the Lines* should soon be online, accessible through the SABR Web site. Look for an announcement on the SABR-L e-mail list and the Committee's own Baseball Biz E-list (see <http://groups.yahoo.com/group/BaseballBiz>). I'm also creating my own personal Web site, which will offer hard-to-find data in downloadable form as well as an archive of my Committee and non-Committee writings. If anyone else has, or knows of, a Web site of interest to our members, let me know or post it to the E-list.
- *Outside the Lines* is available in both printed and electronic form. If you'd prefer to receive the newsletter by E-mail, let me know. The newsletter will be E-mailed in WordPerfect format unless you specifically request an ASCII copy.

This issue is two pages shorter than usual. Let's not let that happen again! Contributions are always welcome; the deadline for the next issue is November 10.

MLB News

Silence on the labor front. Although the current CBA expires in two months, the owners and players haven't begun serious talks. Indeed, the owners have yet to agree on a revenue-sharing formula, which will necessarily precede a formal proposal to the players. I suspect there will be more on this subject next issue...

Interleague rotation changed to protect "natural rivalries." The 2002 schedule of interleague play provides for the AL East to play the NL West, with the AL Central playing the NL East and AL West playing the NL Central. But not all of these teams will play one another. The schedule has been changed to protect the six-game, home-and-home series among rivals like the Cubs and White Sox. One casualty of the change: the Yankees' first visit to Dodger Stadium since the 1981 World Series. (After all, who'd want to see the Yankees play the Dodgers if it would mean fewer Devil Rays-Marlins games?)

World Series ticket prices raised. Most box seats will cost \$175, up from \$160 in 2000, \$150 in 1998-99 and \$75 in 1997. The price of reserved seats was also raised \$15, to \$125 and \$110, and bleacher seats and general admission rose from \$50 to \$60. (By comparison, most tickets to the 2001 Super Bowl cost \$325. NHL and NBA teams set their own playoff ticket prices.)

Around the Majors

Orioles win \$10 million, naming rights in arbitration. The Orioles' lease at Camden Yards guaranteed them parity with any lease given to an NFL team in Baltimore. When the Ravens arrived from Cleveland, owner Peter Angelos compared leases, then went to arbitration. A panel of arbitrators chaired by former FBI director William Webster ruled for the Orioles on two of 11 claims, awarding the team \$10 million, the right to sell naming rights to their park, and the right to host non-baseball events

Proposed Wrigley bleacher expansion angers Cub neighbors. The Cubs plan to add over 2,000 bleacher seats by extending the bleachers up and back. The plan has aroused considerable opposition, notably from owners of nearby properties who charge up to \$100/person for rooftop game-watching parties.

Orioles, DC/Virginia spar over effect of possible Expos move. With one sportswriter reporting that a draft 2002 schedule shows the Expos in Washington, D.C., the Virginia Baseball Stadium Authority estimated

estimated that the move would cost the Orioles no more than 1,000 fans per game. The group's study claims the Orioles draw only about 13% of their fans from Washington, D.C. and surrounding counties. The Orioles, by contrast, assert that 25-30% of their attendance comes from metropolitan Washington.

Mets' uneasy ownership split may soon be removed. For 15 years, the New York Mets have had one of MLB's most problematic ownership structures. Nelson Doubleday and Fred Wilpon, multimillionaires with decidedly different backgrounds and tastes, each own half of the team. Doubleday, who underwent a liver transplant, last year, is reportedly willing to sell his share to Wilpon. If he does, Wilpon will retain majority control but sell smaller pieces of the team to outside investors.

Yankees seek to void Cuban prospect's contract for misrepresenting age. Earlier this year the Yankees signed Cuban defector Andy Morales to a four-year, \$4.5 million major league contract. The club announced at the time that Morales was 26 years old, but after he struggled in AA, the Yankees claimed to have learned he was actually 29. They sought to void his contract for fraud. The MLBPA has filed a grievance to block the move, alleging that Morales was actually released for poor performance and that clubs routinely ignore age discrepancies among Latin American players.

Phillies plan November groundbreaking for new ballpark. Pittsburgh and Philadelphia received state funding for their new parks at the same time. The Pirates' new home opened in April; the Phillies have yet to break ground. The Phils insist their 43,000-seat park will be ready for Opening Day 2004. The park, which will be built adjacent to Veterans Stadium, is half of a \$1.01 billion project for new baseball and football stadia.

