

# Swinging for the Fences— How the Oakland Athletics Become an “A” Organization

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<sup>1</sup> I recommend printing out the Exhibits separately and hold them to the side when reading this piece. In total, I use 19 graphs/pictures to assist my analysis. I think printing everything out makes for an easier read instead of flipping back and forth. Exhibits begin on Page 34.

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## ***II. Introduction: Fickle Co-Tenants, Sewage, and an Overview***

In 1966, the Oakland-Alameda County Coliseum opened and acted as a key catalyst to move the Athletics (A's) west from their Kansas City location.<sup>2</sup> Since the stadium's initial construction in the 1960s, the site became a multi-use venue, saw the Oakland Raiders leave the city for LA in the 1980s, undergo major renovations to incentive the Raiders to come back, hosted the team's famous sewage backups and now the Raiders plan to leave again. However, during the near 60+ years, the Athletics stayed put and now play in MLB's 5<sup>th</sup> oldest stadium.<sup>3</sup> Given the age and pending occupancy status, Oakland's baseball organization looks to solve a decades long dispute of how will the organization update their stadium facilities to 21<sup>st</sup> century standards.

In this piece, I will cover the various issues encountered by the A's regarding the stadium issues. Specifically, I will focus in on why this stadium might be the key to competitive balance on the baseball field, how the A's location is "rooted" in Oakland, funding questions based on recent stadium developments with central economic development factors the organization should consider, and how AB-734 affects stadium construction. Finally, I will analyze how their recent stadium announcement at Howard Terminal impacts their future. Overall, I hope to distill the complex problems facing the Oakland Athletics into one piece while providing insight into where I believe the organization can make traction to meet the team's goal of moving into a new site by 2023.

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<sup>2</sup>Rick, DelVecchio, "Robert Nahas -- He Brought Coliseum and A's to Oakland", *San Francisco Chronicle*, February 26, 2002.

<sup>3</sup> Jeff Goldberg, "MLB Ballparks, from Oldest to Newest", *Ballpark Digest*, March 2017, <https://ballparkdigest.com/2017/03/31/mlb-ballparks-from-oldest-to-newest/>.

### ***III. Why this All Matters: MLB Revenue and the Emphasis on Independence***

Before getting into the options, one must first understand why a stadium even matters for a baseball organization. At the outset, the basic business model for any sports organizations will be to use their revenue to pay for the team's product on the field. Unlike the typical business model where retained earnings—leftover revenue after taking out expenses—go back to investors, in sports, these funds will be spent on investing on the athletes, facility upgrades, and coaches. As a result, understanding revenue sources remains central to comprehending team dynamics in professional sports. In this case, the Oakland Athletics generated \$210 million (M) in 2018.<sup>4</sup> This figure represents the worst number in Major League Baseball (MLB). See Exhibit 1. Thus, my main proposition to analyze this stadium pursuit will be from a business side of things and how the Oakland Athletics can fix their revenue cycle by building a new stadium.

Generally speaking, a large portion of any baseball organization's revenues will come from the two main sources of TV deals and fan attendance.<sup>5</sup> Accordingly, any organization will need to emphasize these two aspects—TV deals and fan attendance—if they want to financially keep up, sign players, and try to win games. However, baseball's structure heightens the importance of the team's private TV deal because of MLB's current TV structure. Up until 2018, the MLB trailed five other professional sports organizations in terms of annual revenue generated from granting networks the national broadcasting rights to the games. Further, the new deal recently signed—which places the MLB at #2 in TV contracts at \$5.1 billion (B)—will likely not affect revenue cycles for another three years, when the current contract expires.<sup>6</sup> See Exhibit 2.

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<sup>4</sup> "Business of Baseball", *Forbes*, April 2018, <https://www.forbes.com/mlb-valuations/list/>.

<sup>5</sup> Ryan Horning, interview by the author, Santa Clara University, Santa Clara, CA, October 11, 2018.

<sup>6</sup> Tim Baysigner, "Fox Extends its TV Deal", *The Wrap*, November 2018, <https://www.thewrap.com/fox-extends-its-tv-deal-with-major-league-baseball-through-2028/>.

While these funds get distributed evenly across all 30 teams, this prior smaller broadcasting deal placed a heavy emphasis on the individual baseball clubs and their own TV broadcasting deals. For example, the average NFL organization will receive ~\$187M annually from their League's broadcasting deal with Fox, CBS, and ESPN. On an average year, these funds can cover almost all each team's salary cap and player costs.<sup>7</sup> On the other hand, each MLB organization received roughly \$54M from the MLB's national broadcasting deal with Turner Sports. In turn, this fund can represent as small as 1/3 of a team's budget for acquiring talent.<sup>8</sup> As a result, the average professional baseball organization will be on the hook to independently fund the remainder of their team. And while baseball organizations can expect to change with MLB's new TV deal with Fox Sports, the premise still remains in which each baseball organization must find independent ways to generate funds for themselves if they want to field a quality team.<sup>9</sup>

Consequently, this relationship can this create a competitive advantage for various organizations based on the ways a team distributes broadcasting locally. Thus, one can look at the Athletics current deal to understand their revenue problem alluded to at the outset. On its face, the Oakland Athletics sell their game's broadcasting rights to Comcast, coming out to \$43-\$48 million/year.<sup>10</sup> However, this deal now stands 17<sup>th</sup> in the Major Leagues and decidedly behind other American League competitors like the Angles, Yankees, Red Sox, Mariners, and Astros. In fact, all four of the Athletics divisional opponents hold stronger TV deals. See Exhibit

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<sup>7</sup> The projected 2018-2019 salary cap for a NFL team is \$189 million. While these funds don't all get allocated to each team's roster, the principle is intact the funds can cover the entire roster if necessary.

<sup>8</sup> The World series featured a matchup of the Boston Red Sox and Los Angeles Dodgers. The Red Sox carried a payroll at \$137 million and the Dodgers finished the season with a \$133 million payroll.

<sup>9</sup> Tim Baysigner, "Fox Extends its TV Deal", *The Wrap*, November 2018, <https://www.thewrap.com/fox-extends-its-tv-deal-with-major-league-baseball-through-2028/>.

<sup>10</sup> Maria Layer, "TV Rights Wave Brings A's Along for the Ride", *Newballpark*, July 2013, <https://newballpark.org/2013/07/26/tv-rights-wave-brings-as-along-for-the-ride/>.

3,4.<sup>11</sup> As a result, the lack of big time revenue from the Athletics current TV deal places a strain on attendance, the other primary source of revenue for the organization.

In the 2018 season, the Oakland Athletics ranked 26<sup>th</sup> in attendance with 1.57 million fans.<sup>12</sup> See Exhibit 5. This low figure represents a trend for the organization which holds the 4<sup>th</sup> worst attendance since 2010 despite the 18<sup>th</sup> best MLB record in that span including four post season appearances. Additionally, the team ranked 27<sup>th</sup> in “Gate Revenue”, bringing in \$33M in 2017. This figure can get magnified when compared to the likes of the fellow American League competition like the New York Yankees (\$278M), Boston Red Sox (\$192M), and Houston Astros (\$137M). Consequently, the team faces a funding deficit when looking at the amount of funds generated from the two primary sources of revenue, creating a competitive disadvantage affecting their product on the field. Yet, the picture is still incomplete with one factor remaining worth discussing.

The last key factor I want to emphasize which comes from my own speculation is a team’s ability to generate secondary sources of revenue—i.e., non-baseball money. In this, one can understand the other ways teams generate revenue ranging from stadium naming rights, property acquisitions, investments, and other baseball ventures not directly related to the product on the field. To find this, I backtracked revenue from money made at the gate and broadcasting rights. While not perfect, this is another form of income for sports organizations and will play a key factor in assessing Howard Terminal.

Here, the team once again posts poor marks with the 2<sup>nd</sup> worst “isolated profit” or secondary source of income at \$136M. See Exhibit 6. While other factors can affect this figure—revenue sharing for example—the concept of another problem surrounding the Athletics revenue

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<sup>11</sup> “Estimated TV Revenue for MLB Teams”, *Statista*, 2018: <https://www.fangraphs.com/blogs/estimated-tv-revenues-for-all-30-mlb-teams/>.

