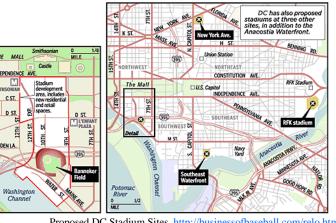




Volume X, Issue 3



Proposed DC Stadium Sites, http://businessofbaseball.com/relo.htm

No Decision on New Home for Expos by Maury Brown

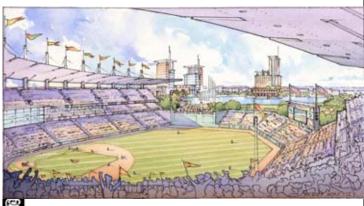
The decision on the relocation of the Expos moved into yet another self-imposed deadline stretch. Yet again MLB missed that deadline.

Same as it ever was... Same as it ever was... Same as it ever was... David Byrne of the Talking Heads Once in a Lifetime

The owners met in Philadelphia on Aug. 18th and 19th. They gave Bud Selig a three-year extension on his contract and approved World Cup baseball. Although they discussed the Expos, the owners again failed to make a decision on a permanent home for the beleaguered team.

"There's nothing we can tie a ribbon around and sign," said MLB president Bob DuPuy. "We're continuing the process of trying to get things clarified and trying to ensure

(Continued on page 5)



General Managers Project Volunteers Needed

John Matthew reports that he and various contributors have compiled information on General Managers for the complete history of 19 AL & NL teams. John also has partial information for four more teams. Gary Gillette has identified GM info for five additional teams, leaving only five of the current 30 teams yet to be filled in.

Summer 2004

Anyone having information on the GMs for teams listed below, or on Federal League GMs--or anyone wanting to help with researching these teams--should contact John at John.Matthew@Rogers.com.

- Cardinals (before 1954)
- Cubs (before 1934)
- Giants (before 1902)
- White Sox (before 1915)
- Browns (before 1950)
- Yankees (before 1945)

Many thanks to John and the following volunteers for helping out on this project: Steve Boren, Philippe Cousineau, Charles Johnson, Andy McCue, Randy Mudarri, Rodger Payne, Dave Stevens, Dann Stupp, Neal Traven, and David Vincent

The target date for publication of this information on the committee Website is sometime in October.

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Rendering of Dulles Stadium, http://businessofbaseball.com/relo.htm

Notes from the Cincinnati Business Meeting by Andy McCue

After a moment of silence for Doug Pappas and the introduction of Mrs. Carolyn Pappas, Doug's mother, John Zajc and Andy McCue began the meeting by noting the need for a new leadership group for the committee and asking for volunteers to come forward after the meeting. The meeting was then thrown open to questions and suggestions from the floor.

John Pardon asked about making copies of the contract cards from the Hall of Fame and of getting a set of Blue Books put together at the Cleveland office, with older volumes being copied and perhaps put up on the SABR website.

Paul Wendt urged the posting of a wider array of documents, especially from the 19th Century and suggested the 1883 Tri-Partite Agreement between the National League, American Association and Union Association might be a good place to start. He also suggested that annual agreements between and among leagues would also be useful.

Chuck Korr noted that the Marvin Miller papers have been deposited at the Robert Wagner collection of New York University Library and should provide excellent information on the Major League Baseball Players Association and their relations with Major League Baseball.

Steve Friedman of Bellevue, Washington (<u>s2friedman@comcast.net</u>) noted that he had worked in the cable television industry for some years and was willing to give background and provide history to committee members with questions.

A View from Japan by Yoshihiro Koda Potential Merger of Japanese Major Leagues

On June 13, 2004, the Osaka Kintetsu Buffaloes announced their merger with the Orix Blue Wave triggering a possible reorganization of the Japanese professional baseball leagues.

Since 1950, Japanese Major Leagues have been organized into the Central and Pacific Leagues. Since 1958, six teams made up each league. Pacific League clubs have been losing money for a long time. Kintetsu Railway has owned the Buffaloes since the establishment of the PL. I believe the Buffaloes have never made a cash profit for them. However, the railroad regarded the team as a good public relations tool and covered the Buffaloes' losses. Kintetsu has announced that they lost 4 billion Japanese Yen (approximately US \$34 million) in 2003 in their baseball business.

The Buffaloes' financial situation has been made worse recently by two factors. First, free agency has caused salaries to skyrocket while changes in the draft system have made recruiting new players more expensive. At the same time, Japan has suffered a long recession which has forced Kintetsu to cut business costs.

The Kintetsu Buffaloes situation is typical of the Pacific League. Following the announcement of the merger between the Buffaloes and the Blue Wave, two other PL clubs

began merger discussions. The Pacific League teams are looking to merge with the more successful Central League in a ten-club league, six of which would be former CL clubs and the four remaining PL clubs.