Cardinals strike new stadium deal. The team will contribute \$138 million of the estimated \$346 million cost of a new 49,000-seat ballpark in downtown St. Louis, with the rest coming from state, county and city bonds. The new park is scheduled to open in 2005. The Cardinals will be responsible for cost overruns, with the state and city receiving the money from naming rights. As part of the package, Cardinals' ownership has agreed to invest \$300 million in a commercial/residential development, "Ballpark Village," to be built on the site of Busch Stadium. Legislative approval is required, but the plan does not have to be submitted to the voters. At the press conference called to announce the deal, Commissioner Bud Selig declared that the Cardinals would host the 2006 All-Star Game.

The All-Star Game and the Mariner Aftermath, by Anthony Salazar

Officials in Seattle assert that hosting the July 10 All-Star Game was a boon to the local economy. They say that the game and related festivities pumped about \$50 million into the local economy. Other recent All-Star hosts have reported similar results: Atlanta claimed \$49.5 million in revenues from the 2000 All-Star Game, Boston \$65 million in 1999, and Denver \$40 million in 1998. Over 140,000 people were estimated to have attended events during All-Star Weekend, including FanFest, the Futures Game, Home Run Derby, and of course, the All-Star Game. National All-Star Game ratings rose 15%, from 10.9% in 2000 to 12.5% (and a 38.1 share of the TV audience) in 2001.

However, ticket sales to the game were a hot issue in Seattle. Major League Baseball made only 5,000 tickets available to the general public, and these were gone in less than 45 minutes. Over 20,000 tickets went to Mariner season ticket holders, with the remaining tickets divided among the other major league clubs and corporate sponsors.

While Mariner officials were thrilled to be selected to host the game, some felt that they should have waited a few years, until the newness of Safeco Field had worn off. With average attendance of 40,000/game, a new stadium and a winning team, local baseball fans were already excited about the new stadium and the winning team.

The Mariners themselves did not profit directly from the game. All revenues from the All-Star Game are sent back to MLB, which merely reimburses clubs for their related expenses. Instead, the Mariners made money from the sales of merchandise with All-Star Game logos sold at their venues. The club reports that 20 percent of team store purchases were directly related to the All-Star Game.

Average Ticket Prices, 1950-2001, by Doug Pappas

For several years in the early 1950s, *The Sporting News'* season preview issue contained a table summarizing each club's ticket prices and the number of seats in each price range. This feature then migrated to the *Sporting News Baseball Dope Book*, where it appeared annually (except for 1963) until that title was discontinued after the 1985 season.

Using these tables, I computed the average ticket price for each major league team for each season from 1950-85, except 1963. I'll be posting a spreadsheet with this data on my Web site as soon as it's up and running, which should be by September 20.

The table below summarizes this data, as well as similar ticket price data from 1991-2001 compiled by *Team Marketing Report* for its annual Fan Cost Index. (A table of 1991-2000 data appeared in the Spring 2000 *Outside the Lines*; the complete table will also be available in spreadsheet form from my Web site.) To provide some context for the ticket price data, I've also included the annual inflation rate; the annual change in average player salary, where available; and the year-to-year change in same-club attendance, except where one of the two years being compared was shortened by a strike or lockout.

Some conclusions from this data:

- Attendance figures provide additional evidence that the so-called "golden age of baseball" in the 1950s is a myth. From the late 1940s through 1958, attendance remained essentially flat even though five teams moved out of multi-team markets to cities where they had no local competition.
- Anyone who still claims that higher player salaries somehow "cause" higher ticket prices had better be prepared to explain what happened during the first years of free agency. In 1976, the last season before free agency, the average player salary was \$51,501. Eight years later the average player earned \$329,408 – an increase of 630%. Over that same period, ticket prices rose 68% – 15% *below* the rate of inflation. In constant dollars, ticket prices actually *fell* even as salaries skyrocketed.
- In recent years, however, ticket price increases have far outpaced inflation. From 1991 to 2001, when inflation ran 31%, the cost of the average ticket rose by 108%.