<sup>12</sup> “Team of MLB Ranked by Regular Season Home Attendance”, *Statista*, 2018, <https://www.statista.com/statistics/193664/regular-season-home-attendance-of-major-league-baseball-teams-in-2010/#0>.

is stated. Consequently, at its core, the Oakland Athletics hold a middle-tier TV deal, rank at the bottom of attendance, post potentially poor secondary income metrics, and as a result, come in at dead last for MLB revenue at \$210 million dollars.

Due to this revenue deficit, the team remains handcuffed with how much it can invest in the team. For example, the Athletics traditionally rank in the bottom of MLB spending on their team, coming in 30<sup>th</sup> for 2018 on payroll. See Exhibit 7. However, this constraint on funding creates baseball cycles of performance because of the team's inability to retain premier talent they scout and develop. The basic cycle is the team will effectively scout and develop players, the young players will play at high levels when the team can still afford them, and before peak-value, the team will trade their burgeoning stars because they can't afford to keep the players on long-term deals, causing the team's product on the field to drop off as the club falls back into stage 1, scouting and developing. Former A's President Mike Crowley refers to this as the "waves" of the team.<sup>13</sup> See Exhibit 8 for a visual of this cycle. Yet now with a firm understanding of the sport's business model and the Athletics' problems existing within this model, one can understand the team's present dilemma: can the team use a baseball stadium to act as a revenue catalyst to break their cycle? I believe so and with a caveat.

First, the Front Office should know there is a positive correlation between new baseball stadiums and attendance, one of the key revenue categories the team must spruce up. While attendance can fluctuate based on team performance, a new stadium can be a positive contributing factor in bringing more people into the stadium. To back this up, I looked at MLB attendance for the 10+ organizations who built stadiums in the 21<sup>st</sup> century. See Exhibit 9. From

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<sup>13</sup> Mike Crowley, "Sports Law Q&A" (classroom discussion, Sports Law, Santa Clara, CA, November 2018).

there, I analyzed their attendance percentage increase and compared it to the rest of the MLB teams in the same time. Exhibit 10.

One can distill a handful of insights from this Exhibit. Primarily, 13 out of 15 of the MLB organizations who built stadiums since 2000 saw positive increases in their attendance. Second, the average organization of this batch increased their attendance by 13.5%, a significant uptick compared to the 2.3% seen by the other 15 MLB teams. Third, the Athletics can get excited about a favorable comparison in the San Francisco Giants who saw a surge of attendance with an almost 50% increase since they moved to China Basin. Here, the Giants left a multi-use stadium isolated from downtown and moved to a waterfront location which is now the center of a massive development project—sounds familiar for A’s fans hopes and dreams, right? Fortunately, the Athletics also stand in the bottom tier of MLB attendance giving reason for optimism for even mild growth with a new stadium for the first five years.<sup>14</sup> Accordingly, the insight reveals to the Front Office they can proceed with confidence their new stadium will likely bring more fans to games based on the data presented by the rest of the league.

However, the caveat is the stadium alone won’t fix their overarching revenue problems. For example, I ran multiple models to project the team’s ticket sales at their new site based on the projected capacity of 34,000. See Exhibit 11. In this, I assumed a handful of scenarios based on the 15 teams who built stadiums and a basic personal operating model—bad (0) below average (1) above average (2) and great (3). In this model, the team can at best generate \$37M/year based on the historical data available about post-stadium construction attendance. See Exhibit 11. However, if we take this \$37 million/year back to the sports business model of re-

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<sup>14</sup> The A’s rank 28<sup>th</sup> in MLB over the last three years.



investing retained earnings into athletes, this figure would equate to one premium all-star's salary + a solid bullpen pitcher. But this isn't enough to break the "cycle."

Due to this, a boost from ticketing alone doesn't swing the pendulum for the organization. Further, when one factors in the potential for the team's local broadcasting deal to stay intact until 2035, secondary income from non-baseball activities becomes the clear factor which must be at the top of the Athletics' priorities when constructing a new stadium. This factor is controllable and will massively swing depending on how the team implements a cohesive strategy around Howard Terminal—and why this site is superior over the Coliseum.

As a result, the crunch of TV deals and salary cap constraints places the Athletics pursuit in an important place. Not only does the organization want to move past the stench of the "Mount Davis" era, but the team is also fighting an uphill battle to try to equalize the competitive balance on the actual baseball field. While the team did the best it could over the last decade fielding multiple playoff teams despite one of the lowest payrolls in the Majors, the organization must not make it so hard on themselves.<sup>15</sup> To make matters worse, Major League Baseball recently announced the Athletics will be weaned off revenue sharing plans, causing one of the team's steady revenue sources to disappear in the near future.<sup>16</sup> Thus, this stadium pursuit represents so much more to this team. As a result, I hope to distill the team's options, financial outlook, and how their current two sites can both play into the team's future. However, I first want to take a step back to explain why Oakland is even an option despite the years of struggle.

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<sup>15</sup> See Michael Lewis, "Moneyball: Art of Winning an Unfair Game", (Nw York: W&W Norton, 2014).

<sup>16</sup> Lindsay Adler, "MLB Will No Longer Allows the Oakland A's to Pretend", *Deadspin*, December 2016, <https://deadspin.com/mlb-will-no-longer-allow-the-oakland-as-to-pretend-to-b-1789565005>.

#### ***IV. Antitrust, an Aberration, and Why the Athletics are “Rooted in Oakland”***

In 2013, a US District Court for the Northern District upheld the well-known “baseball exemption” in a case filed by the City of San Jose in the town’s attempt to move the Oakland Athletics to the 2<sup>nd</sup> largest city in California.<sup>17</sup> This decision by Judge Ronald Whyte symbolized the Oakland Athletics stadium issues ranging over the last 20 years in a single frustrating outcome. In turn, this case contextualizes the A’s stadium pursuit because it allows one to comprehend how the organization must realistically limit themselves to Oakland if they plan to stay in the Bay Area. On account of this, one must first understand how Antitrust law operates with MLB to comprehend this backstory.

Generally, Antitrust law is the primary resource in the United States to govern issues regarding monopolies, anti-competitive practices, and organizations forcing out smaller competition.<sup>18</sup> To determine if an Antitrust issue exists, courts adopt two primary tests to decide if a defendant unreasonably restrained trade: per se rule and rule of reason.<sup>19</sup>

Despite Antitrust’s purpose, the United States Supreme Court unanimously upheld a lower court’s ruling in 1922, claiming professional baseball is immune from antitrust laws.<sup>20</sup> Here, the Court concluded baseball did not engage in interstate commerce or trade within the meaning of the Sherman Act.<sup>21</sup> The Supreme Court then maintained this exemption in two recent cases—affirming this outlier in professional sports through the 20<sup>th</sup> century.<sup>22</sup> As a result, MLB—unlike every other professional sports league—can engage in monopolistic like behavior

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<sup>17</sup> Phillip Gergory, Donald Polden, *The Baseball Exemption: An Anomaly Whose Time has Run*, 24 No. 1 Competition: J. Anti. & Unfair Comp. L. Sec. St. B. Cal 154, (Spring 2015), 1.

<sup>18</sup> Michael McCann, *American Needle v. NFL: An Opportunity to Reshape Sports Law*, 119 Yale L.J. 726, January 2010.

<sup>19</sup> John Wolohan, *The Curt Flood Act of 1998 and Major League Baseball’s Federal Antitrust Exemption*, 9 Marq. Sports L.J. 347, 377, 1999.

<sup>20</sup> See *Federal Baseball Club of Baltimore, Inc. v. National League of Professional Baseball Clubs* (1922) 259 U.S. 200.

<sup>21</sup> Thane Rosenbaum, *The Antitrust Implications of Professional Sports Leagues Revisited: Emerging Trends in the Modern Era*, 41 U. Miami L. Rev. 729, 770 1987.

<sup>22</sup> See *Flood v. Kuhn* (1972) 407 U.S. 259; See also *Toolson v. New York* (1953) 346 U.S. 356.

with its league operations without facing scrutiny from the nation's primary boy of law governing against this behavior.

Yet, a qualification to baseball's exemption exists due to the Curt Flood Act.<sup>23</sup> This piece of legislation allowed MLB to keep its antitrust standing for all issues except player employment after a dispute with one of the league's premier players. However, the Curt Flood Act failed to address key problems like expansion, ownership issues, and specifically for the Athletics, relocation of MLB franchises.<sup>24</sup> Accordingly, the Oakland Athletics faced uncertainty when they petitioned to leave Oakland for San Jose due to the long-standing governing powers of MLB, the territorial interest of the San Francisco Giants, and the interpretation of baseball's antitrust exemption by the US District Court for the Northern District.