The potential for home games against the Central league's Tokyo Giants drives the desire to merge the two leagues. In the Japanese leagues, TV rights are sold by the home club and all the income belong to them. Television rights for games against the Giants can be sold at a much higher rate than games against other teams. Pacific League clubs expect to fix their financial problems by selling TV rights for their home games against the Giants.

The Players' Union has objected to the merger. They worry that fewer clubs mean less opportunity. They argue that fewer clubs will lead to a smaller market and the decline of baseball as a business.

Despite the losses, an on-line business enterprise, Livedoor, has raised its hand. Chances of a deal with Livedoor are not good. Keeping the Buffaloes in Osaka leaves them in competition with two other teams, the Blue Waves and the popular Central League Hanshin Tigers. I doubt that the area can support three successful teams.

The owners of Pacific League clubs don't welcome the offer from Livedoor. They view the merger of two leagues as a better situation for them by providing access to Giants' TV fees. On the other hand, Central League owners, except

Brooklyn to LA—Two Views

What Would You Do? by Paul Hirsch

Few men in sports history have been vilified to the degree that Walter O'Malley was when he moved the Brooklyn Dodgers to Los Angeles in 1957. In some quarters, that vilification has not ceased. Countless trees have died supporting the contention that he ripped the franchise from the bosom of a borough that has never recovered its identity or self esteem. Also in existence are clinically detailed accounts of the battles between the Dodgers and New York officials who refused to believe that what happened in Philadelphia, St. Louis and Boston could happen in the unofficial capitol of the world. For the next 800 or so words the reader is asked to put himself in the shoes of Walter O'Malley musing his options shortly after the 1956 World Series and then answer the question, "What would you do?"

It's November 1956 and you're the owner of the Brooklyn Dodgers sitting in your office, thinking. Over the past eleven years, your franchise has been the second-most successful in baseball and arguably the most exciting. Your predecessor presided over the most significant social experiment in the history of sports and one of the most significant in the history of the country. Your team is loaded with diverse and interesting personalities that have immersed themselves in the community and the core players have been virtually constant over that entire period.

Yet, you compare attendance figures with your primary rivals and you are not happy. Here's what you see:

Year	<u>Brooklyn</u>	<u>Milwaukee</u>	Yankees
1953	1,163,419	1,826,397	1,537,811
1954	1,020,531	2,131,388	1,475,171
1955	1,033,589	2,005,836	1,490,138
1956	1,213,562	2,046,331	1,491,784
Total	4,431,101	8,009,952	5,994,904

Ouch. Fair or not, these are the teams against which you are compared and, unless you hold your own against them, your season is considered less than successful. Sure, the New York Giants are your traditional rival, but have finished 18.5 and 26 games out the past two seasons and at this point are not a viable measuring stick. Lower attendance against your primary competition means fewer concessions sold, less money available for player procurement and development, and is perhaps a sign of waning interest. On the last Thursday of the season just passed, as the defending World Champion one-half game out of first place,

Ten Myths About The Dodgers Move To L.A. *by Gary Gillette*

Defenders and critics of Walter O'Malley have bickered for decades about whether the Dodgers' owner was justified in leaving Brooklyn. The O'Malley-as-devil camp argues that the move was both unnecessary financially as well as a betrayal of the loyal fans that had supported Brooklyn for decades.

The O'Malley-as-pioneer camp points to Brooklyn's weak attendance in the 1950s, to dilapidated Ebbets Field, to the decaying neighborhood around the ballpark, to the intransigence of city politicians, and to the lucrative possibilities that Los Angeles presented.

Whether one agrees or disagrees with either camp, arguments should be based on fact. Unfortunately, too often the arguments of O'Malley's supporters have been based on attractive and plausible myths that are not supportable when one looks carefully at the evidence.

Here is a list of 10 such myths, along with evidence why they are not true, only partially true, or misleading.

1. Brooklyn attendance wasn't very good.

Not true. This is the biggest canard of the whole sad story. Despite a popular misconception that has obscured the facts since the move, the Dodgers had drawn better than the NL average (excluding Brooklyn) in every season from 1938 through 1956. Only in 1957, the Dodgers last year in Brooklyn when rumors abounded that the team was headed west, did O'Malley's team fall a few thousand fans short of the league mean attendance.

A quick look at the attendance graph (see page 8) shows that Brooklyn attendance was far from embarrassing. Even in their post-move honeymoon period while playing in Memorial Coliseum in 1958–60, attendance in L.A. was not that much better than in Brooklyn in 1950–52.