Year	AL Average	NL Average	MLB Average	% Ticket Price Increase	Inflation Rate	Player Salaries	Change in Attendance
1950	\$1.50	\$1.58	\$1.54				
1951	1.50	1.59	1.54	0.2	7.9		-7.7
1952	1.55	1.63	1.59	2.9	1.9		-9.3
1953	1.59	1.67	1.63	2.4	0.8		-1.7
1954	1.65	1.67	1.66	2.0	0.7		10.8
1955	1.70	1.73	1.71	3.1	-0.4		4.3
1956	1.72	1.73	1.72	0.7	1.5		-0.4
1957	1.78	1.77	1.78	3.0	3.3		2.9
1958	1.80	1.98	1.89	6.2	2.8		2.6
1959	1.83	1.97	1.90	0.7	0.7		9.6
1960	1.92	2.01	1.96	3.3	1.7		4.0
1961	2.09	2.09	2.09	6.6	1.0		-11.1
1962	2.13	2.20	2.17	3.5	1.0		3.3
1963		NO		DATA			
1964	2.19	2.30	2.25				
1965	2.19	2.38	2.29	1.8	1.6		5.5

Year	AL Average	NL Average	MLB Average	% Ticket Price Increase	Inflation Rate	Player Salaries	Change in Attendance
1966	2.24	2.46	2.35	2.7	2.9		12.2
1967	2.27	2.47	2.37	0.8	3.1		-3.5
1968	2.36	2.52	2.44	3.2	4.2		-5.0
1969	2.63	2.58	2.61	6.6	5.5		3.6
1970	2.69	2.76	2.72	4.5	5.7	17.6	5.6
1971	2.79	3.03	2.91	6.9	4.4	7.6	0.2
1972	2.85	3.06	2.95	1.5	3.2	8.1	
1973	2.88	3.09	2.98	1.1	6.2	7.3	
1974	3.03	3.17	3.10	3.7	11.0	11.6	-0.3
1975	3.29	3.31	3.30	6.6	9.1	9.4	-0.8
1976	3.40	3.65	3.45	4.4	5.8	15.3	5.1
1977	3.65	3.74	3.69	7.1	6.5	47.7	13.9
1978	4.03	3.93	3.98	7.8	7.6	31.3	5.0
1979	4.19	4.03	4.12	3.4	11.3	13.7	7.9
1980	4.49	4.40	4.45	8.1	13.5	26.6	-1.2
1981	5.01	4.84	4.93	10.9	10.3	29.1	
1982	5.35	4.95	5.17	4.7	6.2	30.1	
1983	5.80	5.55	5.69	10.1	3.2	19.8	2.1
1984	5.95	5.65	5.81	2.2	4.3	13.9	-1.8
1985	6.15	5.99	6.08	4.6	3.6	12.8	4.7
1986-90		NO		DATA			
1991	9.20	8.42	8.84				
1992	9.80	8.96	9.41	6.5	3.0	20.8	-1.7
1993	10.24	9.22	9.73	3.4	3.0	4.6	12.2
1994	11.33	9.91	10.62	9.1	1.6	8.6	
1995	11.43	10.10	10.76	1.4	2.8	-4.9	
1996	12.07	10.58	11.32	5.2	2.9	0.8	
1997	13.01	11.12	12.06	6.6	2.3	19.3	5.1
1998	14.79	12.52	13.58	12.5	1.6	4.6	2.1
1999	16.22	13.94	14.45	6.4	2.2	15.2	-0.3
2000	18.12	15.59	16.22	12.2	3.4	17.7	3.7
2001	19.91	18.18	18.42	13.6	3.4		

Sources and notes:

Ticket price data computed from *The Sporting News* and *The Sporting News Baseball Dope Book*, 1950-85, taken from *Team Marketing Report* data, 1991-2001.

When working with TSN data, (1) where no other information was available, I assumed club seats were priced the same as the highest-priced regular seats; (2) where no seating capacity information was provided, I used the following season's data; and (3) where a range of prices was given for a particular type of seating, I used the midpoint.

For Montreal and Toronto, pre-1991 ticket prices converted to U.S. dollars using exchange rates from <http://pacific.commerce.ubc.ca/xr/CADpages.pdf>.

Inflation rate taken from Minneapolis Federal Reserve Bank chart at <http://minneapolisfed.org/economy/calc/hist1913.html>.

Salaries compiled from MLBPA average annual salary report, 12/21/00 *USA Today*, for 1967-2000.

Attendance changes computed from table in *Total Baseball* (7th ed.), adjusted to exclude (1) attendance of first-year expansion teams, and (2) all seasons with games lost to labor stoppages.