Precisely, in 1994, MLB enacted a series of territorial rules changes requiring 3/4 league approval for a team to move to a new territory.<sup>25</sup> Plainly, this gave MLB and the Commissioner's Office broad power to control where teams would normally be able to move freely in an open market when coupled with the Curt Flood Act. Advocates of controlling league power will turn to revenue issues pertaining to potential oversaturated markets if teams could operate with autonomy when looking at relocation issues.<sup>26</sup> Moreover, MLB holds a vested financial interest in the success of all the organizations—desiring a balanced playing field for all the teams.

This type of power and economic rationale came into play during MLB's purchase and move of the Montreal Expos. In 2012, the Expos represented a failing organization with declining ticket revenues, poor attendance, and no long-term interest from the local fan base.<sup>27</sup> So, when Owner Jeff Loria sought to sell the organization, the Commissioner's Office used their

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<sup>23</sup> 15 U.S.C. § 27.

<sup>24</sup> *Id.* at McCann.

<sup>25</sup> MLB CBA.

<sup>26</sup> See *National Football League v. Oakland Raiders, Ltd.* 469 U.S. 990, (1984); See also *St. Louis & Visions Commission v. National Football League*, 154 F.3d 951 (8<sup>th</sup> Cir. 1998).

<sup>27</sup> Chuck Booth, "The Demise of the Montreal Expos Franchise", *MLB Reports*, June 2012, <https://mlbreports.com/2012/06/29/expos-demise/>.

broad power to purchase the team. Soon after, the League desired to move the organization to a more lucrative market in Washington D.C. However, Baltimore Orioles Owner Peter Angelos contested this due to potential ripples effect the Washington organization would present in the Mid-Atlantic Territory.<sup>28</sup> Nevertheless, the Commissioner's Office persevered and eventually arranged a compensation agreement package which established the Mid-Atlantic Sports Network to service as the regional cable home of the Nationals. This promoted a joint ownership in the network, and permitted Nationals games to be seen on regional TV in Baltimore and D.C.<sup>29</sup> This example is noteworthy because it reveals the collaboration and coordination the Commissioner's office undertook in relocating one of its 30 franchises to a market where another organization held long-standing territorial claims. Despite the potential contention, the League pushed through a deal.

On the other hand, the Oakland Athletics' attempt to move to San Jose stands as a complete contrast to the League's involvement when comparing the Expos relocation. Context is key here as the Oakland Athletics former owner Steve Schott wanted to move the club to San Jose as one of the top markets left in the United States without a professional team.<sup>30</sup> However, like the Baltimore Orioles, the San Francisco Giants denied the move as they wanted to keep the San Jose territory as their own.<sup>31</sup> Initially, the League remained passive by creating a 'Blue Ribbon Committee' which netted in no tangible progress over its 5 years.<sup>32</sup> Thus, when the Athletics failed to reach a compensation package with the Giants in San Jose, the team sold to John Fisher and relied on litigation to resolve their territorial dispute.<sup>33</sup> The noteworthy cause here is the city of San Jose welcomed the prospect of the Athletics moving to the city but the

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<sup>28</sup> Nagel, Brown, Rascher, and McEvoy, "Major League Baseball Anti-Trust Immunity", 4 *ESLJ I* (2006-2007).

<sup>29</sup> *Id.*

<sup>30</sup> Newhouse "Piccinini Remains Right Man for A's", *Tri-Valley Herald*, p. 51 (2004).

<sup>31</sup> *Id.*

<sup>32</sup> "Committee to Study Stadium Search", *ESPN*, (March 2009), <http://www.espn.com/mlb/news/story?id=4028596>.

<sup>33</sup> Ostrom, Lynch, "A's Move to Fremont Build on Wolff's Vision", *Contra Costa Times*.

MLB did not, creating an environment ripe for controversy.<sup>34</sup> Ultimately, San Jose’s suit against MLB failed with Justice Whyte deferring to MLB’s antitrust exemption.

Now, MLB reaps the costs of their inability to broker a deal between the Giants and Athletics. As of the last decade, the A’s rank lag seriously behind the Bay Area counterpart.<sup>35</sup> Ironically, MLB lost out on millions of dollars by limiting the Oakland Athletics move and now the organization sits with what is deemed in baseball as the 2<sup>nd</sup> worst stadium.<sup>36</sup> Overall, there is sweet justice in MLB’s stance towards Oakland. While the League enjoys their Antitrust exemption, this power curbed the potential of one of their teams in a lucrative market. Now, the A’s are limited to the Oakland area if they plan to stay in the Bay Area—hence the irony in the “Rooted in Oakland” campaign. Accordingly, the next section will handle funding as the major hurdle when initially considering a stadium project in Oakland.

#### ***V. The Funding Question: Public v. Private, Mayor Schaaf, and Expected Costs***

Historically, MLB organizations rely on bonds to build stadiums.<sup>37</sup> Typically, these bond issuances will be accompanied with special taxes giving lucrative loopholes for professional sports teams. However, cities today increase their bargaining power by remaining stiff on handing out public funds for owner’s stadiums.<sup>38</sup> A key reason why cities toughen their stances is because of the “myth” about public benefits with a new stadium’s arrival.<sup>39</sup> While the sports organizations claim the city will receive local revenue and an influx of jobs due to the tourists, games, and other special events, the past up profits don’t always balance out. For example,

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<sup>34</sup> Tracy Seipel, “San Jose City Council endorses option deal for land sale to Oakland A’s”, *The Mercury News*, November 2011, <https://www.mercurynews.com/2011/11/08/san-jose-city-council-endorses-option-deal-for-land-sale-to-oakland-as/>.

<sup>35</sup> Statistics from statistics from: <https://www.statista.com/statistics/197470/mlb-home-attendance-of-the-oakland-athletics-since-2006/>.

<sup>36</sup> “Business of Baseball”, *Forbes*, April 2018, <https://www.forbes.com/mlb-valuations/list/>.

<sup>37</sup> Jeremy Evans, “Professional Sports Stadiums in California”, *Entertainment and Sports Lawyer Archive*, Fall 2017, version 34.

[https://www.americanbar.org/groups/entertainment\\_sports/publications/entertainment-sports-lawyer/2017/fall2017/pro-sports-stadiums/](https://www.americanbar.org/groups/entertainment_sports/publications/entertainment-sports-lawyer/2017/fall2017/pro-sports-stadiums/).

<sup>38</sup> *Id.*

<sup>39</sup> See Discussion in Noll & Zimbalist, *Sports, Jobs, & Taxes*, (Washington D.C.: Brookings Institution Press, 1997).

author Larry Harala of the University of Nevada Las Vegas argues professional organizations overestimate the benefits of the stadium provides to the local good.<sup>40</sup>

Within this vein, this fear of Oakland not providing substantial tax breaks and funds to the Athletics will be a major factor for the team. Specifically, Oakland Mayor Libby Schaaf played hardball with the Raiders when she refused to provide any public money for their potential football stadium.<sup>41</sup> As a result, the Athletics will likely face serious pushback from the city of Oakland to assist with financing to build the actual stadium. Thus, the organization must find a way to privately finance the various costs associated with building the 21<sup>st</sup> century home they seek.

However, one first one must understand what a potential baseball stadium will cost the organization before assessing financing plans. To figure this out, I ran a projection based on a cluster analysis to predict a new stadium will cost \$585M. Broadly, a cluster analysis (kNN) looks at the relationship between various data points and uses those closest in relationship to our output to determine a new value.<sup>42</sup> In calculating this, I set my variables as the year stadiums got built and cost to see the five most recent stadiums clustered around \$500M-\$600M besides Yankee Stadium. See Exhibit 12. Accordingly, kNN recommends ignoring the outlier and averaging the values of those in the cluster, providing me the answer of \$585M. In this process, a central distinguishing point is the various associated costs. While the cost to build the stadium will represent a large figure, the Athletics will still look at expenses for the land, annual taxes, potential clean-up costs, re-zoning, and others.

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<sup>40</sup> Larry Harala, "Public Finance of Professional Athletic Facilities", *University of Nevada, Las Vegas Libraries*, March 2000, <https://digitalscholarship.unlv.edu/cgi/viewcontent.cgi?referer=https://scholar.google.com/&httpsredir=1&article=1664&context=thesedisertations>.