Attendance did spike upward in L.A. once Dodger Stadium opened in 1962, but one can't reasonably compare the gate at a brand new, state-of-the-art park in virgin territory to a 45-year-old park in a city with two teams in the same league. Within five years of the opening of Dodger Stadium, attendance there was indistinguishable from the early

(Continued on page 8)

A Moment with the Sports Economist

by Anthony Salazar, Outside the Lines

Andrew Zimbalist is the Robert A. Woods professor of Economics at Smith College, located in Northampton, Massachusetts. He is an analyst of economic trends and issues affecting sports in America. Zimbalist has authored several books in the area of sports economics, including, *May the Best Team Win: Baseball Economics and Public Policy*. In 1994, he came out with *Baseball and Billions: A Probing Look Inside the Big Business of Our National Pastime*.

OTL: Baseball spent a great deal of time telling the public that most teams are in poor financial health. Is it your assessment that this is accurate?

AZ: First of all, Selig, et. al. are now saying that teams are in good financial health. This



change of heart occurred in April 2004. This new found euphoria, I think, is a reaction to the success of the 2002 CBA in holding back salaries. After significant drops in the average free agent signing the last two winters, in 2004 average player salaries fell by almost 3 percent. Second, as I detailed in "May the Best Team Win," I think it is a time-honored tradition in baseball (and some other sports) to distort financial reality. There have been and continue to be some teams in MLB facing financial difficulties (though more in the past than in the present), but in the aggregate MLB has run in the black. Owners of baseball teams take their returns in a number of ways that don't necessarily show up on the bottom line. These include: tax sheltering benefits, related party benefits, non-related party benefits, compensation to owner and owner's family members, lower borrowing costs, interest income, promotion of other investments, creation of new business opportunities, perquisites, ego gratification, inter alia. If such returns were not forthcoming then there would be no rational explanation for rising franchise values over time.

OTL: Do you think teams are justified in asking for public support when looking to build new stadiums?

AZ: Sometimes yes, because teams provide externality benefits, public good benefits and consumer surplus, that is, public benefits that the public does not pay for. But, as a general matter, teams and stadiums themselves do not promote economic development. If there are subsidies, they should be based on the former, not false promises of the latter. Further, MLB has monopoly power. To the extent that this power is used to extract public subsidies, I am against them.

OTL: You've argued that the root of baseball's problems center on the monopoly the sport enjoys. What will it take for Congress to lift baseball's antitrust exemption, and if Congress does, what will it mean for baseball?

AZ: Ask me again after Al Sharpton is elected president.

OTL: There are so many problems plaguing baseball (i.e. persistent labor issues, high-revenue team dominance, escalating salaries and ticket price, the fate of the Expos, etc.). What are the top three issues that baseball needs to address first before moving forward?

AZ: MLB needs a revenue sharing system with proper incentives and consistent enforcement. Now, some \$300 million is transferred annually from the top revenue to bottom revenue teams in the name of promoting competitive balance, but most bottom teams are not putting these transfers toward improving their teams, as they are supposed to do according to the CBA. The revenue sharing system should reward teams for their success, not their failure as is currently the case. Neither Bud Selig nor any other owner should be commissioner. This is a long story, but, if nothing else, the mere appearance of a potential conflict of interest is enough to disqualify Selig in my view. Remember when MLB used to go before Congress and say that it doesn't need outside regulation or market competition because it has an independent commissioner to protect the best interests of baseball?

(Continued on page 7)



To keep up with relocation activities—and other news of the Business of Baseball—on a day-to-day basis, go to the SABR Business of Baseball's website at <u>http://businessofbaseball.com</u>. The committee website—with its <u>weblog</u>—tracks all the news on Expos relocation. Look around, you'll find lots of other great information, too, including datasets, documents, interviews and biographies.

No Decision on New Home for Expos (Continued from page 1)

that whatever offer, whatever stadium deal is ultimately accepted ensures the ultimate success of the Expos."

With all signs pointing to a DC or Northern Virginia relocation, media reports paint Peter Angelos as the source of the delay. Angelos has made his case to anyone that will listen that a franchise in the DC market will siphon off fan attendance in Baltimore. More importantly, it will impact the Orioles television markets, both cable and over-the-air.

In his mind, DC is "Orioles Territory." MLB rules show Baltimore Co., Anne Arundel, Howard, and Carroll and Harford Counties in Maryland as the Orioles Territory. None of the DC sites nor the Dulles site being touted by the Northern VA. group falls within these territories, even with Rule 52's 15-mile buffer zone to these counties.

Angelos's claim that the cable market infringement is more than negligible may have some teeth given the large media market.

The one thing that Angelos has is Bud Selig's ear. A chief negotiator in the last CBA, Angelos has moved up the ranks from a black sheep during the '94 strike to a member of the Executive Council. MLB might indemnify Angelos to offset purported losses to the Baltimore franchise should a team come within reach of their market.

Angelos is not the only cause for delay.

The arbitration ruling regarding the RICO claims of former minority owners of the Expos against Jeffery Loria, David Samson, Bob DuPuy, Bud Selig and MLB is expected in September or October. While MLB has stated publicly that there is no merit to the case and that it will not impact their decision making process, it seems that there is concern internally. U.S. District Judge Ursula Ungaro-Benages ruled that MLB must notify the minority owners 90-days in advance of relocation, to allow them time to file an injunction on the move. By simply waiting until September or October, this issue may be resolved.

