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Frank P. Jozsa Jr.

National League Franchises: Team Performances Inspire Business Success

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*To Laddie Sula, Lee Van Scyoc,
and Gary Stone*

Foreword

Widely understood by followers of the game, baseball achieved its distinction as our national pastime both through the calculated cultivation by owners, management, and the media and its emulation by the country's youth in the sandlots and barnyards of America. Baseball's development over the past century and a half mirrors those of the broader society with respect to the challenges associated with institutional, regulatory, and economic change.

What Professor Frank P. Jozsa Jr.—the author of numerous books and articles on the sports industry—provides is twofold: first, a brief historical perspective of the National League highlighting the performance by each team as well as the outstanding managers and players and second, and what is unique in this text, is his discussion of the various factors associated with the success of each team as a business enterprise including what elements have contributed more than others to fan allegiance and what features are most important in determining the success of a team as a profitable organization.

In this regard the book bridges the gap between those of us who enjoy baseball via team loyalties—the author compares several franchise rivalries—and those who seek to better understand the “business” of baseball and the myriad of factors that contribute to it. Fans gain valuable insights and better understand the cost and revenue factors associated with various teams, while the latter group gets a better appreciation of the evolution, challenges, and comparable elements that contribute to the financial success of any sports organization. To put this in a broader perspective: seldom does a year go by without a proposal for, or the building of, a new baseball (or sports) stadium. All participants of such deliberations benefit from a serious reading of Dr. Jozsa's book.

Laddie Sula

Acknowledgments

While organizing, writing, and editing the manuscript for this book during early to mid-2015, several people provided information for it and also helped me in different ways. Most important to my work, Pfeiffer University's library director and assistant professor of library science Lara Little located documents online and collected hundreds of articles about Major League Baseball and its franchises from *Business Week*, *Forbes*, *Fortune*, the *SportsBusiness Journal*, and *Wall Street Journal* and then promptly forwarded them to my email account. I appreciate Lara's conscientiousness, professionalism, and her willingness to spend time and obtain readings for me on baseball business, economics and finance, and other topics in the sport. Truly, Lara is a superstar librarian for the University's administration, faculty, and especially the school's undergraduate and graduate students.

University of Michigan professor of sport management and codirector of the school's Center for Sport Management Rodney D. Fort informed me on how to analyze the historical performances and business success of franchises in baseball's American and National Leagues. He suggested researching, for example, such issues as variations in teams' attendances at their home and away games, extent of support from sports fans and media in the local area, behavior and decisions of franchise owners, minor and major characteristics of cities that host teams, professional sports leagues' rules and policies, and results of managers and ballplayers during different periods of their careers. The coauthor of *Pay Dirt*, Professor Fort, provides sports business data on professional teams at <https://sites.google.com/site/rodswebpages/codes>.

For sharing their knowledge of amateur and professional baseball and the sport's history with me, special thanks to three economics professors. They are Winthrop University's Gary Stone, University of Wisconsin-Oshkosh's Lee Van Scyoc, and Loras College's Laddie Sula who retired from the school a few years ago. As life-long baseball fans their favorite big-league teams from speaking with them are, respectively, the Atlanta Braves, San Francisco Giants, and Chicago Cubs.

After I experienced technical problems with my computer, my fiancé and best friend Maureen Fogle allowed me to use her computer to write a manuscript for this book. Despite my habit of spreading books and files on the floor in our office and also needing time to print copies of chapters many times, she understood how important this project was for me to complete and then submit to the publisher on or before the due date. Thanks to Maureen for her cooperation and patience particularly since my retirement from Pfeiffer University in 2007.

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Introduction

The most prominent and successful organizations in American professional team sports emerged, developed, and matured during the twentieth century. When officially named, these different groups, from most to least experienced in each sport as of their 2014 season, include 114-year-old Major League Baseball (MLB)—American League (AL) and National League (NL)—and then the 98-year-old National Hockey League (NHL), 93-year-old National Football League (NFL), 66-year-old National Basketball Association (NBA), and 19-year-old Major League Soccer (MLS).

Despite internal problems as franchise owner lockouts and player scandals, and also such external issues as economic recessions and government legislation, the teams within these leagues each performed in regular season games, and then if qualified, they competed against each other in various types of postseason playoff series and championships. Consequently, these professional sports leagues and their teams have become important, popular, and unique organizations in American culture and history especially during various years of the twentieth and very early twenty-first centuries.

To organize and schedule games in each of their regular seasons and postseasons, professional leagues encourage and promote their teams to exist for years and even decades within small, midsized, and large metropolitan areas and appeal to fans in local, regional, national, and even international sports markets. Essentially teams perform to provide entertainment for spectators by competing in home and away games at various arenas, ballparks, and stadiums and by operating as commercial enterprises in order to generate maximum cash flows, revenues, and profits. For various reasons, however, some leagues previously based in American metropolitan areas ultimately folded because their clubs had financial problems; inferior owners, coaches, managers, and players; apathetic fans; and/or simply were underachieved for periods while playing rivals in their division or conference.

Purpose and Scope

From researching such sport-specific sources as books, journals, newspapers, and websites and studying demographic, economic and financial data, and other information, *National League Franchises* highlights and analyzes 15 teams' historical regular season and postseason performances and provides a recent financial profile of them while being competitive, popular, and profitable or unprofitable enterprises. Certainly this is an important, newsworthy, and unique topic for various audiences because it includes existing big-league baseball franchises and reveals how effectively each of them competed and also operated, survived, and prospered from a business perspective.

Literature Review

Since the 1950s, several books focused on the history and commercialization of professional baseball and specifically MLB's growth, maturity, and prosperity. This section summarizes the contents of four titles because they include or refer to one or more concepts, subjects, and themes discussed in *National League Franchises*. For other references on professional baseball franchises and/or MLB and its regular seasons and postseasons, the Bibliography contains research to investigate in articles, books, dissertations and theses, Internet sources, and media guides.

The Business of Major League Baseball (1989) rigorously analyzes modern baseball from an economic perspective. Based on several reforms and numerous events in the sport from the mid-1970s to late 1980s, the author wrote about the industry and improvements in modeling racial discrimination in professional baseball and such things as salary arbitration, tax sheltering, and other decisions of team owners whether individuals or groups and also about the profitability of teams, importance and impact of television on generating revenues, and understanding disputes between free agents, who represent players, and MLB franchise owners. The volume, in fact, updates some findings reported in *Government and the Sport Business: Studies in the Regulation of Economic Activity* (1974).

A scholarly and well-researched book, *Pay Dirt* (1992) reveals and evaluates in part the market for and value of professional sports franchises, emergence and success of leagues in different sports, and the financial returns and economic risks of investing in professional teams. It has a 150-page technical and data supplement, an extensive bibliography of publications, and a detailed index of names. In short, *Pay Dirt* exposes the complex and entrepreneurial aspects of team sports and also merges factual and entertaining anecdotes with economic laws, models, and principals.

To focus on the sport from the 1950s to early 2000s, *Baseball, Inc.: The National Pastime as Big Business* (2006) examines the commercial elements of organized baseball and emphasizes its dual role as both a competitive sport and profitable business. Twenty-five essays cover such areas as business and finance, human resources, international relations, management and leadership, and sports marketing.

By discussing topics like free agency, skills of international players, optimum pricing strategies, revenue sharing, sport consumer markets, and player unionization, the author introduces readers to important business issues and specific challenges for professional baseball officials, leagues, and their teams.

Major League Baseball Expansions and Relocations (2009) identifies and analyzes two interesting but extraordinary and strategic phenomena that transformed the sport. First is the expansion of franchises in the AL from 1961 to 1998 and NL since 1878. Second is the extent to which teams in these leagues moved from their home site in a sports market to another nearby or distant in order to survive, win more games, and/or improve their financial status. In the book, historical demographic statistics, economic data, and baseball-specific information are applied to measure and interpret the short- and long-run consequences of these leagues' expansions and teams' relocations.

Book Overview

After the front matter, which consists of the Foreword, Acknowledgments, Abbreviations, and the Introduction, *National League Franchises* includes the chapters followed by an Appendix and then the Bibliography and Index. As such, the following describes the organization of these chapters and also facts about their contents.

While the Foreword, Acknowledgments, and Abbreviations are self-explanatory, each chapter discusses an NL franchise. Organized into two major sections—Team Performances and Franchise Business—the former includes subsections' Franchise Timeline and Team Highlights, while the latter section consists of Team Financials and Other Business.

More specifically, the chapters denote when, where, and how effective these MLB teams performed and their financial status and significance as members of an elite professional baseball league. Readers learn, for example, which of them won World Series, pennants, and division titles while owned by various individuals or groups and led by different managers and players. The contents also explain why some teams have succeeded more than others based on such things as attendances in games at their ballparks and their market size, economic value, and types and amounts of revenue.

Within chapters, franchises are compared to current rivals in their division like the Atlanta Braves and New York Mets in the NL East Division, Chicago Cubs and Pittsburgh Pirates in the Central Division, and Arizona Diamondbacks and Colorado Rockies in the West Division. Furthermore, teams whose nickname had most recently changed are included in the analysis but not those who formally existed at prior locations. For example, there is a chapter on the Miami Marlins but not the New York Giants. In other words the book answers questions about the history, productivity, and prosperity of baseball's least, average, and most prominent teams during their regular seasons and postseasons.

National League Franchises was written and published for current and prospective owners and executives of MLB franchises and potential investors in these organizations; the MLB commissioner and his staff; practitioners and scholars who research the sports industry; college and university professors who teach undergraduate and graduate students majoring in sports administration, business, economics, management, and/or history; and baseball fans especially of AL teams.

Abbreviations

AA	American Association
AAA	Triple A
ABI	Anheuser-Busch Inc.
AFL	Arena Football League
AL	American League
ALCS	American League Championship Series
ALDS	American League Division Series
AP	Associated Press
BA	Batting average
BBWAA	Baseball Writers Association of America
CBP	Colorado Baseball Partnership
CBS	Columbia Broadcasting System
CEO	Chief executive officer
CL	Continental League
D.C.	District of Columbia
D-Backs	Diamondbacks
ERA	Earned run average
ESPN	Entertainment and Sports Programming Network
FL	Federal League
GBM	Guggenheim Baseball Management
GG	Gold Glove
GP	Guggenheim Partners
GWU	George Washington University
HRs	Home runs
JRS	Joe Robbie Stadium
LLC	Limited Liability Corporation
LMC	Limited Media Corporation
LP	Limited partnership
MASN	Mid-Atlantic Sports Network
MEG	Mandalay Entertainment Group
MGP	Managing general partner

MLB	Major League Baseball
MVP	Most valuable player
NA	National Association
NAPBBP	National Association of Professional Base Ball Players
NBA	National Basketball Association
NBC	National Broadcasting Corporation
NC	North Carolina
NFL	National Football League
NHL	National Hockey League
NL	National League
NY	New York
NYC	New York City
PCL	Pacific Coast League
PL	Players League
RBI	Runs batted in
RCI	Rogers Communications Inc.
RSN	Regional Sports Network
SFLI	Sports Fan Loyalty Index
SJM	Stadium Journey Magazine
SNY	SportsNet New York
SS	Silver Slugger
TWC	Time Warner Cable
U.S.	United States
UPI	United Press International
USD	US Dollars
WCOC	White Stockings/Colts/Orphans/Cubs
WL	Western League
YMCA	Young Men's Christian Association

Part I
East Division

Chapter 1

Atlanta Braves

From 1876 to 1952, the Boston Braves won 10 National League (NL) pennants and a World Series in 1914. Throughout the final three decades of this period, however, the club was purchased and sold several times because of financial troubles. After Lou Perini and his brothers acquired 100 % of the franchise in 1952, they moved it to Milwaukee, Wisconsin, and renamed their team the Milwaukee Braves.¹

While in Milwaukee, Braves teams were popular and successful for several years. In 1957, they won a pennant and World Series and then 1 year later another NL title but lost the World Series to the American League (AL) New York Yankees in seven games. Such managers as Charlie Grimm, Fred Haney, and Bobby Bragan each won more than 300 games, while hitters Hank Aaron, Eddie Matthews, and Joe Adcock and pitchers Warren Spahn, Lew Burdette, and Tony Cloninger led their teams to winning seasons. At the County Stadium, the Braves' home attendance ranged from 2.2 million in 1957 to less than 600,000 in 1965.

During the early to mid-1960s, Milwaukee's performances declined and so did the number of fans at its home games. From 1961 to 1965, for example, the Braves finished no higher than fourth in the NL. As a result, the Perinis sold their franchise in 1962 for \$6.2 million to a syndicate headed by Chicago-based businessmen William Bartholomay and Donald Reynolds.

Within a few months, owners Bartholomay and Reynolds shopped the Braves to cities with a larger television market than Milwaukee. Keen to attract them, the fast-growing city of Atlanta, led by Mayor Ivan Allen Jr., constructed a new \$18-million, 52,000-seat ballpark in less than 1 year. With Atlanta Stadium, which officially opened in 1965, the mayor, local business leaders, and Georgia public officials tried to attract an existing Major League Baseball (MLB) and/or professional football team to the area. After the city failed to lure the AL Kansas City Athletics to Atlanta,

¹For the Braves' history since moving from Milwaukee to Atlanta in 1966, see Frank P. Jozsa Jr., *Major League Baseball Expansions and Relocations: A History, 1876–2008* (Jefferson, NC: McFarland, 2009), and James Quirk and Rodney D. Fort. *Pay Dirt: The Business of Professional Team Sports* (Princeton, NJ: Princeton University Press, 1992).

the Braves announced their intention to move there for the 1965 season. However, an injunction filed in Wisconsin kept the Braves in Milwaukee for another year. In early 1966, the Braves completed their relocation from Milwaukee to Atlanta in time to play in the NL's regular season.

Next are some important concepts, topics, and historical facts about the Atlanta Braves and their performances while in the NL from 1966 to 2014. This information includes dates and special managers, players, and events regarding the franchise during its years competing in regular seasons and postseasons of the league and as a member of the West Division and then the East Division.

Team Performances

Franchise Timeline

From 1966 to 1968, the Braves finished fifth, seventh, and fifth in the NL. After struggling through mid-August of MLB's 1969 season, the club outplayed the San Francisco Giants and Cincinnati Reds to win their first West Division title by three games. In the NL Championship Series (NLCS), the Braves lost to the New York Mets. Atlanta pitcher Phil Niekro won 23 games in the regular season, while Hank Aaron slugged 44 home runs (HRs) and had 97 runs batted in (RBIs). Five years later, Aaron broke Babe Ruth's all-time HR record in early April by hitting his 715th off of Los Angeles Dodgers' Al Downing.²

In 1982, Atlanta outfielder Dale Murphy won the first of two consecutive Most Valuable Player (MVP) awards. He paced the team to a West Division title by hitting 36 HRs in addition to 109 RBIs. The Braves set a then-MLB record by winning their first 13 games. But in the NLCS, they were swept by the St. Louis Cardinals. Meanwhile, former player Hank Aaron was elected to the National Baseball Hall of Fame.

The Braves made history in 1991 by becoming the first team ever to reach the World Series just one season after having baseball's worst record (65–97 and sixth in 1990). In fact, they clinched their division during early October, after an eight-game winning streak with the first six coming on the road, to set Atlanta records of 94 wins and more than 2.1 million in attendance at Atlanta-Fulton County Stadium. After winning the NLCS in seven games, infielder Mark Lemke then turned the World Series into a personal showcase by hitting 0.417 and helping push the AL Minnesota Twins to Game 7 before losing to them 1–0 in 10 innings. Braves pitcher Tom Glavine received the Cy Young Award, while infielder Terry Pendleton won the batting title and named league MVP. Bobby Cox became the Baseball Writers Association of America (BBWAA) and Associated Press (AP) NL Manager of the Year, general manager John Schuerholz earned United Press International (UPI) NL Executive of the Year, and Baseball America honored Atlanta by naming it Organization of the Year.

²Each MLB team has a timeline on its website. For example, this franchise's information is at <http://www.atlanta.braves.mlb.com>.

In 1992, the Braves became the first NL team to win back-to-back pennants since the 1977–1978 Dodgers while setting a new franchise record with a major league leading 98 victories. Atlanta then met Toronto in the first International World Series with the Blue Jays prevailing in six games. During the regular season, a few of the Braves' important players included hitters Terry Pendleton and Deion Sanders and pitchers Tom Glavine and John Smoltz.

The Braves opened the 1994 MLB season in the newly aligned NL and attempted to win a fourth straight division title in their new home, the East Division. Winning their first seven games, all on the road, it was the second best start in Atlanta history and a modern league record for consecutive wins on a season-opening road trip. The Braves set an Atlanta record for runs scored in their 19–5 victory at Chicago on April 15. Within 3 days, they hit three consecutive HRs twice to become the first team in MLB history to achieve that feat. Bobby Cox became MLB's 41st manager to win at least 1000 games.

One year later (1995), the Braves won their first World Series in 38 years. This was the first world championship for the city of Atlanta in a major professional sport, while the Braves also entered the record books as the first franchise to win the World Series in three different cities. By winning their division, the Braves became the first NL team to finish first in four consecutive completed seasons since the 1921–1924 New York Giants.

In 1996, the Braves made their fourth trip to the World Series out of the last five seasons. Although they beat the Dodgers in the NLDS and then the Cardinals in the NLCS, Atlanta was unable to defend its title as the Yankees won the championship in six games. This was the Braves' final year at Atlanta-Fulton County Stadium before opening 50,091-seat Turner Field.

The Braves won an MLB-high 101 games and an unprecedented sixth straight division title in 1997 but failed to reach the World Series for the first time since 1993 when the Florida Marlins won the NLCS. The six consecutive first-place finishes eclipsed the old mark of five straight set by the New York Yankees in 1949–1953 and Oakland Athletics in 1971–1975. The Braves also set an MLB record for April with 19 victories.

Atlanta overcame the loss of several key players in 1999 to capture their fifth NL pennant of the 1990s. After defeating the Astros in the NLDS and Mets in the NLCS, they played the Yankees in the World Series. Despite having two eighth-inning leads each in Games 1 and 3, they failed to maintain them and lost four straight to New York.

The Braves claimed their ninth straight division title in 2000 but saw their streak of eight consecutive appearances in the NLCS end when they were swept in the NL Division Series (NLDS) by the Cardinals. Despite losing pitcher John Smoltz for the season and infielder Quilvio Veras for the second half of it, the Braves still had 95 victories becoming only the third team in MLB history, following the Yankees in 1947–1958 and Cubs in 1904–1912, to record 90-plus wins in at least nine consecutive completed seasons.

Atlanta's 101 victories in 2002 allowed Bobby Cox to become the first NL manager to record at least 100 or more wins five different times. Cox, who had his 1800th career win during the season, guided the Braves to their 11th consecutive

division title and winning it by 19 games. Led by slugger Barry Bonds, outfielder Kenny Lofton, and pitcher Russ Ortiz, the San Francisco Giants defeated the Braves in five games and won the NLDS.

In manager Bobby Cox's final season (2010), his club overcame a sluggish start and tough September before clinching the NL wild card spot on the regular season's final day. Cy Young Award candidate Tim Hudson, rookie outfielder Jason Heyward, and veteran relief pitcher Billy Wagner were heroes for Atlanta. Although the Braves endured a nine-game losing streak in late April, they managed to produce a surge that carried them to the top of their division by the end of May. In the postseason, the Giants beat the Braves in four games.

A year after experiencing an epic September collapse, the Braves notched 94 wins and returned to the postseason in 2012 for just the second time since their streak of 14 consecutive division titles. Their trip to the postseason consisted solely of a 6–3 loss to the Cardinals in the first one-game wild card playoff in NL history. This proved to be the final game in the storied career of Atlanta's all-star infielder Chipper Jones, who announced in March his plan to retire at the end of the season.

After 96 wins and their first division title since 2005, the Braves entered 2014 with high expectations. Even so, they exited the season in one of the club's most disappointing campaigns in more than 20 years. While the pitching staff exceeded expectations set during spring training, the offense scored the second fewest runs in MLB. As a result, general manager Frank Wren was fired in late September, and the new front office, led by John Hart, aggressively began strengthening for the future by trading such popular but expensive players as Jason Heyward, Justin Upton, and Evan Gattis.

Team Highlights

From 1966 to 2014, Braves teams won 4039 of their total games or approximately 52 % of them. In total number of wins and then winning percentage, respectively, they ranked eighth and then tied percentagewise for second with the Cardinals in the NL. Among the 15 MLB clubs, the Chicago Cubs had the most wins, while the Los Angeles Dodgers led the group with the highest winning percentage.³

Compared to other NL teams as of 2014, the 49-year-old Braves tied for 10th with the Arizona Diamondbacks in winning one World Series. Also, they were eighth with 5 NL pennants, first with 17 division titles, and tied for second with the Dodgers in appearing in 19 NL playoffs. With respect to only the league's East Division teams, Atlanta had more World Series championships than the Washington Nationals, fewer pennants than the Philadelphia Phillies, and the most division titles and number of playoffs. Thus, the Braves have been below-average in winning World Series, average in NL pennants, but much better than rivals in competing for and earning division titles (Appendix Table 1).

³Sources include the *Official Major League Baseball Fact Book 2005 Edition* (St. Louis, MO: Sporting News, 2005) and "Teams," <http://www.baseball-reference.com> cited 28 January 2015.

Since 1966, there have been superior to inferior managers and players for the Atlanta Braves franchise. Regarding the former group, manager Bobby Cox won 2147 games and with more than 200 each were Lum Harris, Joe Torre, and Fredi González. Alternatively, the least successful included managers Ken Silvestri, Connie Ryan, Ted Turner (0–1 in 1977), Eddie Haas, and Bobby Wine. For his managerial leadership, Cox was the NL Manager of the Year in 1991, 2004, and 2005.

Some Braves players were career leaders and established records for the team as hitters and pitchers. Among the most productive hitters, Atlanta featured Hank Aaron in games played, at bats, hits, total bases, doubles, HRs, RBIs, and extra-base hits, Otis Nixon in stolen bases, and Chipper Jones in batting average. Other batters with outstanding seasons included Dale Murphy, Ralph Garr, Terry Pendleton, and Fred McGriff. During their careers, players' Aaron, Jones, Murphy, and Pendleton each won NL MVP awards.

As pitchers with excellent years for the Braves, Phil Niekro led in games pitched and strikeouts, Craig Kimbrel and John Smoltz in saves, Warren Spahn in wins and innings pitched, and Greg Maddux in earned run average (ERA). Besides them, other successful pitchers were Tom Glavine and Tony Cloninger. Maddux won three Cy Young Awards, Glavine two, and Smoltz and Spahn one each. Niekro, Spahn, Maddux, Glavine, and Smoltz are in the National Baseball Hall of Fame.

By decade, Atlanta teams won more games in the 1990s (925) than in the 2000s (892), 1970s (725), 1980s (712), and 1960s (312). Furthermore, they were in consecutive playoffs in 1991–1993, 1995–2005, and 2012–2013. Truly, these were the most successful seasons for the team in its history.

Franchise Business

Atlanta businessman Ted Turner purchased the Braves in 1976 for \$11 million from owners William Bartholomay and Donald Reynolds. Turner, who also acquired a majority of the NBA Atlanta Hawks in 1977, used the Braves as a business strategy to bring attention to his burgeoning cable empire that eventually evolved into CNN, Turner South, and TBS. Originally the home of old movies, TBS carried Braves games nationally for more than 30 years, but the relationship expired after MLB's 2007 season.

Turner remained associated with the ball club and his cable product when TBS merged with Time Warner in 1995. He was the vice-chairman of the company, which eventually also merged with AOL, until his resignation in 2003. Three years later, Turner severed his role with the board of directors.

In a complex \$450-million stock-for-purchase deal completed in May 2007, Time Warner sold the team to Liberty Media Corporation (LMC). Basically, LMC exchanged approximately 68.5 million shares of Time Warner common stock, subject to a working capital adjustment, for a newly created subsidiary of Time Warner that held the Braves, Time Inc.'s Leisure Arts Inc., and \$960 million in cash.⁴

⁴“Braves Sale is Approved,” <http://www.m.mlb.com> cited 8 August 2015.

As of May 2015, billionaire entrepreneur John Malone has been LMC's chairman and chief executive officer. In addition, he served as chairman emeritus of the board for Cable Television Laboratories Inc. and as chairman of Liberty Global Inc.

Team Financials

Since 2012, there have been two important, newsworthy, and reputable studies that revealed and used detailed financial data to determine the business success and prosperity of MLB franchises. One study was performed by sportswriters at *Forbes* magazine and published in late 2014, while the other appeared online in an article by Bloomberg Inc.⁵

When completed, the studies had similar conclusions but different amounts for revenue and other financials because of such things as their accounting methodology, data sources, empirical models, years, and types of accounts. Next is what sportswriters at *Forbes* analyzed and reported for the Braves followed by major elements and significant findings contained in the Bloomberg Inc. study.

Regarding the data published in *Forbes* for NL franchises, the Braves ranked seventh in market value at \$730 million, sixth in revenue at \$253 million, and ninth each in gate receipts at \$61 million and players' payroll at approximately \$107 million. Furthermore, the club's debt-to-value ratio was zero percent and the lowest in the league. Among the five East Division teams, Atlanta's market value placed third and revenue second to the Phillies' \$265 million. Moreover, the club's gate receipts were the fourth highest in the division, and its players' payroll was less than those of the Phillies and Nationals. Based on this information and other data, the Braves are average financially relative to other teams in the NL and within their division (Appendix Table 2).

Despite different amounts reported in the Bloomberg Inc. study for the 15 NL teams, the Braves' total market value ranked eighth at \$760 million and team value seventh at \$648 million. For other finances, its revenue was eighth, gate receipts eleventh, concession sales tied for eighth with the Nationals, sponsorships seventh, and media rights second. Also, the franchise had neither a net gain (subsidy) nor net loss (subsidy payment) in revenue sharing. Except for media rights, the Braves had average financial results compared to their competitors.

Other Business

In October 2014, the Stadium Journey Magazine (SJM) studied each MLB ballpark according to a scale that included food and beverage in the ballpark, overall atmosphere, neighborhood where the stadium was located, fans, access (parking,

⁵Read "The Business of Baseball," <http://www.forbes.com> cited 28 January 2015, and "Major League Baseball Valuations," <http://www.bloomberg.com> cited 2 February 2015.

traffic, restrooms, and handicap accessibility), overall return on investment, and any special or unique features. The ratings of SJM's readers served as the primary tie-breaker and encouraged them to share their views of any team's ballpark.

Among the 30 MLB stadiums, Turner Field ranked 12th overall and superior to those of the Marlins, Mets, and Nationals in the NL's East Division. In rating the Braves' ballpark, author Paul Swaney declared: "The 1996 Olympics were awarded to Atlanta, and the city quickly began work on a new stadium to host them. After the Games concluded, the stadium was transformed and became the new home of the Atlanta Braves. The longest continually operating franchise in baseball began a new era in a park that quickly gained a reputation as being one of the best in MLB. Turner Field is now approaching its 20th year of operation, and even though you can see the park aging, it is still a can't-miss experience for any fan of the game."⁶

Annually, Brand Keys Inc. publishes a Sports Fan Loyalty Index (SFLI) for teams in MLB and other professional sports. The SFLI—which provides a comparison of the intensity with which fans within a team's standard metropolitan statistical area support the home team versus corresponding values for fans of other teams in that market—is driven by *pure entertainment* or how well a team does but, more importantly, how exciting is their play; by *authenticity* or how well they play as a team, which can be influenced by such factors as a new stadium or new manager; by *fan bonding* or how well players are respected and admired; and by *history and tradition* or how well the game and team are part of a fan's and community's rituals, institutions, and beliefs. Among the NL teams in 2014, the Braves were 3rd in the SFLI and within the East Division ranked below the Phillies (2nd) but above the Nationals (9th), Marlins (tied for 16th), and Mets (23rd).⁷

Expected to be finished in 2017, the Braves' new \$672 stadium in Georgia's Cobb County will be constructed with approximately \$372 million of public money. The ballpark will be near the interchange of two interstate highways, and the team plans to develop a \$500-million complex next to it that includes a hotel, office space, apartments, and stores. Under the stadium's operating agreement, county officials have the ability to use the stadium for at least three events, or 10 days, each year. The Atlanta-Fulton County Recreation Authority, or simply The Authority, will own the stadium until the county completes its payments. The Braves, who will manage the facility on a daily basis, could later purchase the stadium for 50 % of its fair market value and use revenue from rent, parking, advertising, and naming rights to pay their share of the cost.⁸

⁶The reference for contents of this survey is Paul Swaney, "2014 MLB Ballpark Experience Rankings," <http://www.stadiumjourney.com> cited 23 February 2015.

⁷Two articles for this topic are Barry Janoff, "Report: When It Comes to 2014 MLB Fans, the Most Loyal Group is in the Cards," <http://www.nysportsjournalism.com> cited 23 February 2015, and "MLB Team Loyalty Winners and Losers," <http://www.brandkeys.com> cited 14 February 2015.

⁸Interesting articles about the Braves franchise are "Atlanta Braves to Leave 'Old' Park for Cobb County in 2017," *Wall Street Journal* (11 November 2013): 1, and Eric Fisher, "Braves, SunTrust Move Quickly, Quietly on Ballpark," *SportsBusiness Journal* (22 September 2014): 8.

Chapter 2

Miami Marlins

To pursue and own a Major League Baseball (MLB) expansion franchise, Blockbuster Entertainment Corporation's chief executive officer H. Wayne Huizenga formed a syndicate during early 1990 and purchased 50 % of Joe Robbie Stadium (JRS) and 15 % of the National Football League (NFL) Miami Dolphins. Then, in September, a National League (NL) expansion committee heard presentations from three South Florida groups and one from the Miami Beacon Council. Three months later, the NL revealed six possible expansion sites. In no specific order, those were South Florida, Tampa-St. Petersburg, Orlando, Denver, Buffalo, and Washington, DC.¹

During January 1991, renovations began to transform JRS into a friendlier and more lucrative and scenic facility for baseball and football fans and other spectators. Later, the stadium hosted two exhibition games between the American League (AL) New York Yankees and Baltimore Orioles before an estimated 125,000 people. After MLB commissioner Fay Vincent announced South Florida and Denver as the two areas chosen by the expansion committee, NL franchise owners met in California where an ownership committee unanimously approved the two groups, and their teams named, respectively, Florida Marlins and Colorado Rockies. Each group, in turn, paid a fee of \$95 million to the league for their successful bid.

Besides renovating JRS to accommodate professional baseball and its fans for the 1993 MLB season, Huizenga requested and received a waiver from MLB and the Entertainment and Sports Programming Network (ESPN) allowing his team to play home games on Sunday evenings to avoid excessively hot and humid summer days in southeast Florida. Years before, in fact, the AL Texas Rangers obtained a similar agreement from MLB for some of their weekend games at Amerquest Field in Arlington.

¹For the Marlins and other big-league teams, see Frank P. Jozsa Jr., *Major League Baseball Expansions and Relocations: A History, 1876–2008* (Jefferson, NC: McFarland, 2009), and James Quirk and Rodney D. Fort, *Pay Dirt: The Business of Professional Team Sports* (Princeton, NJ: Princeton University Press, 1992).

Next are some important concepts, topics, and historical facts about the Marlins and their performances while in the NL from 1993 to 2014. This information includes dates and special managers, players, and events regarding the franchise during its years competing in regular seasons and postseasons of the league and as a member of its East Division.

Team Performances

Franchise Timeline

In February 1993, the Marlins dedicated their training complex in Brevard County, Florida. Being the franchise's majority owner, Huiזenga announced that the facility would be named the Carl F. Barger Complex. At their inaugural spring training game there, the team defeated the Houston Astros. To officially start as a member of the NL's East Division in early April, the Marlins beat the Los Angeles Dodgers to win their first regular season game before a sellout crowd of 42,334 spectators at JRS. As the club's first all-stars, infielder/outfielder Gary Sheffield hit a home run, while Bryan Harvey pitched in the eighth inning at MLB's all-star game in Baltimore's Camden Yards. When the 1993 season ended, the Marlins surpassed three million in attendance at their home games in JRS.²

Three years later, manager Rene Lachemann was fired during midseason, and John Boles replaced him to become the second manager in club history. Meanwhile, Pro Player, the sports apparel brand of Fruit of the Loom, sponsored renaming JRS to Pro Player Stadium. When the 1996 season ended, Jim Leyland succeeded Boles and became the Marlins' third manager since 1993.

Because of such players as sluggers Moises Alou, Manny Ramírez, and Sandy Alomar and pitchers Kevin Brown, Alex Fernandez, and Al Leiter, the Marlins finished second in their division to the Atlanta Braves and clinched their first-ever postseason berth in 1997. Florida won the NL Division Series (NLDS) by sweeping the San Francisco Giants in three games and then defeated the Braves in six games in the NL Championship Series (NLCS). On 26 October, Marlins shortstop Edgar Renteria's two-out single in the bottom of the 11th inning scored Craig Counsell in game seven of the World Series to win the championship.

A few memorable events occurred for the Marlins in 1999. For example, MLB owners unanimously approved the sale of the team from H. Wayne Huiזenga to billionaire John Henry. Several months after being introduced as chairman of the franchise at a news conference at Pro Player Stadium, Henry unveiled his vision of a new ballpark and revealed several possible sites. These included somewhere near the Miami River and also Bicentennial Park, Miramar, Davie, Lauderdale, and downtown Fort Lauderdale. Then, in October, Marlins officials narrowed the list of potential

²Each MLB team has a franchise timeline on its website. Information and data about the Marlins are available at <http://www.miami.marlins.mlb.com>.

locations to Bicentennial Park and downtown Fort Lauderdale. Two months later, the Marlins announced Bicentennial Park in downtown Miami as the site for their new ballpark and named HOK Company the design architect and architect of record.

In January 2002, MLB's franchise owners approved the sale of the Boston Red Sox to current Marlins owner John Henry, pending the sale of the Marlins to Jeffrey Loria. Then, 1 month later, baseball's owners approved the sale of the Marlins to Loria who named David Samson as the club's president, Larry Beinfest as general manager, and Jeff Torborg as manager. Despite these changes in ownership and the team's front office, Florida finished fourth in the NL East Division and 23 games behind the Atlanta Braves.

On 25 October 2003, Florida's Josh Beckett pitched the Marlins to a 2–0 win in Game 6 of the World Series. This was the first time since 1981 that the New York Yankees had been eliminated from the postseason at Yankee Stadium. Prior to defeating New York, the Marlins beat San Francisco in the NLDS and then Chicago in the NLCS. While Jeff Conine and Juan Pierre hit over 0.300, pitcher Beckett was the Most Valuable Player (MVP) in the Series.

After winning a World Series in 2003, the Marlins entered 2004 with high hopes and a mostly different roster of players. Retaining a few stars from their title team, the Marlins fell short of reaching the postseason. Nevertheless, they posted the third winning season in franchise history, boasting an 83–79 record. Florida pitchers Carl Pavano and Armando Benitez had record-setting performances, and along with Mike Lowell and Miguel Cabrera, they enjoyed all-star seasons, while Luis Castillo won his second straight Gold Glove at second base.

What was set up to be a historic year in Marlins history failed to live up to its expectations because Florida struggled down the stretch in 2005 and thus fell shy of the playoffs for a second consecutive year. There were unique moments, however, including a 9–0 win in the opening game and the debut of newly signed slugger Carlos Delgado at first base.

Being the underdog of its division brought out the best in the 2008 squad. Manager Fredi González earned praise for his leadership and finished third in the NL Manager of the Year voting for guiding the franchise to its first winning season since 2005. The 84 wins were also the third most ever by a Marlins club. With the lowest payroll and one of the youngest teams in the league, the Marlins relied on power hitters to propel them to third in the NL East Division. In fact, the team belted a franchise-record 208 home runs (HRs) and set an MLB record by having four infielders each clout at least 25 of them.