<sup>41</sup> Tom Manfred, "Oakland Won't Give the Raiders Money for a New Stadium", *Business Insider*, May 2015, <https://www.businessinsider.com/oakland-mayor-public-money-raiders-stadium-2015-5>.

<sup>42</sup> Ram Bala, "kNN Analysis" (classroom lecture, Data Analytics, Santa Clara, CA, November 2018).

Fortunately, the A's announced their plan to privately finance \$600M during construction.<sup>43</sup> A central question to be looked at from here is how the team plans to finance the stadium. Do they use their current equity in the Coliseum to offset the potential loan from the bank? Or does owner John Fischer—the 15<sup>th</sup> wealthiest owner in MLB—front the bill?<sup>44</sup> Finally, the team can look at partnering with equity firms in the Valley and slowly purchase back their stake in the stadium. Regardless, the claim of \$600M in financing will represent a large portion of the funding indicating the financing process is in place and ready to go.

Further, this process can follow in the footsteps of their Bay Area baseball counterpart. In the early 2000s, the Giants financed through a \$170 million bank loan, \$70 million from charter seat license, \$102 from naming rights and other sponsorships, and \$15 million from tax increment with the city's redevelopment agency.<sup>45</sup> In turn, the Athletics will want to stress a collaborative process by working with multiple agencies to cover their \$600M number.

After getting over the initial financing hurdle, the Athletics will face problems about how the taxes will be assessed. Here, the team can again turn to the Giants to understand the team will need to pay for annual taxes which come out to the total value of the team's assets. This can include both tangible and intangible assets, appreciation, and what a potential appraiser would determine as market rent.<sup>46</sup> This eventual figure will play an important role in the long-term financing of the project. Once the annual tax figure is established, the team can take the projected cost and in turn give the team a long-term assessment of their costs by combining the planned salary cap figures.

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<sup>43</sup> Andy Dolich, "Winning Remains Key to Ballpark Victory", *Mercury News*, March 2018, <https://www.mercurynews.com/2018/09/07/opinion-winning-remains-the-key-to-as-ballpark-victory/>.

<sup>44</sup> Nat Berman, "The 20 Richest MLB Owners", *Money Inc.*, May 2018, <https://moneyinc.com/the-20-richest-mlb-owners-in-the-world/>.

<sup>45</sup> "AT&T Park", August 2007, *Ballparks.com*, <https://ballparks.com/baseball/national/pacbel.htm>.

<sup>46</sup> Peter Kaner, "Tax Assessment of AT&T Park: Cost-Sharing, Value Splitting, and Definition of Economic Obsolesces", *17 SEP J. Multistate Tax'n* 24, Fall 2018.

As a result, these figures will provide quality benchmarks about what the Athletics ought to raise over the next decade. Specifically, the organization will seek to merge their expected seat attendance at the stadium, annual funds from TV deals, and then taking out revenue sharing from the MLB to see the potential gap between financing costs and projected revenue. This estimated figure transitions well to how the Athletics will need to focus in on secondary ways for the A's to raise money in the decade+. To do so, I propose the ball club to follow the Economic Development Model, detailed in the following section.

## ***VI. Stadium Construction: Economic Development Factors***

With this initial financial breakdown laid out, the Oakland Athletics must consider the long-term implications of this stadium and how to generate this secondary revenue stream to make up for the gap between projected costs and the revenue stemming from baseball activities. The understanding here is the organization must get a stadium which fits short-term needs of being ready by 2023 and long-term goals of being able to pay for the current valued prospects with contracts, effectively breaking their “wave” cycle. If done right, the stadium offers the possibility for the organization to generate other forms of income to take Oakland into a new tier of ball clubs. As a result, I recommend the Athletics look for a potential solution which incorporates principles from the Economic Development Model.

The Economic Development Model is the qualitative measure of relying on secondary income not tied to baseball and new commercial projects to be the basis of transition to a new general improvement in living standards in the surrounding area. In this process, the A's can look to SBL models, stadium naming rights, parking, advertising, non-sporting events, and acquiring ownership stake in potential properties near their eventual site. Luckily, the organization can look across sports to find sources of fantastic ways to maximize their revenue.



For example, the Pittsburgh Steelers offer a model for how to handle stadium naming rights when they opted for a solid name brand with Heinz Field. This offers long-term stability and a reliable source of income which can be raked in without the team playing a game. Specifically, recent stadium naming right deals include Citi Field for \$400M, SunTrust Park for \$250M, Levi's Stadium for \$220M, and the new Chase Arena at \$300M.<sup>47</sup> However, the A's should know these name brand deals rely on long-term contracts, stressing the importance of obtaining a reliable firm in good financial standing over the next two decades.<sup>48</sup> Nevertheless, the MLB shows 20 out of 30 teams using this source of income, averaging just under \$4.5M/year for the teams. See Exhibit 13. Further, the organization can use the recent deal for the Atlanta Braves with SunTrust Park at \$10M/year as a great benchmark and then set against what the Seattle Mariners sign off for Safeco—a deal expiring in 2019. Thus, this additional revenue offers another way to offset the financing for the stadium the Athletics Front Office ought to consider.

Additionally, the San Francisco 49ers give a glimpse about how the Athletics can make money during the five months the organization is not playing baseball at their eventual home. At Levis Stadium, the 49ers own a restaurant which sits on the Southeast corner called "MINA Bourbon Pub." This restaurant operates as a great example for what President Al Guido calls a "365-day-a year empire."<sup>49</sup> The key here is the revenue is not limited to the restaurants. Instead, the 49ers offer opportunities for private companies to rent out the venue, concerts, other sports events like CFP Playoffs, and even job fairs. As a result, the organization brought in \$2.8M in "non-football" revenue during its first year opening Levis.<sup>50</sup> Consequently, the team saw its

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<sup>47</sup> Kurt Badenhausen, "Warriors, Chase Bank Tie-Up Ranks Among Biggest Stadium Naming Rights Deal Ever", *Forbes*, January 2016, <https://www.forbes.com/sites/kurtbadenhausen/2016/01/28/warriors-chase-tie-up-joins-ranks-of-biggest-stadium-naming-rights-deals/>.

<sup>48</sup> Robert Thronburg, "Stadium Naming Rights: An Assessment of the Contract and Trademark Issues Inherent", 2 *Va. Sports & Ent. LJ* 328, Spring 2003.

<sup>49</sup> Kelsey Alpaio, "Going Deep on Data", *Innovation Leader*, Fall 2018, <https://www.innovationleader.com/san-francisco-49ers-real-time-fan-data/>.

<sup>50</sup> Kelsey Alpaio, "Going Deep on Data", *Innovation Leader*, October 2018, <https://www.innovationleader.com/san-francisco-49ers-real-time-fan-data/>.

Forbes evaluation jump up to the top five position where the team is a mainstay since opening Levis.<sup>51</sup> As a result, the 49ers can generate additional revenue from this restaurant while enhancing their game day experience, create amplifying effects in multiple fields.

Another fantastic example of the Economic Developmental Model comes from another Bay Area counterpart in the San Francisco Giants. Here, the Giants relied on land acquisitions neighboring the ballpark which the team will flip for a massive profit after 17 years.<sup>52</sup> Recently, the Giants and San Francisco announced a new “Mission Rock” neighborhood around China Basin with the plan recently getting a green light from voters in 2018.<sup>53 54 55</sup> This lot appears to be a mix of residential and commercial sites which will not only boost the local atmosphere around AT&T park, but also provide steady dividends for the Giants.<sup>56</sup> With this deal, the baseball organization stands as the major developer for a collaborative effort between the San Francisco Port, city agencies, and neighbors. In this mixed-used neighborhood near AT&T Park, the Giants will hold ownership equity in space including 1.4 million square feet of new office space, 250,000 square feet of retail, and parking structures.<sup>57</sup> Early estimates indicate the development could generate more than \$1 billion in revenue for San Francisco through retail sales taxes and property tax revenue for the port and city.<sup>58</sup>

In turn, the Giants ought to see steady revenues from non-baseball activities for the decades to come through their ownership stake in this project development. Here, this form of

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<sup>51</sup> Matt Barrows, “Forbes Ranks 49ers in the Top 5 in Value”, *Sacramento Bee*, September 2015.

<sup>52</sup> Harrison Chastang, “Ten Years Later, AT&T Still Going Strong”, *Beyond Chronicle*, April 2010, <http://beyondchron.org/ten-years-later-att-park-still-going-strong/>.

