

If You Build It, Will They Come?

The grand new era of the ballpark, commenced with the opening of Camden Yards in 1992. Since then twelve other organizations have followed suite, most recently with the opening of the Great American Ballpark in Cincinnati, at the beginning of the 2003 season. Jacobs Field coupled with the Indian's success there throughout the nineties, made them the model of prosperity that all wished to follow in, and was a major contributor to the emergence of this ballpark craze. The dream was realized with the opening of facilities like Safeco Field, Minute Maid Park, and Pac Bell Park in Seattle, Houston, and San Francisco respectively. However with other communities the differences in the ball club were not so obvious. These mixed results lead an observer to ponder what effects a new stadium truly has upon a major league baseball team. Since the spring of '92 new parks have popped up in Phoenix, Cincinnati, Baltimore, Denver, Milwaukee, Houston, San Francisco, Pittsburgh, Arlington, Detroit, Seattle, and Cleveland. This research report will unveil the true effects of a ballpark by analyzing various statistics and points of view that pertain to the subject.

One of the most telling stats of whether or not a ballpark is appreciated within a city is the attendance figure. The Baltimore Orioles, Cleveland Indians, and Texas Rangers profited considerably from increased fan interest. Only recently have those ballparks not been sold out night after night. For over eight years those franchises had been guaranteed huge sums in revenue generated by the eighty-one sellouts a year. Ultimately this jump in attendance has been the case everywhere. The challenge some clubs are confronted with, is sustaining that increased enthusiasm among the fan base. Brewer pitcher, Curtis Leskanic said in 2001 of the new Miller Park, "It was such a

dramatic difference, we had 8,000 people a night and we're going into a stadium where we're having 30,000 to 40,000 every night." What the former closer didn't know was that in 2002, attendance would drop over 10,000, from 34,704 per night, to a paltry 24,310. Sadly that is only 4,391 more than in 2000, the last year at County Stadium. Pittsburgh and Detroit had equally dismal returns from their new stadiums. Although PNC, Miller, and Comerica Park are fascinating venues to watch a game at the fans could not tolerate the product on the field. The Pirates in 2000, their last year at Three Rivers Stadium, filled roughly 46.4 percent of the seats. That figure nearly doubled to 80.1 percent in the inaugural season at the cross-town location, next to the Allegheny. Two years ago, in the second season, the Pirate's organization cringed as attendance fell sharply to 22,594, which was good for 22nd best in baseball. You can only fully appreciate how awful that number really was when you take into consideration that they averaged only 450 less per game in their last season at Three Rivers. Detroit and Comerica proved much the same with a short lived one-year peak above 30,000 followed by a harsh fall to reality. Dean Bohman who is the head of a Denver-based sport consultant group was quoted as saying, "The ballpark has enough impact, with other things to keep fans coming back three to five years, after which the other components have to be a driving factor." Maybe this statement was true in '94, but in the 21st century the grace period has been shortened. Tiger's president, John McHale Jr. has a more sensible view of the honeymoon period.... "You get about a year. They will come to see what it's like, but any community that's got any sophisticated sense of what's good baseball, they'll quickly understand what's going on, on the field."

So what was the reason for these unfortunate falls? As many have said the product on the field is equally important as the field they play on. The talent of the players is reflected most accurately through the record of the team, and interestingly enough quite a few parallels can be drawn among these three franchises. One accomplishment all have to their credit is a hundred loss season within two years of the inaugural season. The Tigers reached the mark in 2002 with a mere 55 wins against 106 losses, as did the Brewers with a 56-106 record. The Pirates jumped the gun a bit, and hit the hundred loss bar a year early, in their first season at PNC. These records weren't the result of a one-year fluke, but rather an ongoing tradition among these franchises to losing. The Pirates have amazingly averaged 94 losses from 2000-2002, which quite miraculously bettered both the Brewer's 96 and Tiger's 95 loss average over the same time period. Calvin Hughes, a Pittsburgh native expressed the view of many as he said of the Pirates, "I want to see good baseball. I don't want a Triple-A team out there. That's what they've been very close to the last couple years." Losing doesn't sit well with fans, new ballpark aside. However, management with these three clubs has yet to attain this revelation, and still naively believes a ballpark equates to a baseball cure-all.

Revenue is yet another way to measure the effectiveness of the ballpark. It shows the relative economic impact of the new facility upon the owner's pocketbook. Closely related to revenue is the payroll of the organization's 25-man roster, which somewhat accurately gives an idea of how much is being brought in from concessions, tickets, and television. In 2000 the Pirate's payroll ranked 27th in MLB at \$28,928,333, and only a few years prior in 1997 it had been at nine million. Kevin McClatchy, Pittsburgh's chief executive officer, almost doubled the payroll to fifty-three million prior to the opening of

PNC. It later became obvious though that he had misjudged the profitability of the park, as was shown when the payroll was whittled down ten million in the winter of '01.