For the second consecutive year, the Marlins were competitive for most of the 2009 season in the race for the NL playoffs. But, they eventually finished short of that goal. Florida was as close as 3 1/2 games back of first place in the league's East Division during mid-August and hung around for the wild card spot. Their 87 wins, however, were the third most in franchise history. After a series of legal battles, the Marlins were guaranteed a new ballpark for the start of the 2012 season.

The 2011 MLB season was the final year of the franchise being named Florida Marlins while playing their home games at Sun Life Stadium. After an encouraging 2 months, the season unraveled in June, which became the worst month in club

history. Frustrated by the mounting losses, Edwin Rodríguez resigned as manager during mid-June. The following day, Jack McKeon was hired as interim manager. Being 80 years old, McKeon became the second oldest manager in MLB history. Only Hall of Famer Connie Mack, at 87, managed an MLB team at an older age. The Marlins turned around their season under McKeon, reaching 0.500 in early August. The success was short-lived, however, as injuries to infielders Hanley Ramírez and Omar Infante proved too costly for the club to make a dramatic push to the NL playoffs.

After 19 seasons of sharing Sun Life Stadium with the Miami Dolphins, the Marlins played their first official game in April 2012 at their own retractable-roof ballpark named Marlins Park. While the team lost on the opening day to the Cardinals before 36,601 spectators, new manager Ozzie Guillén apologized for the comments he made to *Time Magazine* regarding Fidel Castro. For his remarks, Guillén was suspended by the team for five games. During May, slugger Giancarlo Stanton belted 12 HRs and had 30 RBIs. Being one of the most productive months ever by a Marlins player, it earned Stanton the NL Player of the Month award. When Miami beat the Washington Nationals at Marlins Park on May 30, the club set a franchise record for wins in any month with 21. Although they were a just one-half game out of first place, that was their closest to leading the East Division race for the rest of the season.

In the 2013–2014 seasons, Miami teams won 42 % of their games and finished fourth in 2013 and then 1 year later fifth in the NL East Division. To improve the team in the 2015 season, the Marlins signed former Yankees outfielder Ichiro Suzuki. He agreed to a 1-year, \$2 million contract and established an all-time world record in 2015 for runs scored by a professional baseball player.

Team Highlights

The Florida Marlins (1993–2011), renamed Miami Marlins (2012–2014), won 1643 of their total games or approximately 47 % of them. Among NL teams as of 2014, the club's number of wins ranked 12th, while its winning percentage tied for 10th with the Mets, Phillies, and Nationals in the league's East Division. In comparison, the Cubs had the most career wins (10,511), and Dodgers had the highest winning percentage (53 %).³

For their specific performances, the 22-year-old Marlins tied for 6th with the Mets, Phillies, and Cubs in winning two World Series, tied for 10th with the Padres with each two NL pennants, tied for 14th with the Rockies with zero division titles, and tied for 14th with the Nationals in the number of playoff appearances. Based on these results historically, this has been a low-performance team (Appendix Table 1).

³Sources for team highlights include “Teams,” <http://www.baseball-reference.com> cited 28 January 2015, and the *Official Major League Baseball Fact Book 2005 Edition* (St. Louis, MO: Sporting News, 2005).

Within their division as of 2014, the Marlins had more World Series wins than the Braves and Nationals; fewer pennants than the Braves, Mets, and Phillies; the least number of division titles; and tied with the Nationals with playing in the fewest playoffs. Except for World Series championships, the Marlins have performed below average in the NL and against rivals in their division because of various factors including their lack of talented managers and players, relatively low payroll amounts, small attendances at home games, and short, intermediate, and long run mistakes and wrong decisions of front office personnel and different owners.

Since 1993, there have been superior to inferior managers and players for the Florida/Miami Marlins franchise. Among the former group, Fredi González won 276 games, Rene Lachemann 221, and John Boles 201, while Jim Leyland, Jeff Torborg, and Jack McKeon led their clubs to World Series victories. Besides Torborg, managers with fewer than 100 wins each were Cookie Rojas, Tony Pérez, Brandon Hyde, Ozzie Guillén, Joe Girardi, and Edwin Rodríguez. When named Florida Marlins, McKeon and Joe Girardi were each NL Manager of the Year.

Some Marlins players were career leaders and established records for the team as hitters and pitchers. As batters, these included Luis Castillo in games played, at bats, runs, hits, triples, and stolen bases, Hanley Ramírez in total bases and extra-base hits, Mike Lowell in doubles, Mike Lowell and Jeff Conine in RBIs, Giancarlo Stanton in HRs, and Kevin Millar and Miguel Cabrera in batting average. Such hitters as Cliff Floyd, Preston Wilson, Gary Sheffield, Alex Gonzalez, FCharles Johnson, Derrek Lee, and Juan Pierre also had some outstanding seasons.

Being pitchers with excellent performances for the Marlins, Braden Looper led in games pitched, Robb Nen in saves, A. J. Burnett in shutouts, Ricky Nolasco in wins and innings pitched, Ryan Dempster in strikeouts, and Kevin Brown in earned run average (ERA). Besides them, other successful pitchers for various seasons were Brad Penny, Pat Rapp, Chris Hammond, Jesús Sánchez, and Carl Pavano. Pitcher Dontrelle Willis was the Rookie of the Year in 2003, and several others played on NL all-star teams but failed to win a Cy Young Award.

In number of seasons, Marlins teams won only 472 games from 1993 to 1999 but 811 in 2000–2009. Furthermore, two of them were in playoffs and also won World Series in 1997 and 2003. Truly, these were the most successful seasons for the franchise in its 22-year history. Except for 1990, 1994, and 2006–2009, the Atlanta Braves dominated the NL East Division in playoff appearances.

Franchise Business

Born in 1940 and raised in Manhattan, Jeffrey Loria attended New York City's Stuyvesant High School and then Yale University where he initially took premed courses. With a requirement to take a history class, Loria chose art history. After college, he worked in a newly established art-buying program for Sears and in 1965 opened his private art-dealing business on Manhattan's Upper East Side. He

specialized in twentieth-century masters, and his collection included works by Pablo Picasso and Henry Moore.⁴

With an interest in professional baseball, Loria purchased the Texas Rangers' AAA affiliate Oklahoma City 89ers in 1989. Four years later, he sold the team and searched to buy an MLB franchise. After bidding for but failing to purchase the Baltimore Orioles in 1994, he bought a 24 % stake in the NL Montreal Expos for \$18 million (approximately \$12 million USD) and became their managing general partner in 1999. Eventually, Loria acquired 94 % of the Expos and headed an ownership group that included such investors as the city of Montreal and businessman Stephen Bronfman.

As part of an orchestrated move with MLB commissioner Bud Selig and Marlins owner John Henry in 2002, Loria sold the Expos for \$120 million to Expos Baseball LP, a partnership of the other MLB clubs. Henry then sold the Marlins to Loria for \$158.5 million including a \$38.5-million no-interest loan from MLB. The deal, which other franchise owners approved before Loria and Henry signed a contract, paved the way for Henry to buy the AL Boston Red Sox. As a result, Loria moved the Expos' front office and on-field staff from Montreal to Florida.

Team Financials

Since 2012, there have been two important, newsworthy, and reputable studies that revealed and used detailed financial data to determine the business success and prosperity of MLB franchises. One study was performed by sportswriters at *Forbes* magazine and published in late 2014, while the other appeared online in an article by Bloomberg Inc.⁵

When completed, the studies had similar conclusions but different amounts for revenue and other financials because of such things as their accounting methodology, data sources, empirical models, years, and types of accounts. Next is what sportswriters at *Forbes* analyzed and reported for the Marlins followed by major elements and significant findings contained in the Bloomberg Inc. study.

Regarding the data published in *Forbes* for NL franchises, the Marlins ranked 15th each in market value at \$500 million, revenue at \$159 million, gate receipts at \$31 million, and players' payroll at approximately \$46 million. In other words, the other 14 teams had higher amounts for each of these accounts. Despite playing its home games in the league's fifth most populated market, the club is inferior financially and lacks resources and enough income to be consistently competitive in its division (Appendix Table 2).

⁴“Jeffrey Loria,” <http://www.thebaseballpage.com> cited 8 August 2015.

⁵Two important online references for these financial studies are “The Business of Baseball,” <http://www.forbes.com> cited 28 January 2015, and also “Major League Baseball Valuations,” <http://www.bloomberg.com> cited 2 February 2015.

Despite different amounts reported in the Bloomberg Inc. study for the 15 NL teams, the Marlins' total market value ranked 14th at \$595 million, and their value as a team ranked 13th at \$484 million. For other finances, the club's revenue was 11th, gate receipts 8th, concession sales tied for 14th with the Diamondbacks, sponsorships 15th, and media rights 11th. Furthermore, the franchise had a net gain (subsidy receipt) of \$32 million in revenue sharing. In short, the Marlins had below average financial results as a business compared to their rivals.

Other Business

In October 2014, the Stadium Journey Magazine (SJM) studied each MLB ballpark according to a scale that included food and beverage in the ballpark, overall atmosphere, neighborhood where the stadium was located, fans, access (parking, traffic, restrooms, and handicap accessibility), overall return on investment, and any special or unique features. The ratings of SJM's readers served as the primary tie-breaker and encouraged them to share their views of any team's ballpark.

Among the 30 MLB stadiums, Miami's Marlins Park ranked 23rd overall and superior to the Mets' Citi Field but inferior to the Braves' Turner Field, Phillies' Citizens Bank Park, and Nationals' Nationals Park in the NL East Division. In rating the Marlins' ballpark, author Paul Swaney declared: "At one time the idea of the 'cookie cutter' stadium was prevalent throughout Major League Baseball. At some point the cookie cutter just changed and there are numerous stadiums that are newer, but really similar to each other. With Marlins Park being among the newest stadiums in 2014, recognition must be given to the designers for making a very unique ballpark."⁶

Annually, Brand Keys Inc. publishes a Sports Fan Loyalty Index (SFLI) for teams in MLB and other professional sports. The SFLI—which provides a comparison of the intensity with which fans within a team's standard metropolitan statistical area support the home team versus corresponding values for fans of other teams in that market—is driven by *pure entertainment* or how well a team does but, more importantly, how exciting is their play; by *authenticity* or how well they play as a team, which can be influenced by such factors as a new stadium or new manager; by *fan bonding* or how well players are respected and admired; and by *history and tradition* or how well the game and team are part of a fan's and community's rituals, institutions, and beliefs. Among the NL teams in 2014, the Marlins tied for 16th in the SFLI, and within the East Division, they ranked below the Phillies (2nd), Braves (3rd), and Nationals (9th), but above the Mets (23rd).⁷

⁶Paul Swaney, "2014 MLB Ballpark Experience Rankings," <http://www.stadiumjourney.com> cited 23 February 2015.

⁷Barry Janoff, "Report: When It Comes to 2014 MLB Fans, the Most Loyal Group is in the Cards," <http://www.nysportsjournalism.com> cited 23 February 2015.

Marlins owner Jeff Loria opened up his wallet in the off-season (late 2014/early 2015), giving outfielder Giancarlo Stanton the richest contract in MLB history—\$325 million over 13 years. The team also traded for infielder Dee Gordon and pitcher Mat Latos and lured Michael Morse to South Beach by signing the former Giants slugging outfielder/first baseman to a 2-year, \$16-million contract. After 2 years of playing before empty seats at their new taxpayer-financed ballpark, Loria needed to show the locals some love. The Marlins and the county, which paid for the bulk of the team's new \$515-million ballpark, have disagreed whether the \$4.2 million the Marlins spent should be counted toward their \$126 million share of construction costs.⁸

⁸Recent articles about the Marlins franchise were authored by Ira Boudway. They are “Early Returns for Miami’s Notoriously Absent Baseball Fans,” *Business Week* (7 April 2014): 1, and “Why is the Marlins’ Jeffrey Loria the Most Hated Man in Baseball?” *Business Week* (8 April 2013): 1.

Chapter 3

New York Mets

After the National League (NL) Brooklyn Dodgers and New York Giants moved to California following their 1957 Major League Baseball (MLB) season, New York City (NYC) Mayor Robert Wagner appointed a four-person committee to explore the possibility of returning professional baseball to the area. Two years later, local attorney William Shea announced the formation of a third major professional baseball group named Continental League (CL) to begin play in 1961 with one of its charter teams located in NYC.¹

In 1960, however, the CL disbanded after MLB promised that two teams would enter the NL and another two in the American League (AL) as expansion franchises. For a fee of \$1.8 million, the NL awarded a new franchise to a syndicate headed by American businesswoman, heiress, and philanthropist Joan Whitney Payson. Then, in March 1961, the syndicate, whose official corporate title was New York Metropolitan Baseball Club Inc., received a certificate of membership from NL president Warren Giles.

The expansion team's nickname Mets was judged and chosen by Payson and her group because of several reasons. It met public and press acceptance, was closely related to the team's corporate name and descriptive of the metropolitan area, had brevity that delighted copyreaders across America, and also was a historical background referring to the New York Metropolitan team of the nineteenth-century American Association. Besides Mets, other nicknames considered but rejected included Rebels, Skyliners, NYBs, Burros (for five NYC boroughs), Continentals, Avengers, Jets, and Islanders. During mid-April 1962, the Mets played their first home game but lost to the Pittsburgh Pirates at the 55,000-seat Polo Grounds.

In the end, challenges from the newly established CL, threats from Congress to eliminate organized baseball's exemption from antitrust laws, political leadership of

¹For the history of the Mets and other big-league teams, see Frank P. Jozsa Jr., *Major League Baseball Expansions and Relocations: A History, 1876–2008* (Jefferson, NC: McFarland, 2009), and James Quirk and Rodney D. Fort, *Pay Dirt: The Business of Professional Team Sports* (Princeton, NJ: Princeton University Press, 1992).

Mayor Wagner, and the power, prestige, and wealth of Payson's group that caused the NL to return to NYC. Despite the relocation of two prominent MLB teams from the New York metropolitan area in late 1957, these were the reasons why baseball officials approved another team to exist in America's largest city.

Next are some important concepts, topics, and historical facts about the Mets and their performances while in the NL from 1962 to 2014. This information includes dates and special managers, players, and events regarding the franchise during its years competing in regular seasons and postseasons of the league and as a member of its East Division.

Team Performances

Franchise Timeline

From 1962 to 1968, Mets teams finished each of their regular seasons in ninth or tenth of the NL. But in late September 1969, they clinched the league's East Division title by eight games and then played in their first postseason, sweeping the Atlanta Braves and winning the NL Championship Series (NLCS). Against the powerful AL Baltimore Orioles in the World Series, the Mets won four games and the championship, in part, because of pitchers Tom Seaver and Jerry Koosman, hitters Donn Clendenon and Tommie Agee, and outfielder Ron Swoboda. For leading NL pitchers with 25 victories in the regular season, Seaver won the league's Cy Young Award.²

In 1973, the Mets were in the postseason for the second time in franchise history, clinching their division with a victory over the Chicago Cubs at Wrigley Field. While competing in the NLCS, there was a fight between New York's shortstop Bud Harrelson and Cincinnati Reds' left fielder Pete Rose, which sparked a bench-clearing brawl. After victories over the Reds in three of five games, the Mets won their second NL pennant but lost in the World Series to the AL Oakland Athletics. During the regular season, Seaver had the lowest earned run average (ERA), most complete games, and number of strikeouts among NL pitchers. As a result, he won another Cy Young Award.

Five years after Joan Whitney Payson died in 1975, the Payson estate sold the team to a syndicate headed by Doubleday & Company, which included businessman Fred Wilpon. The purchase price, estimated at \$21.1 million, was the highest amount ever paid for an American professional sports franchise.

In 1986, the Mets clinched their first East Division title since 1973 with pitcher Dwight Gooden's win over the Cubs before 47,823 fans. While playing in the NLCS against the Houston Astros, the heroes for New York's team were batter Lenny Dykstra in Game 3, catcher Gary Carter in Game 5, and relief pitcher Jesse Orosco

²MLB teams have a franchise timeline on their website. Highlighted by year and event, the Mets' information and data is discussed at <http://www.newyork.mets.mlb.com>.

in Game 6. After winning the NLCS in six games, New York played the Boston Red Sox in the World Series and won it in seven games when Red Sox's first baseman made an error allowing the Mets to win Game 6 at home and then the next one.

During July 1988, the Mets officially retired former pitcher Tom Seaver's uniform number, which joined the numbers of managers' Gil Hodges and Casey Stengel on Shea Stadium's left field wall. Two months later, the club clinched the NL East Division but then eliminated by the Dodgers in a decisive Game 7 of the NLCS. Pitcher David Cone, who won 20 games, and sluggers Lenny Dykstra and Darryl Strawberry had productive performances for the Mets during the regular season and/or playoffs.

Former President Bill Clinton, the first sitting president ever to see a game at Shea Stadium, commemorated the 50th anniversary of African-American Jackie Robinson's major league debut by joining with Mrs. Rachel Robinson and MLB Executive Council chairman Bud Selig in 1997 to retire Jackie's uniform number 42 throughout MLB. During June, the first regular season interleague game was played at the Mets' ballpark before 44,443 fans, and in the first-ever regular season competition between New York MLB teams, the Mets scored three times in the first inning as Dave Mlicki pitched a complete game shutout over the Yankees.

During early October 1999, the Mets defeated the Pirates before 50,111, which forced a wild card playoff game against the Reds in Cincinnati. New York won it and then defeated the Diamondbacks in the NLDS. But in the NLCS, the Mets lost to the Braves in six games. For the regular season, New York's best players were sluggers John Olerud, Mike Piazza, Robin Ventura, and Edgardo Alfonzo and pitchers John Franco and Al Leiter.

On 7 October 2000, Benny Agbayani's solo home run in the 13th inning gave the Mets a win over the Giants in Game 3 of the NLDS. Then 1 day later, pitcher Bobby Jones tossed a one-hitter as the Mets advanced to the NLCS. The Mets defeated the Cardinals in five games of the NLCS to play in the World Series. While Shea Stadium hosted New York's first "Subway Series" in 44 years, the Mets won only one game and the Yankees four. Besides outfielder Benny Agbayani, the Mets' best players included catcher Mike Piazza, infielder Edgar Alfonzo, and pitcher Mike Hampton.

In early 2006, the Mets unveiled architectural and design plans for their new ballpark, which was a 45,000-seat venue to be built in the outfield parking lot between Shea Stadium and 126th Street. That season, the Mets clinched the NL East Division, won the NLDS, but lost the NLCS to the Cardinals even though outfielder Endy Chavez made one of the best catches in postseason history in Game 7. Later at the ceremonial groundbreaking for their new ballpark, the Mets announced an exclusive 20-year, multifaceted, strategic marketing and business partnership with Citigroup including naming rights for Citi Field.

Because of another improbable finish, the Mets' 2008 season proved to be more of a sequel than a season. After a multigame lead with 17 remaining evaporated despite brilliant pitching by Johan Santana, the Mets again missed the playoffs. They suffered 10 losses in those 17 games, the 10th coming in the season's final one against the Miami Marlins at Shea Stadium. The team's shortfall in the first months

prompted the dismissal of manager Willie Randolph and appointment of Jerry Manuel. The emergence of the Mets' David Wright, as one of the game's brightest stars, continued with him winning a Gold Glove and Silver Slugger Award for the second time and placing seventh in votes for the league's Most Valuable Player (MVP). The club's last game was followed by ceremonies commemorating the Mets' 45 years at their ballpark. The stadium's final images were of Tom Seaver and Mike Piazza, dressed in Mets caps and uniform shirts, moving toward the center field gate in the shadow of Citi Field, the site of the club's future, and thus designed to evoke memories of Brooklyn's baseball history.

The Mets slogged through another losing season in 2012. Although they finished fourth in their division for the fourth consecutive year, highlights occurred for them during the regular season. After Johan Santana pitched the first no-hitter in franchise history, New York's season peaked shortly thereafter when 12 losses in 13 games during mid-July knocked them out of the wild card race. Nevertheless, not all of the team's players struggled. For example, pitcher R.A. Dickey slowed his pace slightly after the all-star break but became the franchise's first 20-game winner since 1990 and also first knuckleball pitcher ever to win the Cy Young Award. Rookie Matt Harvey struck out a franchise-record 11 batters in his debut and entrenched himself in the starting rotation near the end of the season. Although infielder David Wright's exceptional first half soured a bit after the all-star game, the Mets rewarded him after the season with a new 8-year, \$138-million contract. That deal should make him the team's third baseman for any remaining years of his career.

Team Highlights

As a member of the NL from 1962 to 2014, Mets teams won 4038 of their all-time games or approximately 47 % of them. Compared to 14 other clubs in the league, they ranked ninth in number of wins but tied for 10th with the Marlins, Phillies, and Nationals in winning percentage. For the best results of East Division teams, the Phillies had the most victories with 9464, while the Braves' won 52 % of their total games.³

For their specific performances among all NL teams as of 2014, the Mets ranked sixth and tied with the Marlins, Phillies, and Cubs each with two World Series championships; were ninth in winning four pennants; tied for eighth with the Cubs, Diamondbacks, and Padres each with five division titles; and placed ninth with seven playoff appearances. Except for its number of World Series victories, this 53-year-old New York-based club achieved average success while performing against teams in the East, Central, and West Division of the league (Appendix Table 1).

³Sources include the *Official Major League Baseball Fact Book 2005 Edition* (St. Louis, MO: Sporting News, 2005) and "Teams," <http://www.baseball-reference.com> cited 28 January 2015.

Since 1962, there have been superior to inferior managers and players for the New York Mets franchise. Among the former group, manager Bobby Valentine won 536 games, Gil Hodges 339, Terry Collins 304, and Willie Randolph 302. With fewer than 100 wins each were such managers as Salty Parker, Roy McMillan, George Bamberger, Frank Howard, Mike Cubble, and Jeff Torborg. Although former Mets skippers have not won a Manager of the Year Award, the club retired Hodges' and Casey Stengel's uniform numbers.

Some Mets players have been career leaders and established records for the team as hitters and pitchers. Performing as batters, these included Ed Kranepool in games played; David Wright in batting average, extra-base hits, at bats, runs, hits, doubles, total bases, and runs batted in (RBIs); Darryl Strawberry in home runs (HRs); Jose Reyes in triples and stolen bases; and Mike Piazza and Wright in batting average. Besides them, players' Cleon Jones, Edgardo Alfonzo, Rusty Staub, Lee Mazzilli, and Howard Johnson also excelled as hitters in various MLB seasons. In 1983, Strawberry was the NL Rookie of the Year.

Being pitchers with excellent performances for the Mets, John Franco led in games pitched and saves and Tom Seaver in shutouts, wins, strikeouts, earned run average (ERA), and innings pitched. Also Tug McGraw, Sid Fernandez, Dwight Gooden, Jon Matlack, David Cone, R.A. Dickey, and Ron Darling pitched several victories in various seasons for their club. For being outstanding in games, Seaver won three NL Cy Young Awards and Gooden and Dickey each one of them. In addition, Seaver, Matlack, Gooden, and Jacob deGrom were NL Rookie of the Year, respectively, in 1967, 1972, 1984, and 2014.

During their history in the sport, Mets teams won more games in the 1980s (816) than in the 2000s (815), 1990s (767), 1970s (763), and from 1962 to 1969 (494). Furthermore, they set attendance records at Shea Stadium in 1987–1989, 2000, and 2002. Based on this data, the mid-to-late 1980s and late 1990s to early 2000s were the most successful years of the franchise.

Franchise Business

Born to a Jewish family in Brooklyn, New York, Fred Wilpon was a baseball pitcher and avid fan of the sport. After graduating with a Bachelor of Arts degree from the University of Michigan in 1958, he sold calculators, while his wife worked as a secretary for former Brooklyn Dodgers president Branch Rickey.

In 1972, Fred cofounded a commercial real estate development company named Sterling Equities with his brother-in-law Saul Katz. They built a successful development of town houses in Tarrytown, a suburb in New York's Westchester County. To minimize their tax obligations, they purchased real estate throughout the country that had a favorable tax treatment. This was profitable for them since they unknowingly bought property at the bottom of the market.

When Joan Whitney Payson's former husband Charles sold the Mets franchise in 1980, Fred Wilpon bought 1 % of the team with Doubleday & Company owning the

remaining share of it. Six years later, Doubleday president Nelson Doubleday Jr. sold his company, including his interest in the Mets, to Bertelsmann AG. Wilpon, however, had a right of first refusal in the event of a sale and threatened to exercise it. In the settlement, Doubleday and Wilpon agreed to purchase the Mets for \$95 million becoming equal partners in the team. Then in 2002, the Wilpon family purchased the remaining 50 % from Doubleday for \$135 million, and Fred served as president of the team from 1980 to 2002, its chief executive officer since 1980, and chairman of the board since 2003.⁴

Fred Wilpon's son Jeffrey is the executive vice-president of Sterling Equities and chief operating officer and co-owner of the Mets. He also serves as chief operating officer and partner of the New York Metropolitan Baseball Club Inc. Co-owner Saul Katz is the team's president and owns the minor league baseball team and Mets affiliate Brooklyn Cyclones.

Team Financials

Since 2012, there have been two important, newsworthy, and reputable studies that revealed and used detailed financial data to determine the business success and prosperity of MLB franchises. One study was performed by sportswriters at *Forbes* magazine and published in late 2014, while the other appeared online in an article by Bloomberg Inc.⁵

When completed, the studies had similar conclusions but different amounts for revenue and other financials because of such things as their accounting methodology, data sources, empirical models, years, and types of accounts. Next is what sportswriters at *Forbes* analyzed and reported for the Mets followed by major elements and significant findings contained in the Bloomberg Inc. study.

Regarding the data published in *Forbes* for NL franchises, the Mets ranked 6th in market value at \$800 million and 8th in revenue at \$238 million, 7th in gate receipts at \$73 million, and 12th in players' payroll at approximately \$82 million. Among the five teams in the league's East Division, New York was second in market value but third in revenue and gate receipts and fourth in payroll. Except for its payroll amount, the Mets franchise is above average financially because of its location and ballpark, income from various sources, and other factors (Appendix Table 2).

Despite different amounts reported in the Bloomberg Inc. study for 15 NL teams, the Mets ranked second in total market value, fifth in team value, and first in cash flows from their regional sports network. In addition, the club's revenue was fifth, gate receipts seventh, concession sales tied for fourth with the Giants, and sponsorships and media rights each first in the league. Compared to the results published for

⁴Mark Healey, "The Full Nelson: The Man Who Saved the Mets," <http://www.gothambaseball.com> cited 8 August 2015.

⁵See "The Business of Baseball," <http://www.forbes.com> cited 28 January 2015, and "Major League Baseball Valuations," <http://www.bloomberg.com> cited 2 February 2015.

the team in *Forbes*, this is a superior NL franchise according to the financial data analyzed by Bloomberg Inc.

The Mets have played below 0.500 since Sandy Alderson became general manager, while paid attendance at Citi Field declined from 32,000 per game in 2010 to less than 27,000 each in 2013 and 2014. Nevertheless, the club had an operating income of \$25 million in 2014, primarily because the team's payroll had been reduced to 40 % since 2009 and more revenue from MLB's national broadcasting agreements with three major networks. If attendance at Citi Field increases in 2015 and higher salaries motivate players' performances, business will likely improve for the Mets.

Other Business

In October 2014, the Stadium Journey Magazine (SJM) studied each MLB ballpark according to a scale that included food and beverage in the ballpark, overall atmosphere, neighborhood where the stadium was located, fans, access (parking, traffic, restrooms, and handicap accessibility), overall return on investment, and any special or unique features. The ratings of SJM's readers served as the primary tie-breaker and encouraged them to share their views of any team's ballpark.

Among the 30 MLB stadiums, New York's Citi Field ranked 28th overall and inferior to the Phillies' Citizens Bank Park (9th), Braves' Turner Field (12th), Nationals' Nationals Park (22nd), and Miami's Marlins Park (23rd) in the NL East Division. In rating the Mets' ballpark, author Paul Swaney wrote: "First-time visitors at Citi Field will notice several elements that the Mets put in from various ballparks to make up their new home. When you walk from the subway station up to the front entrance, it's supposed to look like the Brooklyn Dodgers former home, Ebbets Field. Once your ticket is punched, you'll be in the Jackie Robinson Rotunda, where a video tribute to the trailblazing ballplayer plays continuously. To your right is the Mets Hall of Fame, where you'll find both Mets World Series trophies and other memorabilia associated with the history of the franchise, including the original Mr. Met costume."⁶

Annually, Brand Keys Inc. publishes a Sports Fan Loyalty Index (SFLI) for teams in MLB and other professional sports. The SFLI—which provides a comparison of the intensity with which fans within a team's standard metropolitan statistical area support the home team versus corresponding values for fans of other teams in that market—is driven by *pure entertainment* or how exciting is their play, by *authenticity* or how well they play as a team, by *fan bonding* or how well players are respected and admired, and by *history and tradition* or how well the game and team are part of a fan's and community's rituals, institutions, and beliefs. Among the NL teams in 2014, the Mets were 23rd in the SFLI, but within the East Division, they

⁶The survey results are contained in Paul Swaney, "2014 MLB Ballpark Experience Rankings," <http://www.stadiumjourney.com> cited 23 February 2015.

ranked below the Phillies (2nd), Braves (3rd), Nationals (9th), and Marlins (tied for 16th).⁷

The Mets posted baseball's third largest average local television audience in 2014. Despite the team's sixth consecutive season with a losing record, SportsNet New York (SNY) New York—65 % owned by the Mets—averaged 125,000 viewers per game or almost 8 % more than the previous season. One reason for SNY's popularity is because it is a relatively inexpensive regional sports network for carriers, charging less than \$3 per month per subscriber.⁸

⁷Read Barry Janoff, "Report: When It Comes to 2014 MLB Fans, the Most Loyal Group is in the Cards," <http://www.nysportsjournalism.com> cited 23 February 2015, and "MLB Team Loyalty Winners and Losers," <http://www.brandkeys.com> cited 14 February 2015.

⁸Two business articles about the Mets franchise are Steve Popper, "Mets Got \$25 Million MLB Loan," *The Record* (26 February 2011): S6, and Michael Salfino, "Being New York's Second Best Team Costs the Mets a Lot," *Wall Street Journal* (16 June 2014): 1.

Chapter 4

Philadelphia Phillies

Sporting goods manufacturer Al Reach and attorney John Rogers, who jointly owned a professional baseball team in Philadelphia, were awarded a spot in the National League (NL) to replace the Worcester Brown Stockings—aka Ruby Legs—that folded in 1882. Initially nicknamed “Quakers” in 1983, the new NL club compiled a 0.173 winning percentage (17–81 win-loss record), the worst in franchise history.¹

When former Cincinnati Red Stockings manager Harry Wright was recruited and hired by Reach and Rogers to manage their team in 1984, they changed its name from “Quakers” to “Philadelphias,” while some sportswriters continued to call them “Quakers,” and others began shortening their name to “Phillies.” Sometime during the 1880s, however, the team, sports fans, and media accepted the shorter nickname “Phillies.” As such, this is one of the longest continually used nicknames in professional sports by a team in the same city.

Team Performances

Franchise Timeline

The NL Phillies played at the 6500-seat Recreation Park until they moved in 1887 to Philadelphia Park, alternatively named Baker Bowl, a new stadium at Broad Street and Lehigh Avenue. Built for \$101,000, the ballpark originally held 12,500 and regarded by some officials as one of the finest in the nation. After a fire destroyed much of it in 1894, the Phillies moved their home games to a field at the University of Pennsylvania until the facility was rebuilt using mostly steel and brick. With a

¹ Books include Frank P. Jozsa Jr., *Baseball, Inc.: The National Pastime as Big Business* (Jefferson, NC: McFarland, 2006), and James Quirk and Rodney D. Fort, *Pay Dirt: The Business of Professional Team Sports* (Princeton, NJ: Princeton University Press, 1992).

seating capacity of 18,800, the completely renovated ballpark featured a cantilever pavilion, a radical new technique in stadium construction.²

During the 1899–1901 regular seasons, the Phillies were one of the stronger teams in the NL. They had three future Hall of Fame players in the lineup with first baseman Ed Delahanty, second baseman Nap Lajoie, and outfielder Elmer Flick. In 1900, for example, Flick led the league with 110 runs batted in (RBIs) and ranked second in batting average at 0.367. Fans' expectations of the team's first pennant, however, were diminished when the American League (AL) formed in 1901. Within 2 years, clubs in the new league signed not only the Phillies' three star players but also several others who transferred to the Philadelphia Athletics. In fact, the first five AL batting champions were former Phillies with Lajoie winning three titles and Delahanty and Flick each one.

After placing second to the Pittsburgh Pirates in 1901, which was their highest finish since 1887, the Phillies dropped in the standings to 17th in 1902 and 1903. To make matters worse, a balcony at Philadelphia Park collapsed in 1903, causing 12 people to die and injuring 232 others. Soon afterward, the Phillies' popular owners Reach and his partner Rogers sold the team for \$203,000 to a syndicate headed by James Potter, which included investors Barney Dreyfuss and August Hermann who owned the league's Cincinnati Reds and Pittsburgh Pirates franchises.

Thirty-two years after their first NL season, the Phillies played in the World Series. They did it with a powerful team led by first-year manager Pat Moran. The club won the pennant with a 90–62 record, leading most of the way and finishing seven games ahead of the defending champion Boston Braves. Philadelphia's star players included pitchers Grover Cleveland Alexander and Erskine Mayer and hitter Gavy Cravath who set a Major League Baseball (MLB) record in 1915 with 24 home runs while also leading the league in runs batted in (RBIs) and runs scored. After Alexander won the first game of the World Series, the Phillies lost four straight to the AL Boston Red Sox.

During the 1920s, the Phillies lost more than 100 games four times and finished eighth in six seasons, seventh in three, and sixth once. They had six different managers and unwisely traded future Hall of Fame players Dave Bancroft and Eppa Rixey to other teams before their prime years. Alternatively, outfielder Cy Williams emerged as the Phillies' new slugger, winning three NL home run titles.

No period in Phillies history was more bizarre than the 1930s. The club had a few of its worst teams but also some outstanding players including slugger Chuck Klein and pitcher Jumbo Elliott. The best season was in 1932 when it finished fourth under manager Burt Shotton. Throughout these ten seasons, the team traded several of its top players to remain financially solvent.

When the decade began, it was difficult to predict how the 1940s would end for the Phillies. In an amazing turnaround, the team went from the bottom of the league to contend for a pennant. The franchise had some of its worst teams in the early 1940s. By 1942, the club had lost more than 100 games for the fifth consecutive season including a club-record 111 losses in 1941. More weak teams followed between 1942 and 1945. But the Phillies improved enough in 1946 and 1948–1949 to later compete for a NL pennant.

²Each MLB team has a franchise timeline. See <http://www.philadelphia.phillies.mlb.com>.

In 1950, Philadelphia's Whiz Kids were pitcher Robin Roberts, hitter Richie Ashburn, and slugger Del Ennis along with Granny Hamner, Willie Jones, and Curt Simmons. Products of the Phillies farm system, these young and exciting players gave the franchise one of its most beloved teams. Managed by Eddie Sawyer and featuring such veterans as Andy Seminick, Dick Sisler, and Eddie Waitkus, the Whiz Kids effect was memorable but very brief. The club won its first NL pennant in 35 years, but disappointingly, it finished no higher than third from 1951 to 1959. In the 1950 World Series against the AL New York Yankees, the Phillies lost four consecutive games including the first three each by one run.

The 1960s were one of the most ill-fated eras in club history. From a record-losing streak in 1961 to the disappointing lost pennant in 1964 and then to a series of dismal years of performances, the decade was subpar for the Phillies. What made the period less discouraging for fans, however, was the development of some excellent players especially Dick Allen, Johnny Callison, and future Hall of Fame pitcher Jim Bunning.