<sup>53</sup> “Giants and City Unveil Mission Rock Neighborhood Plans”, *San Francisco CBS Local*, April 2012, <https://sanfrancisco.cbslocal.com/2012/04/04/giants-city-unveil-mission-rock-neighborhood-plans-next-to-att-park/>.

<sup>54</sup> Jackie Ward, “San Francisco Giants Announce Mixed Use Waterfront”, *San Francisco CBS Local*, February 2018, <https://sanfrancisco.cbslocal.com/2018/02/13/san-francisco-giants-mixed-use-waterfront-development/>.

<sup>55</sup> Daniel Goldstein, “If You Live Near These MLB Ballparks”, *MarketWatch*, March 2016, <https://www.marketwatch.com/story/if-you-live-near-these-mlb-stadiums-your-home-is-worth-more-2016-03-30>.

<sup>56</sup> J.K. Dinned, “SF Planning Unanimously Oks Giants’ Huge Mission Rock Project”, *SF Gate*, October 2017, <https://www.sfgate.com/realestate/article/SF-Planning-unanimously-OKs-Giants-huge-12257284.php#item-85307-tbla-5>.

<sup>57</sup> Lisa Brown, “Mission Rock to be Centerpiece for Central Waterfront”, *Globe Street*, September 2018, <https://www.globest.com/2018/09/05/mission-rock-to-be-centerpiece-for-central-waterfront/?slreturn=20180929202954>.

<sup>58</sup> “Giants Revise Plans for Mission Rock”, *SF Building Council*, June 2015, <https://www.sfbuildingtradesouncil.org/news/top-stories/395-giants-revise-plans-for-mission-rock-development>.

passive investing in commercial real estate will offer the Athletics an excellent template to find secondary ways to finance their ballpark besides ticket sales and TV media deals. Moreover, the real estate surrounding stadiums across the United States appear to show positive correlation, indicating confidence in this type of investment. See Exhibit 14. The main concept is baseball stadiums can positively affect the real estate value in the nearby area. The central premise isn't surprising given the principle of the Economic Development Model but the team can reap the benefits of this relationship by acquiring equity in the real estate in the nearby area and flipping it down the road. Generally, this remains my strongest advocate for the Athletics as they pursue a potential home for the future—and I will detail which sites will be worth investing in the last section.

The final and obvious factor to pull off a project like this will be the relationship with the city. To properly plan for a model, the organization will need to ensure the City of Oakland wants to cooperate on a long-term project like this. To get over this hurdle, the Athletics can offer narratives like in Washington D.C. with the Wizards. In our nation's capital, the City faced similar constraints to the concerns about the Howard Terminal location where local citizens never would walk across certain parts of the city.<sup>59</sup> Yet, since the stadium got built, the city receives over \$1 million in tax revenues due to the creation of thousands of new jobs, visitors accessing this part, and several new restaurants.<sup>60</sup>

In this planning process, the organization can combine these factor into a couple tangible takeaways. First, the A's will want to compliment the surrounding area by ensuring 3<sup>rd</sup> party developers will want to invest like Mission Rock.<sup>61</sup> Next, the previously mentioned stadium naming rights and corporate sponsorship will be a vital aspect of secondary income. The team

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<sup>59</sup> Robert A. Baade, "Professional Sports as Catalysts for Metropolitan Economic Development", *18 Journal of Urban Affairs* 1, (1996).

<sup>60</sup> *Id.*

<sup>61</sup> David E. Cardwell, "Sports Facilities & Urban Redevelopment", *10 Marq. Sports. L.J.*, 417 (2000).

will be building its new home for the 21<sup>st</sup> century and the organization must capitalize on corporations in the area for other forms of income. Finally, the author behind his model proposes the relationship with the city is key to ensure the local community is on the same mind. Here, the relationship with Major Libby Shaaf becomes central. The two parties took a positive step after Shaaf stated Howard Terminal as her favorite location and approved of the team's recent announcement.<sup>62</sup> From here, maintaining this relationship will be imperative to any success the team seeks in building its new stadium.

As a result, the general understanding of the "Economic Development Model" offers great insight into how the Athletics can tackle their stadium financing problems. Within this understanding, the organization can look at providing these types of amplifying effects for the local community by looking around the league. Due to the potential immediate effects and secondary benefits to the community, the Athletics might be able to offset some of the expenses costs listed above in the "Funding Question" section.<sup>63</sup>

## ***VII. Environmental Issues: New Legislation and Recent CA Stadium Projects***

The next major hurdle the organization will need to overcome is ensuring the team complies with the California Environmental Quality Act (CEQA). Generally, CEQA requires "approval" of a development decision which complies with an environmental review process.<sup>64</sup> To obtain the affirmative, the A's will need to provide meaningful information for environmental assessment about the impact the project will have on the surrounding area.<sup>65</sup> Here, one must know the overriding purpose of CEQA is to ensure organizations monitoring activities know

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<sup>62</sup> "Major Announces Exclusive Negotiation Agreements", *ABC 7 News*, March 2018, <https://abc7news.com/sports/major-announces-exclusive-negotiation-agreements-to-keep-as-in-oakland/3274583/>.

<sup>63</sup> Brian P. Yates, "Whether Building a New Sports Arena Will Revitalize Downtown and Make the Team a Winner", *17 U. MIAMI BUS. L. REV.* 269, 271 (2009).

<sup>64</sup> Pub. Resources Code, §§ 21100

<sup>65</sup> *Id.*

their impact and prevent environmental harm.<sup>66</sup> Certain requirements the team can expect in this process is to be faced with challenges about the aesthesis, air quality, biological problems, greenhouse gases emissions, impact on water quality, land use, noise, and transportations. I will note here this is simply a high-level overview and sadly, I could not provide expertise here.

Nevertheless, I advise the team to follow closely what other California sports organizations went through to comply with CEQA in their quest to build sports facilities. For example, the Sacramento Kings faced lawsuits in 2013 which challenged the team's ability to build their new facility. Despite the adverse contention, the Kings opened their Golden1 Center in 2016.<sup>67</sup> Moreover, the Golden State Warriors delayed the opening of the new stadium until 2019 because of environmental challenges the team faced in its water-front project.<sup>68</sup> Specifically, the team faced arguments against the stadium's construction due to traffic and noise in a highly-congested area in the San Francisco neighborhood. Nevertheless, the San Francisco Court of Appeals upheld the city's proposal in 2016, indicating the team's research was thorough and sufficient to meet the CEQA's standard.<sup>69</sup> Consequently, the A's can turn to these two projects which passed through the strict scrutiny as a guideline for how to overcome the environmental problems the team will face on its bid.

Also, the process will likely be easier than other organizations after Governor Jerry Brown's recent modernization of the environmental review process in California. In 2018 Senate Bill '734 got amended with the updated signature allowing for large scale projects like stadiums to face a streamlined process to get their stadium up and running. Specifically, teams will face

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<sup>66</sup> See *Great Oaks Water Co. v. Santa Clara Valley Water Dist.*, 88 Cal. Rptr. 3d 506.

<sup>67</sup> Tim Newcomb "The Kings' New Arena was Designed with Sacramento in Mind", *Sports Illustrated*, August 2016, <https://www.si.com/tech-media/sacrament-kings-nba-new-arena>.

<sup>68</sup> "Golden State Warriors Delay Opening on San Francisco Arena to 2019", *ABC News Group*, January 2016, <https://abc7news.com/sports/golden-state-warriors-delay-opening-of-sf-arena-to-2019/1160981/>.

<sup>69</sup> "California Appeals Court Ruling a win for Warriors' Arena Efforts", *SB Nation*, December 2016, <https://www.goldenstateofmind.com/2016/12/1/13801330/nba-2016-san-francisco-appeals-court-ruling-a-win-for-warriors-chase-center-joe-lacob-rick-welts>.

expedited environmental review periods which only allows contestation to occur within a 270-day window.<sup>70</sup> Further, the basis for this change shifted what factors could be appealed. For example, previously aesthetic and development impact on parking could be sources of litigation to slow down the compliance with CEQA. Now, these factors are not considered, streamlining the potential problems the Athletics will face when they begin to construct.<sup>71</sup>

However, the key factor when applying this understanding to the Oakland Athletics stadium issue is the fact the organization already owns many of the environmental approvals with the team's current location in the Coliseum. Specifically, the organization is up to date with all environmental studies if a stadium construction project began at the Coliseum.<sup>72</sup> Due to this, a major issue with building at Howard Terminal is self-inflicted. Further, the Howard Terminal site is already subject to speculation about air quality, pollution, soot, and potential problems with the dirt on site.<sup>73</sup> Thus, this section represents a far bigger problem because the organization is moving forward with Howard Terminal as their preferred location. Yet, the team can be reassured about how the recent changes by Governor Brown allow for an opening with the team and expected constraints when it comes to building their new stadium.