Detroit miscalculated the earnings that Comerica would take in too when they jumped from thirty-five million in 1999, to fifty-eight in 2000, then fell back to forty-nine in their second season. Neither Milwaukee, Detroit, nor Pittsburgh was able to make the jump from small-market to large-market franchises as they had hoped to. In fact they barely made it to mid-market status, and that was for a mere year.

So what led to the ruin of these three cities, how did their dreams of prosperity and championships get discarded in their new digs? Several factors really came together to produce the disastrous on-field results. The blame really can't be placed upon the owners of these teams, as they clearly showed a willingness to spend money on the team. On average the Pirates, Brewers and Tigers increased payroll eighteen million for their inaugural season. What this proves is that these three franchises lacked a strategy. They never really built their farm system or signed their core players, so that the pieces would be working on all cylinders when the time came to move in to their new home. Desperate to show a commitment towards winning, the general managers threw money and oversized contracts at average players. They tried to put together a winning team in one year, and the dynamics of baseball rarely allow for such an undertaking. This can be proven by some of the crazy deals given to Jason Kendall, Jeromy Burnitz, Jeffrey Hammonds, and others in the early part of the decade. Realizing now their mistake, these organizations have been forced to disassemble and are now in the rebuilding phase. As a result of unwise deals and a very dubious plan, Comerica, PNC, and Miller Park will never be able to benefit the clubs as much as they should have. When speaking of these

three teams its hard to disagree with Eric Fisher of the Washington Times, when he states, “..poor team management and ever rising ticket costs have combined to render the economic effects of a new stadium to its home team almost negligible.”

So are all new baseball venues destined to spell doom for the franchise? No, in fact a majority have been quite successful. The million-dollar monuments in Seattle, Arlington, Baltimore, Cleveland, Denver, Houston, San Francisco, and Phoenix have destined their clubs to prosperous futures in the years to come. Particularly in baseball 8 for 11 isn't a bad average, but what really leads to the success of these eight parks?

The first factor in developing a thriving organization, is to create a ticket demand within the city. All of the new ballparks have leaned towards more intimate stands where fans are closer and there are fewer seats available. Not only does this lead to better sight lines, but the forty to fifty thousand seat venues also create a scarcity factor. As Marc Ganis, president of a sport consultant group commented, “Once you start the sellouts, they feed on themselves, just as small crowds feed on themselves.” One cause for this chain reaction is the urgency that individuals feel to purchase season tickets and luxury boxes after they see sell-out after sell-out. In this way they're guaranteed a seat in what has become the hottest place in town. The Rockies, Indians, and Orioles worked this model to perfection and reaped the rewards of high attendance for years. Since 1995 when the Rockies came into existence they had brought in over three million fans every year until 2002, which basically equates to over forty thousand a night for seven years. The Orioles didn't really see a drop in their attendance figures until their eighth year in their new ballpark, and drew over three million fans until 2002 (strike year aside). The Indians make even those figures look pitiful. From Opening Day '94 to the end of the '99

season the Indians had sold out every game at Jacobs Field, a streak of 455 sellouts, which is likely to never be matched. The Giants in the 40,900 seat Pac Bell Park still virtually sellout every game, in this their fourth year at the new location. At the 47,000 seat Safeco Field the Mariners have topped MLB in the home attendance chart the last two years, and are actually seeing increases in attendance, ever since moving in, midway through '99. The other three franchises, Houston, Texas, and Arizona have also done fairly well in attracting fans year after year. Over the last four years these three clubs have averaged anywhere from 29,404 to 39,493 per night, and have consistently topped 2.5 million for total home crowds over the season. In fact all three have stayed in the upper half in attendance in baseball, since moving into their new ballparks. The differences between a Miller Park and Minute Maid Park are minimal. Both are retractable-roof, hundred million-dollar, small, retro-style venues, named after beverage companies. Comparatively though, the Astros have larger sums of revenue, a more dedicated fan base, and a better record. The reason doesn't lie within the structure of the stadium, but rather the management.