For the Phillies, the 1970s marked the start of a golden era. Indeed, it was one of the most successful periods in the franchise's history. During the decade, the Phillies won three division titles while establishing a team that would eventually win its first World Series. In addition, the 62,418-seat Veterans Stadium opened, and a number of all-time great players wore Phillies uniforms such as infielder Mike Schmidt and pitcher Steve Carlton.

After existing for 97 years in the NL, the Phillies finally became MLB's best team by winning their first World Series in 1980. In continuation of the golden era, it was the climax of a memorable season in which Philadelphia captured its first pennant in 30 years by winning one of the most exciting NL Championship Series (NLCS) in baseball history. With their outstanding performances, Schmidt led the league in total bases, home runs (HRs), and RBIs and named the NL's Most Valuable Player (MVP). Besides Carlton winning the league's Cy Young Award, outfielder Lonnie Smith was The Sporting News Rookie of the Year. The team also had stellar results from Manny Trillo, Pete Rose, Larry Bowa, Garry Maddox, Bob Boone, and a pitching staff that included 17-game winner Dick Ruthven who was a late-season call-up from the minor leagues. In addition, relief pitchers Tug McGraw and Ron Reed led a strong bullpen.

In 1983, there were few players left from the 1980 Phillies team although Schmidt led the NL in HRs and pitcher John Denny won the Cy Young Award. After winning 14 of their last 16 games to clinch the division title, Philadelphia defeated the Dodgers in the NLCS. However, the club won its first but then lost four consecutive games to the AL Orioles in the World Series.

From the standpoint of variety and excitement, the Phillies had a memorable 1990s. There was a trip to the World Series, an all-star game at Veterans Stadium, Hall of Fame inductions, no-hitters by pitchers, an unassisted triple play, a cycle (single, double, triple, and HR in one game), a Rookie of the Year Award, and a strikeout record. The decade's highlight was the club's fifth NL pennant in 1993 and a trip to the World Series. Among Philadelphia's productive players were Curt Schilling, Scott Rolen, Lenny Dykstra, Darren Daulton, and John Kruk.

The 2008 squad entered the season with a goal of going “as deep as you can go” in wins. They still needed a late-season charge after trailing the rival New York Mets by more than three games in mid-September. Led by slugger Ryan Howard, the Phillies overcame a deficit and clinched the East Division on the penultimate day of the regular season. The postseason featured many memorable individual accomplishments including Cole Hamels’ dazzling pitching, Brett Myers’ nine-pitch walk in Game 2 of the NLDS, and Matt Stairs’ pinch-hit, eighth-inning homer in Game 4 of the NLCS. The World Series also had plenty of moments especially winning Game 5, which had been suspended for 48 h due to rain. When it resumed, the Phillies’ Pedro Feliz drove in the winning run with a single and relief pitcher Brad Lidge completed a perfect season with 48-for-48 saves. The celebration gave the Phillies their first World Series championship since 1980.

In the 2009 postseason, Philadelphia defeated the Rockies in the NLDS and Dodgers in the NLCS and then played the Yankees in the World Series. Although New York took a 3–1 lead, the Phillies fought back at home in Citizens Bank Park with pitcher Cliff Lee getting a win and Chase Utley hitting more than one home run. During the next game, played in New York City, slugger Hideki Matsui had six RBIs for the Yankees and led them to another championship.

After the NL Giants beat the Phillies in six games in the prior NLCS to end their season, 2011 opened with pitchers’ Roy Halladay, Joe Blanton, Cliff Lee, Roy Oswalt, and Cole Hamels sitting at a dais at Bright House Field in Clearwater, Florida, where the Phillies introduced one of the most competitive and experienced starting rotations in recent baseball history before a potentially successful year. The team lived up to its hype during the regular season by winning a franchise-record 102 games and its fifth consecutive NL East Division title. But the season ended in disappointment after the Cardinals defeated the Phillies in the NLDS in five games.

Team Highlights

From 1883 to 2014, the NL Phillies—previously nicknamed Quakers and Philadelphias—won 9464 of their games or approximately 47 % of them. As of 2014, among the teams in the league, they ranked fifth in total number of wins and tied for tenth with the Marlins, Mets, and Nationals in all-time winning percentage. Within the league’s East Division, the Phillies had the most total wins but a lower proportion of victories than the Braves’ 52 %.³

In their 132 seasons, Phillies teams won 2 World Series, 7 NL pennants, and 12 division titles while appearing in 14 playoffs. Compared to others in the league as of 2014, the club tied for sixth with the Marlins, Mets, and Cubs in winning World Series championships, ranked sixth in pennants, tied for third with the Cardinals in division titles, and was seventh in number of playoffs. Among their East Division rivals, the Phillies had more World Series championships than the Braves and Nationals, won the most pennants, but had fewer division titles and

³Two sources are the *Official Major League Baseball Fact Book 2005 Edition* (St. Louis, MO: Sporting News, 2005) and “Teams,” <http://www.baseball-reference.com> cited 28 January 2015.

playoff appearances than the Braves. Overall, Philadelphia has been an above-average team while performing in the NL and against competitors in its division (Appendix Table 1).

Since 1883, there have been superior to inferior managers and players for the Philadelphia Phillies franchise. Among the former group, manager Charlie Manuel won 780 games, Gene Mauch 646, Harry Wright 636, and Danny Ozark 594. Several others had less than 100 victories including Blondie Purcell, Billy Nash, and George Stallings during the late 1800s, and Bucky Harris, Terry Moore, and George Matt in the mid-1900s. For his success as a leader, Manager Larry Bowa was NL Manager of the Year in 2001.

Some Phillies players were career leaders and established records for the team as hitters and pitchers. Performing as batters, these included Mike Schmidt in games played, at bats, runs, hits, total bases, HRs, RBIs, and extra-base hits, Jimmy Rollins in doubles, Ed Delahanty in triples, and Billy Hamilton in batting average and stolen bases. Besides them, other talented hitters were Chuck Klein, Sherry Magee, Richie Ashburn, Del Ennis, Tony Taylor, Johnny Callison, Dick Allen, and Ryan Howard. Klein was NL MVP in 1932; Schmidt in 1980, 1981, and 1986; Howard in 2006; and Rollins in 2007.

Being pitchers with excellent performances for the Phillies, Robin Roberts led in games and innings pitched, Jonathan Papelbon in saves, Grover Alexander in shut-outs and earned run average (ERA), and Steve Carlton in wins and strikeouts. Other good pitchers for the club were Jim Bunning, Curt Simmons, Chris Short, Tug McGraw, Tully Sparks, Roy Halladay, Steve Bedrosian, José Mesa, and Curt Schilling. Carlton won four Cy Young awards and John Denny, Halladay, and Bedrosian one each and Jim Konstanty a NL MVP in 1950.

During their history in the sport, Phillies teams won more games in the 2000s (850) than in the 1970s (812), 1980s (783), 1950s (767), 1910s (762), 1960s (759), 1900s (709), and in decades of the 1920s to 1940s. Furthermore, they set attendance records at Veterans Stadium in 1977, 1979, 1980, and 1993 and at Citizens Bank Park in 2004. Based on this data and team performances, the most successful years of the franchise were 1976–1978, 1980–1981, and 2007–2011.

Franchise Business

Born in 1946, David Montgomery is part owner and general partner, chairman, and chief executive officer of the Philadelphia Phillies. As a child, he attended Phillies games at Connie Mack Stadium (former Shibe Park) and before college worked as a paper delivery boy and a high school baseball coach. In 1964, he graduated from William Penn Charter School in Philadelphia and then attended the University of Pennsylvania as a history major. Finally, he graduated from the Wharton Business School in 1970.⁴

⁴Tyler Kepner, “Phillies’ President Took Path From Upper Deck to the Owner’s Box,” <http://www.nytimes.com> cited 9 August 2015.

After interviewing for positions with various businesses, Montgomery spoke to former Phillies pitcher and eventual Hall of Famer Robin Roberts about a job with the baseball club. In 1971, Montgomery was hired as a member of the team's sales department and later became director of sales and marketing in the mid-1970s and then head of the franchise's business department by 1980.

In 1981, Montgomery, along with co-owner Bill Giles, organized a syndicate and purchased the Phillies franchise for approximately \$31 million from sportsman Robert R. M. Carpenter III. Giles, the primary owner and president of the team, named Montgomery executive vice-president. Sixteen years later, Giles resigned as president to become the club's chairman and focus on getting a new stadium while recommending Montgomery to replace him. Subsequently, Montgomery became the first Philadelphian to operate the Phillies franchise in more than 60 years.

In August 2014, Montgomery took a leave of absence from the Phillies while undergoing treatment for jawbone cancer. When he returned to the team in January 2015, he assumed the title of chairman, while Giles became chairman emeritus. Baseball executive Pat Gallick, who served as interim president during Montgomery's leave, replaced Giles.

Team Financials

Since 2012, there have been two important, newsworthy, and reputable studies that revealed and used detailed financial data to determine the business success and prosperity of MLB franchises. One study was performed by sportswriters at *Forbes* magazine and published in late 2014, while the other appeared online in an article by Bloomberg Inc.⁵

When completed, the studies had similar conclusions but different amounts for revenue and other financials because of such things as their accounting methodology, data sources, empirical models, years, and types of accounts. Next is what sportswriters at *Forbes* analyzed and reported for the Phillies followed by major elements and significant findings contained in the Bloomberg Inc. study.

Regarding the data published in *Forbes* for NL franchises, the Phillies ranked fourth in market value at \$975 million and fifth in both revenue at \$265 million and gate receipts at \$111 million and also second in players' payroll at approximately \$175 million. Compared to East Division teams, the club had the highest amounts for each of these financials. With its relatively low debt-to-value ratio of 8 %, this is a wealthy and financially secure franchise (Appendix Table 2).

Despite different amounts reported in the Bloomberg Inc. study for 15 NL teams, the Phillies ranked fifth in total market value and third as a team and also third in revenue, first in gate receipts, third in concession sales, tied for fourth with the Cardinals in sponsorships, and eighth in media rights. Based on these amounts and its net loss (subsidy payment) in revenue sharing of \$29 million, the team has plenty of income to successfully operate as a business enterprise and compete against its rivals especially in the league's East Division.

⁵See "The Business of Baseball," <http://www.forbes.com> cited 28 January 2015, and "Major League Baseball Valuations," <http://www.bloomberg.com> cited 2 February 2015.

Other Business

In October 2014, the Stadium Journey Magazine (SJM) studied each MLB ballpark according to a scale that included food and beverage in the ballpark, overall atmosphere, neighborhood where the stadium was located, fans, access (parking, traffic, restrooms, and handicap accessibility), overall return on investment, and any special or unique features. The ratings of SJM's readers served as the primary tie-breaker and encouraged them to share their views of any team's ballpark.

Among the 30 MLB stadiums, Citizens Bank Park ranked 9th overall and superior to the Braves' Turner Field (12th), Nationals' Nationals Park (22nd), Miami's Marlins Park (23rd), and Mets' Citi Field (28th) in the NL East Division. In evaluating the Phillies' ballpark, author Paul Swaney wrote: "The Phillies moved into this new jewel of a stadium located next to where Veterans Stadium existed. They have had long sellout streaks here between 2009 and 2012, and a World Series championship in 2008. Although now experiencing a downturn, Citizens Bank Park gives the Phillies a fine place to perform at a high level."⁶

Annually, Brand Keys Inc. publishes a Sports Fan Loyalty Index (SFLI) for teams in MLB and other professional sports. The SFLI—which provides a comparison of the intensity with which fans within a team's standard metropolitan statistical area support the home team versus corresponding values for fans of other teams in that market—is driven by *pure entertainment* or how exciting is their play, by *authenticity* or how well they play as a team, by *fan bonding* or how well players are respected and admired, and by *history and tradition* or how well the game and team are part of a fan's and community's rituals, institutions, and beliefs. Among the NL teams in 2014, the Phillies were second in the SFLI, and within the East Division, they ranked higher than the Braves (3rd), Nationals (9th), Marlins (tied for 16th), and Mets (23rd).⁷

The Phillies have been losers on the diamond but winners on the balance sheet thanks to a \$5-billion, 25-year television agreement with Comcast SportsNet Philadelphia, which starts with the 2016 season. While the team owns 25 % of the regional sports network, Comcast will make the deal succeed with expensive subscriber fees. Although the Phillies have one of the highest payrolls in baseball, three players receive approximately 40 % of the total. Thus, general manager Rubén Amaro lacks the flexibility to increase salaries and other benefits because of MLB's payroll luxury tax limit.⁸

⁶Paul Swaney, "2014 MLB Ballpark Experience Rankings," <http://www.stadiumjourney.com> cited 23 February 2015.

⁷For survey results, there is Barry Janoff, "Report: When It Comes to 2014 MLB Fans, the Most Loyal Group is the Cards," <http://www.nysportsjournalism.com> cited 23 February 2015, and "MLB Team Loyalty Winners and Losers," <http://www.brandkeys.com> cited 14 February 2015.

⁸Two business articles about the Phillies franchise are Kurt Badenhausen, "Baseball's Highest-Paid Players 2014," *Forbes* (14 April 2014): 1, and John George, "Phillies CEO Breaks Down TV Deal," *SportsBusiness Journal* (17 February 2014): 10.

Chapter 5

Washington Nationals

Between 1969 and 2004, the small-market Montreal Expos won a National League (NL) division title in 1981 but lost in the postseason to the Los Angeles Dodgers. Then, 13 years later, the Expos had the highest winning percentage in Major League Baseball (MLB) after 114 games. However, baseball officials decided to cancel the season because of a players' strike.¹

While successfully developing potential but young and inexperienced professional ballplayers in its farm system, the Montreal Expos frequently traded their high-priced talent to other teams. This, in turn, discouraged fans who increasingly failed to attend the team's home games at the 28,000-seat Jerry Park and then at the 46,600-seat Olympic Stadium, both venues in Montreal. Because of these problems and serious financial difficulties during the late 1990s to early 2000s, the Expos franchise was in trouble.

In February 2002, a MLB ownership committee recommended selling the NL Florida Marlins to sports entrepreneur Jeffrey Loria and also endorsed the sale of the Expos to MLB. After making these decisions, the only thing remaining was for NL and American League (AL) franchise owners to vote. Consequently, they unanimously approved the Expos sale and announced a new management team for the franchise. Among those chosen were Tony Tavares as club president, Omar Minaya as vice-president and general manager, and Frank Robinson as field manager.

While owning the Expos, MLB decided to find another home for the franchise including such cities as Charlotte, North Carolina, and Norfolk, Virginia, or Portland, Oregon. Furthermore, the league evaluated baseball sites in San Juan, Puerto Rico, and Mexico City or Monterrey, Mexico. Because of various demographic and economic factors, however, MLB selected Washington, D.C. Its metropolitan area had competitive advantages and was attractive because big-league teams once existed there and because of commitments by local politicians to build

¹Two sources are Frank P. Jozsa Jr., *Major League Baseball Expansions and Relocations: A History, 1876–2008* (Jefferson, NC: McFarland, 2009), and James Quirk and Rodney D. Fort, *Pay Dirt: The Business of Professional Team Sports* (Princeton, NJ: Princeton University Press, 1992).

the incoming team a modern ballpark at a convenient location for sports fans to attend home games.

Despite legal threats by AL Baltimore Orioles owner Peter Angelos to sue MLB for invasion of his team's territorial rights and television market, the Expos moved from Montreal to the nation's capital after their 2004 season and then was renamed Washington Nationals. Two years later, MLB sold the Nationals franchise for approximately \$450 million to Lerner Enterprises.

Next are some important concepts, topics, and historical facts about the Nationals and their performances while in the NL from 2005 to 2014. This information includes dates and special managers, players, and events regarding the franchise during its years competing in regular seasons and postseasons of the league and as a member of its East Division.

Team Performances

Franchise Timeline

Because of solid pitching and timely hitting during the first-half of the 2005 MLB season, the Nationals were 52–36 (win-loss record) and first in the NL East Division. Before the all-star break, however, manager Frank Robinson warned his team not to relax because others in the division would play aggressively and attempt to defeat them in games. This happened when they lost their division and wild card leads by going 29–45 after the break and being eliminated from playoff contention in late September although they finished the regular season with a 0.500 record. Among the individual highlights in the first year were Chad Cordero who won the NL Fireman Award with 47 saves while pitcher Livan Hernandez led the team with a 15–10 record. Batting from the plate, long hits were scarce in cavernous RFK Stadium as Jose Guillén had some success with 24 home runs (HRs) and 76 runs batted in (RBIs).²

The Nationals' disappointing 2006 season can be traced to their spring training period in which they were 9–21. The team's players had trouble pitching, catching the ball, and getting hits with runners on base. Thus, the Nationals ended fifth in the East Division for the third consecutive year with a 71–91 record. As a result, manager Robinson was fired. The good news was development and the ability of outfielder Alfonso Soriano and infielder Ryan Zimmerman.

Fans expected the Nationals to fail and not win many games in 2007. Some thought they would be inept because of losing such players as Soriano, José Vidro, and Jose Guillén during the off-season. Nevertheless, the team surprised people by posting a 73–89 record and avoiding last place in the East Division. First-year manager Manny Acta deserved credit. He joined the club with a positive attitude and never panicked when things went wrong. Under his leadership, pitching and playing good defense improved players and their competitiveness in games.

²Each MLB team has a franchise timeline. See <http://www.washington.nationals.mlb.com>.

Washington started 3–0 in 2008, which included a walk-off win at their Nationals Park debut. But thereafter, it was a tough season. Fifteen players, including Zimmerman and Nick Johnson went on the disabled list for weeks and, in part, caused the team's offense to perform below average. In fact, the Nationals led MLB with 21 shutouts (not scoring a run) with no position players having at least 62 RBIs.

Before the 2009 season, the Nationals expected to win more games than the 59 in 2008. The club had acquired some better players and thought a healthy Zimmerman would make a difference on offense and defense. Even so, the season was the worst in team history. The Nationals lost 103 games because of a struggling pitching staff and defensive lapses on the field. After interim manager Jim Riggleman replaced Manny Acta following the all-star break, the team went 33–42. An old-school manager, Riggleman won ball games by manufacturing runs and removing pitchers when they failed to get hitters out at bat.

After finishing with the worst record in MLB in 2009, the Nationals sought to be more competitive in 2010. Led by manager Riggleman, highlights of the season included pitcher Stephen Strasburg's 14 strikeouts against the Pittsburgh Pirates, the club's brawl in September while playing the Miami Marlins in Florida, and Zimmerman's Silver Slugger Award for being the league's best offensive third baseman. Unfortunately, the Nationals had a 69–93 record and finished fifth in the East Division for the third consecutive year although they won 10 more games than in 2009.

The Nationals made significant gains in 2011. Besides finishing third in the East Division, they won almost 50 % of their games since MLB's 2005 season. Two reasons for the team's improvement were first baseman/outfielder Mike Morse, who led the club in batting average, HRs, and RBIs, and an effective pitching staff. Their pitchers had MLB's sixth lowest earned run average (ERA) and were able to win games for most of the season without Stephen Strasburg, who was recovering from Tommy John surgery.

Although outfielder Bryce Harper made his debut in 2012, the Nationals suffered a setback when right fielder Jayson Werth broke his left wrist while attempting a sliding catch and therefore missed many games. Later, manager Davey Johnson decided that Strasburg's season was over after watching him pitch against the Marlins and allowing several hits and runs in a few innings. In contrast, left-hander Gio González became the club's first pitcher to win 20 games in a season. In addition, Nationals shortstop Ian Desmond stole his 20th base of the season and became the second player to hit 20 home runs and steal 20 bases in a season.

In early October 2012, the Nationals won their first division title since moving to D.C. from Montreal after the 2004 season. Then, in the NL Division Series (NLDS), slugger Jayson Werth hit a walk-off home run in Game 4 although they lost the Series in five games to the St. Louis Cardinals. In the NL, Washington's Harper was named Rookie of the Year and Davey Johnson Manager of the Year.

In their ninth season as a MLB franchise in D.C. and sixth playing home games at Nationals Park, the 2013 Nationals finished second in the NL East Division with an 86–76 record but were unable to return to the postseason despite winning a division title in the prior year. While Ryan Zimmerman had 26 HRs and scored 84 runs, sluggers Ian Desmond, Bryce Harper, and Adam LaRoche each hit 20 homers and Jordan Zimmermann pitched 213 innings and won 19 games. For personal reasons, manager Davey Johnson retired after the season.

The 2014 regular season was great for the Nationals. They won their second division title in 3 years, this time by 17 games over the Atlanta Braves and New York Mets. The club had a dominant pitching staff, led by Stephen Strasburg and Jordan Zimmermann who pitched the team's first no-hitter. Despite major injuries to players such as Harper, Zimmerman, and catcher Wilson Ramos, the Nationals were consistent while at bat. Nevertheless, the team lost to the San Francisco Giants in the NLDS because of its poor hitting.

Team Highlights

From 2005 to 2014, the Nationals—former Montreal Expos—won 772 of their all-time games or approximately 47 % of them. As of 2014, among teams in the league, they ranked 15th in total number of wins and tied for 10th with the Marlins, Mets, and Phillies in winning percentage. Within the league's East Division, the 10-year-old Nationals had the fewest total wins, while the Braves established the highest proportion of victories during their 49 years in the league.³

During their initial 10 seasons while based in the nation's capital city, the Nationals won zero World Series and NL pennants, but two division titles in as many playoff appearances. Among clubs in the league's East Division, the Nationals ranked 12th and tied with the Milwaukee Brewers, Colorado Rockies, and San Diego Padres in winning World Series championships, were 15th in pennants and 13th in division titles, and tied for 14th with the Marlins in number of playoffs. Thus far, Washington has been mediocre based on its team's performances through MLB's 2014 season (Appendix Table 1).

Since 2005, there has been above-average to less successful managers and players for the Washington Nationals franchise. Among the former group, manager Davey Johnson won 224 games, Manny Acta 158, and Frank Robinson 152. Managers with fewer victories include Jim Riggleman with 147, Matt Williams 96 (in 2014), and John McLaren 2. Led by NL Manager of the Year Johnson in 2012 and Williams 2 years later, their teams won division titles but lost to other clubs in the NLDS.

Some Nationals players are career leaders and established records for the team as hitters and pitchers while based in Washington. As batters, Ryan Zimmerman leads his teammates in such things as games played, batting average, at bats, runs, hits, total bases, extra-base hits, doubles, runs batted in (RBIs), and HRs, Cristian Guzmán in triples, and Ian Desmond in stolen bases. Besides them, other effective hitters include Alfonso Soriano, Jayson Werth, Nick Johnson, and, more recently, Bryce Harper who was NL Rookie of the Year in 2012.

Being pitchers with top-notch performances for the Nationals, Jordan Zimmermann has the most wins, innings pitched, strikeouts, games started and

³For this information, see the *Official Major League Baseball Fact Book 2005 Edition* (St. Louis, MO: Sporting News, 2005), "Teams," <http://www.baseball-reference.com> cited 28 January 2015 and "National League Team Histories," <http://www.sportsecyclopedia.com> cited 1 May 2015.

completed, and also shutouts, while Tyler Clippard leads in games pitched, Chad Cordero in saves, Stephen Strasburg in ERA, and Drew Storen in games finished. In 2005, Cordero won a Roloids Relief Man Award for being the most effective relief pitcher in the league.

Franchise Business

A native of Washington, D.C., real estate developer Theodore “Ted” Lerner is the founder and principal owner of Lerner Enterprises, based in Rockville, Maryland, and also the managing principal owner of MLB’s Washington Nationals. He graduated from George Washington University (GWU) with an Associates of Arts degree and earned an LLB from GWU’s Law School. Lerner has served on many boards of public organizations and various charitable and civic foundations. In 2003, he was elected to the Washington Business Hall of Fame by Junior Achievement and in 2007 honored as a Charter Inductee in the GWU’s School of Business Sports Hall of Fame.⁴

During 2005, eight groups bid to buy the Nationals from MLB. While seven of them were committees of unrelated people who had wealth and political connections, the Lerner family was the only family to apply. The former groups sought an advantage by lobbying baseball’s 29 franchise owners, currying favor with the media, getting D.C. officials in their camp, and putting pressure on Commissioner Bud Selig to make the decision. Meanwhile, the Lerner family declined to join the fray but made an official bid anyway.

Selig summoned the Lerner family to his office in Milwaukee, Wisconsin, during early October 2005. Ted and his son Mark and son-in-laws Edward Cohen and Robert Tanenbaum met with the commissioner in his office overlooking Lake Michigan. They talked about family, the Washington area baseball market, and their concept of operating the team. Ted said Selig even asked him who would be president of the franchise from his family.

The Lerner family left the meeting with Selig confident and in good spirits. They had another audience in Palm Springs, Florida, with MLB’s chief operating officer Robert DuPuy. It would be 8 months, or May 2006, before Selig contacted the Lerner family and said they will be the new owners of the Nationals. It turns out he made his decision when they met before in Milwaukee.

Former MLB Commissioner Bowie Kuhn, one of Lerner’s former classmates at Roosevelt High School, had called Selig to recommend Ted and his family. It also helped when Stan Kasten, who managed Ted Turner’s sport franchises in Atlanta for 25 years, realized his group lacked Washington connections and asked to join the Lerner family bid in early 2006. When Selig phoned the Lerner family in early May to make the deal official, Ted thankfully accepted the commissioner’s offer.

⁴“Ted Lerner,” <http://www.thebaseballpage.com> cited 9 August 2015.

Team Financials

Since 2012, there have been two important, newsworthy, and reputable studies that revealed and used detailed financial data to determine the business success and prosperity of MLB franchises. One study was performed by sportswriters at *Forbes* magazine and published in late 2014, while the other appeared online in an article by Bloomberg Inc.⁵

When completed, the studies had similar conclusions but different amounts for revenue and other financials because of such things as their accounting methodology, data sources, empirical models, years, and types of accounts. Next is what sportswriters at *Forbes* analyzed and reported for the Nationals followed by major elements and significant findings contained in the Bloomberg Inc. study.

Regarding data published in *Forbes* for NL franchises, the Nationals ranked eighth in market value at \$700 million, seventh in revenue at \$244 million, sixth in gate receipts at \$91 million, and fourth in player's payroll at approximately \$125 million. Compared to other East Division teams, Washington was fourth in market value, third in revenue, and second in gate receipts and also player's payroll. Despite the club's debt-to-value ratio of 27 % being second highest among all NL teams, the Nationals have become a valuable franchise and financially secure in operating as a sports business in their market (Appendix Table 2).

Despite different amounts reported in the Bloomberg Inc. study for 15 NL teams, the Nationals ranked sixth in total market value (\$850 million), eighth as a team (\$637 million), seventh in revenue (\$230 million), fifth in gate receipts (\$85 million), tied for eighth with the Braves in concession sales (\$20 million), tied for 10th with the Cubs, Brewers, and Rockies in sponsorships (\$18 million), and placed sixth in media rights (\$83 million). In addition to generating \$108 million from a regional sports network, the club had a net loss (subsidy payment) of \$11 million in revenue sharing.

Among teams in the East Division, Washington always had higher amounts than the Marlins, and its income from other sources was comparable to the Braves. According to these results, the Nationals are a profitable and lucrative franchise that rewards the team's manager and players and also Learner Enterprises and the executives and other employees who work for the organization at its headquarters in the nation's capital.

Other Business

In October 2014, the Stadium Journey Magazine (SJM) studied each MLB ballpark according to a scale that included food and beverage in the ballpark, overall atmosphere, neighborhood where the stadium was located, fans, access (parking, traffic,

⁵The references are, respectively, "The Business of Baseball," <http://www.forbes.com> cited 28 January 2015 and "Major League Baseball Valuations," <http://www.bloomberg.com> cited 2 February 2015.

restrooms, and handicap accessibility), overall return on investment, and any special or unique features. The ratings of SJM's readers served as the primary tie-breaker and encouraged them to share their views of any team's ballpark.

Among 30 MLB stadiums, Nationals Park ranked twenty-second overall and in the NL East Division was superior to ballparks of the Marlins (twenty-third) and Mets (twenty-eighth) but inferior to those of the Phillies (ninth) and Braves (twelfth). In evaluating the Nationals' ballpark, author Paul Swaney wrote: "With a design that steers clear of the worn 'retro' motif, this ballpark does a lot of good things and is a very enjoyable place to watch a game that gets better by the year. More fans are building a better atmosphere, the location is improving and already amazing food just keeps getting tastier. DC has a baseball home to be proud of."⁶

Annually, Brand Keys Inc. publishes a Sports Fan Loyalty Index (SFLI) for teams in the MLB and other professional sports. The SFLI—which provides a comparison of the intensity with which fans within a team's standard metropolitan statistical area support the home team versus corresponding values for fans of other teams in that market—is driven by *pure entertainment* or how exciting is their play; by *authenticity* or how well they play as a team; by *fan bonding* or how well players are respected and admired; and by *history and tradition* or how well the game and team are part of a fan's and community's rituals, institutions, and beliefs. Among NL teams in 2014, the Nationals were ninth in the SFLI, and within the East Division, they ranked higher than the Marlins (tied for sixteenth) and Mets (twenty-third) but lower than the Phillies (second) and Braves (third).⁷

In 2015, the Nationals were tabbed a World Series favorite in Las Vegas after signing former Detroit Tigers pitcher and free agent Max Scherzer to a 7-year, \$210-million contract. The deal included the largest deferral in the history of baseball, \$105 million, which the team will pay to him in equal \$15 million installments each July 1 between 2022 and 2028. Scherzer joins a dominant pitching rotation that already includes Jordan Zimmermann, Doug Fister, Gio González, and Stephen Strasburg. The franchise added a new luxury club in the off-season at Nationals Park called Club 24. The name denotes the year of the last World Series title in Washington (1924) when the AL Senators defeated the NL Giants in seven games. To generate plenty of revenue, season tickets to Nationals' home games are priced at \$78,000–\$95,000 for a block of four in the 24-seat club.⁸

⁶Paul Swaney, "2014 MLB Ballpark Experience Rankings," <http://www.stadiumjourney.com> cited 23 February 2015.

⁷The articles to read about the surveys are Barry Janoff, "Report: When It Comes to 2014 MLB Fans, the Most Loyal Group is the Cards," <http://www.nysportsjournalism.com> cited 23 February 2015 and "Major League Baseball Valuations," <http://www.bloomberg.com> cited 2 February 2015.

⁸Business readings about the Nationals franchise are Eric Fisher, "Nationals Re-Crete Successful Club 24 With K Street Boxes," *SportsBusiness Journal* (2 March 2015): 6 and Brad Reagan, "For D.C. Baseball Team, Deluge of Phillies Fans Is National Disgrace," *Wall Street Journal* (3 May 2012):A1.

Part II
Central Division

Chapter 6

Chicago Cubs

The fame and success of baseball's first professional team, the Cincinnati Red Stockings in the late 1860s, encouraged others to adopt their names based on colors and cities. An Illinois team, which was officially known as The Chicago Base Ball Club, adopted white and became known as the Chicago White Stockings. After some individually arranged games, the club organized a roster and then joined the nation's top organized league, the National Association of Base Ball Players (NABBP), which allowed professional players. Despite dominance by East Coast teams from the New York and Washington, D.C., areas, Chicago won the NABBP championship in 1870.¹

In 1871, the White Stockings joined the wild and wooly National Association of Professional Base Ball Players, or simply the National Association (NA), but missed two seasons following the Great Chicago Fire. However, the club's owner and president, William Ambrose Hulbert, became disgusted with the NA due to the lack of enforceable players' contracts, Boston Red Stockings' monopoly in winning championships, and the league's inability to establish a mandatory schedule. Gambling and alcohol were also serious problems with games often suspected of being "thrown." As a result, Hulbert spearheaded the formation of a new, stronger, and more ethical baseball organization.

During the last years of the NA, Hulbert worked behind the scenes to convince owners of the St. Louis Browns and other teams to join the White Stockings in his new league, which would be called the National Base Ball League or simply National League (NL). Consequently, the NL's formation in 1876 proved to be the downfall of the NA, as its remaining clubs shut down or reverted to amateur or minor status. Thus, Hulbert's Chicago White Stockings become a charter member of the NL along with professional clubs based in St. Louis, Hartford, Boston, Louisville, New York, Cincinnati, and Philadelphia.

¹ See Frank P. Jozsa Jr., *Major League Baseball Expansions and Relocations: A History, 1876–2008* (Jefferson, NC: McFarland, 2009), and James Quirk and Rodney D. Fort. *Pay Dirt: The Business of Professional Team Sports* (Princeton, NJ: Princeton University Press, 1992).

Next are some important concepts, topics, and historical facts about the White Stockings (1876–1893) whose nickname became Colts (1894–1897) and then Orphans (1898–1901) and finally Cubs (1902) and the franchise’s performances while in the NL from 1876 to 2014. By decade, this information includes dates and special managers, players, and events regarding the team during its years competing in regular seasons and postseasons of the league and in some of them as a member of the East or Central Division.

Team Performances

Franchise Timeline

Using such nicknames as “White Stockings,” “Colts,” and “Orphans,” this NL Chicago team played in five different ballparks during the late 1800s to early 1900s. The fledgling league thrived and so did the Chicago organization when it became one of the sport’s earliest dynasties by winning six of the first eleven league titles. Led by managers Albert Spalding and Cap Anson, the team’s most productive players included Spalding, Anson, pitcher and infielder Terry Larkin, pitcher John Clarkson, and pitcher, infielder, and outfielder Larry Corcoran.²

From 1900 to 1909, Chicago baseball enjoyed the most successful decade in its history. In 1906, for example, the Cubs established all-time Major League Baseball (MLB) records for wins in a regular season (116) and winning percentage (0.763) plus their first pennant of the twentieth century. That year, the only all-Chicago World Series was played with the American League (AL) White Sox winning the championship in six games. Spurned by their loss, the Cubs won another NL pennant in 1907, and then in the World Series, they defeated the Detroit Tigers in five games. One year later, the Cubs won their second World Series beating Detroit again. Chicago pitcher Mordecai “Three Finger” Brown won 29 games, and the double-play combination of infielders Joe Tinker, Johnny Evers, and Frank Chance became legends in the annals of the game.

Cubs’ teams began the 1910s much like they concluded the previous decade. They won their fourth NL pennant in five seasons with 104 victories in the regular season, but lost the 1910 World Series to the Philadelphia Athletics in five games. During this 10-year period, the team finished in the top three in 6 years and appeared in two World Series. Shortly after the rival Federal League (FL) folded in December 1915, a former team owner Charles Weeghman and his syndicate purchased the Cubs for \$500,000 and then moved them from the West Side Grounds into the 14,000-seat Weeghman Park, which he built in 1914 for his now-defunct FL Chicago team.

In 1920, Weeghman Park was renamed Cubs Park after chewing gum magnet William Wrigley purchased Weeghman’s share of the club. Six years later, the ballpark became known as Wrigley Field and a second tier increased its capacity to

²Each MLB has a franchise timeline. For this chapter, it is <http://www.chicago.cubs.mlb.com>.

40,000 seats. While managed by Hall of Famer Joe McCarthy in 1929, the Cubs won the NL pennant by more than 10 games. About 1.5 million people packed Wrigley Field to root for future Hall of Famers Rogers Hornsby, Hack Wilson, Gabby Hartnett, and Kiki Cuyler. Despite these powerful hitters, the Cubs lost the World Series to the Philadelphia Athletics in five games.

Manager Charlie Grimm led the Cubs to the 1932 NL pennant, achieved in part, because pitcher Lon Warneke won 22 games. They played the vaunted New York Yankees in the World Series in which Babe Ruth's mythical "called shot" occurred during the fifth inning of Game 3 at Wrigley Field. The Yankees swept the Cubs in four games. That same year, former owner Charles Weeghman and then-current owner William Wrigley died, leaving the organization to Wrigley's son Phil who began to remodel the ballpark to fit his vision of a backyard family playground. Phil Wrigley hired Bill Veeck, who in 1937 planted the now-famous ivy on the outfield wall. However, innovation was not always the management's goal.