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<sup>70</sup> Ryan Levi, "Legislature Give A's Green Light to Speed up Ballpark Review Process", *KQED News*, September 2018, <https://www.kqed.org/news/11690037/legislature-gives-as-green-light-to-speed-up-ballpark-review-process>.

<sup>71</sup> Kimberly Veklerov, "Legislature Passes Bill to Help Oakland A's", *SF Chronicle*, August 2018, <https://www.sfchronicle.com/bayarea/article/Legislature-passes-bill-to-help-Oakland-A-s-13198503.php>.

<sup>72</sup> Ron Leuty, "Lawmakers Focus on One Site for A's Ballpark", *Business Journals*, August 2018, <https://www.bizjournals.com/sanfrancisco/news/2018/08/29/oakland-athletics-ballpark-howard-terminal-bonta.html>.

<sup>73</sup> Matier & Ross, "A's Continue to Get Pushback on Potential Stadium", *San Francisco Chronicle*, July 2018, <https://www.sfchronicle.com/bayarea/matier-ross/article/A-s-continue-to-get-pushback-on-potential-13111608.php>.

### ***VIII. Howard Terminal: Strategic Analysis and Why This Site is Ideal***

As the situation stood in Fall of 2018, only their current location and Howard Terminal appeared to be credible options for the Oakland Athletics. Earlier in the year, Mayor Schaaf and Oakland City Council voted to give the A's an exclusive 9-month window to purchase the option on the Coliseum while the team also negotiated with the representatives at Howard Terminal.<sup>74</sup> Yet, in late November, the Front Office selected Howard Terminal as their desired location.<sup>75</sup> Accordingly, I will focus my analysis on why I believe Howard Terminal as the superior location.

I will start my discussion by showing how Howard Terminal is the superior location according to (a) "Economic Impact Analysis", an equation developed by economists Roger Noll and Andrew Zimbalist. From there, I will incorporate key priorities which came out of my discussion with the three senior partners of Hunter Properties in which they emphasized (b) branding (c) attendance. This falls in line with my emphasis on revenue laid out in the earlier parts of the section and I will add in a third factor: (d) ability to generate non-baseball revenue. Finally, I will note (e) other factors to be assessed. Overall, I don't think a new stadium will provide enough funding to generate money to make up for this revenue gap, so factors (b) and (d) become important to me. Nevertheless, Howard Terminal offers the long-term upside as a real estate investment to give the Athletics a fighting chance to develop the revenue stream to become a premier ball club.

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<sup>74</sup> Matier & Ross, "Oakland A's Hire Design Forward Architecture", *SF Chronicle*, August 2018, <https://www.sfchronicle.com/bayarea/matier-ross/article/Oakland-A-s-hire-design-forward-architect-to-13172836.php#photo-16046729>.

<sup>75</sup> Alex Hall, "Oakland A's Unveil Plans", *SB Nation*, November 2018, <https://www.athleticsnation.com/2018/11/28/18116404/oakland-as-new-ballpark-stadium-howard-terminal-coliseum>.

*a. Economic Impact Analysis*

First, I want to show Howard Terminal will benefit the surrounding Oakland area better because of its location and ability to bring in more fans. While typically used as a justification for why public funding should not be used for stadium projects, the book “Economic Impact of Sports Teams and Facilities” lays out a neat test of whether the benefits exceeds the costs of stadiums. The test is listed below and I assessed the two locations to the best of my ability for the variables.

Net benefits= (consumption of value of a team to fans)-(annual cost of stadium + team operating cost)-(environmental, congestion, and public safety costs)+(increase in local income\*multiplier)  
 Consumption Value of Stadium: Attendance, Broadcasting, Externality Value  
 Stadium Costs: Local Tax Revenues that is Due to Stadium  
 Consumption Benefits: Value of Broadcasts  
 Team Operating: Cost to Operate Sports Stadium  
 Local income: Net Exports—Increased Sales to People Outside Community, Investment, or Spillover Effect  
 Multiplier: Positive Effect Surrounding Has on Stadium Site<sup>76</sup>

Value	Oakland Coliseum	Howard Terminal
Consumption Value of a Team	\$1,709,700.00	\$2,085,000.00
Annual Cost of Stadium	\$8,670,000.00	\$21,666,666.67
Team Operating Cost	\$43,000,000.00	\$62,000,000.00
Environmental, Congestion, and Public Safety	\$5,000,000.00	\$6,250,000.00
Increase in Local Income	\$75,160,147.00	\$75,160,147.00
Multiplier	1	1.5
Net Benefits	\$20,199,847.00	\$25,325,553.83

When running this, I came out with Howard Terminal as having a net stronger benefit to the stadium. To explain some of the values, I will go in order. For consumption value, I used my ticket projections from the outset and then the broadcasting came out as a wash because the broadcasting rights and value of having a team in Oakland won't change with the site. From there, I relied on the annual cost of the two stadiums by looking at the Maturity Schedule for the

<sup>76</sup> Here, I swapped out the multiplier equation with one of my own for purposes of comparing the two sites.



Coliseum and the \$585M cost projection of the stadium indicated earlier.<sup>77</sup> After this, I looked to the team's "Economic Impact of New Stadium" ran by the Economic Institute when looking at the team's current operating cost.<sup>78</sup> Next, the environmental value I found a report done by Thomas Grant Jr. to get a ballpark cost of pollution related points at \$5,000,000 across the United States—this factor I felt worst about projecting.<sup>79</sup> After this, I attached a multiplier of 1.25 because of the increased congestion downtown expected at Howard Terminal.<sup>80</sup> Finally, I grabbed the local income effects from the Economic Institute's number and attached a multiplier I developed about the difference between the Downtown Oakland vs. the Coliseum—more on this in a bit. Overall, this figure at least provides a high-level overview which shows the Howard Terminal as a better site to provide local benefits mainly because of the expected increase in attendance and the boost stemming from the Downtown location.

#### *b. Branding*

To analyze the two sites for branding, I implemented a grading curve of surrounding real estate to conclude Howard Terminal offers the better long-term option of developing a unique, one of a kind ballpark atmosphere. Here, I graded out the surrounding area of the parks on my "four point" scale alluded to earlier—bad (red), below average (orange), above average (light green), and great (dark green). See Exhibit 15 for screenshots. The idea here is each neighboring area can be assessed on the quality of a fit with the team's intention on developing a baseball hub. I concluded the Howard Terminal graded out as a 2x better site for a location by averaging the values from these neighbors. While Howard Terminal is not perfect—in fact, my scale indicating the site is still below average mainly due to hard partners like Schwitzer Steel, PG&E

<sup>77</sup> "Oakland-Alameda County Coliseum Authority Lease Revenue Bonds" 2012 Refunding Series A.

<sup>78</sup> "Economic Impacts of a New Baseball Stadium in Oakland", *Economic Institute*, <http://oakland.athletics.mlb.com/oak/ballpark/economic-impacts/>.

<sup>79</sup> Thomas J. Grant Jr., *Green Monsters: Examining the Environmental Impact of Sports Stadiums*, 25 Vill. Envtl. L.J. 149 (2014).

<sup>80</sup> While not perfect, I want to capture the increased congestion costs people will see trying to commute to a less tougher to get to location.

stations, and Amtrak which won't move in the future—the site still offers the ability to grow long term which is not present at the Coliseum.

Another potential perk of moving downtown would be the ability to attract another major company to spearhead a development, accelerating the timeline for when the team would be able to reap the benefits of its investment. As it stands, no major companies set up shop down by the Howard Terminal venue or Jack London Square. However, the city of Oakland publically wants to act as a beacon for various Silicon Valley companies to move their HQs to the city and follow in the trend of Pandora.<sup>81</sup> For example, an organization like Sephora is looking to move to downtown Oakland which would bring about employees, foot traffic, and public pressure to continue the revitalization of its downtown area.<sup>82</sup> This plays well into the hands of the Athletics if they moved to Howard Terminal because the organization could partner with these firms to assist with the development process.