A large contributor to the fan frenzy associated with these eight teams, is the dedication that the players and front office has to winning. One thing becomes clear when analyzing pre and post ballpark records, and that is that there is most definitely a strong correlation between an increase in wins and the opening of a new stadium. The Baltimore Orioles were the first to experience the winning ingredients a new ballpark brings to the table. In 1991 Baltimore was a team that narrowly escaped losing 100 game with a 67-95 record. With Camden Yards the Orioles considerably improved that win total to eighty-nine in '92. Although not AL East champions until '97, when they posted ninety-eight

wins, the Orioles proved to be a respectable team year in and year out, worthy of the fan's appreciation. That fact is proven by the .535 winning percentage the team posted from '92-'96 before ever winning a division title. Soon after Camden Yards came Jacobs Field in 1994. John Allen the Red's chief operating director recently said, "Of all the new ballparks and of all the situations, Cleveland probably had the most success. They had an outstanding team come along at the same time they got a new ballpark. They're probably the poster child of how it can work. If all cylinders hit, this is how it should work." This was proven by the two American League pennants and three straight division titles they captured from '95-'97. In the last three years at the old Cleveland stadium the Indians had an average record of 69-93, or a .426 winning pct., in comparison in the first three seasons at Jacobs they yielded a .634 winning pct. that equates to 103 wins and 59 losses over a full 162 game schedule. Not bad for a team that had not been to a World Series in forty years. Seattle, Texas, San Francisco, and Colorado experienced other drastic improvements. In Seattle, the Mariners won 91, 116, and 93 games respectively from '00-'02, following their first full season at Safeco. This despite that fact that they had had a losing record for the previous two years. After Texas moved into the Ballpark in Arlington in '94 they claimed the American League West twice in the next three years. In Colorado you had an expansion team that struggled to win at Mile High Stadium in their first two years of existence. In '95 when Coors Field opened the Rockies rocketed their way to a playoff appearance as a wild card team and then posted their second consecutive winning season the following year. In all of these cases there isn't necessarily just one explanation for all the unexpected reversal of fortunes. For some it was the culmination of a master plan they had been working on for years. This was the case for the Indians

who had been preparing minor leaguers and locking up key players to deals prior to moving in. Another factor, which contributed a bit to everyone's success, was the new playing environment. With tens of thousand of fans pulling you on after every pitch, the atmosphere might be a bit more inspiring than playing at an empty Olympic Stadium. When looking at records from specific years this looked to be the case, as home records especially improved at the new venues. Ultimately to a franchise it matters very little what specific factors brought about the wins. All these organizations know is that the ballpark was most assuredly responsible for inducing at least a bit of the results.

In the early nineties a new stadium was enough to boost a smaller-market team to one of the top-market organizations in all of baseball. This was proven by the history of the Baltimore Orioles and the Cleveland Indians. Prior to 1993, the second season at Camden Yards, the Orioles had never had a payroll over 30 million. Over the next two years the payroll increased to 48.7 million dollars in '95, which was good for second in baseball at the time. This increase in payroll almost certainly reflects an increase in revenue, since owners are rarely willing to do deficit spending. In only the second year at Camden Yards the Orioles were already fourth in revenue at 81.3 million dollars, trailing only the Blue Jays, White Sox, and Yankees. The Indians showed similar increases, as their revenue increased 136 percent from 1994 to 1998. In their last season at Cleveland Stadium the organization took in 59.2 million, which was in the lower half of baseball, compared with the 140 million they took in, in 1997. Obviously the increased attendance to games, as well as elevated television ratings played a large part in the affluence experienced by these two franchises. In these cases the stadium really was a cure-all. As the years have progressed and the economics of baseball has changed, so also has the

importance of a new ballpark. Times have changed and as John Allen, Red's COO, recently joked, "Today, building a ballpark isn't enough to get where teams like the Yankees are. To get a \$100 million payroll, you've got to....you've got to build two ballparks." Still though, ballparks commonly increase revenue over 100%, and in some cases like the Giants (162%) even more. Stadiums will never be able to give an organization the advantage it did to the Orioles or Indians, but that is only because of the grandeur scale of baseball salaries. When the Indians increased their payroll ten million a years it boosted them to seventh in the league, yet now when the Giants add ten million in contracts before moving into Pac Bell it merely moves them from seventeenth to tenth overall.

The baseball world evolves constantly, but one truth remains unchanging. The "Camdenization", as some have called it, has been a savior for the small-market franchises around the nation. Want proof....look no further than the near victorious ascent towards World Champions by the San Francisco Giants, in the new Pac Bell Park. It is true that none will ever match the amazing eight-year run of the Indians, but regardless the baseball world is in dire need of any equalizer it can get its hands on. Will these new stadiums cure baseball's economic dilemmas....not totally, but it will boost franchises up so they can at least compete with the "Evil Empire". Fans once again get excited to go out to the ballgame, and owners with that increased revenue are more likely to pursue the big name free agent. Dick Freeman who recently came from the Pirates to the Padres concludes this well, when he stated, "...ultimately, it's going to give us a chance. We'll be in the game, without it, we would be a guaranteed failure." The baseball spirits still softly echoes, "If you build it, they will come."

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