Instead of installing lights before other MLB teams, the Cubs were last even though after the bombing of Pearl Harbor, Phil Wrigley had donated them lighting equipment purchased from the War Department in 1941. Four years later, the team made its final World Series appearance of the twentieth century but lost to the AL Detroit Tigers in seven games. When Brooklyn Dodgers' Jackie Robinson made his debut at Wrigley Field in May 1947, the ballpark was packed with its largest single-game attendance ever at 46,572. Six years after Robinson broke baseball's racial barrier, Ernie Banks became the first African-American player for the Cubs.

Just as the United States (US) was immersed in a Cold War with the Soviet Union, the Cubs were in the middle of a frigid decade. After experiencing success during several periods before the 1950s, the Cubs finished the next three decades without a postseason appearance, finally ending the drought in 1984. Nevertheless, a few players had success. To illustrate, outfielder Hank Sauer was the NL Most Valuable Player (MVP) in 1952 after he led MLB with 37 home runs (HRs) and 121 runs batted in (RBIs). In 1955, Sam Jones became the first Cubs pitcher to throw a no-hitter in nearly 40 seasons, and a few years later, shortstop Banks was the first NL player to win the league's MVP trophy in consecutive years (1958 and 1959).

The 1960s, while remembered for people rebelling against society and the untimely deaths of promising young leaders, partially described the Cubs organization. In 1960–1965, for example, owner Phil Wrigley experimented by frequently changing managers, adopting a system referred to as the "College of Coaches." Meant to blend ideas from different individuals instead of one manager, the experiment ended without success in 1966 when Leo "The Lip" Durocher became leader of the team. Five years earlier, future Hall of Fame outfielder Billy Williams was the NL Rookie of the Year, and in 1962, baseman Ken Hubbs won the award. He played a record 78 games without an error and also was the first rookie to win a Gold Glove Award. Then, in 1969, the club set an attendance record at Wrigley Field as Williams, infielder Ron Santo, and pitcher Ferguson Jenkins led the Cubs to a tremendous late-season pennant drive only to fade in the final month to finish in second place in the East Division despite winning 92 games.

During the 1970s, many great Cubs players retired from the sport or were traded to another team. As a group, these included Mr. Cub Ernie Banks, who hit 512 career

HRs; Billy Williams, who in 1971 became the first player in NL history to play in 1,000 consecutive games; Ron Santo, who personified the hot corner (third base) for the second half of the century; and Ferguson Jenkins, who won at least 20 games in six consecutive seasons. In addition to them, other famous Cubs as Charlie Root, Gabby Hartnett, and Stan Hack died as well as owner Phil Wrigley. His son Bill became the new majority owner of the franchise with his daughter being a minority stockholder.

In 1984, the organization won its first NL East Division title and returned to the league's postseason for the first time since 1945. Managed by Jim Frey, the Cubs had a 96–65 record, broke two million in attendance at their home games, and were led by second baseman Ryne Sandberg, the NL MVP that year, and pitcher Rick Sutcliffe, the league's Cy Young Award winner with a 16–1 record. Despite consecutive victories in their first two games at Wrigley Field, the Cubs lost the NL Championship Series (NLCS) to the San Diego Padres. Three years later, outfielder Andre Dawson became the NL MVP after hitting 49 HRs with 137 RBIs and 353 total bases. Then, in 1989, the club won its second East Division title led by manager Don Zimmer; all-stars Sandberg, Dawson, Sutcliffe, and relief pitcher Mitch Williams; and NL Rookie of the Year Jerome Walton. In the NLCS, the San Francisco Giants defeated the Cubs in five games.

Hitting HRs, striking out batters, and mourning the death of two legendary voices of the Cubs were important things to remember about the 1990s. First, Sandberg led the league in 1990 with 40 home runs, the third highest total ever for a second baseman. He also established a MLB record by not committing an error in 123 consecutive games. Second, pitcher Greg Maddux won the NL Cy Young Award in 1992 after pitching 268 innings and finishing the season with a 20–11 record. Third, relief pitcher Randy Myers set a NL record in 1993 with 53 saves, while slugger Sammy Sosa became the first player in Cubs history to hit 33 HRs and steal 36 bases. Fourth, in 1995, the club won its 9,000th game in franchise history—more than any other one-city professional sports franchise. Fifth, after finishing second in their division in 1998, the Cubs lost three consecutive games to the Braves in the NLDS. Sosa led the NL in runs, total bases, and RBIs and won the MVP award.

The Cubs won their first NL Central Division title in 2003, posting an 88–74 record in Dusty Baker's first season as manager. Outfielder Corey Patterson was the team's leader in the first-half of the season but then suffered a knee injury to end his year. When the Cubs upset the East Division champion Atlanta Braves in the five-game NL Division Series (NLDS), this was the franchise's first postseason series win since 1908. They were five outs away from advancing to the World Series for the first time since 1945 but lost Games 6 and 7 of the NLCS at home and thus were eliminated by the Florida Marlins.

In his first season as manager in 2007, Lou Piniella guided his Cubs team to the Central Division title and playing in their first postseason in 4 years. Nevertheless, the Diamondbacks defeated them in the NLDS. In April, the Tribune Company, who owned the franchise, announced that real estate investor Sam Zell had purchased it and, as the new owner, would try to sell the team.

The 2008 season was the 100th anniversary of the Cubs' last World Series championship. They concluded it by winning their second straight Central Division

title with a MLB-leading 97 wins. It was the first time since 1906–1908 that the team had advanced to the playoffs in consecutive years. However, the Cubs were again swept in the NLDS, losing to the Los Angeles Dodgers.

Team Highlights

From 1876 to 2014, this 139-year-old Chicago MLB club won 10,511 of its games or approximately 51 % of the total played during the period. In number of wins and then winning percentage among NL teams as of 2014, respectively, they ranked first and then tied for fourth percentagewise with the Reds and Giants. With a greater proportion of victories in the league were the Dodgers at 53 % and Braves and Cardinals each at 52 %. Historically, the White Stockings/Colts/Orphans/Cubs (WCOC) franchise had more wins and tied for second with the highest winning percentage than others in the Central Division.³

For their specific performances in the league, WCOC teams tied for sixth with the Marlins, Mets, and Phillies each with two World Series championships; ranked second with 16 NL pennants; tied for eighth with the Mets, Diamondbacks, and Padres each with five division titles; and were fourth with 17 playoff appearances. Compared to other NL Central Division clubs, they had better all-time performances than the Brewers but, except for number of pennants, not with those of the Reds, Pirates, and Cardinals (Appendix Table 1).

Since 1876, there have been superior to inferior field managers and players for the WCOC franchise. Among the former group, Cap Anson won 1,283 games, Charlie Grimm 946, Frank Chance 768, and Leo Durocher 535, while several others each had less than 100. Jim Frey was NL Manager of the Year in 1984, Don Zimmer in 1989, and Lou Piniella in 2008.

Some WCOC players are career leaders and established records for the team as hitters and pitchers. Among hitters, Ernie Banks leads in games, at bats, total bases, and extra-base hits; Cap Anson in runs, hits, doubles, and RBIs; Jimmy Ryan in triples; Sammy Sosa in HRs, Frank Chance in stolen bases, and Riggs Stephenson in batting average. Other significant batters include Andre Dawson, Billy Williams, Ryne Sandberg, Ron Santo, Hank Sauer, Phil Cavarretta, and Gabby Harnett. Importantly, NL MVP awards were won by Rogers Hornsby, Frank Schulte, Harnett, Cavarretta, Sauer, Banks (twice), Sandberg, Dawson, and Sosa.

Pitchers with memorable performances for Cubs teams include Charlie Root for most games pitched, wins, and innings pitched, Lee Smith in saves, Mordecai Brown in shutouts and earned run average (ERA), and Ferguson Jenkins in strikeouts. Besides them, such players as Bill Hutchison, Larry Corcoran, Terry Larkin, Hippo Vaughn, and John Clarkson were effective pitchers for the franchise. The club's Cy Young Award winners include Jenkins and Rick Sutcliffe, Greg Maddux, and Bruce Sutter.

³References of Cubs team performances are in the *Official Major League Baseball Fact Book 2005 Edition* (St. Louis, MO: Sporting News, 2005) and also at online sites including "Teams," <http://www.baseball-reference.com> cited 28 January 2015.

Franchise Business

In mid 2009, the Ricketts family acquired a 95 % controlling interest in the Cubs and Wrigley Field and also purchased approximately 25 % of Comcast SportsNet Chicago. They are the eighth ownership group in the franchise's history. Although TD Ameritrade founder Joe Ricketts is not directly involved in the team's operations, his son Tom is majority owner and chairman of the Cubs while several of Joe's other children (Pete, Laura, and Todd Ricketts) are on the board of directors.⁴

At age 18, Tom moved from Omaha, Nebraska, to northeast Illinois to attend the University of Chicago where he graduated with a bachelor's degree in 1988 and 5 years later a Master of Business Administration. While living in Chicago, he became an avid Cubs fan and regularly attended their games at Wrigley Field. When billionaire Sam Zell announced the sale of the club and other assets in 2007, Tom and his family acquired the franchise with a bid of more than \$900 million, which included about \$650 million for the team.

Team Financials

Since 2012, there have been two reputable studies that analyzed the business success and prosperity of MLB franchises using detailed financial data. One study was performed by sportswriters at *Forbes* magazine and published in late 2014, while the other appeared online in an article by Bloomberg Inc. When completed, the studies had similar conclusions although they generated different amounts for revenue and other financials due to variations in accounting methodology, data sources, empirical models, years, and types of accounts.⁵

Regarding data published in *Forbes* for NL franchises, the Cubs ranked second in market value at \$1.2 billion. In addition, their revenue was fourth in the league at \$266 million, gate receipts third at \$117 million, and player's payroll 14th at approximately \$73 million. Among five East Division teams, Chicago's amounts were, respectively, first, second, second, and fifth. Despite inconsistent performances across various MLB seasons, the Cubs are a rich franchise partly because of their location and market population, popularity, and long-standing tradition in the sport (Appendix Table 2).

With differences reported in the Bloomberg Inc. study for NL teams, the Cubs ranked third in total market value and second as a team and also second in revenue and gate receipts; first in concession sales, tied for 10th with the Nationals, Brewers, and Rockies in sponsorships; and fourth in media rights. Furthermore, the club's

⁴Jon Greenberg, "Here's the Pitch: Tom Ricketts," <http://www.magazine.uchicago.edu> cited 9 August 2015.

⁵These studies are, respectively, "The Business of Baseball," <http://www.forbes.com> cited 28 January 2015 and "Major League Baseball Valuations," <http://www.bloomberg.com> cited 2 February 2015.

related businesses contributed \$32 million. Because these sources of income mostly ranked high, the Cubs are a valuable business and a prominent franchise in the league.

Other Business

In October 2014, the Stadium Journey Magazine (SJM) studied each MLB ballpark according to a scale that included food and beverage in the ballpark, overall atmosphere, neighborhood where the stadium was located, fans, access (parking, traffic, restrooms, and handicap accessibility), overall return on investment, and other special or unique features. The ratings of SJM's readers served as the primary tie-breaker and encouraged them to share their views of any team's ballpark.

Among 30 MLB stadiums, the Cubs' Wrigley Field ranked sixth and inferior to the Pirates' PNC Park (second) and Cardinals' Busch Stadium (third) but superior to the Reds' Great American Ball Park (thirteenth) and Brewers' Miller Park (sixteenth) in the Central Division. SJM author Paul Swaney said: "Imagine the ideal neighborhood for a ballpark to be in the middle of an eclectic mix of bars, restaurants, stores, and homes. Picture the neighborhood as a place always full of people and full of life and the image you have in your mind might come close to scratching the surface of the place affectionately known as Wrigleyville."⁶

Annually, Brand Keys Inc. publishes a Sports Fan Loyalty Index (SFLI) for teams in MLB and other professional sports. The SFLI—which provides a comparison of the intensity with corresponding values for fans of other teams in that market—is driven by *pure entertainment* or how exciting is their play; by *authenticity* or how well they play as a team; by *fan bonding* or how well players are respected and admired; and by *history and tradition* or how well the game and team are part of a fan's and community's rituals, institutions, and beliefs. Among 30 teams in 2014, the Cubs were 17th in the SFLI, and within the NL Central Division, they ranked better than the Pirates (tied for eighteenth) but worse than the Cardinals (first), Reds (tied for eleventh), and Brewers (thirteenth).⁷

In February 2014, MLB approved the sale of a minority interest in the Cubs including the team's equity in CSN Chicago, Wrigley Field, and nearby real estate to several investors for \$150 million. The value of the total deal was more than \$2 billion with \$1.8 billion for the team and Wrigley Field. To improve their performance, the Cubs lured manager Joe Maddon from the AL's Tampa Bay Rays with a 5-year, \$25 million contract and then signed free agent Jon Lester to a \$155 million pact over 6 years.⁸

⁶Paul Swaney, "2014 MLB Ballpark Experience Rankings," <http://www.stadiumjourney.com> cited 23 February 2015.

⁷Barry Janoff, "Report: When It Comes to 2014 MLB Fans, the Most Loyal Group is the Cards," <http://www.nysportsjournalism.com> cited 23 February 2015.

⁸Business articles about the Cubs franchise are Richard Babcock, "How the Chicago Cubs Lose by Trying to Win," *Wall Street Journal* (21 August 2014): D6 and Don Muret, "For Cubs, Dynamic Pricing's a One-Way Street," *SportsBusiness Journal* (18 March 2013):7.

Chapter 7

Cincinnati Reds

In 1869, the Cincinnati Red Stockings played in the first game ever by a professional baseball team. At 57–0, they had the longest winning streak in the sport’s history and supposedly won more of them including exhibition games. After the club retained all players in 1870, its unbeaten streak extended to 81 games before the Brooklyn Atlantics defeated them in extra innings.¹

When the Red Stockings lost many of their players and disbanded following the loss to the Atlantics, their nickname was adopted in Boston where, in 1871, a new team featuring some of Cincinnati’s former stars began playing games as the Boston Red Stockings in the National Association of Base Ball Players (NABBP). As a result, a Cincinnati Reds, also known as Red Stockings, team became a charter member of the National League (NL) in 1876. However, it was expelled from the league after the 1880 season for violating such rules as serving beer at games and allowing other teams to rent and use their ballpark on Sundays.

Another Cincinnati team formed in 1881 and became a founding member of the American Association (AA), a rival professional baseball league that began play in 1882. That team played eight seasons in the AA and won the league’s pennant in 1882. Eight years later, the Red Stockings and Brooklyn Dodgers left the AA to join the NL. Subsequently, Cincinnati changed its nickname from “Red Stockings” to “Reds” in 1878.

Next are some important concepts, topics, and historical facts about the Reds or alternatively Red Stockings (1876–1877) and then simply Reds (1878–2014), and the franchise’s performances while in the NL. This information includes dates and special managers, players, and events regarding the team during its years competing in regular seasons and postseasons of the league and in some of them as a member of the Central or West Division.

¹See such books as Frank P. Jozsa Jr., *Baseball, Inc.: The National Pastime as Big Business* (Jefferson, NC: McFarland, 2006), and James Quirk and Rodney D. Fort, *Pay Dirt: The Business of Professional Team Sports* (Princeton, NJ: Princeton University Press, 1992).

Team Performances

Franchise Timeline

The Red Stockings, who played their home games at the Avenue Grounds, were managed by Charlie Gould in 1876 and finished the season with a dismal 9–56 record and last in the new eight-team NL. One year later, Lip Pike and then Bob Addy and finally Jack Manning managed the Red Stockings to sixth place and last again since the league had expelled the New York Mutuals and Philadelphia Athletics. After being renamed Reds in the 1878 season, player/manager Cal McVey piloted Cincinnati to second place. Sharing the managing duties in 1879, McVey and catcher Deacon White led the team to fifth place. Then, before the league kicked it out for rule violations, Cincinnati finished its 1880 season in eighth.²

After being readmitted into the NL to join teams based in Boston, Brooklyn, Chicago, Cleveland, New York, Philadelphia, and Pittsburgh, the Cincinnati Reds finished fourth in 1890. Then, in April 1891, an opening day parade was organized by new team owner John T. Brush. The parade consisted of Webber's military band and two large horse-drawn wagons called tallyhos, which were occupied by players from the Reds and their opponents, the Cleveland Spiders.

From 1890 to 1918, the Reds had mediocre performances. Then, in 1919, the team won the NL pennant by nine games and then its first championship in a best-of-eight game series against the American League (AL) Chicago White Sox. Unfortunately, the club's title was tarnished because several members of the White Sox allegedly "threw" the Series.

During the 1930s, several events occurred for the franchise. First, in 1934, the Reds became the first team in Major League Baseball (MLB) history to use an airplane to travel from one city to another (Cincinnati to Chicago). Second, Cincinnati's Johnny Vander Meer made baseball history in 1938 by pitching a second consecutive no-hitter beating the Boston Braves at home and then the Dodgers at Ebbets Field in Brooklyn. Third, the Reds clinched their first NL pennant in 20 years after defeating the Cardinals in late September 1939 at Crosley Field. Despite Cincinnati pitchers Bucky Walters and Paul Derringer, the AL New York Yankees won the World Series in four games.

From 1940 to 1969, the Reds won two NL pennants and one World Series. The latter championship occurred in 1940 because of pitchers Walters and Derringer and NL Most Valuable Player (MVP) Frank McCormick who had 191 hits and 127 runs batted in (RBIs). Also, Cincinnati's Lonny Frey harassed opponents in games by stealing 22 bases.

The 1970s were the Reds' most memorable decade of performances. After winning the NL pennant by more than 14 games in 1970, the Reds swept the Pittsburgh Pirates in the NL Champion Series (NLCS) but lost the World Series to the AL Baltimore Orioles in five games. In 1972, the Reds scored two runs in the bottom of the ninth to

²Each MLB team has a franchise timeline. It is <http://www.cincinnati.reds.mlb.com>.

defeat the Pirates in the fifth and deciding game of the NLCS. But 11 days later, the AL Oakland Athletics beat them in seven games and won the World Series.

In 1975 and 1976, the Reds won more than 100 games each season in the NL West Division and defeated the Pirates and then the Philadelphia Phillies, respectively, in the NLCS. The 1975 World Series was exciting by featuring five one-run games between the Reds and AL Boston Red Sox. Boston catcher Carlton Fisk's legendary twelfth-inning home run in Game 6 tied the series, but Cincinnati won the championship in seven games, in part, because MVP Pete Rose helped his team to its come-from-behind victories. One year later, Cincinnati's so-called Big Red Machine of players won another World Series.

After finishing first once and second three times during the 1980s, the Reds clinched the 1990 Western Division title and became the only NL team to occupy first place the entire regular season. After edging the Pirates in the NLCS, the Reds defeated heavily favored Oakland to win their fifth World Series championship.

Five years later, Cincinnati swept the Dodgers in three games to win the NL Division Series (NLDS). But in the NLCS, the Atlanta Braves beat the Reds in four games. Cincinnati's Barry Larkin was the 1995 NL MVP by setting a club record for shortstops with a 0.319 batting average and a modern club record of 51 stolen bases.

In a September 1999 game against the Phillies at Veterans Stadium, eight different Reds each hit home runs (HRs) in a total of nine times at bat. In fact, Cincinnati clouted 209 HRs during the season, the most since the 1956 squad's 221. After finishing the regular season tied for the NL wild card spot, the Reds fell to the New York Mets in the sixth one-game playoff in MLB history.

Before 2003, the NL Reds played their home games for 4 years at the Avenue Grounds, one at Bank Street Grounds, twelve at League Park, ten at Palace of the Fans, 59 at Crosley Field, and 33 at Riverfront Stadium—renamed Cinergy Field in 1996. Six years later, more than 25,000 spectators were in downtown Cincinnati to view the destruction of Cinergy Field in less than a minute. Then, in March 2003, the Reds hosted one of the most anticipated openers in club history with the debut of the 42,000-seat Great American Ball Park.

While putting together their first successful season since 2000, the Reds won 91 games in 2010 under manager Dusty Baker and reached the playoffs for the first time in 15 years by winning the NL Central Division. The lineup was led by Joey Votto, Scott Rolen, Jonny Gomes, Drew Stubbs, and Brandon Phillips, while Jay Bruce notched a career-high 25 HRs. Pitcher Bronson Arroyo won a career-high 17 games, and Johnny Cueto, Travis Wood, and Logan Ondrusek played pivotal roles. But in the NLDS, the Phillies swept the Reds in three games.

The Reds' 2012 season was important for the present and future when cornerstone players Joey Votto and Brandon Phillips signed long-term contracts. The Reds won 97 games and their second NL Central Division title in three seasons. Pitcher Johnny Cueto had a career-high 19 victories, Aroldis Chapman saved 38 games, and Jay Bruce won a Silver Slugger Award. In other ways, this was a tough year as manager Dusty Baker suffered a minor stroke near the end of the regular season and missed several games. After Baker returned, Cincinnati endured a crushing ouster from the NLDS to the eventual World Series champion San Francisco Giants in five games.

Amid players' injuries, the Reds won 90 games in 2013 but still finished third behind the Cardinals and Pirates in the ultra-competitive NL Central Division. Cincinnati reached the postseason for the third time in four seasons as the second wild card team. Disappointment came again as the Reds were ousted in a one-game playoff at Pittsburgh to end their season on a six-game losing streak. These losses cost manager Baker his job with pitching coach Bryan Price taking Baker's place in late October.

Despite their slow start in 2014, Cincinnati was in the playoff race with a 51–44 record. However, the team went into a tailspin following the all-star game in July, losing their first seven games in the regular season's second-half. During August, they had a second seven-game losing streak, as they won just nine and faded out as a contender for a wild card and finished in fourth place in their division at 76–86.

Team Highlights

In total for the 1876–1880 and 1890–2014 MLB seasons, the Reds won 9,851 of their games or approximately 51 % of them. In number of all-time wins and then winning percentage among NL teams as of 2014, the club ranked third and then tied for fourth percentagewise with the Cubs and Giants. Although this Cincinnati franchise is above average in its total wins, it has fewer of them than the Cubs and Pirates in the league's Central Division. Also, the Braves, Cardinals, and Dodgers had proportionally more victories.³

Compared to other NL clubs as of 2014, Reds teams tied for second with the Pirates and Dodgers each with five World Series championships, tied for third with the Pirates and Dodgers with nine league pennants, ranked fifth with 11 division titles, and also sixth with 15 playoff appearances. Historically, this Cincinnati MLB franchise has been above average and during some periods outstanding in its team performances and winning championships and titles (Appendix Table 1).

Since 1876, there have been superior to inferior field managers and players for the Reds franchise. Among the former group in wins is Sparky Anderson with 863, Bill McKechnie 744, Dusty Baker 509, and Pat Moran, Jack Hendricks, Fred Hutchinson, and Pete Rose each with more than 400. While several managers won fewer than 25 games for the franchise especially during the late 1870s, early 1900s, and mid 1930s, Jack McKeon was NL Manager of the Year in 1999. In addition, the team retired Hutchinson's uniform number.

Some Cincinnati players are career leaders who established records for the team as hitters and pitchers. Among hitters, Pete Rose leads in games, at bats, runs, hits, total bases, doubles, and extra-base hits, Edd Roush in triples, Johnny Bench in home runs (HRs) and runs batted in (RBIs), Joe Morgan in stolen bases, and Cy

³References include the *Official Major League Baseball Fact Book 2005 Edition* (St. Louis, MO: Sporting News, 2005), "Teams," <http://www.baseball-reference.com> cited 28 January 2015 and "National League Team Histories," <http://www.sportsecyclopedia.com> cited 1 May 2015.

Seymour in batting average. Besides them, other significant players as batters were Barry Larkin, Dave Concepcion, Frank Robinson, Vada Pinson, George Foster, Ted Kluszewski, and Tony Pérez. For their performances, Rose, Bench, and Robinson each won NL Rookie of the Year and also Most Valuable Player (MVP) awards, while other MVPs included Morgan, Foster, Larkin, and also Joey Votto, Frank McCormick, Bucky Walters, and Ernie Lombardi. After their careers ended, the team retired uniform numbers of Bench, Morgan, Kluszewski, Robinson, and Pérez.

Being pitchers with memorable performances for Reds teams, there was Pedro Borbón in most games pitched, Danny Graves in saved games, Bucky Walters in shutouts, Eppa Rixey in wins and innings pitched, Jim Maloney in strikeouts, and Bob Ewing in earned run average. Johnny Vander Meer, Joe Nuxhall, Noodles Hahn, Dolf Luque, Bucky Walters, and Paul Derringer also had impressive careers with the club.

During decades, Cincinnati won more games in the 1970s (953) than in each of the 1870s to 1960s and 1980s to 2000s. Furthermore, Reds teams appeared in consecutive playoffs in 1939–1940, 1972–1973, 1975–1976, and 2012–2013. Based on these results, the 1970s were the franchise's most successful years because its teams appeared in four World Series and won two of them. Alternatively, the least successful decades included the 1900s, 1910s, and 1950s.

Franchise Business

Born in Cincinnati, Ohio, Robert Castellini graduated with an economics degree from Georgetown University in 1963 and 4 years later obtained his Master of Business Administration from the Wharton School of Business. After graduating from Wharton, Castellini became executive vice-president at the Castellini Group of Companies and then in 1970 was president of it until 1992. The Companies' businesses are perishable distribution, food processing, public warehousing, transportation logistics, and leasing.⁴

Castellini has been involved in MLB for three decades including a minor ownership stake in the Reds as part of the Bob Williams family interest until that was sold to Marge Schott in 1984. He became a partner in baseball organizations such as the Texas Rangers in 1989 and Baltimore Orioles in 1993 and also an investor in the St. Louis Cardinals.

From 2001 to 2005, the Reds had consecutive losing seasons, the club's longest such streak in 50 years. So in January 2006, Castellini led a group that purchased the Reds from owner Carl Lindner for \$270 million after which he became chief executive officer of the franchise and replaced general manager Dan O'Brien with Wayne Krivsky. For various reasons, the Reds became more competitive, finishing third in the Central Division at 80–82. Four years after introducing new team uniforms in the winter of 2006, the Reds won their first division title since 1995.

⁴“Bob Castellini,” <http://www.cincinnati.reds.mlb.com> cited 9 August 2015.

Team Financials

Since 2012, there have been two important, newsworthy, and reputable studies that revealed and used detailed financial data to determine the business success and prosperity of MLB franchises. One study was performed by sportswriters at *Forbes* magazine and published in late 2014, while the other appeared online in an article by Bloomberg Inc.⁵

When completed, the studies had similar conclusions but different amounts for revenue and other financials because of such things as their accounting methodology, data sources, empirical models, years, and types of accounts. Next is what sportswriters at *Forbes* analyzed and reported for the Reds followed by major elements and significant findings contained in the Bloomberg Inc. study.

Regarding data published in *Forbes* for NL franchises, the Reds ranked 10th in market value at \$600 million. Moreover the club's revenue was ninth at \$209 million, gate receipts eighth at \$62 million, and player's payroll fifth at approximately \$112 million. Compared to four other teams in the league's Central Division, the Cubs and Cardinals had the highest market values, revenues, and gate receipts but smaller payrolls than the Reds. Although the division's Brewers and Pirates ranked lowest financially among the group, Cincinnati is still a small-market NL team primarily because of its site and market size, scarce resources, and inability to generate more income from its operations (Appendix Table 2).

With differences reported in the Bloomberg Inc. study for NL teams, the Reds ranked 10th in total market value and ninth as a team. Also, they tied for ninth surprisingly with the Brewers in revenue and placed 10th in gate receipts, 11th in concession sales, 9th in sponsorships, and 10th in media rights and received \$22 million in revenue sharing from the league. Relative to others in its division, Cincinnati's amounts of income were inferior to those of the Cardinals and Cubs but similar to the Brewers' (except for market and team values) and superior to the Pirates. From a financial perspective, the Reds franchise is a mediocre business enterprise despite the team's history of winning regular season games and its popularity, tradition, and number of championships and titles.

Other Business

In October 2014, the Stadium Journey Magazine (SJM) studied each MLB ballpark according to a scale that included food and beverage in the ballpark, overall atmosphere, neighborhood where the stadium was located, fans, access (parking, traffic, restrooms, and handicap accessibility), overall return on investment, and any

⁵The two studies are, respectively, "The Business of Baseball," <http://www.forbes.com> cited 28 January 2015 and "Major League Baseball Valuations," <http://www.bloomberg.com> cited 2 February 2015.

special or unique features. The ratings of SJM's readers served as the primary tiebreaker and encouraged them to share their views of any team's ballpark.

Among 30 MLB stadiums, the Reds' Great American Ball Park ranked 13th and inferior to the Pirates' PNC Park (second), Cardinals' Busch Stadium (third), and Cubs' Wrigley Field (sixth) but superior to the Brewers' Miller Park (16th). SJM author Paul Swaney said, "Opened for the 2003 season, Great American Ball Park often gets overlooked amongst the crowd of modern ballparks. However, team ownership has been proactively upgrading the ballpark, creating a venue that has grown and matured well over its 12 seasons. The team was rewarded for this with the announcement that GABP will host the 2015 All-Star Game, an honor the city hasn't hosted since 1988. Great American Ball Park has turned into a park befitting of the team's history and is also a major component of the ongoing rebirth of Cincinnati's riverfront."⁶

Annually, Brand Keys Inc. publishes a Sports Fan Loyalty Index (SFLI) for teams in MLB and other professional sports. The SFLI—which provides a comparison of the intensity with corresponding values for fans of other teams in that market—is driven by *pure entertainment* or how exciting is their play; by *authenticity* or how well they play as a team; by *fan bonding* or how well players are respected and admired; and by *history and tradition* or how well the game and team are part of a fan's and community's rituals, institutions, and beliefs. Among 30 teams in 2014, the Reds were tied for 11th in the SFLI, and within the NL Central Division, they ranked better than the Brewers (thirteenth), Cubs (seventeenth), and Pirates (tied for eighteenth) but worse than the Cardinals (first).⁷

Among fans and officials in baseball, there was speculation that the Reds would rebuild and slash their payroll after finishing fourth in the NL West Division in 2014 and trading starting pitchers Mat Latos and Alfredo Simon in the offseason. But owner Bob Castellini, who spends a higher percentage of revenue on players than most MLB teams, has invested more money into the club as revenues have risen in recent years.

Even though the team's payroll increased from \$73 million in 2009 to almost \$113 million in 2014, Castellini said the Reds payroll will be higher in 2015. Since he acquired the team in 2006, Castellini maintains that the Reds budget their expenditures and revenues to break even. Soon, a new local television deal is likely to provide the team with much more cash. The Reds' current deal averages about \$20 million a year from Fox Sports Ohio. But it expires after the 2017 season, and a new deal, worth at least twice that amount, is expected to be negotiated and approved by the franchise and broadcast network.⁸

⁶For information and also rankings, read Paul Swaney, "2014 MLB Ballpark Experience Rankings," <http://www.stadiumjourney.com> cited 23 February 2015.

⁷Sources are Barry Janoff, "Report: When It Comes to 2014 MLB Fans, the Most Loyal Group is the Cards," <http://www.nysportsjournalism.com> cited 23 February 2015 and "MLB Team Loyalty Winners and Losers," <http://www.brandkeys.com> cited 14 February 2015.

⁸An interesting business article about the Reds franchise is "Coast to Coast: Reds Extend With PNC Bank," *SportsBusiness Journal* (28 February 2011):26.

Chapter 8

Milwaukee Brewers

In 1969, the American League (AL) expanded by adding the Kansas City Royals and Seattle Pilots. The Pilots had to play in a slightly upgraded 25,400-seat minor league ballpark named Sick's Stadium, which was not adequate as a homesite for a Major League Baseball (MLB) team. After 98 losses in its first season, skimpy attendance, and increasing financial problems, the club's majority stockholder and President William Daley avoided a lawsuit by declaring bankruptcy during early 1970 and before MLB's spring training period.¹

Eager to sell his team in a hurry and without delay, Daley sold his franchise for \$10.8 million in the spring of 1970 to a syndicate led by businessman and future MLB commissioner Bud Selig. Within a few weeks, the new owners moved their team from Seattle to southeast Wisconsin and renamed it the Milwaukee Brewers because of the city's long association with the brewing industry.

Although being a relatively small to midsized city, Milwaukee was a baseball town that hosted an AL team in 1901 and the popular and successful National League (NL) Braves from 1953 to 1965. As such, the Brewers' location was convenient to establish intraleague rivalries with the Chicago White Sox and Minnesota Twins, which in turn, would increase these teams' attendances and gate receipts while competing against each other in regular season and postseason games and series.

Next are some important concepts, topics, and historical facts about the Milwaukee Brewers from 1970 to 2014, and the franchise's performances in the AL and then NL. This information includes dates and special managers, players, and events regarding the team during its years competing in regular seasons and postseasons of these leagues and in some of them as a member of the Central or East Division.

¹Two books involving MLB franchises are Frank P. Jozsa Jr., *Major League Baseball Expansions and Relocations: A History, 1876–2008* (Jefferson, NC: McFarland, 2009), and James Quirk and Rodney D. Fort. *Pay Dirt: The Business of Professional Team Sports* (Princeton, NJ: Princeton University Press, 1992).

Team Performances

Franchise Timeline

In their most exciting season since moving to Milwaukee in 1970, the Brewers put together a 10-game winning streak in June 1973, winning 15 of 16 during this span and occupying first place in the AL's East Division for most of the month. The team's new winning ways electrified fans as it broke a million in attendance at home games for the first time in history. Mascots New Bernie and Bonnie Brewer and organist Frank Charles made their debuts as a fun atmosphere existed at the 53,200-seat County Stadium.²

After spending 9 years with the Atlanta Braves, baseball's home run king Hank Aaron returned to Milwaukee in 1975. On April 11, approximately 48,160 fans saluted Aaron on "Welcome Home, Henry Day" for the season's opening game in Milwaukee against the Cleveland Indians. Aaron's presence and a good start by the team helped to increase the Brewers' home attendance to 1.2 million for the season. In July, County Stadium was the site for MLB's all-star game with 51,480 people there as the NL won 6–3.

The Brewers secured their first postseason spot in franchise history by defeating the Detroit Tigers in early October 1981. In this interrupted AL season, it was the first-half East Division winners, New York Yankees, playing the second-half winners, the Brewers who then lost in a five-game series. For his efforts, Milwaukee's Rollie Fingers became the first relief pitcher in MLB history to win Cy Young and Most Valuable Player (MVP) awards in the same season. In addition, Fingers earned his fourth Roloids Relief Man Award, Sporting News Fireman of the Year Award, and the Joe Cronin Award for distinguished service.

In 1982, the Brewers became a contender under new manager Harvey Kuenn. Because he was also the team's batting coach, Milwaukee was known as "Harvey's Wallbangers" chalking up a 72–43 record after early June and finishing with the best in baseball at 95–67. During June, the Brewers won 20 of 27 games and set an AL record and tying one in MLB by hitting 35 home runs during 15 consecutive games. The Sporting News Player of the Year and shortstop Robin Yount led the league in four offensive categories including hits, total bases, slugging percentage, and doubles and also earned the AL MVP Award.

After falling behind two games to zero in the best of five series, the Brewers rallied to become the first Milwaukee team ever to win an AL Championship Series (ALCS). That victory gave the Brewers the league pennant in 1982 and a berth in the 79th World Series against the NL champion St. Louis Cardinals. In an exciting competition labeled the "Suds Series," the Brewers and Cardinals competed against each other with St. Louis winning it in the seventh and final game.