The Farm Report: The Business of Minor League Baseball, by Anthony Salazar

Rainiers May be Hawaii-Bound. The saga of the Tacoma Rainiers sale has entered yet another phase. Owner George Foster has had the team up for sale for over a year, at an asking price of \$10 million.. He has been looking for a local owner, and someone who will keep the team in Tacoma. Enter in a real estate developer who is interested in bringing the team to Hawaii or, as a fallback, to Reno, Nevada. Honolulu has not had a PCL team since 1987, when their club moved to Colorado Springs. Developers are proposing a 10,000-seat stadium with adjoining shops, restaurants and businesses. Similar plans were discussed in Reno as well. However, the Rainiers are locked into a lease in Tacoma that runs through the 2005 season, their operating agreement with the parent Seattle Mariners runs for another couple of years.

Cal League Teams May Move. The embattled High Class A California League may lose two teams within the next two seasons. The office of Minor League Baseball has reportedly offered the Mudville Nine and Bakersfield Blaze \$3.9 million each to move to the Carolina League. The relocation plan comes on the heels of Mudville's attempt to build a new ballpark in near their home in Stockton. Bakersfield, meanwhile, may balk at the proposal, wanting to keep the franchise in town. If Mudville and Bakersfield fall through, the teams in Visalia and High Desert may be willing to re-locate. Visalia has been struggling with attendance for years and had been recently talking with officials in Reno about a move. In High Desert, owner Bobby Brett has let it be known that he will entertain any offers on his club. Any re-location deals will have to wait until the four teams have dealt with their own internal problems.

Albuquerque to Seek Another PCL Team. The Albuquerque Dukes are gone but not forgotten. The former PCL team pulled up stakes and moved to Portland, Oregon. City officials are actively seeking another PCL team to re-locate to New Mexico, and in June local voters approved a \$10 million plan to refurbish the 32-year-old Sports Stadium. The likeliest candidate for relocation is the Calgary Cannons, who are expected to play one more season in Canada before heading south. The weak Canadian dollar and six seasons of losing money have led the Cannons to seek other options.

Tribe Clubs to be in Close Proximity for 2003. By 2003, the Cleveland Indians will have four of their six farm teams nearby. Most recently the Class A Quad City club of the Midwest League announced that it will move to the Cleveland suburb of Eastlake in the spring of 2003. Eastlake has financed a \$14 million, 6,000-seat park for the new team. The Indians also have farm clubs in Akron (AA-Eastern League), Mahoning Valley (A-NY/P League) and Buffalo (AAA-International League), which is only a three-hour drive.

Washington Finally Lands a Team. Washington, Pennsylvania that is. Officials have plans to build a \$4 million, 6,000-seat ballpark that will house a team from either the short-season New York-Penn League or the independent Frontier League. If a deal can be worked out with the affiliates of the Pittsburgh Pirates and Philadelphia Phillies, a team, which will be called the Generals, will begin play within the next couple of years. Washington, PA is a suburb of Pittsburgh.

Mud Hens Sign Fifth Third Bank to Naming Deal The Triple A Toledo Mud Hens have inked a deal with Fifth Third Bank to serve as a stadium-naming sponsor. The \$38 million ballpark is slated to open April 2002. The exact length and terms of the agreement were not disclosed, although it may be similar to Fifth Third's deal with the nearby Double A Dayton Dragons, which calls for \$6.5 million over 20 years.

The Fast Facts*

TOP NAMING RIGHTS DEALS

Club	Stadium	Sponsor	\$ Deal (million)	Length (years)
Sacramento RiverCats	Raley Field	Raley's	\$15	20
Portland Beavers	PGE Park	Portland Gen Electric	7.1	10
Dayton Dragons	Fifth Third Field	Fifth Third Bank	6.5	20
Lakewood BlueClaws	GPU Energy Park	GPU, Inc.	4.8	20
Memphis Redbirds	AutoZone Park	AutoZone	4.3	25
Tucson Sidewinders	Tucson Electric Park	Tucson Electric Power	4	15
Syracuse SkyChiefs	P & C Stadium	P & C	3.6	25

STADIUMS UNDER CONSTRUCTION

Club	Seats	Projected Cost (million)	Stadium Name
Casper Rockies	2,500	\$2	Mike Lansing Field at Cross Roads Park
Toledo Mud Hens	8,500	38	Fifth Third Field
Aberdeen Arsenal	8,500	25.7	Ripken Stadium
Peoria Chiefs	6,500	22	Chiefs Stadium
Cedar Rapids Kernels	4,842	14	New Veterans Memorial Stadium
Lehigh Valley Black Diamonds	6,000	16	Lehigh Valley Sports Facility
Missoula Osprey	3,350	8	Missoula Civic Stadium

*Figures taken from the Sports Business Journal.

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