Further, the team could use this as a negotiating point for why the City should themselves invest in infrastructure to the area. If the A's invested millions of funds into the downtown area and the City helped with infrastructure costs, then Oakland would drastically increase their ability to partner with big companies. This potential factor would alleviate the concern on the team about the downtown's long-term viability. Additionally, the SF Ferry Building appears to be another fantastic hub of investment. As a result, the Howard Terminal spot can partner with companies, investment groups behind Jack London, and the SF Ferry Building to oversee the development of the waterfront Oakland site.

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<sup>81</sup> Carolyn Said, "Oakland Wants in on Silicon Valley's Success", *San Francisco Chronicle*, March 2018, <https://www.sfchronicle.com/business/article/Oakland-wants-in-on-Silicon-Valley-s-success-12739822.php>.

<sup>82</sup> Roland Li, "Exclusive" Beauty Giant Sephora in Talks for Major Oakland Office Lease", *Business Journals*, March 2018, <https://www.bizjournals.com/sanfrancisco/news/2018/05/31/exclusive-beauty-giant-sephora-in-talks-for-major.html>.

*c. Attendance*

The Howard Terminal opportunity also offers a chance for the team to receive a boost in fan attendance because of the ability to enhance the game day experience. As it stands at the Coliseum, most Athletic fans will drive into the stadium, tailgate at the parking lot, watch a ball game, and be left with nothing to do after the game. However, by moving the organization near Jack London Square, the team can beef up the game day atmosphere with proximity to bars, restaurants, and the ability to celebrate A's wins before and after the game. To assess this factor, I looked at the two sites proximity to key social metrics. See Exhibit 16. This chart shows there is nothing to outside of watch baseball at the Coliseum—something obvious to many fans of the organization. Specifically, the lack of food and bar options limits the fans experience to the ball game alone. This not only affects the stadium's attractiveness outside of baseball games, this also shows the amount of work it would take the team to develop the surrounding area at their current location.

On the other hand, the Howard Terminal spot reveals a massive opportunity to build off the social experience within the 2-mile radius. The area appears to be a growing hot bed for restaurants, dining experiences, bars, and other aspects which amplify a fan's experience going to the ballgame. In turn, this might boost attendance like what happened at AT&T. The only caveat is the immediate vicinity around Howard Terminal is lacking. Yet, I propose this as an excellent market for the team to use as a catalyst to continue the growth—see part (d) for more detailed analysis. Nevertheless, the surrounding social experience may allow for the team's baseball attendance to grow when they move into Howard Terminal. Yet, as harped on at the outset, building this new stadium and boosting attendance will not change the revenue stream in

a large enough matter. In turn, the following section details what I believe to be the most important factor for the organization and how Howard Terminal plays within this strategy.

*d. Non-Baseball Revenue*

I propose for the Front Office to look at a handful of ways the organization can generate non-baseball revenue through a new stadium. The first and most basic will be for the team to acquire real estate in the local area as a mean to gain equity in commercial sites, hotels, restaurants, and other pieces of property. In turn, I believe Howard Terminal's ability to acquire more valuable real estate with higher upside is a driving factor here.

Primarily, the Athletics should look to acquire property stake at and around Howard Terminal.<sup>83</sup> To look at this, I went to the Assessor's Office for Oakland and speculated about 6 potential locations the team could purchase in the surrounding area to amplify the stadium experience while generating secondary sources of income. This would fall in line with multiple objectives of bringing in capital, developing the area, and expanding the team's investment. When looking at sites, I attempted to find a mix of expiring leases, cheap annual tax evaluations, and upside of viability with the ballpark image. In turn, I recommend the team purchase out the following locations when moving to Howard Terminal over the next four years.<sup>84</sup>

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<sup>83</sup> "A's Taking Another Look at Howard Terminal Stadium", *Mercury News*, April 2018, <https://www.mercurynews.com/2018/04/24/oakland-as-taking-another-look-at-howard-terminal-stadium/>.

<sup>84</sup> All data obtained from the Oakland-Alameda County Assessor's Office.

Address	Parcel Number	Description	Land	Improvements	Net Taxable Value	Value Proposition
1121 3rd Street	4/25/03	Heavy Industrial	\$203,746.00	\$665,659.00	\$869,405.00	Develop a Key Corner with parking, commercial, and restaurants to ease the walk from BART to Stadium
300 Jefferson Street	1-129-10	Industrial Light/Manufacturing	\$213,204.00	\$182,746.00	\$395,950.00	Place a Athletics HOF Center Across the Street
311 4th Street	1-147-14	Condominium-Residential Live/Work Unit	\$97,694.00	\$227,953.00	\$325,647.00	Invest in a hotel closer to Downtown Jack London Square
737 2nd Street 101	1-117-8	Condominium--Commercial Retail	\$47,531.00	\$260,986.00	\$308,517.00	Built out a Hotel, Bar, and Parking a block from the Venue
699 4th Street	1-121-30	Industrial Light/Manufacturing	\$85,546.00	\$112,051.00	\$197,597.00	Obtain a key corner stake 5 blocks from the stadium at some of the cheapest land. Leverage for long-term play to get all four corner locations for a complex
466 Water Street	18-415-1-1	Vacant Apartment Land, capable of 5 or more units	\$6,231,996.00	\$15,085.00	\$6,247,081.00	Build an apartment complex on the Waterfront

In assessing this, a factor worth noting is the team would still be acquiring stake in this waterfront property at a relatively green stage. The Jack London Square re-development process is still only its first decade of being the center of receiving commercial investment.<sup>85</sup> This plays into the A's potential strategy of moving the team downtown in two ways. First, the franchise can presumably grab more real estate at a cheaper price than the value a decade from now—a big factor for developing secondary income later. Second, the area is still actively undergoing development, indicating a stadium can act as a catalyst for the eventual growth. For example, the team owner for the San Diego Padres promised to invest \$487 million in real estate development and within a decade, the area's market value exceeded \$2.87 billion.<sup>86</sup> This offers great insight into the potential financial gain the team can capitalize on by both building a stadium and also acquiring real estate equity in multiple sites in the A's version of ballpark district.

Another area for the organization to develop secondary revenue is through an ownership stake in their Coliseum site. When discussing options with Hunter Properties in early November,

<sup>85</sup> Ellis Partners completed the first phase of its \$350 million redevelopment of Jack London Square in 2008, Blanca Torres, "Ellis Partners Proposes Two 20-story Towers for Jack London Square", *Business Journals*, November 2013, <https://www.bizjournals.com/sanfrancisco/blog/2013/11/jack-london-square-new-housing-towers.html>.

<sup>86</sup> Michael Cantor, "Sports and Real Estate Development", *University of Michigan Dissertation*, pg. 51, (2014), [https://deepblue.lib.umich.edu/bitstream/handle/2027.42/108767/michcant\\_1.pdf?sequence=1](https://deepblue.lib.umich.edu/bitstream/handle/2027.42/108767/michcant_1.pdf?sequence=1).

one of the ideas tossed around is owning the Coliseum and using this as its own development site. The core concept here is the team can purchase 120+ acres of real estate from Oakland and Alameda County—something both parties want to get off their balance sheets due to high annual expenses—and flip this into a project which would generate income for the team with housing, commercial, and other properties.<sup>87</sup> Further, this site would be a great bargaining chip for negotiating with tenants at Howard Terminal when potentially purchasing them out of their shops down by the waterfront. For example, if a tenant objected to the stadium because of traffic concerns, the team could offer the tenant a new shop out at the Coliseum location with a facility to sell out of. This might be a fantastic way to cut costs and increase value in the negotiations. If done right, this site would be able to yield the team millions of dollars which are not tied to baseball games—a principle if the team seeks to alter their current cycle.

*e. Other Factors*

A central question a consultant can ask is if Oakland as a market is worth a \$500M+ investment on behalf of the Athletics. As noted earlier, the team might not be able to entertain that choice because of the Antitrust issues, but for analysis purposes, I looked at Oakland's real estate market. Here, I found two studies done by the US Department of Housing and Urban Development in 2007 and 2017. In these reports, HUD ran housing projections for 3 year windows based on the current market to determine how expensive the various houses will be when built over this time span.