Seven years later, Yount earned his second MVP Award as the Brewers' center fielder. As such, he became the third player in MLB history to win MVP awards at two different field positions and thus joined baseball immortals Stan Musial and

²Each MLB team has a franchise timeline. See <http://www.milwaukee.brewers.mlb.com>.

Hank Greenberg. The Brewers named their twentieth anniversary team as voted by fans. Besides Yount, Aaron, and Fingers, the team included such players as Cecil Cooper, Paul Molitor, Gorman Thomas, Charlie Moore, and Mike Caldwell. Although they finished fourth in their division in 1989, the Brewers attendance at home was almost two million and the third time over 1.9 million in team history.

During August 1995, Wisconsin governor Tommy Thompson, Milwaukee County executive Tom Ament, Milwaukee mayor John Norquist, and Brewers president Bud Selig jointly announced a \$250 million financing plan for a new ballpark. Thompson signed the stadium bill into law in the center field parking lot at County Stadium in October assuring Wisconsin would remain a MLB state for the next 30 years.

As part of phase one of MLB's realignment plan, the Brewers became a member of the NL in November 1997. The team's transfer, being the first since the AL formed at the turn of the twentieth century, was necessary to create a 16-team NL and 14-team AL in 1998. As a result, Milwaukee joined the Chicago Cubs, Cincinnati Reds, Houston Astros, Pittsburgh Pirates, and St. Louis Cardinals in the Central Division.

For the 2001 MLB season, the Brewers opened the 41,900-seat Miller Park in grand fashion by defeating the Cincinnati Reds with President George W. Bush and Commissioner Bud Selig at the game. Then, on August 29, a crowd of 24,551 helped the Brewers establish a new Milwaukee baseball attendance record of more than 2.4 million, surpassing the previous standard of 2.39 million set in 1983. Regarding its performance, the team finished fourth in the NL Central Division and 25 games behind the Houston Astros.

During January 2005, the Selig family sold the Brewers to Los Angeles businessman Mark Attanasio, ending the reign of the longest-tenured ownership group in MLB. One month later, the club sold more tickets on the Internet than online, phone, and in-person sales combined when compared to any similar period in the franchise's 36-year history. Attanasio and his new ownership group accomplished their top priority on 15 April when they signed pitcher Ben Sheets to a 4-year \$38.5-million deal—the richest contract in franchise history.

For the first time in 26 years or when Harvey's—field manager Kuehn's—Wallbangers made it to Game 7 of the 1982 World Series, the Brewers won a spot in the NL's 2008 postseason. They squeezed their way into the playoffs on the final day of the regular season with a win over the Cubs and a New York Mets loss to the Miami Marlins. This gave Milwaukee the NL wild card and a NLDS matchup against the Phillies. The Brewers, however, lost that series in four games while the Phillies continued on to win the World Series.

The 2011 so-called Beast Mode Brewers set a franchise record with 96 regular season victories, won their first division title in 29 years, featured the franchise's first NL MVP in 22 years, and played to within two wins of a return to the World Series before falling to the eventual champion St. Louis Cardinals. By nearly every measure of performance, it was Milwaukee's best summer since 1982. The Brewers won the NL Central Division by six games over the Cardinals and beat the Arizona Diamondbacks in a decisive fifth game of the NLDS. That set up an all-Central NLCS, which opened at Miller Park with the Brewers and Cardinals splitting the series' first four games. However, sloppy defensive play doomed Milwaukee in Game 5 in St. Louis and a rough first inning set the tone for a season-ending loss at home in Game 6.

One year after they won a division title, the Brewers did not succeed in 2012 partly because of injuries to such players as pitcher Chris Narveson, first baseman Mat Gamel, shortstop Alex Gonzalez, and catcher Jonathan Lucroy, and they had a club-record and MLB-worst 29 blown saves including three in a row in late July. The Brewers were in contention until late September and finally eliminated from postseason consideration until Game 159.

In 2013, the team's performance suffered because of early-season pitching troubles and losses in the middle of the lineup with injuries to Ryan Braun, Aramis Ramírez, and Corey Hart. Braun's season ended in July when MLB suspended him for violating the league's drug program. Braun admitted his wrongdoing in a written statement 1 month later, saying he took a cream and a lozenge to help him recover from an injury during the 2011 season. As a result, the Brewers finished fourth in their division.

A record contract for right-hander Matt Garza—the richest free agent deal in franchise history—boosted expectations just before the start of spring training, and during 4 months into the NL's 2014 season, the Brewers were successful. They had the best record in the NL into July and led the Central Division during late August before becoming a disappointment. The team lost 22 of its final 31 games to become only the sixth club since divisions formed in 1969 to be in first place for at least 150 days yet miss the playoffs. The slide spoiled a breakthrough effort by catcher Jonathan Lucroy who became the first Brewers catcher to start an all-star game, break Ivan Rodriguez's MLB record for doubles as a catcher, and finish fourth for the league's MVP Award.

Team Highlights

As a member of the AL from 1970 to 1997 and then NL for 17 more MLB seasons, the Brewers won 3437 of their games or approximately 48 % of them. In number of total wins and then winning percentage as of their 2014 season, they ranked 10th among other NL teams but then 9th percentagewise. Compared to their rivals in the league's Central Division, Milwaukee won the fewest number of games. Simply put, the Cubs, Reds, Pirates, and Cardinals each have played more than 100 years in MLB and won at least 51 % of their games, while the Brewers exist as a less competitive, experienced, and successful franchise.³

Through 2014, the Brewers had won zero World Series, one AL, and zero NL pennants and three division titles in four playoff appearances. Among other NL teams, they ranked 12th and tied with the Nationals, Rockies, and Padres in number of World Series championships, 12th and tied with the Diamondbacks and Rockies in winning pennants, and also 12th in division titles and appearing in playoffs. Based on these results, Brewers teams have not performed as competitively as others in their division (Appendix Table 1).

Since moving from Seattle to Milwaukee in 1970, there have been superior to inferior field managers and players for the Brewers franchise. Among the former

³Sources include the *Official Major League Baseball Fact Book 2005 Edition* (St. Louis, MO: Sporting News, 2005) and "Teams," <http://www.baseball-reference.com> cited 28 January 2015.

group in wins are Phil Garner with 563, Ned Yost 457, Tom Trebelhorn 422, George Bamberger 377, and as of 2014, Ron Roenicke 335. Managers with less than 100 victories included Joe Schultz, Rene Lachemann, Jim Lefebvre, and Jerry Royster. For various reasons, the latter men were unable to motivate their players enough to win more regular season games.

Some Milwaukee players are career leaders and established records for the team as hitters and pitchers. Among hitters, Robin Yount leads in the most games played, at bats, runs, hits, total bases, doubles, triples, home runs (HRs), runs batted in (RBIs), and extra-base hits, Paul Molitor in stolen bases, and Ryan Braun in batting average. Besides them, other productive batters were Cecil Cooper, Gordon Thomas, Jim Canter, Greg Vaughn, and Ben Oglivie. In 1982 and 1989, Yount was an MVP, and after a career of 20 years, the Brewers retired his uniform number. Braun won the NL MVP Award in 2011.

Being pitchers with memorable performances for Brewers teams, there was Dan Plesac in most games pitched, saves, and earned run average (ERA); Jim Slaton in shutouts, wins, and innings pitched; and Yovani Gallardo in strikeouts. Pitchers Mike Caldwell, Bill Wegman, Moose Haas, and Bill Travers also had effective seasons for the club. For his outstanding performances in 1981, pitcher Rollie Fingers was the league MVP and won a Cy Young Award.

During decades, Milwaukee won more games in the 1980s (804) than in each of the 1960s, 1970s, and 1990s to 2000s. Furthermore, Brewers teams appeared in consecutive playoffs in 1980–1981 and then in 2008 and 2011. In addition, they finished second in their division four times, third in 12 seasons, and from fourth to sixth in other years. Based on this history, the franchise's most successful period was the 1980s followed by the 2000s.

Franchise Business

In September 2004, Los Angeles businessman Mark Attanasio reached a deal, on behalf of an investment group, to purchase the Milwaukee Brewers from the family of MLB commissioner Bud Selig for approximately \$220 million. Five months later, MLB franchise owners approved the transfer of ownership at their winter meeting.⁴

Born in 1957 in the Bronx, New York, Attanasio grew up in Tenafly, New Jersey, where he attended high school. He graduated with a Bachelor of Arts degree from Brown University in 1979 and then received his Juris Doctor from Columbia Law School in 1982. Attanasio founded the Dallas, Texas, investment firm Crescent Capital Partners in 1991, which was later bought by Trust Company of the West in 1995. Six years later, he joined the board of directors at the telecommunications company Global Crossing, which filed for bankruptcy in January 2002. Shortly thereafter, he resigned his position on the board.

Regarding his personal interests, Attanasio held or still holds positions on several nonprofit boards including Heal the Bay, the Los Angeles County Museum of Art,

⁴Tyler Kepner, "Owner Goes All in on the Brewers," <http://www.nytimes.com> cited 9 August 2015.

United Way of Milwaukee, and Harvard-Westlake School. In addition, he served for a decade on the President's Leadership Council at Brown University and was and/or is a member of Major League Baseball's Finance, Money Management, Labor Policy, Ownership, and Diversity committees.

As he made his fortune, Attanasio continued to love and support baseball. For example, he studied the early Bill James Abstract, competed in fantasy baseball, and turned to eBay to replace his beloved Yankees Topps cards stolen from a cousin's house years ago. When the Yankees played in the 2001 World Series, Attanasio attended Game 7 in Phoenix wearing a shirt with pinstripes. Two years later, he flew across the country to see the finale of the 2003 ALCS in the Bronx.

Attanasio, who lived in an apartment in downtown Milwaukee, improved Miller Stadium every year. Unsold suites now make up a club and a party area that extends inward from the right field wall, not far from a sprawling children's play zone. With an appealing team and a sparkling home, the Brewers attracted more than three million fans to their home games during some recent seasons. Although he owns more than twice the percentage of any other Brewers investor and has full decision-making authority, Attanasio still owns less than half the team.

Team Financials

Since 2012, there have been two important, newsworthy, and reputable studies that revealed and used detailed financial data to determine the business success and prosperity of MLB franchises. One study was performed by sportswriters at *Forbes* magazine and published in late 2014, while the other appeared online in an article by Bloomberg Inc.⁵

When completed, the studies had similar conclusions but different amounts for revenue and other financials because of such things as their accounting methodology, data sources, empirical models, years, and types of accounts. Next is what sportswriters at *Forbes* analyzed and reported for the Brewers followed by major elements and significant findings contained in the Bloomberg Inc. study.

Regarding data published in *Forbes* for NL franchises, the Brewers ranked fourteenth in estimated market value at \$565 million. In addition, the team tied for twelfth with the Rockies in revenue at \$197 million, placed eleventh in gate receipts at \$56 million, and tied for seventh with the Cardinals in players' payroll at approximately \$107 million. Among Central Division clubs, the Brewers had the smallest value and revenue but more gate receipts and payroll than the Pirates. In short, Milwaukee is a below-average NL franchise based on these financials (Appendix Table 2).

With differences reported in the Bloomberg Inc. study for the league's teams, the Brewers ranked 11th in total market value and 10th as a team. Also, the club tied for 9th with the Reds in revenue and was 9th in gate receipts, 10th in concession sales,

⁵“The Business of Baseball,” <http://www.forbes.com> cited 28 January 2015 and “Major League Baseball Valuations,” <http://www.bloomberg.com> cited 2 February 2015.

tied for 10th with the Nationals, Cubs, and Rockies in sponsorships, and 15th in media rights. Because of their status, they received \$19 million in revenue sharing to finance their operations. Thus, Milwaukee is a small-market franchise that struggles to earn enough cash flows to significantly invest more resources into the team.

Other Business

In October 2014, the Stadium Journey Magazine (SJM) studied each MLB ballpark according to a scale that included food and beverage in the ballpark, overall atmosphere, neighborhood where the stadium was located, fans, access (parking, traffic, restrooms, and handicap accessibility), overall return on investment, and any special or unique features. The ratings of SJM's readers served as the primary tie-breaker and encouraged them to share their views of any team's ballpark.

Among 30 MLB stadiums, the Brewers' Miller Park ranked 16th, and between Central Division teams, it was inferior to the Pirates' PNC Park (2nd), Cardinals' Busch Stadium (3rd), Cubs' Wrigley Field (6th), and the Reds' Great American Ball Park (13th). According to author Paul Swaney, "Miller Park has one of the best game-day experiences in and around the stadium that you will find in Major League Baseball. There are lots of restaurants nearby, tailgating in the parking lot, and games inside and outside of the stadium. As fans pull into the parking lot, the smell of bratwurst and grills are noticeable."⁶

Annually, Brand Keys Inc. publishes a Sports Fan Loyalty Index (SFLI) for teams in MLB and other professional sports. The SFLI—which provides a comparison of the intensity with corresponding values for fans of other teams in that market—is driven by *pure entertainment* or how exciting is their play, by *authenticity* or how well they play as a team, by *fan bonding* or how well players are respected and admired, and by *history and tradition* or how well the game and team are part of a fan's and community's rituals, institutions, and beliefs. Of 30 teams in 2014, the Brewers were 13th in the SFLI, and within the NL Central Division, they ranked better than the Cubs (17th) and Pirates (tied for 18th) but worse than the Cardinals (1st) and Reds (tied for 11th).⁷

The Brewers are still getting a good crowd despite making the postseason only twice since moving into Miller Park in 2001. In 2014, the club's attendance averaged 34,535 or 10.5 % more than the previous season. After a 74–88 performance in 2013 and the suspension of star left fielder Ryan Braun, the team decided to freeze season ticket prices for 2014 and now sells them based on the level of demand as well as other factors.⁸

⁶Paul Swaney, "2014 MLB Ballpark Experience Rankings," <http://www.stadiumjourney.com> cited 23 February 2015.

⁷Barry Janoff, "Report: When It Comes to 2014 MLB Fans, the Most Loyal Group is the Cards," <http://www.nysportsjournalism.com> cited 23 February 2015.

⁸An interesting business article about the Brewers franchise is Eric Fisher, "Recalling Selig's Fight to Keep Milwaukee in the Game," *SportsBusiness Journal* (19 January 2015): 28.

Chapter 9

Pittsburgh Pirates

Before 1887, professional baseball teams in the Pittsburgh area were independent business organizations that barnstormed throughout the region and are not affiliated with any organized leagues although their managers and players received compensation. In 1882, the strongest team in the area joined the American Association (AA) as a founding member. Its home field was in Allegheny City, which was located across the Allegheny River from Pittsburgh. The team was listed as “Allegheny” in the standings and sometimes nicknamed “Alleghenys” in the same generic way that teams from Boston, New York, and Chicago were referred to, respectively, as the “Bostons,” “New Yorks,” and “Chicagos” in the sports writing style of the period.¹

After the club played five mediocre seasons in the AA but finished second once among eight teams, it became the first of them to switch to the National League (NL) in 1887. At the time, the team renamed itself the Pittsburgh Alleghenys although Allegheny remained a separate city until it was annexed by Pittsburgh in 1907.

The nickname Pirates was adopted by the club in 1891 after being accused of hijacking a player under contract to the Philadelphia Athletics. The Pirates stocked their roster with talent from surrounding Midwestern baseball teams, most notably a somewhat bowlegged shortstop named Johannes Peter Wagner. Known as “Honus” rather than John, he spent 18 years in Pittsburgh and later considered by teammates and opponents as the best shortstop, and perhaps best player, in the history of the NL.

Next are some important concepts, topics, and historical facts about the Pittsburgh Alleghenys and then Pirates from 1887 to 2014 and the franchise’s performances in the NL. This information includes dates and special managers, players, and events regarding the team during its years competing in regular seasons and postseasons of the league and in some of them as a member of the East or Central Division.

¹See James Quirk and Rodney D. Fort, *Pay Dirt: The Business of Professional Team Sports* (Princeton, NJ: Princeton University Press, 1992), and Gerald W. Scully, *The Business of Major League Baseball* (Chicago, IL: University of Chicago Press, 1989).

Team Performances

Franchise Timeline

During April 1887, the NL's Pittsburgh Alleghenys played their first home game before 10,000 fans at Recreation Park. After being renamed Pirates 4 years later, they opened the 16,000-seat Exposition Park, which was located on the north shore of the Allegheny River across from downtown Pittsburgh and close to the team's current site, PNC Park. Then, in 1900, the former owner of the defunct NL Louisville club, sports entrepreneur Barney Dreyfuss, acquired a majority ownership of the Pirates franchise and brought several ballplayers with him including future Hall of Famers Honus Wagner and Fred Clarke.²

From 1901 to 1926, the Pirates won five NL pennants and two World Series. Besides Wagner and Clarke, these championship teams, in part, consisted of such managers as Bill McKechnie and outstanding players as Paul Waner, Babe Adams, Ginger Beaumont, Mordecai Brown, Hack Wilson, and Orval Overall. For their achievements in the sport, some of these men are in the National Baseball Hall of Fame.

During one of their Major League Baseball (MLB) seasons during the late 1920s–1930s, the Pirates won a NL pennant. In 1927, they lost the World Series in four games to the American League (AL) New York Yankees and their famous “Murderer’s Row” lineup featuring sluggers Babe Ruth and Lou Gehrig. Then, in 1935, at Pittsburgh’s 35,000-seat Forbes Field, Ruth hit the last three home runs (HRs) of his career with New York. One year later, the Pirates’ Wagner joined Ruth, Ty Cobb, Christy Mathewson, and Walter Johnson as the first players to enter baseball’s new Hall of Fame. The actual induction ceremony took place in mid-1939.

At Detroit’s Briggs Stadium in 1941, Pittsburgh’s Arky Vaughan became the first MLB player to hit two home runs (HRs) in an all-star game during the NL’s loss to the AL. Seven years later, legendary announcer Bob Prince broadcasted his first Pirates game, joining another Pittsburgh favorite, Rosey Rowswell. Known as “The Gunner,” Prince continued to describe Pirates games for 28 years.

After winning the NL pennant in 1960, the Pirates played the Yankees in the World Series. In Game 7 at Forbes Field, infielder Bill Mazeroski led off the bottom of the ninth inning with the most dramatic HRs in Series history, a blast over the left field wall that broke a tied ball game giving Pittsburgh its third world baseball championship. For the season, the Pirates’ Dick Groat won the NL batting title and Most Valuable Player (MVP) Award while pitcher Vernon Law had 20 victories and earned the league’s Cy Young Award.

At the first game in Pittsburgh’s Three Rivers Stadium during the early 1970s, Pirates players dressed in revolutionary double-knit uniforms lost to the Cincinnati Reds. In MLB’s 1971 season, the team supposedly had the first all-minority lineup in a win over the Philadelphia Phillies at a home game. Also that year, Milt May drove in the winning run with a pinch-hit single in the eighth inning as the Pirates defeated

²Each MLB team has a franchise timeline. Regarding contents in this chapter, the source is <http://www.pittsburgh.pirates.mlb.com>.

the Baltimore Orioles in Game 4 of the World Series, which was the first Series night game in baseball history. Then, Steve Blass pitched a four-hitter and Roberto Clemente homered as the Pirates won Game 7 and their fourth world baseball championship.

Eight years later in Game 7 at Baltimore's Memorial Stadium, Willie Stargell's third World Series homer provided the Pirates with a win and their fifth World Series title. As a result, Stargell became Most Valuable Player (MVP) after the Pirates erased a three-to-one game deficit to defeat the AL Orioles. In 1982, he hit his club record 475th HR, an eighth-inning, game-winning, pinch-hit solo shot at Cincinnati's Riverfront Stadium.

The Pirates had several memorable events in the 1990s. First, they won their division in 1990–1992. Second, Barry Bonds became the first Pirates player—and just the second in MLB—to hit 30 or more HRs and steal 50 or more bases in a season. Third, the largest crowd in Pittsburgh baseball history (59,568) was at Three Rivers Stadium in 1994 as the team hosted baseball's 65th all-star game. Infielder Carlos Garcia was on the NL all-star team for the Pirates.

Besides these events, executive Kevin McClatchy and his financial partners acquired the Pirates in early 1996 by outbidding other potential buyers and thus preventing the franchise from moving out of Pittsburgh. One year later at Three Rivers Stadium before a sellout crowd, the Pirates' Mark Smith had a pinch-hit, three-run homer in the bottom of the 10th that capped off a no-hitter by pitcher Francisco Cordova (nine innings) and Ricardo Rincon (one inning). This was the first combined, extra-inning no-hitter in major league history. Then, in April 1999, PNC Park's ceremonial groundbreaking took place while the city's Sixth Street Bridge was renamed Roberto Clemente Bridge.

The 2000s were also important years for the franchise. For example, on 1 October 2000, a crowd of 55,351—the largest to ever see a regular season baseball game in Pittsburgh—watched the Pirates lose to the Chicago Cubs in the final game at Three Rivers Stadium. In 2001, the 37,898-seat PNC Park—the fifth home of the Pirates since their inception in the late 1880s—opened along the shore of the Allegheny River and adjacent to Federal Street.

After the franchise's first 100-loss season in 16 years, Pittsburgh improved in 2002. Thanks in large part to the offseason acquisition of starting pitchers Kip Wells and Josh Fogg, relievers Brian Boehringer and Mike Williams, and second baseman Pokey Reese, the club improved by more than six games over the previous season.

Despite fielding one of the least experienced MLB teams in 2004, outfielder Jason Bay was the Pirates' first NL Rookie of the Year Award winner after setting a club rookie record with 26 HRs. Also, Jack Wilson earned his first all-star berth and nabbed a Silver Slugger Award after becoming the first Pirates shortstop since Honus Wagner to collect 200 or more hits in a season. Pittsburgh's pitching staff was led by hard-throwing southpaw Óliver Pérez who finished in the league's top 10 in earned run average (ERA) and strikeouts.

In 2005, the Pirates reached the 0.500 mark during mid-June but then endured a 37–65 record afterward. Consequently, manager Lloyd McClendon was fired after nearly five seasons. Despite these disappointments, a few bright spots emerged for the team. To illustrate, rookie left-hander Zach Duke was the NL's rookie of the month in July and August, and Jason Bay became Pittsburgh's first player to ever hit 0.300 with at least 30 homers, 40 doubles, 20 stolen bases, 100 runs scored, and 100 runs batted in (RBIs) in a season.

Eight years later, the Pirates won 94 games in the regular season and three more in the playoffs. With respect to the team, some of them won major awards including MVP Andrew McCutchen, Manager of the Year Clint Hurdle, Comeback Player of the Year Francisco Liriano, and Pedro Alvarez, who shared the league's HR title with Arizona Diamondbacks' Paul Goldschmidt. Besides these accomplishments, Pittsburgh fielded nine former number one draft choices which established a young core of players for the future. During the season, the club recovered from a 1–5 record to exceed 0.500 by mid-April, became the first team in MLB to post 50 wins in the midst of a nine-game winning streak, and led the NL Central Division for 56 days before being the league's first wild card. In addition, the Pirates' surged back into the nation's consciousness and celebrated its selections to the all-star team including pitcher Jeff Locke, relievers Mark Melancon and Jason Grilli, and sluggers McCutchen and Alvarez.

Taking a different route to the same destination in 2014, Pittsburgh overcame smaller contributions by 2013 all-stars Alvarez and Grilli to return to the postseason. The team not only had higher attendances, they frequently filled their stadium at home games. Playing in PNC Park, which had 10,000 fewer seats than their previous home—Three Rivers Stadium—the Pirates drew an all-time club record of more than 2.4 million fans. Silver Slugger Award winners Andrew McCutchen and Neil Walker led an offense that received a boost as Josh Harrison evolved from being a versatile rover to a regular third baseman. Emerging pitcher Gerrit Cole anchored the rotation despite two stints on the disabled list while outfielder Gregory Polanco made his highly anticipated debut in mid-June. After a loss to the eventual World Series champion San Francisco Giants in the NL wild card game, the Pirates prepared to make it three consecutive postseason appearances by resigning free agent Francisco Liriano, retaining pitcher A.J. Burnett, and signing Jung-ho Kang as the first position player from the Korean Baseball Organization to immediately join a team in MLB.

Team Highlights

As a member of the NL from 1887 to 2014, the Pirates—previously nicknamed Allegheny or alternatively Alleghenys—won 10,143 of their games or approximately 50 % of them. In number of all-time wins and then winning percentage as of the 2014 MLB season, they ranked second among other NL teams and seventh percentagewise. Compared to its rivals in the league's Central Division, Pittsburgh won fewer games than the Cubs and Cardinals. During its 128-year history, the franchise has been more successful than the majority of teams in the league.³

³For the franchise's history by MLB season, review the *Official Major League Baseball Fact Book 2005 Edition* (St. Louis, MO: Sporting News, 2005) and "Teams," <http://www.baseball-reference.com> cited 28 January 2015.

Through 2014, the Pirates had won five World Series, nine NL pennants, and eight division titles in 16 playoff appearances. Among other league teams, they tied for second with the Reds and Dodgers in number of World Series championships, tied for third with the Reds and Dodgers in winning NL pennants, and ranked seventh in division titles and fifth in playoff appearances. Partly because of their long tenure in the league, the Pirates are above average in winning their total number of postseason games and succeeding in playoffs (Appendix Table 1).

Since 1887, there have been superior to inferior field managers and players for Pittsburgh's franchise. Among the former group in wins are Fred Clarke with 1422, Danny Murtaugh 1115, Jim Leyland 851, and Chuck Tanner 711. Murtaugh, who was NL Manager of the Year in 1990, had his number retired by the club. Leyland and Clint Hurdle also won Manager of the Year awards. In contrast to them, several others each won fewer than 25 games during seasons of the league.

Some Pittsburgh players have been career leaders who established records for the team as hitters and pitchers. Among hitters, there was Roberto Clemente in games played, at bats, hits, and total bases, Honus Wagner in runs and triples, Paul Waner in doubles and batting average, Max Cary in stolen bases, and Willie Stargell in HRs, RBIs, and extra-base hits. Also contributing as hitters were Arky Vaughan, Barry Bonds, Pie Traynor, Ralph Kiner, Dave Parker, and Bill Mazeroski. Particularly as batters, players Clemente, Stargell, Bonds, Parker, Andrew McCutchen, Dick Groat, and Paul Waner won NL MVP awards.

Pitchers with memorable performances for Pirates teams include Roy Face in games pitched and saved, Babe Adams in shutouts, Wilbur Cooper in wins, Vic Willis in earned run average (ERA), and Bob Friend in strikeouts and innings pitched. Besides them, there were also Vern Law, Deacon Phillippe, and Sam Leever. For their outstanding seasons, Law and Doug Drabek were Cy Young Award winners.

During decades, Pittsburgh won more games in the 1900s (938) than in each of the 1910s–2000s. Furthermore, its teams appeared in consecutive playoffs in 1970–1972, 1974–1975, 1990–1992, and 2013–2014. Based on this history, the franchise's most successful period was the 1970s and then the 1990s, early 2000s, and early 1900s.

Franchise Business

Born in 1962 in Wheeling, West Virginia, Robert M. Nutting earned his Bachelor of Arts degree from Williams College in Massachusetts. He assumed control of the Pittsburgh Pirates in 2007 and served as Chairman of the Board and represented his family's interest in the club since 2003. Throughout his ownership, Nutting has focused on improving the Pirates' operations by completely overhauling the team's facilities, leadership group, and organizational approach. As a result, the Pirates franchise is stronger than in decades.⁴

⁴Robert Nutting, Chairman," <http://www.pittsburgh.pirates.mlb.com> cited 9 August 2015.

Under Nutting's leadership, the Pirates have been one of the most aggressive teams in MLB in investing and acquiring talent through the amateur draft. Also, the Pirates have increased their focus on infusing their system with top international talent. Consequently, the club's minor league system is ranked in baseball's top 10.

Nutting's tenure has included the construction of the Pirates training academy in the Dominican Republic, efforts to rebuild Pirate City and the team's spring training complex in Bradenton, Florida, and the purchase of the Bradenton Marauders, a Florida State League franchise. Also, he demonstrated his commitment to ensure that Pittsburgh remains home at PNC Park by enhancing and promoting its family-friendly environment through numerous upgrades and new amenities.

Team Financials

Since 2012, there have been two important, newsworthy, and reputable studies that revealed and used detailed financial data to determine the business success and prosperity of MLB franchises. One study was performed by sportswriters at *Forbes* magazine and published in late 2014 while the other appeared online in an article by Bloomberg Inc.⁵

When completed, the studies had similar conclusions but different amounts for revenue and other financials because of such things as their accounting methodology, data sources, empirical models, years, and types of accounts. Next is what sportswriters at *Forbes* analyzed and reported for the Pirates followed by major elements and significant findings contained in the Bloomberg Inc. study.

Regarding data published in *Forbes* for NL franchises, the Pirates ranked 13th in market value at \$572 million. In addition, the club was 11th in revenue at \$204 million, 12th in gate receipts at \$54 million, and 13th in payroll at approximately \$77 million. Based on these results, the franchise is below average financially with respect to amounts of most teams in the league and its division (Appendix Table 2).

With differences reported in the Bloomberg Inc. study for the league's teams, the Pirates were 12th in total market value and ranked 11th as a team. Also, the club's revenue placed 15th, concession sales tied for 12th with the Padres, and its gate receipts, sponsorships, and media rights each ranked 14th. Despite having the highest net gain in revenue sharing at \$35 million, the club struggles as a business to be competitive from a financial perspective.

Other Business

In October 2014, the Stadium Journey Magazine (SJM) studied each MLB ballpark according to a scale that included food and beverage in the ballpark, overall atmosphere, neighborhood where the stadium was located, fans, access (parking, traffic,

⁵Read "The Business of Baseball," <http://www.forbes.com> cited 28 January 2015 and "Major League Baseball Valuations," <http://www.bloomberg.com> cited 2 February 2015.

restrooms, and handicap accessibility), overall return on investment, and any special or unique features. The ratings of SJM's readers served as the primary tie-breaker and encouraged them to share their views of any team's ballpark.

Among 30 MLB stadiums, the Pirates' PNC Park ranked 2nd, and among Central Division teams, it was superior to the Cardinals' Busch Stadium (3rd), Cubs' Wrigley Field (6th), Reds' Great American Ball Park (13th), and Brewers' Miller Park (16th). According to author Paul Swaney, "Located on the banks of the Allegheny River, PNC Park has long been the forgotten gem of not only Pittsburgh, but Major League Baseball. Pittsburgh fans were tired of seeing a losing team year after year especially given the amount of success the Penguins and Steelers have had. The city's thriving college crowd found no interest in going to Pirates games, which is understandable considering the fact that the last winning team Pittsburgh fielded was when most of them were infants. All of that changed in 2013 when PNC Park saw its first winning team since its construction. With the Pirates finally relevant, fans from around the country started paying more attention to the team as they got more and more games on national television. But one of the biggest takeaways from those nationally televised games had nothing to do with the team and everything to do with their beautiful home field."⁶

Annually, Brand Keys Inc. publishes a Sports Fan Loyalty Index (SFLI) for teams in MLB and other professional sports. The SFLI—which provides a comparison of the intensity with corresponding values for fans of other teams in that market—is driven by *pure entertainment* or how exciting is their play, by *authenticity* or how well they play as a team, by *fan bonding* or how well players are respected and admired, and by *history and tradition* or how well the game and team are part of a fan's and community's rituals, institutions, and beliefs. Of 30 teams in 2014, the Pirates were tied for 18th in the SFLI, and within the NL Central Division, they ranked worse than the Cardinals (1st), Reds (tied for 11th), Brewers (13th), and Cubs (17th).⁷

In 2014, the Pirates qualified for the postseason for the second consecutive year after a streak of 20 consecutive losing seasons. They were bounced in the wild card elimination game by the Giants, but financially, the season was a success. In ratings on regional sports network Root Sports, Pittsburgh averaged 7.49 or third highest in baseball. Attendance at PNC Park averaged 30,155, almost 7 % more than 2013. But since Bob Nutting became the team's principal owner 7 years ago, payroll has barely increased relative to baseball's other 29 teams. In 2007, the Pirates payroll was 27th and in a recent season 26th.⁸

⁶Paul Swaney, "2014 MLB Ballpark Experience Rankings," <http://www.stadiumjourney.com> cited 23 February 2015.

⁷Reference Barry Janoff, "Report: When It Comes to 2014 MLB Fans, the Most Loyal Group is the Cards," <http://www.nysportsjournalism.com> cited 23 February 2015.

⁸Two business articles about the Pirates franchise are Eric Fisher, "Payoff for the Pirates," *SportsBusiness Journal* (23 September 2013): 1 and John W. Miller, "The Count: Pirates Seeing More Booty in the Seats," *Wall Street Journal* (14 August 2014): D6.

Chapter 10

St. Louis Cardinals

From 1876 to 1877, the St. Louis Brown Stockings played in the National League (NL). Because of financial and management problems, however, they were dropped from the league although finishing, respectively, second and fourth in regular seasons. Then, in 1882, the Brown Stockings—renamed Browns in 1883—joined the American Association (AA) and played their home games at the 6000-seat Sportsman’s Park. A few years after winning four consecutive championships and then collapse of the AA, the Browns entered the 12-team NL.¹

For 6 years (1892–1897), the NL Browns played their home games in Union Park and 1 year (1898) at League Park. Then, in 1899, franchise owners Frank and Stanley Robison changed the club’s nickname from Browns to Perfectos and also transferred them from League Park to the 14,500-seat Robison Field. The team, whose players wore red-striped stockings and red-trimmed uniforms, adopted a new nickname in 1900 when a baseball fan said, “What a lovely shade of cardinal.” The Robisons happened to be nearby, heard the fan’s comment, and spread it around to other observers.

Next are some important concepts, topics, and historical facts about this Major League Baseball (MLB) franchise in St. Louis, most importantly while nicknamed Cardinals in the NL from 1900 to 2014. This information includes dates and special managers, players, and events regarding the team during its years competing in regular seasons and postseasons of the league and in some of them as a member of the East or Central Division.

¹ See, for example, such books as Frank P. Jozsa Jr., *Baseball, Inc.: The National Pastime as Big Business* (Jefferson, NC: McFarland, 2006), and James Quirk and Rodney D. Fort, *Pay Dirt: The Business of Professional Team Sports* (Princeton, NJ: Princeton University Press, 1992).

Team Performances

Franchise Timeline

When the St. Louis Cardinals—sometimes identified as Cards or Redbirds—went bankrupt in 1917, the team and Robison Field were sold in total for \$375,000 to a syndicate headed by James Jones. Three years later and in financial trouble again, businessman Sam Breadon loaned the team \$18,000 and acquired 72 % of it while sports entrepreneur Branch Rickey bought an 18 % share and Rogers Hornsby became a minority stockholder. After the franchise fired field manager Rickey in 1925, he sold his interest to Breadon and Hornsby for \$250,000.²

In 1926, the Cardinals won the NL pennant and appeared in their first World Series. Led by player-manager Hornsby, they defeated the AL New York Yankees to win it in seven games. That year, the team's players were not caught stealing a base during the regular season. Veteran 39-year-old pitcher Grover Cleveland Alexander, who was obtained in a midseason trade with the Chicago Cubs, won the second and sixth games of the Series and then saved the seventh game by striking out Yankees slugger Tony Lazzeri with the bases loaded in the seventh inning.

From 1927 to 1933, St. Louis played in three World Series and won one of them. Then, in 1934, the team, led by its “Gas House Gang,” won the NL pennant on the final day of the season and then defeated the AL Detroit Tigers in the so-called Garbage World Series. Pitcher Dizzy Dean and his brother Paul, a rookie, combined for 45 victories during the regular season and two games each in the Series. In the final game at Detroit, won by the Cardinals, MLB Commissioner Kenesaw Mountain Landis ordered the ejection of the Cardinals' left fielder Joe Medwick because he aroused fans by sliding hard into Tigers third baseman, Marv Owen, in the sixth inning. As a result, they bombarded Medwick with fruit, vegetables, and debris when he took his position in left field in the bottom of the inning. Thus, Landis removed him to stop the disturbance.