MLB claims no one is out of the running. The truth appears to be that MLB wishes to go to <u>DC</u>, taking <u>Dulles</u> (Northern VA) as a fallback and stringing <u>Norfolk</u> and <u>Vegas</u> along. The <u>Portland</u>, Oregon, option appears near the bottom of the list, possibly being held for later relocation or expansion. San Juan, Puerto Rico, and <u>Monterrey</u>, Mexico, are out of the running and not being considered.

Washington, D.C.: DC has always seemed the most logical location for the Expos to go given the large market size and access to RFK stadium. Peter Angelos and the Baltimore Orioles seem to be the only impediment to the situation. Well, there's also the small matter of not presenting the details of the plan to public or the enactment of legislation with any of the plans in question. All that is known is that it will rely heavily on revenue bonds supported by stadium-related sales taxes and some type of property or revenue tax levied on large District businesses.

Still, D.C. Councilman Jack Evans, the head of the District's Finance Committee, stated in an Editorial in The Business Journal of Washington, D.C., that, "You come, baseball, and we will build it. I guarantee it." He also contends that "the council is in total support of the Expos relocating to the District." That's clearly not the case as several prominent members of the Council are on record in opposition, namely Adrian Fenty (D-Ward 4) and David Catania (R-At large).

What may be a larger issue is that the City has not yet chosen a revenue mechanism, whether a tax on gross receipts or on personal business property. The crux of the problem is the dramatic increase in this Business Tax component.

Initially, the projected cost would be \$9 million annually on businesses using a tax on gross receipts. That has ballooned now to \$18-\$20 million with the personal business property tax under consideration. That would impact more businesses under than plan. When DC Chamber President Barbara Lang was briefed on the changes she was quoted as saying, "We told them if they wanted us to sell this, we needed a lot more information. And even then, we weren't (Continued on page 6)

No Decision on New Home for Expos (Continued from page 5)

quite sure we could sell it," Lang said. "We found some of this troubling. . . . We wanted to be supportive, but we could not do it, at least the way we see it right now."

As of Aug 27th there was additional friction and noise coming from the likes of Ralph Nader, and several NIMBY groups opposing the public subsidy of the proposed ballpark in DC.

Still, as reported in the Washington Times on Aug. 24th, "MLB spent 7 and half hours in Georgetown for what was by far the city's longest negotiation with MLB to date, the relocation panel grilled the District about its proposed stadium financing plans, site options and renovation designs for RFK Stadium."

What is clear is that with each passing day, the ability for new ownership to negotiate a deal; for legislation to be passed to pay for renovation to RFK stadium; and the ability to market the team becomes harder should the team go to either the DC group or the Northern VA group.

Dulles, VA: The Virginia Baseball Club and Bill Collins have been working on bringing MLB to Virginia for 11 years. They have spent a reported million dollars for each of those years in the quest to get a team. In 1995 Northern VA was passed over for expansion. Recently, the prime site location in Arlington became non-negotiable. Now, Dulles, once deemed the least favored location, is the only site location for the Northern VA group.

The "Dulles site" is a 440-acre, mixed-use site, north of the Dulles Toll Road and south of Route 606 along Route 28 in Loudoun Co. The "mixed use" portion of the equation is what makes the Dulles site interesting.

During the Selig tenure, almost all ballparks have been developed against an urban, downtown core backdrop. Dulles does not fit that mold. To offset that issue, the Northern VA group is working in conjunction with two other developers to create the Diamond Lake project to fill in and around the ballpark location. If the city isn't at the ballpark location, they say, let's bring the city to the ballpark. The distance from Baltimore may lower possible indemnification to Peter Angelos.

However, control of the land needed for Diamond Lake is under question. A report by the Washington Post uncovered that most of the land is not owned by the group, placing the model in jeopardy. On Aug. 26th, the Virginia Baseball Club scaled back the total size of the project after they reported that they were unable to acquire all the land for this unique mixed-use/stadium development project, including

the Chantilly Crushed Stone property, which would have served at the "Lake" in the Diamond Lake project.

Virginia House Speaker William Howell and Senate Finance Chairman John Chichester have stated their opposition to financing the stadium with bonds backed by the "moral obligation" of the state. Speaker Howell, a Republican from Stafford County, cast some doubt on whether the deal will come off even if Virginia gets the team. "The stadium project needs to stand on its own," Howell told The Associated Press. "When you're talking about state bonds, I think that could be a cause for concern."

Nearly three-fourths of the funding through the state sunsets December 31 for both Dulles and Norfolk. Although a special session of the legislature could extend that date, issues mount for the Northern VA plans. Still, the Dulles location would allow MLB to get close to the DC market and at least minimize Angelos' claims.