Although their average age was only 27 years old, the 1942 Cardinals are considered one of baseball's all-time greatest teams. After 106 victories in the regular season and winning a NL pennant, they lost the first game in the World Series to the powerful Yankees but then won the next four. Then, 2 years later, the Cardinals defeated the AL St. Louis Browns in the cross-town champions' only World Series appearance together in the same ballpark. Interestingly, the Series was dubbed “Streetcar Series” since numerous fans used that mode of transportation to and from games.

In 1946, the Cardinals' paid attendance at home games topped one million for the first time in history. The team and Brooklyn Dodgers finished the season tied for first in the NL, which was the first time that occurred in MLB. After a three-game series, the Cardinals defeated the Dodgers for the pennant and then the AL Boston Red Sox in seven games to win their sixth World Series championship.

During late 1952, it appeared that majority owner Fred Saigh would sell the Cardinals to a group who might move it from St. Louis to Milwaukee, Wisconsin.

²Each MLB team has a franchise timeline on their website. The reference for this chapter is <http://www.stlouis.cardinals.mlb.com>.

Instead, Anheuser-Busch Inc. (ABI), led by its president August A. Busch Jr., purchased the club for \$3.7 million from Saigh. After the transaction was announced in February 1953, AL St. Louis Browns owner Bill Veeck offered his team for sale. Veeck negotiated the sale of Sportsman's Park to ABI in April, and following the 1953 MLB season, the ballpark was renovated and then renamed Busch Stadium. Later, the Browns were sold to a syndicate led by attorney Clarence Miles who moved his team from St. Louis to Baltimore, Maryland, and nicknamed the Orioles.

In 1964, the Cardinals won their first NL pennant in 18 years and defeated the Yankees in the World Series. St. Louis pitcher Bob Gibson, catcher Tim McCarver, and infielder Ken Boyer were heroes. Then, 3 years later, the Cardinals won 101 games and a pennant by more than 10 of them. Led by Gibson and outfielder Lou Brock, the team put on one of the finest offensive displays in World Series history and beat the AL champion Red Sox in seven games.

To concentrate exclusively on being a field manager, Whitey Herzog stepped down as the Cardinals' general manager on opening day of the 1982 season. The move succeeded as the Cardinals were in first place for only 48 days of the season yet claimed their first ever NL East Division title. After sweeping the Atlanta Braves in the NL Championship Series (NLCS), the Cardinals played in their thirteenth World Series and won it by defeating the Milwaukee Brewers in seven games. During the regular season, St. Louis had an aggressive running style with seven players in double figures but hit only 67 home runs (HRs), the fewest in MLB. In addition, strong and consistent pitching performances by Joaquín Andújar, Bruce Sutter, and Bob Forsch were important since the club never lost more than three consecutive games.

In 1985 and then 1987, the Cardinals lost the World Series. For the former season, their most productive players were slugger Willie McGee, Rookie of the Year Vince Coleman, and pitchers John Tudor and Joaquín Andújar, while in 1987, they were McGee and Coleman. Also, St. Louis's Whitey Herzog was NL Manager of the Year in 1985.

With new ownership in 1996, manager Tony La Russa and his players had the Cardinals in their first postseason appearance since 1987. This marked the end of an era as shortstop Ozzie Smith completed his nineteenth and final MLB season. Nevertheless, the Cardinals swept the NL Division Series (NLDS) by defeating the San Diego Padres, but after a two-game lead over the defending World Series champion Atlanta Braves in the NLCS, they lost the next three.

After waiting until the final day of the regular season to clinch a playoff spot, the 2006 Cardinals put together an impressive postseason. They defeated the San Diego Padres in the NLDS and then played the New York Mets in the NLCS. That series ended in Game 7 when catcher Yadier Molina and relief pitcher Adam Wainwright led St. Louis to the World Series for the second time in three seasons. Subsequently, the Cardinals beat the Tigers in five games and won their first world championship since 1982.

A year that looked ominous from the beginning turned out to be memorable and historic for the 2011 Cardinals. During the early part of the season, the club was in contention for the NL pennant but still subject to one injury after another including such players as Albert Pujols, Matt Holliday, David Freese, and Allen Craig. Yet they competed in their division, and at midseason, the front office rewarded their diligence with trades. With the infusion of veterans and young but talented players, St. Louis qualified for the postseason. After a five-game triumph over the Phillies in

the NLDS, the team defeated the Brewers in the NLCS, advanced to their second World Series in six seasons, and won it against the AL Texas Rangers. This was the franchise's 10th world championship.

Although the Cardinals lost three key players before the 2013 season opened, they won 97 games. Then, the team emerged from competition with three other clubs to win its first NL Central Division title since 2009. After defeating the Pirates and Dodgers en route to the organization's fourth World Series appearance in the last 10 years, St. Louis eventually lost to the Red Sox in six games.

While the Cardinals did not defend their NL pennant, they held off the Pirates for a second consecutive season to capture another division title in 2014. However, the club regressed offensively and finished the season last in the league in HRs. But in September, the Cardinals had sole possession of the division's top spot and never relinquished it. They stunned pitcher Clayton Kershaw twice to defeat the Los Angeles Dodgers in the NLDS before the San Francisco Giants ended their playoff progress for a second time in three seasons.

Team Highlights

As a member of the NL from 1892 to 2014 with the nickname Browns, Perfectos, and then Cardinals, the team won 9690 games or approximately 52 % of them. In number of all-time wins and then winning percentage as of the 2014 MLB season, they ranked fourth among other NL teams but tied for second percentagewise. Compared only to its rivals in the league's Central Division, St. Louis also won the fourth most number of games. During its 123-year history, the franchise has been successful and accumulated more victories than the Brewers but less than those of the Cubs, Pirates, and Reds.³

Through 2014, the Cardinals had won 11 World Series, 23 league pennants, and 12 division titles in 27 playoff appearances. Among other NL teams, they ranked first in World Series championships, pennants, and number of playoffs and tied for third with the Phillies in winning their division. Based on these results, the Cardinals have been a well-organized franchise and very successful compared to others in the league and their division (Appendix Table 1).

Since the late 1800s, there have been superior to inferior field managers and players for St. Louis' NL team. Among the former group in wins are Tony La Russa with 1408, Red Schoendienst 1041, Whitey Herzog 822, Billy Southworth 620, and Charles Comiskey 561. La Russa and Herzog were each NL Manager of the Year. Besides them, other prominent managers include Branch Rickey, Frankie Frisch, and Eddie Dyer. Alternatively, several men each won fewer than 25 games while managing the Cardinals and did not finish their season with the club.

³Two sources for this information are the *Official Major League Baseball Fact Book 2005 Edition* (St. Louis, MO: Sporting News, 2005) and "Teams," <http://www.baseball-reference.com> cited 28 January 2015.

Some St. Louis ballplayers have been career leaders who established records for the team as hitters and pitchers. Among hitters, there was Stan Musial in games played and at bats, runs, hits, total bases, doubles, triples, HRs, runs batted in (RBIs), and extra-base hits, Rogers Hornsby in batting average, and Lou Brock in stolen bases. Musial was a three-time NL Most Valuable Player (MVP) and had his uniform number retired by the franchise. Productive batters were also Joe Medwick, Ozzie Smith, Ken Boyer, Lou Brock, Enos Slaughter, Curt Flood, Marty Marion, Jim Bottomley, Mark McGuire, Willie McGee, Joe Torre, Orlando Cepeda, and Albert Pujols. Some of these players received league and team awards for their contribution while batting against opponents.⁴

Pitchers with memorable performances for Cardinals teams include Jesse Haines in games pitched; Lee Smith in saves; Bob Gibson in shutouts, wins, strikeouts, and innings pitched; and John Tudor in earned run average (ERA). Gibson won two Cy Young Awards and one NL MVP trophy. For their significant performances as pitchers, also successful were Dizzy Dean, Bill Doak, Harry Brecheen, Mort Cooper, Max Lanier, and Vinegar Bend Mizell. Individually, these Cardinals had above average to great careers with the franchise.

During decades, Cardinals teams won 913 games from 2000 to 2009 and also 960 in the 1940s; between 800 and 900 games each in the 1920s, 1930s, and 1960s–1980s; and less than 800 games in 1900–1909 and the 1910s, 1950s, and 1990s. Furthermore, some of them appeared in consecutive NL playoffs for seasons 1930–1931, 1942–1944, 1967–1968, 2000–2002, 2004–2006, and 2011–2014. Based on this data, St. Louis had the most success during the early 2000s and then the mid-1940s.

Franchise Business

Born in St. Louis, Missouri, William “Bill” DeWitt Jr. studied at and graduated from the city’s Country Day School and then earned a Bachelor of Arts degree in Economics from Yale University in 1963 and, 2 years later, received his Master of Business Administration from Harvard. The son of former civic leaders and team owners William O. DeWitt and Margaret H. DeWitt, he has deep roots in baseball dating back to his childhood. Indeed, Bill DeWitt’s father began his career with the Cardinals in 1916 and worked in a variety of executive positions under Branch Rickey until the early 1940s when he joined the St. Louis Browns as general manager.⁵

As principal owner of the NL Cardinals, Bill has served as the franchise’s chairman and chief executive officer since 1996 in which he oversees all baseball, operational, financial, and league business. For his other positions, he was and/or is a member of the MLB Executive Council, Board of MLB Advanced Media, Ownership and Diversity Committees, and Commissioner’s Special Committee for On-Field Matters and serves on the Board of the National Baseball Hall of Fame.

⁴Before 1943, other Cardinals NL MVPs were Mort Cooper, Joe Medwick, Dizzy Dean, Frankie Frisch, Jim Bottomley, Bob O’Farrell, and Rogers Hornsby.

⁵“William O. DeWitt, Jr.,” <http://www.stlouis.cardinals.mlb.com> cited 9 August 2015.

Regarding other accomplishments, DeWitt Jr. opened a new spring training facility in Jupiter, Florida, and purchased the Palm Beach Cardinals of the Florida State League in 1998 and 7 years later acquired the Springfield Cardinals of the Texas League and also expanded the team's international presence by operating baseball academies in the Dominican Republic and employing people in six foreign countries. In addition, he privately financed the construction of Busch Stadium in April 2006, which hosted MLB's 2009 all-star game. Since the mid-to-late 1990s, his Cardinals teams have won two wild card games, eight division titles, three NL pennants, and two World Series.

Team Financials

Since 2012, there have been two important, newsworthy, and reputable studies that revealed and used detailed financial data to determine the business success and prosperity of MLB franchises. One study was performed by sportswriters at *Forbes* magazine and published in late 2014 while the other appeared online in an article by Bloomberg Inc.⁶

When completed, the studies had similar conclusions but different amounts for revenue and other financials because of such things as their accounting methodology, data sources, empirical models, years, and types of accounts. Next is what sportswriters at *Forbes* analyzed and reported for the Cardinals organization followed by major elements and significant findings contained in the Bloomberg Inc. study.

Regarding data published in *Forbes* for NL franchises, the Cardinals ranked fifth in market value at \$820 million. Also, they were third in revenue at \$283 million, first in gate receipts at \$136 million, and tied for seventh with the Brewers in payroll at approximately \$107 million. Compared to other clubs in their division, St. Louis had the highest revenue and gate receipts but placed second to the Cubs in value and spent the same in payroll as Milwaukee. Although their debt-to-value ratio ranked sixth highest in the league at 21 %, the Cardinals have enough cash flows and reserves to pay their current expenses and some future debts and will continue to operate without any critical problems as a business enterprise from a financial perspective (Appendix Table 2).

With differences reported in the Bloomberg Inc. study for the league's teams, the Cardinals were seventh in total market value and sixth as a team. Also, they ranked sixth in revenue and concession sales, fourth in gate receipts, tied for fourth with the Phillies in sponsorships, and placed 12th in media rights. Because of their income and wealth, however, St. Louis had a net loss (subsidy payment) of \$6 million in revenue sharing to other teams. In sum, the Cardinals are a relatively popular, prosperous, and rich franchise with high attendances at their home games, a tradition of recruiting and hiring smart managers, developing and using skilled players from their farm system, and having a history of winning championships.

⁶For this and other financial data, see "The Business of Baseball," <http://www.forbes.com> cited 28 January 2015 and "Major League Baseball Valuations," <http://www.bloomberg.com> cited 2 February 2015.

Other Business

In October 2014, the Stadium Journey Magazine (SJM) studied each MLB ballpark according to a scale that included food and beverage in the ballpark, overall atmosphere, neighborhood where the stadium was located, fans, access (parking, traffic, restrooms, and handicap accessibility), overall return on investment, and any special or unique features. The ratings of SJM's readers served as the primary tie-breaker and encouraged them to share their views of any team's ballpark.

Among 30 MLB ballparks, the Cardinals' Busch Stadium ranked third, and relative to other NL Central Division teams, it was lower than the Pirates' PNC Park (2nd) but higher than the Cubs' Wrigley Field (6th), Reds' Great American Ball Park (13th), and Brewers' Miller Park (16th). According to author Paul Swaney, "In the spirit of keeping things fresh and providing additional revenue streams for the club, the long-planned Ballpark Village opened for the 2014 season around Busch Stadium, just beyond the left field perimeter. It is a remarkable addition to an already popular locale. With multiple venues and public areas to gather, this area is just as popular on days when the Cardinals are playing away from home as they are when they host an opponent."⁷

Annually, Brand Keys Inc. publishes a Sports Fan Loyalty Index (SFLI) for teams in MLB and other professional sports. The SFLI—which provides a comparison of the intensity with corresponding values for fans of other teams in that market—is driven by *pure entertainment* or how exciting is their play, by *authenticity* or how well they play as a team, by *fan bonding* or how well players are respected and admired, and by *history and tradition* or how well the game and team are part of a fan's and community's rituals, institutions, and beliefs. Of 30 teams in 2014, the Cardinals were first in the SFLI, and within the NL Central Division, they ranked higher than the Reds (tied for 11th), Brewers (13th), Cubs (17th), and Pirates (tied for 18th).⁸

The Cardinals have become baseball's model franchise on and off the field. They had only two losing seasons since 1998 and made 11 playoff appearances during that time without busting their budget with debt. For example, their 2014 payroll was 13th in baseball. They had the second highest attendance in baseball in each of the past two seasons and attracted at least three million fans to Busch Stadium for 10 consecutive years despite playing in the 21st biggest market in America. Moreover, the Cardinals had the highest local television ratings in baseball in 2014, for the first time since 2010. That was because their ratings on the FS Midwest network averaged 7.76.⁹

⁷Paul Swaney, "2014 MLB Ballpark Experience Rankings," <http://www.stadiumjourney.com> cited 23 February 2015.

⁸Barry Janoff, "Report: When It Comes to 2014 MLB Fans, the Most Loyal Group is the Cards," <http://www.nysportsjournalism.com> cited 23 February 2015.

⁹Business articles about the Cardinals franchise include Eric Fisher, John Ourand and Terry Lefton, "Who's Got the Juice in the Business of Baseball?" *SportsBusiness Journal* (23 March 2015): 15 and Vahe Gregorian, "Cheer if You Must, But Cardinals Report Hurts Everyone," *Charlotte Observer* (18 June 2015): 4B.

Part III
West Division

Chapter 11

Arizona Diamondbacks

During late 1993, Jerry Colangelo—who owned the National Basketball Association (NBA) Phoenix Suns—assembled an investment group titled Arizona Baseball Inc. in order to apply for a Major League Baseball (MLB) expansion team. Confident of being awarded a new franchise, Colangelo's group held a name-the-team contest and took out a full-page advertisement in the sports section of a February edition of the *Arizona Republic*. The winning entry, Diamondbacks, was the name of a rattlesnake native to the region and known to inject a large amount of venom when it struck.¹

Colangelo's bid received strong support from one of his friends, MLB's [Chicago White Sox and NBA's Chicago Bulls](#) owner Jerry Reinsdorf, and according to media reports, also from MLB Commissioner Bud Selig. Plans were made for a new retractable-roof ballpark to be built in an industrial/warehouse district on the south-east edge of downtown Phoenix, which was one block from the Suns' America West Arena. For a fee of \$130 million, in early March 1995 MLB awarded Colangelo's group a franchise to begin play in the 1998 season. Besides Phoenix, the Tampa Bay Area was also granted a new baseball franchise and to host a team nicknamed the Devil Rays based in St. Petersburg, Florida.

Originally, the Diamondbacks were supposed to join the Devil Rays in the American League (AL). However, five AL franchise owners threatened to block the league assignments because their teams would have additional games outside their time zone, causing early starts that might decrease their gate receipts, revenue, and television ratings.

In mid-January 1997, the Diamondbacks were officially voted into the National League (NL), while their expansion counterpart in Tampa Bay became a member of the AL. Nevertheless, MLB reserved the right to unilaterally shift either the Diamondbacks or Devil Rays to another league within the first 5 years of their

¹See Frank P. Jozsa Jr., *Major League Baseball Expansions and Relocations: A History, 1876–2008* (Jefferson, NC: McFarland, 2009), and James Quirk and Rodney D. Fort, *Pay Dirt: The Business of Professional Team Sports* (Princeton, NJ: Princeton University Press, 1992).

existence. After the 2001 season, with the possibility of the Minnesota Twins and Montreal Expos teams being eliminated, it was possible the Diamondbacks would move to the AL. However, MLB's franchise contraction plans never materialized.

Next are some important concepts, topics, and historical facts about the Arizona Diamondbacks (D-backs) while in the NL from 1998 to 2014. This information includes dates and special managers, players, and events regarding the team during its years competing in regular seasons and postseasons of the league's West Division.

Team Performances

Franchise Timeline

After winning the 1999 West Division title by 14 games and appearing in their first postseason, the Diamondbacks lost to the wild card New York Mets in the NL Division Series (NLDS). Although pitcher Todd Stottlemeyer allowed only four hits to help Arizona win Game 2, their season ended when Todd Pratt homered in the bottom of the 10th inning to give New York a victory in Game 4. For their success in the regular season, Diamondbacks' Steve Finley won the club's first Gold Glove Award for being one of the NL's top fielding outfielders, and after leading MLB in strikeouts, innings pitched and complete games, pitcher Randy Johnson earned his first NL Cy Young Award.²

After the Diamondbacks beat the Milwaukee Brewers to clinch a tie for the NL West Division in 2001, the San Francisco Giants lost to the Los Angeles Dodgers later that evening giving the D-backs their second division title in 3 years. In the NLDS, Arizona defeated the St. Louis Cardinals to advance to the NL Championship Series (NLCS) in which they beat the Atlanta Braves for their first pennant and a trip to the World Series against the AL New York Yankees. Because Johnson won four games as a pitcher, Arizona became the quickest expansion team ever to win a World Series. He collected his third straight Cy Young Award while teammate Curt Schilling finished second in votes.

In the NL's 2002 season, the Diamondbacks clinched their third division title in 4 years by beating the Colorado Rockies before 46,170 fans at Bank One Ballpark. However, in the NLDS, the team lost three consecutive games to the Cardinals to end its season. Even so, Johnson won his fourth consecutive Cy Young Award and fifth of his career. In fact, he was a unanimous selection after capturing the "Triple Crown" of pitching by leading the league in wins, earned run average (ERA), and strikeouts.

Arizona had a new look in 2007 because they ditched their purple and teal uniform colors in favor of Sedona Red and Sonoran Sand while transitioning to a new era of baseball with several young players. This transformation exceeded

²Each MLB team has a franchise timeline on its website. For this chapter, there is data and other information at <http://www.arizona.diamondbacks.mlb.com>

expectations as the club won its division for the first time since 2002. With the most victories in the NL, they swept the Cubs in the NLDS and then played the Colorado Rockies in the NLCS. In that series the D-backs' magical run to a championship ended at Coors Field after losing four consecutive games.

With a 94–68 record in 2011, the Diamondbacks captured the franchise's fifth division title in 14 MLB seasons. According to the Elias Sports Bureau, their 29-game improvement from 2010 tied the team for the third best in MLB since 1998. However, Arizona lost to the Milwaukee Brewers in the five-game NLDS. Regarding the season, the team won 17 of 19 games at one point in May and became the first team in MLB history to enter the month with at least a 6.5 game deficit in their league (pre-1969) or division (since 1969) and be in first place during the month. In his first full season as manager, Kirk Gibson won Manager of the Year from The Sporting News and Baseball Writers Association of America. Meanwhile pitcher Ian Kennedy finished fourth for the NL Cy Young Award and outfielder Justin Upton, who won a Silver Slugger Award, finished fourth for the NL's Most Valuable Player (MVP).

In 2012 Arizona entered its spring training with high hopes, but struggled to find consistency throughout the season and finished 81–81 and in third place of the division. Catcher Miguel Montero, who signed a 5-year \$60-million contract extension in May, had a productive season as a hitter. He set career highs with 88 runs batted in (RBIs), 73 walks, and a 0.391 on-base percentage, which was sixth highest in club history. Meanwhile second baseman Aaron Hill made history in June when he hit for the cycle—single, double, triple, and home run—twice in 11 days. Indeed Hill became the second player to hit for two cycles in one season in the modern era, joining the Brooklyn Dodgers' Babe Herman who accomplished the feat in 1931. Rookie Wade Miley began the season in the bullpen, moved to be a starting pitcher in April, and became the Diamondbacks' only representative at the all-star game in Kansas City.

For the second year in a row (2013) the D-backs finished with an 81–81 record. That was enough wins for second place in the NL West Division but 11 games behind the Dodgers. Slugger Paul Goldschmidt led the Arizona offense as he hit 0.302 with 36 home runs (HRs) and 125 RBIs coupled with an on-base plus slugging percentage of 0.952. Each of those batting statistics either led the league or tied him for first place. As a result, Goldschmidt won the Hank Aaron, Silver Slugger, and Rawlings Gold Glove awards, and finished second in the MVP voting to the Pirates' Andrew McCutchen. Goldschmidt was one of Arizona's two NL all-star representatives joining pitcher Patrick Corbin, who had a breakout year in his first full MLB season.

The club's 2014 season was marked by injuries and disappointments as they finished 64–98 and in last place in their division. The D-backs opened the regular season in Sydney, Australia, playing two games against the Dodgers in late March. But before they left for the country nicknamed "Down Under," the team learned that pitcher Corbin needed Tommy John surgery to repair his arm. As a group the D-backs placed 15 players, including first baseman Paul Goldschmidt, on the team's

disabled list totaling 1417 days and second only to the Texas Rangers in days missed during the regular season.

During mid-May 2014 the Diamondbacks hired Tony La Russa to be its chief baseball officer, and 4 months later, he replaced general manager Kevin Towers. Later Dave Stewart was named permanent general manager, and a few days thereafter, manager Kirk Gibson was dismissed just before the team's final series of the season. Interestingly Goldschmidt became the team's first player since 2001 to be a fan-elected starter at the league's all-star game. He was joined by catcher Montero who was an injury replacement. Although Goldschmidt's season ended prematurely in early August when he suffered a fractured left hand, he still posted impressive numbers by hitting 0.300 with 19 HRs and 69 RBIs. Also several rookies improved with playing time as David Peralta, Ender Inciarte, and Chris Owings had the top three batting averages among NL rookies with a minimum 300 at bats.

Team Highlights

As a member of the NL from 1998 to 2014, the Diamondbacks won 1355 of their total games or approximately 49 % of them. In number of all-time wins and then winning percentage as of the 2014 MLB season, they ranked 14th among other teams and then eighth percentagewise. Compared to its rivals in the West Division, Arizona had the fewest victories and a lower proportion of wins than the Dodgers and Giants. Thus, the franchise has been average or mediocre in team performances across the league.³

Through 2014 the D-backs had won one World Series and a NL pennant and also five division titles in five playoff appearances. Among other NL teams, they were tied for 10th with the Braves in World Series championships, tied for 12th with the Brewers and Rockies in winning pennants, tied for 8th with the Mets, Cubs, and Padres in division titles, and tied for 10th with the Padres in number of playoffs. Based on 17 years in the league, the Diamondbacks have been competitive in their division but need more experience and better performances to rank higher and be successful in postseason results especially at winning pennants (Appendix Table 1).

Since the late 1990s, there have been superior to inferior field managers and players for Diamondbacks teams. Among the former group in wins are Kirk Gibson with 353, Bob Melvin 337, Bob Brenly 303, and Buck Showalter 250. Melvin was NL Manager of the Year in 2007 and Gibson in 2011. Alternatively such managers as Al Perique, A.J. Hinch, and Alan Trammell each had fewer than 100 victories.

Some of the D-backs' ballplayers have been career leaders who established records for the team as hitters and pitchers. Among hitters, there was Tony Womack

³Sources include the *Official Major League Baseball Fact Book 2005 Edition* (St. Louis, MO: Sporting News, 2005) and "Teams," <http://www.baseball-reference.com> cited 28 January 2015, plus "National League Team Histories." <http://www.sportsecyclopedia.com> cited 1 May 2015.

in stolen bases, Greg Colburn in batting average, Stephen Drew in triples, and Luis Gonzalez in games played, at bats, runs, hits, total bases, doubles, HRs, walks, RBIs, extra-base hits, slugging and on-base percentages, and competing in five NL all-star games. Besides them, other prominent batters were Matt Williams, Danny Bautista, and Jay Bell, and current superstar Paul Goldschmidt who won Hank Aaron and Roberto Clemente awards and Silver Slugger and Gold Glove awards as of 2014.

Pitchers with memorable performances for Diamondbacks teams include Byung-hyun Kim and Brad Ziegler in games pitched, Matt Mantei in saves, and Randy Johnson in shutouts, wins, strikeouts, ERA, and innings pitched. While in the NL with Arizona, Johnson was a four-time ERA and five-time strikeout champion. Moreover, he won four NL Cy Young awards and, after retirement, elected into the National Baseball Hall of Fame. Pitchers Curt Shilling, Brandon Webb (2006 Cy Young Award), Brian Anderson, Omar Daal, Oscar Villarreal, and Jose Valverde also had some outstanding seasons with the club.

During decades, D-backs' teams won 165 games from 1998 to 1999 and then 895 in 2000–2009. With three playoff appearances and one World Series in 4 years, the franchise's best performances occurred from 1999 to 2002. Mostly because of competitive Dodgers and Giants teams, Phoenix will struggle each season to win its division or qualify for a wild card in the NL.

Franchise Business

After receiving a Bachelor of Science in Business Administration from West Virginia University in 1965, Ken Kendrick started his career with International Business Machines. Three years later he founded Datatel Inc., which became the worldwide leader in the development of computer software for the management of infrastructure technology for colleges, universities, and foundations.⁴

As Datatel continued to grow and prosper, Kendrick stepped down from the daily oversight of the company to explore new business opportunities. During various years of the 1980s he served as president of a Texas-based financial services technology company and, in 1989, became the principal investor in Woodforest National Bank in The Woodlands, Texas, which is one of the nation's largest employee-owned banks.

A charter member of the ownership group that brought baseball to the Phoenix area, Kendrick's involvement in the general partnership became more significant in 2004 when he assumed the role of managing general partner (MGP) of the Diamondbacks. Since then he has taken an active role in day-to-day operation of the club and is the organization's designated representative when MLB franchise owners convene for meetings during the year.

⁴"E.G. (Ken) Kendrick," <http://www.arizona.diamondbacks.com> cited 9 August 2015.

During his tenure as MGP, the D-backs have won the NL West Division twice and played in the NLCS just the second time of the franchise's existence as of 2007. As a commitment to fans, Kendrick and the ownership group continue to reinvest profits into their team. Under Kendrick's leadership and with equity and debt restructuring, the team has eliminated more than \$200 million of its debt. This puts the franchise on sound financial ground for years in the future.

Kendrick has served in his current role at least a dozen years and during that time the franchise has become a model organization in MLB. Besides hosting an all-star game at Chase Field in 2011, it opened a spring training facility that is widely considered one of the best in baseball and also became one of the largest philanthropic entities in the Phoenix area with charitable contributions topping \$41 million since the organization's inception. In 2013 *ESPN the Magazine* rated the D-backs number one in all of MLB in its Ultimate Standings, which gauges success on and off the field, while *Ranking Arizona* recently named the club first as a place to work in the state among small companies.

Team Financials

Since 2012 there have been two important, newsworthy, and reputable studies that revealed and used detailed financial data to determine the business success and prosperity of MLB franchises. One study was performed by sportswriters at *Forbes* magazine and published in late 2014 while the other appeared online in an article by Bloomberg Inc.⁵

When completed, the studies had similar conclusions but different amounts for revenue and other financials because of such things as their accounting methodology, data sources, empirical models, years, and types of accounts. Next is what sportswriters at *Forbes* analyzed and reported for the D-backs organization followed by major elements and significant findings contained in the Bloomberg Inc. study.

Regarding data published in *Forbes* for NL franchises, the Diamondbacks ranked 11th in estimated market value at \$585 million. Furthermore, they were 14th in revenue at \$192 million, 13th in gate receipts at \$45 million, and 6th in payroll at approximately \$108 million. In addition, the club's debt-to-value ratio was tied for seventh highest in the league with the Dodgers each at 17%. Among West Division teams, however, the D-backs had below-average financials except for their payroll (Appendix Table 2).

With differences reported in the Bloomberg Inc. study for the league's teams, the Diamondbacks were 13th in total market value and 12th as a team. Also they tied for 12th with the Rockies and Padres in revenue, placed 13th in gate receipts,

⁵The financial studies and results in this chapter are, respectively, "The Business of Baseball," <http://www.forbes.com> cited 28 January 2015, and also "Major League Baseball Valuations," <http://www.bloomberg.com> cited 2 February 2015.

tied for 14th in concession sales with the Marlins, and ranked 6th in sponsorships, 7th in media rights, and had a net gain (subsidy receipt) of \$27 million in revenue sharing. Compared to other teams in its division, Arizona was worse financially than the Dodgers and Giants but similar to the Rockies and Padres. In sum, this franchise is below average financially and as an operation from a business perspective.

Other Business

In October 2014, the Stadium Journey Magazine (SJM) studied each MLB ballpark according to a scale that included food and beverage in the ballpark, overall atmosphere, neighborhood where the stadium was located, fans, access (parking, traffic, restrooms, and handicap accessibility), overall return on investment, and any special or unique features. The ratings of SJM's readers served as the primary tie-breaker and encouraged them to share their views of any team's ballpark.

Among 30 MLB ballparks the Diamondbacks' Chase Field ranked fifth and relative to other NL West Division teams, it was inferior to the Cardinals' Busch Stadium (third) but superior to the Giants' AT&T Park (seventh), Rockies' Coors Field (10th), Dodgers' Dodger Stadium (14th), and the Padres' PETCO Park (17th). According to author Paul Swaney, "You may be surprised to find Chase Field this high in our rankings, but the overall baseball experience is still one of the best there is. As things need to be replaced or upgraded, the Diamondbacks do it. You're not going to run into something that doesn't work or looks outdated at Chase Field."⁶

Annually Brand Keys Inc. publishes a Sports Fan Loyalty Index (SFLI) for teams in MLB and other professional sports. The SFLI—which provides a comparison of the intensity with corresponding values for fans of other teams in that market—is driven by *pure entertainment* or how exciting is their play, by *authenticity* or how well they play as a team, by *fan bonding* or how well players are respected and admired, and by *history and tradition* or how well the game and team are part of a typical fan's and community's rituals, institutions, and beliefs. Of 30 teams in 2014 the D-backs were 22nd in the SFLI, and within the NL West Division, they ranked worse than the Giants (5th), Dodgers (7th), Padres (tied for 19th), and Rockies (20th).⁷

As of 2014 the Diamondbacks were reportedly close to signing a new local television deal that will likely more than double the \$32 million they collected last season. However, the team's 8-year, \$250-million agreement with Fox Sports

⁶Paul Swaney, "2014 MLB Ballpark Experience Rankings," <http://www.stadiumjourney.com> cited 23 February 2015.

⁷Barry Janoff, "Report: When It Comes to 2014 MLB Fans, the Most Loyal Group is the Cards," <http://www.nysportsjournalism.com> cited 23 February 2015 and "MLB Team Loyalty Winners and Losers," <http://www.brandkeys.com> cited 14 February 2015.

Arizona ended in 2015. On the ballfield the Diamondbacks went 64–98 in 2014, their worst performance since they won just 51 games in 2004. The team has not made the postseason since winning the NL West Division in 2011. Attendance continues to be sluggish with the team ranked about 25th in the NL and according to a study by Team Marketing Report that happened despite charging the second cheapest tickets in MLB.⁸

⁸Business articles about the Diamondbacks franchise include Tracy Ringolsby, “Series a Boost for D-Backs’ Bottom Line,” *Rocky Mountain News* (27 October 2001): 9D, and Bill King and John Ourand, “The RSN Conundrum,” *SportsBusiness Journal* (17 March 2014): 1.

Chapter 12

Colorado Rockies

During August 1990 Denver voters passed a tiny percent sales tax to finance the construction of a new baseball stadium. Meanwhile, the Colorado Baseball Advisory Committee, headed by Governor Roy Romer, designated the Colorado Baseball Partnership (CBP) to spearhead the formation of an ownership group. After a National League (NL) expansion committee heard the Denver-based group's presentation in September, it revealed six potential sites for a new team. Besides Denver, these were Buffalo, Orlando, South Florida, Tampa-St. Petersburg, and Washington, D.C.¹

In March 1991, the Denver Metropolitan Major League Baseball Stadium District formally chose a local site while the CBP announced that the proposed baseball park would be named Coors Field. Three months later Major League Baseball (MLB) Commissioner Fay Vincent declared that the NL and American League (AL) would share revenues generated by the \$190 million expansion fees—\$95 million from each new team—and that both leagues would contribute players to the draft.

On 5 July 1991, MLB franchise owners unanimously approved Denver and South Florida as baseball's newest locations for teams. Regarding the former city, it had a growing population with increasing per capita incomes, real estate values and economic development, had successfully hosted National Basketball Association (NBA) and National Football League (NFL) teams, and agreed to finance and erect a new ballpark led by a group of business executives and sports entrepreneurs in the community. Based on these and other factors, MLB selected Denver as the expansion site for a NL team named Colorado Rockies and owned by the CBP. Until Coors Field was built and opened, the club played its home games for two MLB seasons at the 76,100-seat Mile High Stadium.

¹For historical information about the sports and its franchises, see Frank P. Jozsa Jr., *Major League Baseball Expansions and Relocations: A History, 1876–2008* (Jefferson, NC: McFarland, 2009), and James Quirk and Rodney D. Fort. *Pay Dirt: The Business of Professional Team Sports* (Princeton, NJ: Princeton University Press, 1992).

Next are some important concepts, topics, and historical facts about the Colorado Rockies while in the NL from 1993 to 2014. This information includes dates and special managers, players, and events regarding the team during its years competing in regular seasons and postseasons of the league's West Division.

Team Performances

Franchise Timeline

After surpassing a million in attendance in June 1993, the Rockies exceeded two million at their 36th home game, three million at the 53rd and four million at the 71st, which was the fastest of any team in MLB history and broke the single-season record. While the team's final attendance was more than 4.4 million, it had the most wins of any NL expansion club. Later the franchise and Denver Metropolitan MLB Stadium District agreed to expand the capacity of Coors Field, which would open in 1995, to approximately 50,200 seats.²

In early October 1995, the Rockies defeated the San Francisco Giants to claim the NL wild card and become the first expansion team to be in a postseason prior to its eighth year of competition. After losing to the Atlanta Braves in four games, Colorado's leftfielder Dante Bichette finished second for Most Valuable Player (MVP) in the league while Don Baylor received the NL Manager of the Year Award for leading his club into the postseason.