Norfolk, VA: Once scoffed at in most all circles as a relocation destination for the Expos, the internal ranking system at MLB headquarters places Norfolk and the Hampton Roads area of Virginia as one of the 4 finalists in the relocation derby, within. How does the 41st media market make this cut? That seems to be direct by-product of one Peter Angelos. "Norfolk probably would be quite favorable to us," Angelos said, smiling. "I think that's a great area," in the Washington Times August 17. Of course, unlike the DC ad Northern VA proposals, Norfolk isn't a thorn in his side.

Las Vegas, NV: The initial direction outlined by Mayor Oscar Goodman was altered, dramatically when Corey Busch and John McHale Jr. arrived to visit. As reported in the Washington Post on August 13th, "... it quickly became clear that his promises were a mirage. The downtown site the group had just visited was soon no longer available. Moreover, the proposed public financing was gone."

Vegas is a small market (51st media market). Nearly 200 non-baseball related events a year would have to be booked into the venue to make it all pencil out. It's no wonder that Tom Hicks on Aug. 18th was quoted as saying, "Vegas will be a great market for baseball someday. It's not quite large enough yet and it's one of the fastest growing cities in the country. I can see that in the next five to 10 years, there is a chance baseball could be in Vegas."

Asked during a Yankees broadcast how he would feel when the team was relocated, Bud Selig replied, ""I'll be the happiest person on Earth when it happens."

Same as it ever was, Bud. Same as it ever was.

What Would You Do? (Continued from page 3)

the day after your pitcher had thrown a no hitter, you drew 7,847. Very disappointing.

And, you say to yourself, it's time to be realistic regarding the state of your ball club. A decade or more of success with basically the same crew means one thing, your onfield personnel is getting too old to maintain a championship level of play. Reese is 37, Robinson—37, Campanella—35, Furillo will be 35 by next opening day, Maglie will be pushing 40, Hodges—33, and even the relative youngsters, Snider, Erskine and Newcombe, will have passed 30. Player procurement will be more important than ever in the coming seasons, and you're worried you won't have the cash to compete.

Losing games is one thing, but when you look at the history of your franchise you realize that in Brooklyn, it's either contention or bankruptcy. When the team went twenty years between pennants before 1941 it landed in receivership, \$1 million in debt, and was being run by The Brooklyn Trust Company. Simple matters like painting the ballpark or completing a waiver transaction were bogged down in management-by-committee. Attendance had dipped under 500,000 five times during this period.

Then there is your relationship with city government. Here you are offering to personally finance a domed stadium at the intersection of Atlantic and Flatbush Avenues in exchange for condemning some land under Title 1 of the Fair Housing Act of 1949, a fairly common practice in post-war urban areas. In your vision, the domed stadium would represent an architectural breakthrough and would be something in which the entire city could take pride. Yet that damned Robert Moses, chief unelected bureaucrat, won't play ball. He keeps talking about a ballpark in Flushing. Well, if you move to Queens how can you be the Brooklyn Dodgers? Wagner and Rockefeller aren't much help. The mayor and the governor can't seem to understand what the team means to the community, and probably won't understand until they experience the fallout of it leaving.

Besides those very annoying Milwaukee Braves, the Browns and Athletics had moved in recent years, and had seen attendance triple, at least at first, in their new towns. And, with all due respect, the Braves, Browns, and A's hardly sport the cachet of the Dodgers.

That thinking brings you to Los Angeles. The Mayor and most of the Supervisors are on your side, which in itself is refreshing. These people understand the value of a ball club. Commercial jets make coast-to-coast travel feasible. That old drunk Stoneham is making noises about moving to Minneapolis (Minneapolis!?). Maybe you could sell him on San Francisco and keep the old rivalry going and make the travel more palatable to the rest of the league.

You're a capitalist. You want to see your assets appreciate. This asset's greatest potential will not be realized at Ebbets Field. Your ballpark is old, it has fewer than 1,000 parking places, and attendance is relatively weak with a team and situation you cannot realistically expect to duplicate in the foreseeable future. It's either Atlantic and Flatbush or Hollywood and Vine, and the folks holding the keys at Atlantic and Flatbush don't seem to understand how to work with a businessman.

If you're Walter O'Malley, what would you do?

Sources:

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Moment with the Sports Economist (Continued from page 4)

OTL: In 1994, you wrote, "Baseball and Billions: A Probing Look Inside the Big Business of Our National Pastime." Last year, you came out with, "May the Best Team Win: Baseball Economics and Public Policy." In the past decade, what's changed in baseball's economic/financial landscape?

AZ: This is where I plug my books. The transformation in the game is profound—too profound for this forum. However, why not be the first person on your block to read a book or two this summer?

OTL: What does the next commissioner of baseball need to do to restore the public faith in baseball?