During February 1997 the Rockies and KWGN-TV Channel 2 announced a 5-year contract extension, which allowed the team's affiliate to continue broadcasting its games through the 2002 season. Also the club and FOX Sports Rocky Mountain reached a multiyear agreement for cable rights beginning with seven telecasts in 1997 and expanding to 50 games each year for the remainder of the contract.

From August to October 1997, other events involved the franchise. First, Coors Field hosted the fifth annual Reviving Baseball in Inner-cities World Series with boys and girls teams from the United States, Canada, and Puerto Rico. Second, in a pregame ceremony attended by Rachel and Sharon Robinson, the Rockies retired Jackie Robinson's uniform number and noted his historic and heroic contributions to the sport. Third, right fielder Larry Walker won the club's first Gold Glove and then unanimously named the NL's MVP. As such, he became the first Canadian and Rockies player to win these awards in a season.

In September 1999 Colorado signed Taiwan pitcher Chin-Hui Tsao, the franchise's first player from the Far East. One month later the club restructured its front office including several key baseball positions. Also the Rockies hired the Kansas City Royals' pitching coach as senior director of player personnel and introduced

²Each MLB team has a franchise timeline. See <http://www.colorado.rockies.mlb.com>

Buddy Bell as the franchise's third manager. Successfully negotiating its first of six offseason deals, the team traded its most popular player in franchise history, Dante Bichette, to the Cincinnati Reds for a pitcher and concluded a seven-player deal.

Rockies third base coach Sandy Alomar, who carried the banner of Puerto Rico during a 15-year MLB career and contributed to the national program in his homeland, announced in 2003 his decision to manage Puerto Rico in an Olympic qualifying tournament. Then USA Baseball officials added Rockies outfield prospect Matt Holliday to Team USA for an Olympic qualifying tournament in Panama.

Four seasons later the Rockies were the wild card in the NL playoffs. The team set franchise records for wins and winning percentage in a regular season, since before they never had more than 83 victories in a year. This was only the second time they made the playoffs since losing three of four games to Atlanta in 1995. During the postseason, the Rockies were 7–4 by defeating Phillies and Diamondbacks teams in the first two rounds but then losing to the AL Red Sox in the World Series.

The Rockies, who finished their 2009 season at 92–70, won the NL wild card spot in the playoffs. While finishing in second place in the West Division and only three games behind the division-champion Los Angeles Dodgers, Colorado set franchise records for wins and winning percentage in a season that improved the club's results from 2007. This was the third time in 17 years the Rockies appeared in the NL postseason, each as a wild card. In fact, no NL team won the league's wild card more times than the Rockies.

Colorado had a 64–98 record in 2012 and finished fifth in the NL West Division. This set a franchise record for losses in a year, surpassing their 95 each in 1993 and 2005. In addition, the team had the third lowest winning percentage in the league. The early part of the season was historical with 49-year-old Jamie Moyer winning two games. He became the oldest starting pitcher in history to earn a victory. However, Moyer became one of many pitchers to be in and out of the rotation throughout the season. Rockies starters had a 29–68 record with a 5.81 earned run average (ERA). As a result, relievers threw a MLB record 657 innings, which was considerably more than the 601-plus by the 2003 Texas Rangers.

Because of their poor season in 2012, the club made important personnel assignments. General manager Dan O'Dowd remained the chief baseball officer and Bill Geivett the senior vice-president of MLB operations and thus responsible to solve daily problems of the organization. During October Jim Tracy, who became field manager in 2009, resigned his position. Two weeks later the Rockies hired Walt Weiss, who spent part of a long and productive career with purple pinstripes on his baseball uniform, as the sixth manager in club history.

The Rockies, while finishing 66–96 in 2014 with a 45–36 record at home, had their worst road record in their 22-year history at 21–60. Injuries to their players were a common problem. Shortstop Troy Tulowitzki, who battled injuries during several regular seasons, seemed to be a candidate for the NL's MVP Award. Unfortunately, he suffered a left hip injury that ended his season with surgery in August. Then all-star and three-time Gold Glove outfielder Carlos González had a benign tumor removed from his left index finger in June and underwent knee surgery also in August. Right-handed pitcher Jhoulys Chacin made just 11 starts

because of a shoulder injury while Tyler Chatwood started four times but finished his season early because of Tommy John surgery on his right elbow.

Besides these injuries, others were unexpected, unusual, and weird in the 2014 season. Third baseman Nolan Arenado, who missed 35 games because of a broken left middle finger he suffered sliding into second base on a double, had his year end a week early because of pneumonia. Right-handed pitchers Jordan Lyles and Christian Bergman lost time playing in games due to broken left hands. Reliever Boone Logan was on the designated list three times with elbow issues and had a fourth trip because of digestive ailment diverticulitis. Catcher Wilin Rosario and infielder Josh Rutledge each had the flu while Michael Cuddyer, the 2013 NL batting champion, was forced to play third base in Arenado's absence. But that was temporary because later he suffered a broken left shoulder diving for a baseball hit by a batter in a game. Cuddyer also was sidelined twice with a sore left hamstring. In sum, the Rockies had too many injured players to consistently win games and compete for a division title.

Team Highlights

As a member of the NL from 1993 to 2014, the Rockies won 1641 of their total games or approximately 46 % of them. In number of all-time wins and then winning percentage as of the 2014 MLB season, they ranked 13th and then tied for 14th with the Padres percentagewise. Compared to its rivals in the West Division, Colorado had the second fewest number of victories and a smaller proportion of wins than the Diamondbacks, Dodgers, and Giants. Based on these results, this MLB franchise has been below average in its performances during baseball's regular seasons.³

Through 2014 the Rockies had won zero World Series and division titles and only one NL pennant in three playoff appearances. More specifically the club tied for 12th with the Nationals, Brewers, and Padres in winning World Series championships, tied for 12th with the Brewers and Diamondbacks in number of league pennants, tied for 14th with the Marlins in winning division titles, and finished 13th in qualifying for playoffs. Within its division, Colorado has the worse postseason success than other teams (Appendix Table 1).

Since the late 1990s, there have been superior to inferior field managers and players for Rockies teams. Among the former group in wins are Clint Hurdle with 534, Don Baylor 440, and Jim Tracy 294. Managers with the fewest victories include Jim Leyland, Buddy Bell, and Walt Weiss. For the most successful among them, Baylor was NL Manager of the Year in 1995 and Tracy in 2009 while two of Hurdle's teams appeared in NL playoffs.

³Three sources are the *Official Major League Baseball Fact Book 2005 Edition* (St. Louis, MO: Sporting News, 2005) and "Teams," <http://www.baseball-reference.com> cited 28 January 2015, and also "National League Team Histories," <http://www.sportsecyclopedia.com> cited 1 May 2015.

Some of the Colorado's ballplayers have been career leaders who established records for the team as hitters and pitchers. Among hitters, there was Todd Helton and Larry Walker in games played, runs, total bases, home runs (HRs), runs batted in (RBIs), hits, total bases, doubles, batting average, and extra-base hits, Dexter Fowler in triples, and Eric Young in stolen bases. Because of his achievements, Walker was the league's Most Valuable Player (MVP) in 1997. Other productive batters for Colorado were Dante Bichette, Andres Galarraga, Ellis Burks, Jeff Cirillo and Troy Tulowitzki, plus current players Carlos González and Nolan Arenado.

Pitchers with memorable performances for Rockies teams include Steve Reed in games pitched, Brian Fuentes in saves and earned run average (ERA), Ubaldo Jimenez in shutouts, and Jorge De La Rosa in wins and strikeouts, and Aaron Cook in innings pitched. In addition to them, such pitchers as Jason Jennings, Shawn Chacon, Jamey Wright, and John Thompson had some impressive years for the club.

During decades, Rockies teams won 512 games from 1993 to 1999, 769 during the early 2000s, and 360 from 2010 to 2014. Although the team has never won the West Division, it finished second three times and from third to sixth in the other 19 regular seasons. Based on its three playoff appearances, Colorado's best years were during the early-to-mid-1990s and from 2007 to 2009.

Franchise Business

During September 1992, the Colorado Rockies' principal owner Jerry McMorris welcomed businessman Charlie Monfort and Oren Benton to join him in buying a controlling interest in his MLB franchise. A few years later, Charlie's older brother Richard, who earned his wealth in cattle products and the real estate industry, replaced Benton in the ownership group and became the team's vice-chairman.⁴

In 2003 Charlie was named chief executive officer of the Rockies succeeding president Keli McGregor who took over the role from McMorris in 2001. Then in 2005 Charlie and Richard purchased McMorris' financial interest in the team and then became its primary owners. Charlie remained as the club's managing general partner, chairman, and chief executive officer until 2011 when he transferred these positions to Richard. Currently Charlie is the team's general partner and vice-chairman.

Born in 1954, Richard graduated from the University of Northern Colorado with a Bachelor of Arts degree in business management. He lives in Greeley and has three children. In May 2012, Colorado State University awarded the degree of Doctor of Humane Letters to him in recognition of his significant contributions to the state, industry, and higher education. His activities include being chairman of the University of Northern Colorado Board Of Trustees, chairman of the board of directors of the University of Colorado Health, chairman of the Colorado Economic Development Commission, and a member of the Denver Zoo Board.

⁴“Charles K. Monfort,” <http://www.colorado.rockies.mlb.com> cited 9 August 2015.

Regarding Richard's younger brother's career, Charlie was born in 1959 and 23 years later earned a Bachelor of Science Degree in Marketing and Business Management from the University of Utah where he served as president of Kappa Sigma Fraternity. Besides his participation in and contributions to many Denver and national civic, charitable, educational, and medical organizations, he is on the Special Olympics Board of Directors and a member of the Advisory Board for the University of Utah.

Team Financials

Since 2012 there have been two important, newsworthy, and reputable studies that revealed and used detailed financial data to determine the business success and prosperity of MLB franchises. One study was performed by sportswriters at *Forbes* magazine and published in late 2014 while the other appeared online in an article by Bloomberg Inc.⁵

When completed, the studies had similar conclusions but different amounts for revenue and other financials because of such things as their accounting methodology, data sources, empirical models, years, and types of accounts. Next is what sportswriters at *Forbes* analyzed and reported for the Rockies organization followed by major elements and significant findings contained in the Bloomberg Inc. study.

Regarding data published in *Forbes* for NL franchises, the Rockies ranked 12th in estimated market value at \$575 million. Also they tied for 12th with the Brewers in revenue at \$197 million and were 10th in gate receipts at \$58 million and in players' payroll at approximately \$92 million. Compared to other teams in their division, the club had the lowest market value but finished ahead of the Diamondbacks in revenue, the Padres and Diamondbacks in gate receipts, and the Padres in payroll. Despite their relatively low debt-to-value ratio of 7 %, the Rockies operate in a small baseball market and struggle as a MLB franchise from a financial perspective (Appendix Table 2).

With differences reported in the Bloomberg Inc. study for the league's teams, the Rockies were 15th or last in total market value and as a team. In addition, they tied for 12th with the Diamondbacks and Padres in revenue and ranked 12th in gate receipts, 7th in concession sales, tied for 10th with the Nationals, Cubs, and Brewers in sponsorships, and finished 9th in media rights. As a result of their financial deficiencies, Colorado had a net gain (subsidy receipt) of \$13 million from other franchises in the NL. Thus, the Rockies need to win more regular-season games, compete and advance in their postseasons, and win another pennant and their first World Series to generate additional income and realize profits as a business enterprise.

⁵Results of each study are highlighted for readers in respectively "The Business of Baseball," <http://www.forbes.com> cited 28 January 2015 and "Major League Baseball Valuations," <http://www.bloomberg.com> cited 2 February 2015.

Other Business

In October 2014, the Stadium Journey Magazine (SJM) studied each MLB ballpark according to a scale that included food and beverage in the ballpark, overall atmosphere, neighborhood where the stadium was located, fans, access (parking, traffic, restrooms, and handicap accessibility), overall return on investment, and any special or unique features. The ratings of SJM's readers served as the primary tie-breaker and encouraged them to share their views of any team's ballpark.

Among 30 MLB ballparks the Rockies' Coors Field ranked 10th and compared to other NL West Division teams, it was inferior to the Diamondbacks' Chase Field (5th) and Giants' AT&T Park (7th) but superior to the Dodgers' Dodger Stadium (14th) and Padres' PETCO Park (17th). According to author Paul Swaney, "The Colorado Rockies have added some new enhancements to the stadium to ensure fan happiness. The biggest enhancement for the 2014 season is the addition of the Rooftop deck. The Rockies took out 3500 seldom used seats from the upper deck in right field and put in a few bars, standing room areas, a lounge, and a restaurant. This area is for the casual fan who wants to socialize rather than focus on the game. The views from the rooftop area are amazing as the Front Range, downtown Denver, and the whole playing surface can be seen from the rooftop."⁶

Annually Brand Keys Inc. publishes a Sports Fan Loyalty Index (SFLI) for teams in MLB and other professional sports. The SFLI—which provides a comparison of the intensity with corresponding values for fans of other teams in that market—is driven by *pure entertainment* or how exciting is their play, by *authenticity* or how well they play as a team, by *fan bonding* or how well players are respected and admired, and by *history and tradition* or how well the game and team are part of a typical fan's and community's rituals, institutions, and beliefs. Of 30 teams in 2014 the Rockies were 20th in the SFLI, and within the NL West Division, they ranked worse than the Giants (5th), Dodgers (7th) and Padres (tied for 19th), but better than the Diamondbacks (22nd).⁷

The Rockies averaged 37,000 viewers per game on Root Sports in 2014, the fifth smallest audience in MLB. Also the local television audience for the team was down 6000 per game from the previous season. It is not hard to understand why they experienced such disappointing ratings: the team had a 66–96 record, their fourth consecutive losing season and fifth without a postseason.

After the 2014 season, the Rockies hired Jeff Bridich as their new general manager. A Harvard graduate, Bridich views baseball from more of an analytical angle while previously executive Dan O'Dowd spent 15 years with the organization and achieved only four winning seasons and two postseason appearances including a four-game World Series loss to the Boston Red Sox in 2007.⁸

⁶Paul Swaney, "2014 MLB Ballpark Experience Rankings," <http://www.stadiumjourney.com> cited 23 February 2015.

⁷Barry Janoff, "Report: When It Comes to 2014 MLB Fans, the Most Loyal Group is the Cards," <http://www.nysportsjournalism.com> cited 23 February 2015 and "MLB Team Loyalty Winners and Losers," <http://www.brandkeys.com> cited 14 February 2015.

⁸Business articles about the Rockies franchise include Daniel Kaplan, "Molson to Sell Its Stake in Rockies," *SportsBusiness Journal* (25 November 2013): 1 and Tom Van Riper, "Return of the Rockies," *Forbes* (22 August 2011): 1.

Chapter 13

Los Angeles Dodgers

Despite winning 12 National League (NL) pennants and one World Series from 1890 to 1957, professional baseball's Brooklyn franchise experienced problems with its location, ballpark, and market. Five decades after being re-nicknamed Dodgers in the early 1900s, majority owner Walter O'Malley demanded public land for free from Brooklyn's commissioner of parks and to replace the 31,500-seat Ebbets Field with a new ballpark. Besides these issues, O'Malley was impressed with the surge in the NL Braves' home-game attendances after they moved from Boston to Milwaukee in 1953.¹

With increasing competition—for the support of local baseball fans—from the NL New York Giants and American League (AL) New York Yankees and his frustration of not getting a deal for land and a ballpark from local politicians, O'Malley successfully negotiated with officials in southern California for the title to undeveloped real estate near a large metropolitan area on the West Coast. After awarded this vacant but potentially valuable property, he moved the Dodgers from Brooklyn, New York, to Los Angeles, California, following the 1957 Major League Baseball (MLB) season. Subsequently, the team was renamed Los Angeles Dodgers and assigned to play their home games in the city's 93,600-seat Memorial Coliseum until the 56,000-seat Dodger Stadium opened in 1962.

Next are some important concepts, topics, and historical facts about the Los Angeles Dodgers while in the NL from 1958 to 2014. This information includes dates and special managers, players, and events regarding the team during its years competing in regular seasons and postseasons of the league's West Division.

¹See Frank P. Jozsa Jr., *Baseball, Inc.: The National Pastime as Big Business* (Jefferson, NC: McFarland, 2006), and James Quirk and Rodney D. Fort, *Pay Dirt: The Business of Professional Team Sports* (Princeton, NJ: Princeton University Press, 1992).

Team Performances

Franchise Timeline

In their final regular season of the 1950s, the Dodgers finished in a first place tie with the Milwaukee Braves. Shortly thereafter they won the NL pennant when they swept the Braves in a best-of-three-game playoff but then faced the AL Chicago White Sox in their fifth World Series of the decade. With timely hitting from Charlie Neal and Chuck Essegian and Larry Shaw's outstanding pitching, the Dodgers brought their first championship to Los Angeles by defeating the White Sox in six games.²

The 1960s were the Dodgers' first full decade based in Los Angeles, a period when they claimed two World Series and three NL pennants, and just missed winning a fourth pennant. In 1963 the team won 19 games in the final month of the season and held off their primary challenger, the St. Louis Cardinals. Playing the New York Yankees in the World Series, Los Angeles swept them in four games while allowing a potent Yankee offense to score only four runs. Pitcher Sandy Koufax was dominant in the championship year and thus named Player of the Decade, selected as the NL's Most Valuable Player (MVP) and Cy Young Award winner, and picked for the league's all-star team.

In 1965 the Dodgers were champions again. After winning the pennant with a 97–65 record the Dodgers won a hard-fought and exciting seven-game World Series over the AL Minnesota Twins. Koufax pitched two complete game victories in the Series including a shutout in Game 7. The Dodgers followed up in 1966 when they won the NL pennant by less than two games before losing to the Baltimore Orioles in the World Series. Besides Koufax, pitchers Don Drysdale, Johnny Podres, and Ron Perranoski were also excellent players for Los Angeles in the 1960s.

Although pitching was the core strength of the team in the 1960s, the Dodgers had some outstanding hitters. Tommy Davis won two consecutive batting titles and had a lifetime 0.304 hitting average. Outfielder Willie Davis, who enjoyed 14 seasons with the team, was effective in some offensive categories during the decade. Then from 1960 to 1964, 6-foot-7 slugger Frank Howard led the Dodgers with 121 home runs including more than 30 in 1962.

Los Angeles was successful in the 1970s with its teams finishing no lower than third place in the West Division. Besides NL pennants they appeared three times in the World Series and had 910 total victories—for the second-best decade in Dodgers history. In the front office, Peter O'Malley was named club president in mid-March 1970 while his father, Walter, became the franchise's chairman of the board.

For specific MLB seasons the Dodgers finished one game behind the division champion San Francisco Giants in 1971. Nevertheless, 3 years later, they won their division with 102 victories, the most by a Dodgers team since 1962. Then the club

²Each MLB team has a franchise timeline on its website. For this chapter, there is information at <http://www.losangeles.dodgers.mlb.com>

defeated the Pittsburgh Pirates in the NL Championship Series (NLCS) three-games-to-one and played in the World Series for the first time in 8 years but then lost to the AL Oakland Athletics. After 23 years Hall of Fame Manager Walter Alston retired in 1976 and replaced by Tommy Lasorda, who became only the second NL manager to win pennants in his first two seasons only to lose each World Series to the Yankees in six games.

Throughout the 1980s, the Dodgers enjoyed one of their most successful decades in club history. They won two each World Series and NL pennants, four West Division titles, and 825 games, which tied them with the St. Louis Cardinals for most victories by a NL team during the decade. In 1981, for example, rookie pitcher Fernando Valenzuela excited baseball fans across the nation. The 20-year-old from Mexico became the first rookie to win the Cy Young Award and help the Dodgers win the World Series over the Yankees in six games. Then in 1988 the Dodgers won their division, defeated the New York Mets in the NLCS and then the Athletics in the World Series.

The 1990s proved to be a series of ups and downs for Los Angeles including the O'Malley family's control of the franchise for nearly five decades. Although the team won a division title in 1995 and 1 year later a wild card playoff berth, it was the first decade since the 1930s the Dodgers organization failed to appear in a World Series.

From the late 1950s to the 1990s the Dodgers had one of the highest winning percentages among MLB teams. Meanwhile, Los Angeles also registered the best record of NL West Division teams during the 1990s and ranked fourth that decade in winning percentage among them. From managers Walt Alston to Tommy Lasorda, a collection of unforgettable personalities and great moments filled Dodgers scrapbooks with wonderful memories.

During January 2004 MLB approved the sale of the Dodgers to businessman Frank McCourt. In a change of top management, Paul DePodesta became general manager replacing Dan Evans. That season the team was led offensively by infielder Adrian Beltre who won a Silver Slugger Award. His 376 total bases surpassed the club record while pitcher Eric Gagne won his second consecutive NL Rolaids Relief Man Award after establishing the all-time MLB record with 84 consecutive saves. In 2004 Dodgers won 93 games to capture a division title for the first time since 1995 but lost in the NL Division Series (NLDS) to the Cardinals.

In Grady Little's first season as manager, he guided Los Angeles to an 88–74 record and the playoffs as the NL wild card but then a loss to the Mets in the NLDS. From late July 2006 to the end of the season, the Dodgers had the best winning percentage of any team in baseball. Consequently, they led the NL in attendance and also set the single-season franchise record.

Veteran Joe Torre arrived in 2008 and led an impressive turnaround as the team won its division by two games. In retrospect the Dodgers offense came alive after the arrival of new hitting coach Don Mattingly and such sluggers as Manny Ramirez and Casey Blake. Posting the best record in the NL, they won consecutive division titles for the first time since 1977–1978 and played in the postseason for the third

time in 4 years. Torre served as a manager in his 14th consecutive postseason, tying Bobby Cox for the MLB record.

In 2013 the Dodgers finished with a 92–70 record and won the West Division by 11 games, which was the largest margin in their history. They defeated Atlanta in the NLDS but then lost to the Cardinals in the NLCS. As a result, the Dodgers became the fourth club to finish in first place after being in last place on 1 July or later and the fourth team to win a division in a season in which they were at least 12 games below 0.500. Included in the comeback was the best 50-game stretch of the franchise. At one point the club won 15 consecutive road games, the first NL team to do that since 1957, and they were unbeaten in 18 consecutive series.

The Dodgers were 94–68 in 2014 and won their division for the second year in a row. An all-star, Clayton Kershaw became the first pitcher ever with four consecutive earned run average (ERA) titles but nevertheless lost twice while pitching in the playoffs. During the regular season he and Josh Beckett threw no-hitters, while Adrian Gonzalez, Matt Kemp, and Carl Crawford led the club's second-half offensive surge with Dee Gordon being the seventh player in MLB history to record 64 steals and 12 triples.

Team Highlights

As a member of the NL from 1958 to 2014, the Los Angeles Dodgers won 4865 of their total games or approximately 53 % of them. In number of wins while located in southern California and their 57-year winning percentage as of the 2014 MLB season, they ranked sixth but then first percentage-wise. Compared to its rivals in the West Division, Los Angeles had fewer total victories than the Giants but a higher proportion of wins than did the Diamondbacks, Rockies, Padres, and Giants. Based on these results, this MLB franchise has been consistently competitive in performances and also successful during many of its regular seasons.³

Through 2014 the Dodgers had won five World Series, nine NL pennants, and 14 division titles in 19 playoff appearances. More specifically the club tied for second with the Reds and Pirates in winning World Series championships, tied for third with the Reds and Pirates in number of pennants, ranked second after the Braves in winning division titles, and finished in a tie for second with the Braves in qualifying for the playoffs. Thus the Dodgers have been a superior club relative to others in their and other divisions of the league (Appendix Table 1).

Since the late 1950s, there have been superior to inferior field managers and players for Dodger teams. Among the former group in wins are Walt Alston with 2040 and Tom Lasorda 1599, and then Jim Tracy 427, current manager Don Mattingly 354, and Joe Torre 259. The least successful in wins with less than 200

³Two sources are the *Official Major League Baseball Fact Book 2005 Edition* (St. Louis, MO: Sporting News, 2005) and "Teams," <http://www.baseball-reference.com> cited 28 January 2015.

each were managers Bill Russell, Glenn Hoffman, and Davey Johnson. For his leadership, Lasorda was NL Manager of the Year in 1983 and 1988.

Some Los Angeles ballplayers have been career leaders who established records for the team as hitters and pitchers. Among hitters, there was Bill Russell in games played, Pee Wee Reese in at bats, runs and hits; Duke Snider in total bases, doubles, home runs (HRs), runs batted in (RBIs), and extra-base hits; Willie Davis in triples; Maury Wills in stolen bases; and Mike Piazza in batting average. Besides them, other important hitters were Jackie Robinson, Carl Furillo, Eric Karros, Steve Garvey, Jim Gilliam, and Ron Cey. Wills and Garvey plus Kirk Gibson and pitcher Sandy Koufax each won NL MVP awards while Robinson, Gilliam, Piazza, and Karros became a Rookie of the Year.

Pitchers with memorable performances for Dodgers teams include Don Sutton in games pitched, shutouts, wins, strikeouts and innings pitched, Eric Gagne in saves, and Sandy Koufax in earned run average (ERA). Also such pitchers as Don Drysdale, Johnny Podres, Oral Hershiser, Fernando Valenzuela, and Claude Osteen had some excellent seasons with the club. Drysdale, Koufax, Valenzuela, Gagne, Hershiser, and Mike Marshall each won Cy Young awards for their performances. Of the team's pitchers in recent seasons, four-time all-star Clayton Kershaw won three NL Cy Young awards and one MVP from 2011 to 2014. Indeed, he is a potential National Hall of Fame player.

During decades, Dodgers teams won most of its games during the 1970s (910) and then 1960s (878), 2000–2009 (862), 1980s (825), 1990s (797), and the 1958–1959 regular seasons (159). Furthermore, they were in consecutive NL playoffs five times. Given these performances and their number of division titles, NL pennants and World Series championships, the 1960s–1980s have been the club's most productive years while competing in MLB.

Franchise Business

In March 2012 Guggenheim Baseball Management (GBM) acquired the Dodgers franchise for \$2.15 billion, which included surrounding land and the parking lot at Dodger Stadium. The GBM investment group consisted of Guggenheim's controlling partner Mark Walter, partners Todd Boehly, Peter Gruber, Stan Kasten and Bobby Patton, and former Los Angeles Laker and National Basketball Association (NBA) Hall of Famer Earvin "Magic" Johnson.⁴

Regarding each of these investors, Walter is the chief executive officer of Guggenheim Partners (GP), an investment and advisory firm with more than \$125 billion in assets. Based in New York and Chicago, the firm was founded in 1999 by the family known for the Guggenheim museums. Walter's close associate, Boehly,

⁴Ken Gurnick, "Dodgers Sale to Walter, Kasten, Magic Complete," <http://www.m.mlb.com> cited 9 August 2015.

is president of GP. For years he worked in leveraged finance at Credit Suisse First Boston and high-yield investments at Whitney & Company.

A native of the Boston area, Guber is a film producer and executive, and now the chief executive officer and chairman of the Mandalay Entertainment Group (MEG). He is an owner and co-executive chairman of the NBA's Golden State Warriors while MEG owns and operates minor league baseball teams. From New Jersey, Kasten became the youngest NBA general manager in 1979 when he joined the Atlanta Hawks. In 1986 he became president of the Hawks and Ted Turner's other franchise, the Atlanta Braves, and from 2006 to 2010 was president of MLB's Washington Nationals franchise.

Born and raised in Fort Worth, Texas, Patton invests in oil, gas, and real estate primarily in Texas and Kansas and has been a long-time client of GP. A businessman, entrepreneur, and investor, Johnson owns and controls various companies involved in such things as productions, sports, theaters, and entertainment.

Consequently, these five men are the franchise's owners who jointly decide how this MLB organization will operate in 2015 and thereafter. Most have front-office experience with professional sports teams and sources of money and assets to fund the Dodgers and keep them competitive enough in their division and across the league.

Team Financials

Since 2012 there have been two important, newsworthy, and reputable studies that revealed and used detailed financial data to determine the business success and prosperity of MLB franchises. One study was performed by sportswriters at *Forbes* magazine and published in late 2014 while the other appeared online in an article by Bloomberg Inc.⁵

When completed, the studies had similar conclusions but different amounts for revenue and other financials because of such things as their accounting methodology, data sources, empirical models, years, and types of accounts. Next is what sportswriters at *Forbes* analyzed and reported for the Dodgers organization followed by major elements and significant findings contained in the Bloomberg Inc. study.

Regarding data published in *Forbes* for NL franchises, the Dodgers ranked first in market value at \$2 billion. Also they ranked second in revenue at \$293 million, fourth in gate receipts at \$112 million, and first in payroll at approximately \$238 million. Compared to other teams in their division, Los Angeles had the highest market value and payroll but lower revenue and gate receipts than the Giants. Although the team has experienced financial problems because of players' salaries

⁵These references are, respectively, "The Business of Baseball," <http://www.forbes.com> cited 28 January 2015 and "Major League Baseball Valuations," <http://www.bloomberg.com> cited 2 February 2015.

and operating expenses plus a relatively high debt-to-value ratio of 17 %, the Dodgers are a wealthy franchise and competitive business organization (Appendix Table 2).

With differences reported in the Bloomberg Inc. study for the league's teams, the Dodgers were first in total market value and as a team. In addition, they ranked first in revenue, sixth in gate receipts, second in both concession sales and sponsorships, and third in media rights. Among West Division teams, the club had the best financial statistics of the group. Because of their significant cash flows and net worth as an enterprise and also income from related businesses, the Dodgers had the league's largest net loss (subsidy payment) in revenue sharing at \$32 million.

From an economic perspective this franchise exists in a large sports market with fans that know, love, and respect its history, tradition, and success and are eager to attend home games and support their heroes on the ballfield in regular-season and postseason games. Along with the NL Cubs, Giants, and Mets, this is a valuable team in a major baseball city.

Other Business

In October 2014, the Stadium Journey Magazine (SJM) studied each MLB ballpark according to a scale that included food and beverage in the ballpark, overall atmosphere, neighborhood where the stadium was located, fans, access (parking, traffic, restrooms, and handicap accessibility), overall return on investment, and any special or unique features. The ratings of SJM's readers served as the primary tie-breaker and encouraged them to share their views of any team's ballpark.

Among 30 MLB ballparks Dodger Stadium ranked 14th and compared to other NL West Division teams, it was inferior to the Diamondbacks' Chase Field (5th), Giants' AT&T Park (7th) and Rockies' Coors Field (10th), but superior to the Padres' Petco Park (17th). According to author Paul Swaney, "With all that has been done to improve the fan experience, including the willingness by current ownership to spend on high-priced talent, the Dodger fans have responded by coming back in the large numbers that the Dodgers have all but set the standard for, being the first ever organization to draw over three million fans in a season. To date, the Dodgers have crossed the three million attendance mark an unprecedented 26 times."⁶

Annually Brand Keys Inc. publishes a Sports Fan Loyalty Index (SFLI) for teams in MLB and other professional sports. The SFLI—which provides a comparison of the intensity with corresponding values for fans of other teams in that market—is driven by *pure entertainment* or how exciting is their play, by *authenticity* or how well they play as a team, by *fan bonding* or how well players are respected and admired, and by *history and tradition* or how well the game and team are part of a typical fan's and community's rituals, institutions, and beliefs. Of 30 teams in 2014

⁶Paul Swaney, "2014 MLB Ballpark Experience Rankings," <http://www.stadiumjourney.com> cited 23 February 2015.

the Dodgers were seventh in the SFLI, and within the NL West Division, they ranked worse than the Giants (fifth) but better than the Padres (tied for 19th), Rockies (20th), and Diamondbacks (22nd).⁷

One year after MLB approved the Dodgers \$8.35 billion, 25-year television deal with Time Warner Cable (TWC)—with \$1.9 billion of it subject to the league’s 34 % revenue sharing system—the financial strength of the team is an enigma. Saddled with \$400 million of debt, the franchise is supposedly looking to raise capital by selling minority interests and boosting parking receipts on game day at Dodger Stadium. Certainly TWC is not pleased that only 30 % of the team’s local market can watch games on SportsNet LA because carriers have balked at the monthly subscriber fee.⁸

⁷ Barry Janoff, “Report: When It Comes to 2014 MLB Fans, the Most Loyal Group is the Cards,” <http://www.nysportsjournalism.com> cited 23 February 2015.

⁸ Business articles about the Dodgers organization include Alexis Leondis and Sree Vidya, “Mark Walter, the Moneyman Behind the Dodgers Deal,” *Business Week* (21 May 2012): 1 and Alex Raskin, “Dodgers Owners Eye Piece of Nets—Report: Team Owners Meet in Moscow,” *Wall Street Journal* (3 October 2014): A20.

Chapter 14

San Diego Padres

Since the mid-to-late 1930s, a minor-league baseball team named the San Diego Padres played in the Pacific Coast League (PCL) and won several championships. A decade after local businessman C. Arnholdt Smith purchased the club during the mid-1950s, city voters approved a multimillion-dollar bond issue to finance the construction of San Diego Stadium for the Padres and also National Football League (NFL) Chargers.

When Major League Baseball (MLB) announced that the National League (NL) would increase in size in 1969, Smith organized a syndicate—that included former Brooklyn and Los Angeles Dodgers executive Buzzie Bavasi—to bid for the right to own and operate one of the expansion teams and locate it in San Diego. Besides such advantages as a 1.4-million metropolitan area population, ideal weather conditions and climate, and a ballpark with enough capacity to host the games of a professional team, Smith had Bavasi's support plus funds to pay MLB's \$12.5-million fee.¹

During May 1968, a NL expansion committee unanimously approved Smith's bid and awarded him and his group a new team. As a result, they named their club the San Diego Padres and chose Preston Gómez to manage it. In the expansion draft, the Padres selected 30 players with veteran outfielder Ollie Brown being their first choice.

Next are some important concepts, topics, and historical facts about the San Diego Padres while in the NL from 1969 to 2014. This information includes dates and special managers, players, and events regarding the team during its years competing in regular seasons and postseasons of the league especially in the West Division.

¹ See Frank P. Jozsa Jr., *Major League Baseball Expansions and Relocations: A History, 1876–2008* (Jefferson, NC: McFarland, 2009), and James Quirk and Rodney D. Fort, *Pay Dirt: The Business of Professional Team Sports* (Princeton, NJ: Princeton University Press, 1992).

Team Performances

Franchise Timeline

The Padres made their debut in April 1969 with a victory over the Houston Astros before 23,370 fans at the 63,890-seat San Diego Stadium. However, winning games was difficult that season as the team finished with a 52–110 record and not only 41 games behind first place in the West Division, but also 29 games out of fifth. One year later, the Padres struggled in front of a mostly empty ballpark at their home games, ending in last place again and barely avoiding another 100-loss season. This trend continued to 1971 when the club had an awful 61–101 record and finished sixth in the division.²

During 1970–1972, big league baseball was not an important sport in San Diego with the Padres' annual home attendance about 600,000. Although it increased a little over the next two seasons, this was not enough to make the club a viable member of the league. Thus, owner C. Arnholdt Smith decided to sell his franchise in 1974 to a buyer who planned to move it soon from San Diego to Washington, D.C. New players' uniforms were manufactured and the club's files packed for the move. However, the founder of McDonald's fast-food empire and longtime baseball fan Ray Kroc bought the Padres from Smith for cash and kept them in San Diego. Though Kroc's 1974 Padres finished last with the same 60–102 record they posted the year before, his leadership, marketing, and sense of showmanship drew spectators as home attendance rose by several percent and above a million for the first time in history.

From 1979 to 1983, respectively, the Padres experienced five newsworthy events. First, they took a step backward falling into fifth place with a horrible record of 69–93. Second, the club became the first team in the NL with three players stealing at least 52 bases in a season and also to lead MLB with 239. Third, after finishing in last place of their division in both parts of the strike-interrupted split season with a combined record of 41–69, manager Frank Howard was fired after one year and replaced by Dick Williams.