AZ: For starters, not own a baseball team. I have differences with David Stern, but I regard him as a very intelligent, strong leader who has helped promote the game of basketball. David never owned an NBA team.

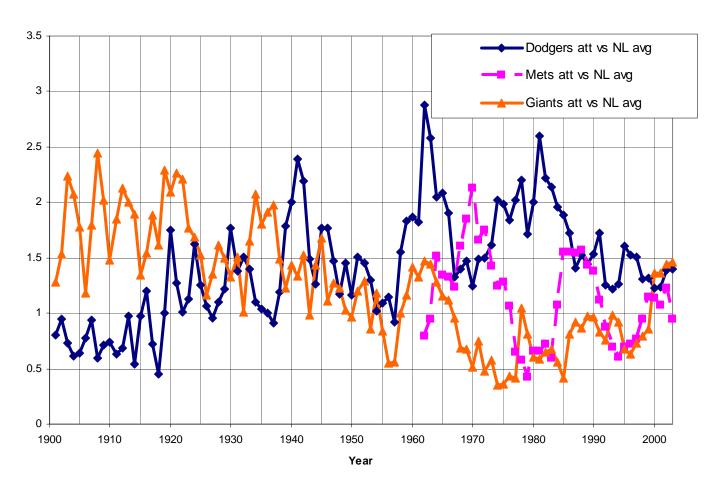
Ten Myths (Continued from page 3)

1950s in Brooklyn. Attendance in L.A. from 1967-72 varied between 125 and 150 percent of the NL average. Attendance in Brooklyn between 1945-53 varied between 116 and 151 percent of the league average.

years, setting a new record in 1948 with 20.9 million, which was almost double that of 1945.

From there, though, it was downhill for many years. Total attendance dropped each year for the next five years before stabilizing in the mid-1950s at about 20 percent less than the peak—average attendance (i.e., per club) didn't exceed

Attendance Comparison



NL champs.

Partly true. If one expects a winning team to draw more fans every year, Brooklyn's attendance trends in the 1950s seem lackluster at first blush. But Dodgers attendance in the 1950s must be viewed in the context of overall baseball attendance, which was in steep decline during the decade.

In the brief period between the end of World War II and the rise of television, the National Pastime experienced a tremendous attendance boom. Both the majors and the minors set all-time records. Major league attendance exploded in 1946, up 71 percent from the previous all-time record year of 1945. Attendance continued to increase the next two

2. The Dodgers didn't draw well despite being perennial the 1948 level until 1977! Total minor league attendance peaked in 1948 and didn't recover till 1999.

> In the context of the era, Brooklyn's attendance decline doesn't seem so calamitous. True, "Dem Bums" drew 33 percent fewer fans in 1956 than in 1947, but what about the other championship clubs of that era? The lordly Yankees drew 37 percent fewer fans in 1956 than in their peak year of 1948. The Giants drew 61 percent fewer than in 1948.

> The problem, then, seems to be endemic to New York, not a failure of the partisans of Dodger Blue. With every home game of every New York team on the tube, should it have been a surprise?

> > (Continued on page 9)

Ten Myths (Continued from page 8)

Summer 2004

3. The Dodgers needed a new ballpark to compete with Braves.

Not true. This argument rests upon selectively quoting attendance figures for the mid-1950s when the newly arrived Braves were setting NL attendance records in Milwaukee. In 1958, attendance in Milwaukee dropped 11 percent, and it continued to drop by double-digit percentages for the next four years. The Braves drew 1.1 million fans in 1961, less than the Dodgers drew in 1956. In 1962, the Braves gate dipped 30 percent to well below 1 million, and never it recovered to anywhere near Milwaukee's halcyon days.

While O'Malley was behind in attendance in the honeymoon years of the Milwaukee Braves, he had a large advantage that no one

Braves, he had a large advantage that no one mentions: media revenue. From 1953–56, Brooklyn averaged \$706,000 in local radio and TV revenue, while the Braves average \$124,000. That was a large gap that Milwaukee had no way of ever eliminating. In contrast, O'Malley did have a way to close the attendance gap with the Braves: a new ballpark—and that new ballpark could have been built in New York as well as L.A.

The idea that the Braves were set to dominate the National League for years to come was about as sensible as the idea that the Blue Jays were about to dominate the American League for years to come after they set alltime attendance records and won back-toback World Championships in the early 1990s.

4. Fans in Brooklyn loved "Dem Bums" but didn't care enough to support the team.

Not true. This argument is based on paid attendance only, and blithely ignores televi-

sion viewership of Dodgers games. From 1950–57, O'Malley was depressing his own home attendance by televising every Brooklyn home game. (He was also depressing the struggling Giants home attendance by broadcasting Brooklyn's games in the Polo Grounds.)

In 1950, less than 10 percent of American households had a TV. Presumably, then, the effect upon attendance of broadcasting all home games was minor. By 1955, how-ever, almost two thirds of U.S. households had televisions,

which must have had a major impact on the number of cheeks in the seats at Ebbets Field. Almost 90 percent of households owned a TV in 1960.

By 1952, nine of the 16 teams were broadcasting a majority of their home games. Four years later, five of those teams had either stopped broadcasting home games altogether, or they had dramatically cut the number of home broadcasts. All three of the New York teams broadcast every home game in 1956; the only other team to do so was the Cubs. The only other team to broadcast more than half of its home games was the White Sox.

Scheduled TV Broadcasts of Home Games						
Team	1952	1956	1959			
Browns/Orioles	6	26	21			
Red Sox	77	34	27			
White Sox	57	54	54			
Indians	77	34	25			
Tigers	35	25	12			
Athletics	30	0	0			
Yankees	77	77	77			
Senators	26	24	8			
Cubs	77	77	77			
Reds	30	23	23			
Dodgers	77	77	0			
Braves	59	0	0			
Phillies	70	22	31			
Pirates	0	0	0			
Giants	77	77	0			
Cardinals	1	0	0			
Notes						
Indians 1959 home broadcasts are estimated						
based on 55 broadcasts (including road games)						

So, by the mid-1950s, every big league team that was not in a large market had concluded that it wasn't a good idea to broadcast most of their home games because the tradeoff in media revenue wasn't worth the decrease in ticket sales. If O'Malley chose to maximize his media revenue at the expense of his gate, that was his prerogative.

It was perfectly reasonable for the owner of a team in a very large market with a dilapidated ballpark to opt for (Continued on page 10)

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Ten Myths (Continued from page 9)

broadcast revenue over ticket revenue. It is perfectly unreasonable for anyone to blame the Brooklyn fans—or the Giants fans, for that matter—if they chose to sit in their living rooms and watch their favorite team on free TV rather than pay to see them in person.

In the early 1950s, television was in its infancy and bigleague teams had not yet figured out how they wanted to deal with the new medium. With so few homes having TV sets, they could afford to experiment. It didn't take long, however, for a consensus to emerge on how best to maximize revenue in the new era.

The pattern was clear by 1956: clubs in large markets took advantage of the demographics and maximized their media income, accepting that doing would decrease their attendance. Clubs in smaller markets did the reverse, broadcasting few home games while depending on ticket sales. This pattern held true into the 1980s, when cable and pay-TV changed the calculus for many teams.

The only exception to the accepted wisdom was Los Angeles, where the Dodgers annually led the league in attendance while broadcasting no home games. O'Malley's Brooklyn Dodgers broadcast every home game on TV from 1950 through 1957. If fans wanted to watch O'Malley's Los Angeles Dodgers when they were home, they had to buy a ticket. (The same was true for Stoneham's Giants, who broadcast every home game in New York and none in San Francisco.)

The supposedly disappointing attendance in Brooklyn in the 1950s had nothing to do with the lack of support by Dodgers fans.

5. Ebbets Field was falling apart and keeping the fans away.

Possibly true, but misleading. If Ebbets Field was truly falling into disrepair and was no longer a pleasant place to watch a ballgame, it was certainly the landlord's responsibility. O'Malley, of course, owned the ballpark. Therefore, he had only himself to blame if he failed to maintain and upgrade it. Allowing Ebbets to fall apart, thus depressing attendance, was a self-fulfilling prophecy.

At that time, it might have seemed to those without foresight that "Classic Era" ballparks like Ebbets Field were nearing the end of their useful lives. However, the 48 years since then have demonstrated the viability of pre-war parks when properly maintained and marketed. Fenway Park and Wrigley Field, both built within a year of Ebbets Field, are still open today—and packed for every game with fans pay-

ing some of the highest ticket prices in the majors. Though now abandoned, Tiger Stadium also served Detroit fans well into the 1990s, even though it was in a "bad" neighborhood in a city with a terrible reputation for crime.

6. O'Malley had no choice but to move out of New York since the city wouldn't acquire a suitable site for his new park.

Not true. O'Malley could have accepted the city's offer of a municipally financed ballpark in Queens; he refused because he didn't want to be anyone's tenant. That was his choice, but it didn't mean that Flushing wasn't a viable alternative. After all, O'Malley's celebrated *bete noir* Braves were prospering in Milwaukee in exactly the kind of facility that the Dodgers could have had in Queens: a municipal ballpark with acres of adjacent parking located in a suburban area of the city.

Ironically, the same Brooklyn fans that are so maligned by O'Malley's defenders were apparently so important that O'Malley wouldn't even consider a site in an adjacent borough!

7. O'Malley offered to build a new ballpark in Brooklyn at his own expense.

Not true. O'Malley offered to build a ballpark with his own funds only if the city of New York would acquire and clear his chosen site. Acquisition and site preparation costs represent a large portion of any major urban development; ignoring them is neither reasonable nor fair. Saying that O'Malley was willing to pay for the park by himself is like saying that you paid for your own house while conveniently omitting that your parents gave you the land and your uncle's construction company cleared it.