Fourth, Tony Gwynn made his major league debut in July 1982 and collected two hits against the Philadelphia Phillies. Under the leadership of Dick Williams, the Padres made significant improvement finishing in fourth place of the West Division with an 81–81 record. Fifth, slugger Steve Garvey dislocated his left thumb in a home plate collision and snapped his NL record streak of 1027 consecutive games played, which was also the third longest in MLB history. Nonetheless the 1983 Padres duplicated their previous season in the standings.

When legendary Ray Kroc died in 1984, his wife Joan succeeded him as owner and chairwoman of the board. Then in late September of the regular season, the Padres defeated the San Francisco Giants to claim their first division title. Although

²Each MLB team has a franchise timeline. For information and data in this chapter it is <http://www.sandiego.padres.mlb.com>.

losing Games 1 and 2 to the Chicago Cubs but then after a two-run ninth inning home run in Game 4 by slugger Steve Garvey and a victory, the Padres won Game 5 and the NL Championship Series (NLCS). In the World Series, the AL Detroit Tigers had the best team and captured the championship, while in the regular season, San Diego's Tony Gwynn won his first NL batting title and infielder Alan Wiggins established a club record of 70 stolen bases.

During 1987–1989 former NL president Charles Feeney became president of the Padres. Regarding the team's seasons, Jack McKeon replaced manager Larry Bowa and outfielder Tony Gwynn won three consecutive batting titles. Subsequent to finishing 25 games behind the Giants and in sixth in 1987, the Padres placed third in the West Division and then one year later second to the Giants in part because pitcher Mark Davis saved 44 games and won the NL's Cy Young Award.

After signing a letter of intent in 1990, a group of southern California businessmen headed by Tom Werner purchased the Padres' franchise for \$75 million from Joan Kroc. Six years later, the team made history in Monterrey, Mexico, by hosting the New York Mets in La Primera Serie. This was the first MLB game played outside the United States and Canada. More importantly, San Diego led the Los Angeles Dodgers by one game to win its second division title in history with a 91–71 record, second best in team history.

Although the Cardinals swept the Padres in the NL Division Series (NLDS) of the 1996 postseason, slugger Ken Caminiti set a club record with 40 home runs (HRs) and 130 runs batted in (RBIs) to become the NL's Most Valuable Player (MVP), Bruce Bochy was the first Padres leader to be awarded NL Manager of the Year, and all-star Tony Gwynn won his seventh batting crown. Then, in 1998 the Padres had a club-record 98 regular season victories and their second NL pennant before losing four straight games to the AL New York Yankees in the World Series.

The end of an era closed for the Padres in 2001 as 15-time all-star Gwynn retired after 20 seasons. Despite injuries, he managed to hit .324 and finish his career with 3141 hits and an impressive 0.338 batting average. Meanwhile the club brought in Rickey Henderson to chase some of baseball's most elite career records. In fact, he broke the career walks record held by Babe Ruth during April. Then in the final weekend of the season, Henderson scored his 2248th run to break Ty Cobb's record and also he collected his 3000th hit on the season's final day. Nevertheless, the Padres finished fourth in their division with a 79–83 record.

With a mediocre 82–80 record in 2005, the Padres became the worst team in the history of baseball to finish in first place of a division. To illustrate how bad their record was that season, they would have finished fifth in the NL East Division. When the playoffs began, the Padres played the St. Louis Cardinals who won 100 games in the regular season. Thus, they were quickly exposed and swept in three consecutive games by the Cardinals after being outscored 21–11.

At the end of the 2006 regular season, the Padres and Dodgers battled for the West Division title. Since San Diego won 14 of 19 games against Los Angeles and both teams finished with an 88–74 record, the Padres won the division by tiebreaker. Although they had home field advantage in the playoffs, the Padres lost to the

Cardinals in the NLDS for the second year in a row. Following the season, San Diego's Bruce Bochy resigned to manage the San Francisco Giants.

In their next season after being sold for \$800 million in 2012 to a syndicate led by local beer distributor Ron Fowler, the Padres suffered a ten-game losing streak heading into July and finished the first half with a 42–54 record. After winning only a few games in July and struggling badly in August, they played well enough in September to end their season in a third place tie with the Giants.

The greatest Padres player of all-time, Tony Gwynn, died in 2014. He was one of MLB's all-time best hitters and someone who played during his career with dignity and class. Similar to many ballplayers, Gwynn had the habit of chewing tobacco especially during games. This caused him to get cancerous tumors on his salivary gland. Sadly, treatments left Gwynn physically deformed before his death at 54 years old. Also that year the Padres dismissed general manager Josh Byrnes and overhauled their roster. Despite changes in the front office and trading some players, the team had a strong August winning nine of their first 11 games. However, the Padres relished their role as spoilers and ended the season 77–85 and in third place of their division.

Team Highlights

As a member of the NL from 1969 to 2014, the San Diego Padres won 3398 of their games or approximately 46 % of them. In number of all-time wins and then winning percentage as of the 2014 MLB season, they ranked eleventh but then tied for fourteenth with the Rockies percentagewise. Compared to its rivals in the West Division, San Diego had fewer total victories than the Dodgers and Giants and a lower proportion of wins than the Dodgers, Giants, and Diamondbacks. Based on these results, this MLB franchise has been below-average and unremarkable in performances during the majority of its regular seasons.³

Through 2014 the Padres had won zero World Series, two NL pennants, and five division titles in five playoff appearances. Compared to other teams in the league, they tied for twelfth with the Nationals, Brewers, and Rockies in winning World Series championships, tied for 10th with the Marlins in number of pennants, tied for eighth with the Mets, Cubs, and Diamondbacks in finishing first in their division, and tied for 10th with the Diamondbacks in making the playoffs. Thus, San Diego struggles most seasons to qualify for the postseason, in part, because of the Dodgers and Giants being members of the league's West Division ([Appendix Table 1](#)).

Since 1969, there have been superior to inferior field managers and players for Padres teams. Among the former group in wins is Bruce Bochy with 914, Bud Black 617, and Dick Williams 337. The team's less successful managers each with

³Two sources to research are the *Official Major League Baseball Fact Book 2005 Edition* (St. Louis, MO: Sporting News, 2005) and "Teams," <http://www.baseball-reference.com> cited 28 January 2015.

fewer than 100 victories include Bob Skinner, Alvin Dark, Jerry Coleman, Frank Howard, Steve Boros, and Larry Bowa. For their leadership, Bochy was NL Manager of the Year in 1996 and Black in 2010.

Some San Diego ballplayers have been career leaders who established records for the team as hitters and pitchers. Among hitters Tony Gwynn led in games played, at bats, hits, runs, total bases, doubles, triples, RBIs, stolen bases, batting average, and extra-base hits and Nate Colbert in home runs (HRs). Besides them, other productive batters were Dave Winfield, Garry Templeton, Steve Garvey, Gene Richards, Terry Kennedy, and Phil Nevin. Appropriately Gwynn, Winfield, and Garvey's uniform numbers were retired by the franchise. Slugger Ken Caminiti was NL MVP in 1996.

Pitchers with memorable performances for Padres teams include Trevor Hoffman in games pitched, saves, and earned run average (ERA), Randy Jones in shutouts and innings pitched, Eric Snow in wins, and Andy Benes in strikeouts. Also such pitchers as Clay Kirby, Mark Davis, and Dave Dravecky had some good seasons with the club. For their performances Jones, Davis, Gaylord Perry, and Jack Peavy each won NL Cy Young Awards.

Excluding 1969, Padres teams won most of their games during specific decades. These were from 2000 to 2009 (769) and then in the 1980s (762), 1990s (758), 1970s (667), and from 2010 to 2014 (398). Among teams in the West Division, they finished first in five seasons and in other years placed second to seventh. With consecutive division titles in 2005–2006, this was the franchise's most successful period followed by seasons' 1984, 1996, and 1998.

Franchise Business

Raised in St. Cloud, Minnesota, Ron Fowler studied economics at St. Thomas College and then earned his Master of Business Administration degree from the University of Minnesota. He began his career in Minnesota working for the Theodore Hamm Brewing Company as a brand manager. Fowler was then recruited to work for Lucky Breweries in San Francisco and later for the Olympia Brewing Company in Washington State. For business reasons he moved from Washington State to San Diego where he founded Mesa Distributing, which expanded and became Liquid Investments Incorporated, a company that controlled beer distributors from southern to northern California and into Colorado.⁴

Before his investment in the Padres franchise, Fowler was owner/managing general partner of the Major Indoor Soccer League's San Diego Sockers from 1987 to 1991, chaired the task force to find a site for what became Petco Park, and chaired the city's 2003 Super Bowl host committee. In 2012 he became the principal owner of San Diego's NL team after purchasing it from John Moores for \$800 million. His ownership group included former Los Angeles Dodgers owner Peter O'Malley and professional golfer Phil Mickelson. MLB approved the deal during August 2012.

⁴“Ron Fowler, Executive Chairman,” <http://www.sandiego.padres.mlb.com> cited 9 August 2015.

Besides owning the Padres, Fowler had chaired the executive committee of the San Diego Hall of Champions and, in 1991, recognized as “San Diego Sports Businessman of the Year.” He served as treasurer and trustee for the US Olympic Training Center and was chair of the Mayor’s Task Force on Padres Planning, the founding chair of the San Diego International Sports Council, and in 2009, named a Distinguished American by the National Football Foundation. His efforts were instrumental in San Diego being awarded the 2016 MLB all-star game.

The nephew of Peter O’Malley and grandson of Peter’s father Walter, Tom Seidler is also a member of the Padres’ ownership group. With a distinguished background in minor league and MLB, he learned about the operations of sports franchises from his Uncle Peter and Grandfather Walter. During 2011 and perhaps in other years Seidler owned the Rawhide, a single A team of the Diamondbacks organization located in Visalia, California.

Team Financials

Since 2012 there have been two important, newsworthy, and reputable studies that revealed and used detailed financial data to determine the business success and prosperity of MLB franchises. One study was performed by sportswriters at *Forbes* magazine and published in late 2014 while the other appeared online in an article by Bloomberg Inc.⁵

When completed, the studies had similar conclusions but different amounts for revenue and other financials because of such things as their accounting methodology, data sources, empirical models, years, and types of accounts. Next is what sportswriters at *Forbes* analyzed and reported for the Padres organization followed by major elements and significant findings contained in the Bloomberg Inc. study.

Regarding data published in *Forbes* for NL franchises, the Padre ranked ninth in market value at \$615 million. In addition their revenue was 10th at \$207 million, gate receipts 14th at \$40 million, and payroll 11th at approximately \$86 million. Compared to others in the West Division, the team had much smaller amounts than the Dodgers and Giants but also lower gate receipts and payroll than the Diamondbacks and Rockies. With a relatively high debt-to-value ratio of 22 %, San Diego is a below-average MLB enterprise from a financial perspective ([Appendix Table 2](#)).

With differences reported in the Bloomberg Inc. study for the league’s teams, the Padres were ninth in total market value and 14th as a team. Also they tied for 12th with the Diamondbacks and Rockies in revenue, ranked 15th in gate receipts, tied for 12th with the Pirates in concession sales, and placed 8th in sponsorships and 13th in media rights. In the West Division, the Dodgers and Giants had much larger amounts for these financials than the Padres. Because of its small baseball market, mediocre-to-poor performances in regular seasons and postseasons, and other problems, this San Diego franchise receives a subsidy from the league each year to operate as a business and continue to compete against rivals in the NL.

⁵References for financial information in the two studies are “The Business of Baseball,” <http://www.forbes.com> cited 28 January 2015 and “Major League Baseball Valuations,” <http://www.bloomberg.com> cited 2 February 2015.

Other Business

In October 2014, the Stadium Journey Magazine (SJM) studied each MLB ballpark according to a scale that included food and beverage in the ballpark, overall atmosphere, neighborhood where the stadium was located, fans, access (parking, traffic, restrooms, and handicap accessibility), overall return on investment, and any special or unique features. The ratings of SJM's readers served as the primary tie-breaker and encouraged them to share their views of any team's ballpark.

Among 30 MLB ballparks the Padres' Petco Park ranked 17th and compared to other NL West Division teams, it was inferior to the Diamondbacks' Chase Field (fifth), Giants' AT&T Park (seventh), Rockies' Coors Field (10th), and the Dodgers' Dodger Stadium (14th). According to author Paul Swaney: "Though Camden Yards in Baltimore started the retro theme, many teams followed suit. Petco Park provides a local organic atmosphere that makes good use of travertine tiles and sandstone, as well as the white beams that adorn the concourse and the use of navy blue seats, adding to the local feel. If this is your first time coming to Petco Park, you may want to make a couple of visits here to allow you to fully experience of what Petco has to offer from all its various vantage points."⁶

Annually Brand Keys Inc. publishes a Sports Fan Loyalty Index (SFLI) for teams in MLB and other professional sports. The SFLI—which provides a comparison of the intensity with corresponding values for fans of other teams in that market—is driven by *pure entertainment* or how exciting is their play; by *authenticity* or how well they play as a team; by *fan bonding* or how well players are respected and admired; and by *history and tradition* or how well the game and team are part of a typical fan's and community's rituals, institutions, and beliefs. Of 30 teams in 2014 the Padres were tied for 19th in the SFLI, and within the NL West Division, they ranked worse than the Giants (fifth) and Dodgers (seventh) but better than the Rockies (20th) and Diamondbacks (twenty-second).⁷

The Padres made a big push after the 2014 MLB season to become a legitimate playoff contender. In February 2015, the club reached an agreement with free-agent pitcher James Shields on a 4-year deal that pays him approximately \$75 million. The deal sets a record for the largest contract issued in Padres history. During the prior month, the team traded for Los Angeles Dodgers slugger Matt Kemp, agreeing to pay \$75 million of the \$107 million remaining on the outfielder's contract. Only 24 h after the Padres finalized the Kemp deal, they acquired left fielder Justin Upton from the Braves.⁸

⁶Paul Swaney, "2014 MLB Ballpark Experience Rankings," <http://www.stadiumjourney.com> cited 23 February 2015.

⁷Barry Janoff, "Report: When It Comes to 2014 MLB Fans, the Most Loyal Group is the Cards," <http://www.nysportsjournalism.com> cited 23 February 2015.

⁸Business articles about the Padres organization include David Broughton, "Padres Rank Highest in Mystery Shopper Survey," *SportsBusiness Journal* (23 May 2011): 6, and Bill Sutton, "How One Franchise is Making Membership More Meaningful," *SportsBusiness Journal* (8 October 2012): 11.

Chapter 15

San Francisco Giants

After the New York Giants' disappointing seasons from 1955 to 1957 and owner Horace Stoneham's increasing dissatisfaction with the New York sports area, he considered moving his club to someplace in Minnesota. Despite home runs (HRs) from Willie Mays and the pitching of Johnny Antonelli, the Giants fell from winning the National League (NL) pennant and World Series in 1954 to third place in 1955 and then to sixth in 1956 and 1957. With the Polo Grounds to be demolished and replaced by a housing development, Stoneham began looking for a new site for the Giants whose attendance had dropped from 1.2 million in 1954 to less than 653,000 in 1957.¹

Meanwhile, San Francisco, California, mayor George Christopher had discussions with local officials to lure a Major League Baseball (MLB) team to his city. He heard about Stoneham's unhappiness and Brooklyn Dodgers owner Walter O'Malley's threats to move his team. After conversations with O'Malley and the mayor of Los Angeles, Christopher discovered the Dodgers were serious about moving from Brooklyn to Los Angeles. As a result, O'Malley and Christopher convinced Stoneham that the best strategy for their clubs was shifting them to the West Coast. Three months after NL franchise owners approved the Dodgers and Giants relocations in May 1957, Stoneham announced to the public his team would transfer from New York to the Bay Area sometime before opening day of MLB's 1958 season.

Besides its ballpark and attendance problems in the New York sports market, two other factors that affected the Giants' departure were questions and criticism from the US Congress about the failure of MLB to expand on the West Coast and, second, the potential formation of a third major professional baseball league with teams

¹Two references for professional baseball history are Frank P. Jozsa Jr., *Major League Baseball Expansions and Relocations: A History, 1876–2008* (Jefferson, NC: McFarland, 2009), and James Quirk and Rodney D. Fort, *Pay Dirt: The Business of Professional Team Sports* (Princeton, NJ: Princeton University Press, 1992).

based in mid-to-large, populated areas of California. Certainly, these issues also influenced Stoneham's decision to vacate New York.

Next are some important concepts, topics, and historical facts about the San Francisco Giants while in the NL from 1958 to 2014. This information includes dates and special managers, players, and events regarding the team during its years competing in regular seasons and postseasons of the league and especially in the West Division.

Team Performances

Franchise Timeline

For the first 2 years of their tenure in the City by the Bay, the Giants occupied the 22,900-seat Seals Stadium, which was a former minor league ballpark. Although owner Stoneham left New York in part because the Polo Grounds had inadequate parking for baseball games, Seals Stadium also lacked parking space. Therefore, it served as a temporary home. After San Francisco city officials promised to build the Giants a new stadium, a section of land on Candlestick Point was chosen as the site for the new ballpark. In April 1960, the Giants began to play their home games at the 63,000-seat Candlestick Park but finished only fifth that season in the NL.²

In 1962, manager Alvin Dark led perhaps the greatest team in Giants history to their first World Series. The team defeated the Los Angeles Dodgers in a three-game playoff and nearly won a championship against the American League (AL) New York Yankees. In some ways, the 1962 World Series was anticlimactic because of a competitive and thrilling pennant race with the Dodgers that preceded it. After being four games out of first place, the Giants staged a remarkable comeback with seven games remaining to tie the Dodgers. With identical records of 101–61 in the regular season, the rivals met in a playoff series that the Giants won 2–1.

Before NL realignment into divisions in 1969, Giants teams finished second four times and third and fourth each once in regular seasons from 1963 to 1968. Although the Dodgers and Cardinals dominated and won NL championships in these years, San Francisco featured such outstanding players as pitchers Juan Marichal and Gaylord Perry and hitters Willie Mays, Orlando Cepeda, and Willie McCovey. Then, in its first two seasons in the West Division, respectively, the club finished second and third.

Despite having neither a 0.300 hitter nor a 20-game winner in pitching, the Giants won their first division title in 1971. That year, manager Charlie Fox replaced Clyde King and led a team consisting of aging stars and rising young players. The Giants, who had beaten the Pittsburgh Pirates nine times in a dozen games, seemed likely to win the NL pennant. However, after winning the first game at Candlestick

²Each MLB team has a franchise timeline. For information and data regarding this chapter, see <http://www.sanfrancisco.giants.mlb.com>.

Park, San Francisco lost the next three games to Pittsburgh even though Willie Mays, Chris Speier, and Willie McCovey each hit HRs.

Two years after a terrible season, the Giants won their division in 1987 thanks to pitching acquisitions by general manager Al Rosen. Following 1986, manager Roger Craig transformed the team from losing 100 games in 1985 to one with an 83–79 record. After trading for pitchers Rick Reuschel and Don Robinson, San Francisco regained the division lead in mid-August 1987 and then won it by six games with a 90–72 record. The Cardinals, however, defeated the Giants in the NL Championship Series (NLCS) in seven games.

After winning the West Division title in 1989 and defeating the Cubs in the NLCS, the Giants played in their first World Series in nearly three decades. Despite several hits from NL MVP Kevin Mitchell, the AL Athletics swept San Francisco in four consecutive games. During August of the regular season, pitcher Dave Dravecky completed a miraculous recovery from surgery to remove a cancerous tumor from his pitching arm and won a game against the Reds before a large crowd at Candlestick Park. But in his next start, his arm snapped while delivering a pitch and later broke again. Dravecky retired after the season, and 2 years later, his arm was amputated.

The Giants clinched their division again in 1997. Slugger Barry Bonds hit his 40th homer of the season to put him over 100 runs batted in (RBIs) joining teammates Jeff Kent and J. T. Snow. The renewed Giants made their first postseason appearance in 8 years when they faced the wild card's Florida Marlins in the NL Division Series (NLDS). Despite losing three games, San Francisco gave the Marlins a tough test on the path to their first world championship.

Three years later, the Giants opened the 41,341-seat Pacific Bell Park by losing their first 6 games in the new ballpark and then 11 of 15. But with the support of 3.3 million fans, San Francisco won its second division title in 4 years. Infielder Jeff Kent was the NL's Most Valuable Player (MVP), while Dusty Baker won his third Manager of the Year Award. But in the NLDS, San Francisco's momentum was stopped by the New York Mets, who eventually became league champion. Interestingly, the Giants had 81 consecutive sellout crowds at their home games that season.

Despite finishing second to the Diamondbacks in the West Division, San Francisco qualified for the NL's 2002 playoffs as a wild card team and became an underdog to its rivals. After defeating the East Division champion Atlanta Braves in a thrilling five-game series, the Giants advanced to the NLCS to play the St. Louis Cardinals who won the Central Division. They shocked the Cardinals by winning the first two games in St. Louis and then Games 4 and 5 at home. With their first pennant in 13 years and playing in the World Series against the Angels of Anaheim, the Giants failed to hold a late five-run lead in the seventh inning of Game 6 and then lost it and also Game 7. During the regular season, San Francisco's most productive players were sluggers Barry Bonds and Jeff Kent each with more than 100 RBIs and numerous HRs, NL MVP Benito Santiago, and pitchers Russ Ortiz and Robb Nen.

Under new manager Felipe Alou, the Giants became the ninth team in MLB history to lead their division from start to finish, posting 100 wins in the regular season of 2003 to capture the NL West Division. But then the wild card Marlins upstaged them by winning the NLDS in four games. For the first time since the 1936–1937

seasons, the Giants earned consecutive appearances in postseasons. San Francisco's general manager Brian Sabean was the Executive of the Year, while Bonds earned his sixth NL MVP trophy.

In 2010, the Giants clinched their division on the season's final day to finish 92–70, but they also went 11–4 in the postseason against, respectively, the Braves, Phillies, and Rangers to win the World Series. It was the franchise's first championship since 1954 and moving from New York to San Francisco in 1958. Such pitchers as Tim Lincecum, Matt Cain, Jonathan Sánchez, and rookie left-hander Madison Bumgarner were the team's heroes.

Two years later (2012), San Francisco captured another World Series by winning six consecutive elimination games in the postseason. The Giants' typically strong starting pitchers fueled the team's surge as Ryan Vogelsong, Barry Zito, Cain, and Bumgarner combined in a four-game sweep of the AL Detroit Tigers. Besides Buster Posey, who won the NL batting title and MVP Award, other important San Francisco players included hitters Marco Scutaro, Hunter Pence, Ángel Pagán, Brandon Crawford, and Brandon Belt. Outfielder Gregor Blanco was a clutch performer by contributing outstanding defensive plays, and Pablo Sandoval hit three HRs in Game 1 of the World Series and eventually named its MVP.

In 2014, the Giants deepened their history in pitching as Bumgarner burst into stardom to help San Francisco win its third World Series in 5 years by defeating the Kansas City Royals in seven games. By yielding only one run in 21 innings for a 0.43 earned run average (ERA), it was the lowest number among pitchers who worked at least 15 innings in a series since Sandy Koufax's 0.38 ERA for the 1965 Dodgers. As a result, Bumgarner was the MVP in the Series after pitching a four-hit shutout in Game 5 before blanking the Royals for the final five innings on 2 days' rest in Game 7. In addition, he won the MVP trophy in the NLCS following a regular season and finishing that with an 18–10 record and named an NL all-star.

Team Highlights

As a member of the NL from 1958 to 2014 and while based in California, the San Francisco Giants won 4713 games or approximately 51 % of them. In number of wins and then winning percentage as of the 2014 MLB season, they ranked seventh but then tied for fourth percentagewise with the Cubs and Reds. Compared to its rivals in the West Division, the team had fewer total victories than the Dodgers but a greater proportion of wins than the Diamondbacks, Rockies, and Padres. In other words, the Giants were competitive and experienced success for the majority of their regular seasons since moving from New York in 1958.³

Through 2014, the Giants had won three World Series, six NL pennants, and nine division titles in 11 playoff appearances. With respect to other teams in the league, they ranked fifth in winning World Series championships, seventh in number of

³Sources include the *Official Major League Baseball Fact Book 2005 Edition* (St. Louis, MO: Sporting News, 2005) and "Teams," <http://www.baseball-reference.com> cited 28 January 2015.

pennants, sixth in division titles, and eighth in qualifying for postseasons. Among only West Division clubs, the Giants followed the Dodgers in these performances but had more of them than the other competitors. Thus, San Francisco has been an above-average franchise in winning championships and titles ([Appendix Table 1](#)).

Since 1958, there have been superior to inferior field managers and players for Giants teams. Among the former group in wins are Dusty Baker with 840, Bruce Bochy 667, and Roger Craig 586. Baker won Manager of the Year awards in 1993, 1997, and 2000, while Bill Rigney, Alvin Dark, Herman Franks, Charlie Fox, and Felipe Alou each had more than 300 wins. The team's less successful managers each with fewer than 100 victories include Tom Sheehan, Dave Bristol, Danny Ozark, and Jim Davenport. Baker was the NL Manager of the Year in 1993, 1997, and 2000.

Some San Francisco ballplayers have been career leaders who established records for the team as hitters and pitchers. Among hitters, Willie Mays led in games played, at bats, runs, hits, total bases, doubles, triples, HRs, RBIs, and extra-base hits and Barry Bonds in batting average. Also such players as Willie McCovey, Orlando Cepeda, Jeff Kent, and Will Clark had impressive seasons. For their performances as batters, NL MVPs were awarded to Mays, Bonds (five with the Giants), McCovey, Kent, Kevin Mitchell, and Buster Posey.

Pitchers with memorable performances for Giants teams include Gary Lavelle in games pitched; Juan Marichal in shutouts, wins, strikeouts, and ERA; and Robb Nen in saves. Besides them, other important pitchers were Gaylord Perry, Rod Beck, Randy Moffitt, and Greg Minton. Mike McCormick, who pitched from the late 1950s to early 1970s, won an NL Cy Young Award for his outstanding results in 1967 as did Tim Lincecum in 2008 and 2009.

Excluding 1958–1959, San Francisco Giants teams won most of their games during specific decades. Ranked in order, these were the 1960s (902) and from 2000 to 2009 (900); then in the 1970s (794), 1990s (790), and 1980s (773); and from 2010 to 2014 (436). Based on postseason appearances, their most successful periods have been 2010–2014, 2000–2003, and 1987–1989. In sum, these were the best years of the franchise since moving from New York to the West Coast in 1958.

Franchise Business

Born in Montclair, New Jersey, multibillionaire Charles Bartlett Johnson graduated from Yale University in 1954 with a Bachelor of Arts degree in economics and political science. Johnson's father Rupert Sr. founded Franklin Resources in 1947, and 10 years later, Charles became its chief executive officer (CEO). Under his leadership, the company's stock price increased 6000-fold and assets rose from \$2.5 million in 1957 to more than \$900 million in the early 2000s.⁴

In 2013, Charles ended his 56-year tenure as leader of Franklin Resources, parent of mutual fund group Franklin Templeton. His son Gregory is chairman and CEO, while his half brother, billionaire Rupert Johnson Jr., serves as vice-chairman of the company.

⁴Gwen Knapp, "Charles Johnson, Top Giants Owner, Keeps Low Profile," <http://www.sfgate.com> cited 9 August 2015.

When Peter Magowan stepped down as principal managing partner of the Giants franchise in 2008, his replacement was Bill Neukom, the principal legal counsel of Microsoft Incorporated and Bill Gates for 25 years. In the fall of 2011, Neukom retired because of pressure or orders from the team's operating committee and media reports about disputes over how to communicate spending and revenue decisions.

After Neukom divested himself of his interest in the team, Johnson acquired majority ownership by buying some of Neukom's shares and those of other stakeholders who died in recent years. Reportedly, Johnson is a very low-profile, hands-off owner and relies on CEO Larry Baer, who is a minority owner, and Brian Sabean, senior vice-president and general manager, to oversee the club's operations. Other prominent investors in the Giants have been iconic venture capitalist Arthur Rock, who financed the infancy of Silicon Valley's giants, and former Yahoo Incorporated president Jeff Mallett, who also co-owns British professional soccer team Derby County.

Team Financials

Since 2012, there have been two important, newsworthy, and reputable studies that revealed and used detailed financial data to determine the business success and prosperity of MLB franchises. One study was performed by sportswriters at *Forbes* magazine and published in late 2014, while the other appeared online in an article by Bloomberg Inc.⁵

When completed, the studies had similar conclusions but different amounts for revenue and other financials because of such things as their accounting methodology, data sources, empirical models, years, and types of accounts. Next is what sportswriters at *Forbes* analyzed and reported for the Giants organization followed by major elements and significant findings contained in the Bloomberg Inc. study.

Regarding the data published in *Forbes* for NL franchises, the Giants ranked third in market value at \$1 billion. Also, the club was first in revenue at \$316 million, second in gate receipts at \$129 million, and third in players' payroll at approximately \$147 million. Compared to other teams in the West Division, San Francisco had the largest amounts except for the Dodgers' value of \$2 billion and payroll of \$238 million. With a relatively low debt-to-value ratio of only 4 %, the Giants generate enough revenue to be financially secure and operate as a very valuable team among clubs in the league ([Appendix Table 2](#)).

With differences reported in the Bloomberg Inc. study for the league's teams, the Giants were fourth in total market value and second as a team. In addition, they ranked fourth in revenue, third in gate receipts, tied for fourth with the Mets in concession sales, third in sponsorships, and fifth in media rights. Because of its values and cash inflows, San Francisco had a net loss (subsidy payment) of \$21 million in revenue sharing, the fifth highest amount of teams in the NL. Consequently, their

⁵Details about each study are available in "The Business of Baseball," <http://www.forbes.com> cited 28 January 2015, and "Major League Baseball Valuations," <http://www.bloomberg.com> cited 2 February 2015.

assets, return on capital investments, and other financials indicate that the Giants are a prosperous business enterprise and franchise in MLB but especially among the teams in the NL and its West Division.

Other Business

In October 2014, the Stadium Journey Magazine (SJM) studied each MLB ballpark according to a scale that included food and beverage in the ballpark, overall atmosphere, neighborhood where the stadium was located, fans, access (parking, traffic, restrooms, and handicap accessibility), overall return on investment, and any special or unique features. The ratings of SJM's readers served as the primary tie-breaker and encouraged them to share their views of any team's ballpark.

Among the 30 MLB stadiums, the Giants' AT&T Park ranked 7th, and compared to other NL West Division teams, it was inferior to the Diamondbacks' Chase Field (5th) but superior to the Rockies' Coors Field (10th), Dodgers' Dodger Stadium (14th), and the Padres' Petco Park (17th). According to author Paul Swaney, "AT&T Park has everything for a casual baseball fan from food and beverages to panoramic views and a world-class city. It has everything for your little ones from miniature baseball diamonds to a giant Coke bottle slide in left field. It is a wonderful baseball experience and the pride of the Bay Area."⁶

Annually, Brand Keys Inc. publishes a Sports Fan Loyalty Index (SFLI) for teams in MLB and other professional sports. The SFLI—which provides a comparison of the intensity with corresponding values for fans of other teams in that market—is driven by *pure entertainment* or how exciting is their play, by *authenticity* or how well they play as a team, by *fan bonding* or how well players are respected and admired, and by *history and tradition* or how well the game and team are part of a typical fan's and community's rituals, institutions, and beliefs. Of the 30 teams in 2014, the Giants were 5th in the SFLI, and within the NL West Division, they ranked higher than the Dodgers (7th), Padres (tied for 19th), Rockies (20th), and Diamondbacks (22nd).⁷

The Giants rebounded from a losing record in 2013 to capture their third World Series title in 5 years behind the otherworldly postseason performance of pitcher Madison Bumgarner. The lefty was *Sports Illustrated's* Sportsman of the Year after completing a record 52-plus playoff innings with a 1.03 ERA. The team has sold out every game at their ballpark since the end of the 2010 season, while attendance at home ranked fourth in MLB at 3.3 million fans in 2014. The club owns 30 % of the CSN Bay Area network, which posted the fifth biggest average television audience with 103,000 people viewing its games.⁸

⁶Paul Swaney, "2014 MLB Ballpark Experience Rankings," <http://www.stadiumjourney.com> cited 23 February 2015.

⁷Barry Janoff, "Report: When It Comes to 2014 MLB Fans, the Most Loyal Group is in the Cards," <http://www.nysportsjournalism.com> cited 23 February 2015.

⁸For business articles about the Giants organization, see Brian Costa, "The CEO Who Gets to Hand Out World Series Rings," *Wall Street Journal* (23 February 2015): R4, and Eric Fisher, "A's, Giants Take Public Their Longtime Territorial Dispute Over San Jose," *SportsBusiness Journal* (12 March 2012): 6.

Appendix

Table 1 National League teams' performances, selected years

Team	Seasons	World Series	Pennants	Divisions	Playoffs
<i>East Division</i>					
Atlanta Braves	49	1	5	17	19
Miami Marlins	22	2	2	0	2
New York Mets	53	2	4	5	7
Philadelphia Phillies	132	2	7	12	14
Washington Nationals	10	0	0	2	2
<i>Central Division</i>					
Chicago Cubs	139	2	16	5	17
Cincinnati Reds	130	5	9	11	15
Milwaukee Brewers	45	0	1	3	4
Pittsburgh Pirates	128	5	9	8	16
St. Louis Cardinals	123	11	23	12	27
<i>West Division</i>					
Arizona Diamondbacks	17	1	1	5	5
Colorado Rockies	22	0	1	0	3
Los Angeles Dodgers	57	5	9	14	19
San Diego Padres	46	0	2	5	5
San Francisco Giants	57	3	6	9	11

Note: Seasons are teams' total number of MLB regular seasons in the NL and includes years when teams had other nicknames such as the Florida Marlins (1993–2001), Philadelphia Quakers (1883–1889), and Pittsburgh Alleghenys (1887–1890). Division titles exclude 1994 when a players' strike ended the season on August 12. The number of World Series, pennants, and divisions won and Playoffs (playoff appearances) are these teams' performances

Source: "Teams," <http://www.baseball-reference.com> cited 28 January 2015 and "Division Series Summary," <http://www.mlb.com> cited 29 January 2015

Table 2 National League team business data, selected years

Team	Value	Revenue	Gate receipts	Payroll	Market
<i>East Division</i>					
Atlanta Braves	730	253	61	107.3	5.5
Miami Marlins	500	159	31	46.4	5.8
New York Mets	800	238	73	82.2	19.8
Philadelphia Phillies	975	265	111	175.9	6.0
Washington Nationals	700	244	91	125.6	5.8
<i>Central Division</i>					
Chicago Cubs	1200	266	117	73.5	9.5
Cincinnati Reds	600	209	62	112.3	2.1
Milwaukee Brewers	565	197	56	107.5	1.6
Pittsburgh Pirates	572	204	54	77.6	2.4
St. Louis Cardinals	820	283	136	107.5	2.8
<i>West Division</i>					
Arizona Diamondbacks	585	192	45	108.1	4.3
Colorado Rockies	575	197	58	92.3	2.9
Los Angeles Dodgers	2000	293	112	238.8	13
San Diego Padres	615	207	40	86.2	3.2
San Francisco Giants	1000	316	129	147.7	4.5

Note: Amounts are in millions of dollars except for Market, which is the metropolitan area population in millions. Calculated in March 2014, Value is based on the current stadium deal (unless a new stadium is pending) without deduction for debt (other than stadium debt). Revenue is for teams' 2013 season. Gate Receipts include club seats. Payroll is for teams' 2014 season

Source: "The Business of Baseball," <http://www.forbes.com> cited 28 January 2015 and "Salary-Payroll Information—2014," <http://www.espn.go.com> cited 28 January 2015

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