8. The location O'Malley picked in central Brooklyn was the only viable location for a new ballpark.

Not true. O'Malley could also have chosen to move to the Long Island suburbs if that's where he thought his fan base was going to be living in the future. Unlike in Brooklyn, there was open land available for development in the suburbs, so O'Malley could have made good on his public promise of building a new park at his own expense—which he never really wanted to do, anyway.

9. O'Malley built Dodger Stadium at his own expense.

Not true. The city of Los Angeles acquired a large, centrally located, and very valuable piece of property for O'Malley. The circumstances there were similar to what O'Malley wanted the city of New York to do for him.

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Ten Myths (Continued from page 10)

10. The Dodgers move to Los Angeles was an unqualified success.

Not true. Aside from the negative consequences for Major League Baseball in general, this view ignores one key factor: The Giants move to San Francisco was an integral part of the Dodgers move to L.A. Without a second NL team on the West Coast, O'Malley couldn't have moved there.

While the Giants are now considered one of the NL's elite teams, the situation in San Francisco after they moved was frequently precarious. Until the opening of SBC Park in 2000, the Giants lurched from crisis to crisis, often threatening to leave the Bay Area. Stoneham himself considered moving the Giants to Toronto in the mid-1970s until the AL blocked him. Bob Lurie actually sold the Giants to a group in Tampa-St. Petersburg in the early 1990s, but the NL illegally blocked the move.

The problems in the Bay Area can't simply be laid at the doorstep of the American League, either. If O'Malley was such the visionary that his defenders claim, then he should have foreseen that the AL would not let the NL claim the two biggest markets in California for themselves. Of course, having an enervated club up the coast wasn't exactly to the Dodgers detriment.

The Giants were the most successful franchise in the NL until Brooklyn's emergence after World War II, and they were the only real competition for the Dodgers in the 1950s. Prior to leaving New York, the Giants had won five World Championships after (1901); since then, *nada*. Prior to the move, the Giants had won 15 NL pennants; since then, only three.

From 1945–56, the Giants attendance in New York was above the league average two thirds of the time. From 1959–66, attendance in San Francisco was above the NL average; after that, it was below league average every year save one until the opening of Pac Bell Park. How does the Giants' decades-long struggle in northern California, which was inextricably linked to the Dodgers, become part of an unqualified success story?

The passion and controversy generated by O'Malley's move was so great that neither camp has prevailed with the passage of time. Almost half a century later, neither side has been able to claim that history has clearly vindicated its position. The Dodgers have been very successful in Los Angeles, but their National League replacements in New

York City, the Mets, have also been quite successful. The Mets have drawn well when they were winning and poorly when they weren't, but they have prospered even in the down times by broadcasting most of their games and reaping the huge media revenue. What a surprise.

What if the Yankees—envious and afraid of Toronto, watching their already below-average attendance drop while trapped in an aging ballpark in a shaky neighborhood— had panicked in the early 1990s like the Dodgers did in the mid-1950s. What if the Yankees packed up and moved? Who would judge that as justified? Or reasonable?

Hypothetically, who would dare blame such a move on New York fans and New York politicians?

Whether the great leap to the West Coast was tragic or pioneering, justifications for it and conclusions about it should not be based on historical misapprehensions.



A View from Japan (Continued from page 2)

the Giants, want to keep two leagues. A ten-team league means fewer home games against the Giants and lower revenues for Central League owners.

The economic value of games against the Giants may not last forever, however. TV rates for Giants' games have been decreasing in recent years. A newcomer with new ideas like Livedoor may have more potential for developing the business of baseball in Japan than the existing club administrations.

In the next edition of *Outside The Lines*, I'll report on further developments.

Business of Baseball Committee

The Business of Baseball Committee has new committee co-chairs and a new newsletter editor. The new committee cochairs are Gary Gillette (<u>GGillette@247Baseball.com</u>) and Maury Brown (<u>maurybaseballcrazy@yahoo.com</u>). John Ruoff (<u>jruoff@bellsouth.net</u>) has taken over editing *Outside The Lines*.

Maury Brown has done yeoman's work in putting the committee's website up at <u>http://businessofbaseball.com</u>. The Committee's discussion group has moved. If you are a member of the Committee and want to join, go to <u>http://sports.groups.yahoo.com/group/BusinessofBaseball/</u> or send an e-mail to <u>Business of Baseball-</u> subscribe@yahoogroups.com

The committee leadership has begun to survey the membership and will soon be communicating with you about new directions for the Business of Baseball Committee and the roles you might play in those. If you are not a member of the Business of Baseball Committee and are interested in joining the committee and its work, please contact one of the chairs.

Thank You to Our Contributors

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