In this, I noted a significant uptick of houses evaluated at over \$900,000. Specifically, in the 2007 report, this housing category only represented 17% of the 3-year projection. In comparison, the 2017 report yielded this same housing category as expecting to be 35% of the

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<sup>87</sup> Safe to say when the team announced this as part of their strategy, we all got excited for predicting this one.

Oakland-Contra Costa housing market—almost a 100% growth within in a decade. See Exhibit 17. The entire market can also be summarized in a comprehensive graph I put together which shows a significant decrease of \$500k and \$600k housing with the uptick of \$900k housing.<sup>88</sup> See Exhibit 18. Further, one can read stories about the growing market.<sup>89</sup> Accordingly, I can conclude with confidence the Athletics half a billion-dollar investment along with Oakland waterfront will show positive appreciation over the next decade+, potentially increasing the team's valuation over the long run.

However, estimates about the potential promises of a stadium come with floors and costs, as noted above. In looking at options, speculators and those within the organization can often be blinded by the upside of the situation without seeing the floor or risks of a situation.<sup>90</sup> When looking at Howard Terminal, the negatives include: purchasing the land, costs to neighbors to agree to the stadium construction, clean-up costs from toxic remediation, environmental challenges to commercial and public waterway, business relocation for firms in the area, legal challenges from neighbors about noise ordinances, access to I-880, railroad track traffic from Amtrak, distance from Bart, bureaucratic roadblocks, and then actually building the stadium. Yes, that's a lot. And yet, this did not sway away the developers from Hunter Properties. As one representative said, "everything we work on is bold." Moreover, this group remained confident overcoming these barriers would be doable within the window the Front Office set to have the stadium build by. Under the current plan, the organization would need two years to deal with land use, entitlements, environmental concern, and obtaining the permits necessary to build.

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<sup>88</sup> "Comprehensive Housing Market Analysis", *U.S. Department of Housing*, January 2007, [https://www.huduser.gov/publications/pdf/CMAR\\_OaklandCA.pdf](https://www.huduser.gov/publications/pdf/CMAR_OaklandCA.pdf); "Comprehensive Housing Market Analysis", *U.S. Department of Housing*, January 2017, <https://www.huduser.gov/portal/publications/pdf/OaklandCA-comp-17.pdf>.

<sup>89</sup> Lauren Hepler, "Super-Sized Renovations Reshape Oakland's Sizzling Office Market", *Business Journals*, November 2018, <https://www.bizjournals.com/sanfrancisco/news/2018/11/29/renovations-reshape-oakland-office-market.html>.

<sup>90</sup> Newby-Clark, Ross, Buehler, Koehler, "People Focus on Optimistic Scenarios and Disregard Pessimistic Scenarios", *Journal of Experimental Psychology*, Vol. 6(3), 171-182, Sep. 2000.

After this, the organization would face another two-year window to begin building the stadium. Despite the ambition, the Hunter Properties Group held these 4 year projections typical for the industry based on their experiences.

The next factor in dealing with Howard Terminal is the lack of nearby public transit. Currently, BART drops off fans less than a mile away from Athletics game and the highway is easily accessible. Yet, in moving to Howard Terminal, the team is giving the fans a longer commute and tougher public transit access to arrive in time for 1<sup>st</sup> pitch. See Exhibit 19. However, the team can implement a couple factors to alleviate this.

First, the team can use the real estate proposition alluded to above to ease the “toughness” of the walk. If fans experience a ballpark atmosphere with Athletics bars and social sites, then the walk might not seem as bad. In turn, I made a second real estate analysis revolving around making the walk nicer by concentrating on sites within the expected commute for fans—effectively creating an A’s “Ballpark District.” This would represent a \$50M investment when combining purchasing the sites and flipping them into venues for game day usage. However, this cost could be spread out over the next five years as the team gets ready to move in Howard Terminal. In turn, this type of investment would create the same ripple effect, enhancing the walk from BART, amplifying the game day experience, and providing the Athletics sources of income outside of baseball games. As above, I laid out my proposals in a similar format.

Address	Parcel Number	Description	Land	Improvements	Net Taxable Value	Value Proposition
306 Adeline Street	4--27-16	Warehouse (Portion of Economic Unit)	\$471,193.00	\$864,733.00	\$1,335,926.00	Creating A's Ballpark District
110 Linden Street	4--23-7	Industrial Light/Manufacturing	\$602,933.00	\$4,500,718.00	\$5,103,651.00	Creating A's Ballpark District
225 Market Street	4--1-6	Warehouse	\$1,558,399.00	\$3,116,799.00	\$4,675,198.00	Creating A's Ballpark District
101 Myrtle Street	4-1-5-1	Warehouse	\$641,087.00	\$2,678,907.00	\$3,319,994.00	Creating A's Ballpark District
310 Union Street	4-45-7-3	Warehouse	\$1,647,765.00	\$499,610.00	\$2,147,375.00	Creating A's Ballpark District



Second, the team is open about building an “Aerial Tram.”<sup>91</sup> If the team is serious about the gondola proposition, then I recommend they consult Disneyland.<sup>92</sup> At the LA location, about 10,000 attendees park a mile+ away at a parking structure and then ride a tram which drops them off at the gates of the two sites.<sup>93</sup> While difficult to execute, understanding the operational mechanics behind how Disney brings in 44,000 people/day while only offering parking for 1/4 of the guests would be insightful for the organization.<sup>94</sup> Finally, the team actually holds the benefit of seeing three BART stations in the nearby area—Lake Merritt (1.5), Broadway (1.5 mile), and West Oakland (1 mile). Accordingly, the team can devise its solution around which station offers the best mix of cost and strategy to solve this problem.

Further, the infrastructure costs remain a black hole. While Mayor Schaaf made it clear no public financing will pay for the actual stadium costs, will the town chip in for infrastructure costs? In my interview with former Associate Counsel Ryan Horning, he made it clear he believed so because the city holds a vested interest in factors like parking, roads, pipping, and other figures the town could use the new stadium as a catalyst for the development.<sup>95</sup>

The last factor the team must deal with is the remaining debt at the Coliseum. Early in 2018, Mayor Libby Shaft made it clear there is still \$137M debt leftover from the Coliseum and is seeking to ensure parties like the Raiders are responsible for the remaining debt—hence the litigation.<sup>96</sup> Further, ownership in this property could get trickier if the team is planning on trying to leverage any equity in this site when financing Howard Terminal.<sup>97</sup> If so, as speculated

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<sup>91</sup>Matier & Ross, “Aerial Tram Floated as Transportation”, *SF Chronicle*, April 2018, <https://www.sfchronicle.com/politics/article/Aerial-tram-floated-as-transportation-to-an-12823248.php>.

<sup>92</sup> Credit to my Antitrust classmate and resident A’s fan Paul Bergin for this idea.

<sup>93</sup> Joseph Pimentel, “Disneyland, Disney California Adventure Could Use More Parking”, *OC Register*, June 2015, <https://www.ocregister.com/2015/06/30/disneyland-disney-california-adventure-could-use-more-parking-and-it-might-be-on-the-way/>.

<sup>94</sup> Hugo Martin, “Disneyland Prepares for Crush of Visitors During 60<sup>th</sup> Anniversary Celebration”, *LA Times*, May 2015, <https://www.latimes.com/business/la-fi-disneyland-crowds-20150519-story.html>.

<sup>95</sup> Ryan Horning, interview by the author, Santa Clara University, Santa Clara, CA, October 11, 2018.

<sup>96</sup> David DeBolt, “Oakland to sue Raiders over Las Vegas Move”, *Sacramento Bee*, September 2018, <https://www.sacbee.com/sports/nfl/oakland-raiders/article217879775.html>.

<sup>97</sup> Andy Dolich, “Winning Remains the Key”, *Mercury News*, September 2018, <https://www.mercurynews.com/2018/09/07/opinion-winning-remains-the-key-to-as-ballpark-victory/>.

by SF Chronicle authors Matier and Ross, then the negotiations for the Coliseum become vital to this entire operation—adding on another level of work and complexity.<sup>98</sup>

## **IX. Concluding Remarks**

In August, I selected this paper topic out of my love for the game, interest in baseball stadiums—my family is 26/30 of the way through our MLB tour with Texas pending this summer—and an overarching belief the Oakland Athletics remain the best developmental project in all professional sports. Despite the team’s presence in one of the most lucrative markets in the modern World, the team’s valuation drags in the dumps. Yet, a stadium can change this all if done right. As I worked through the problems, I gained insight about the process, the priorities, and the purpose of this endeavor. While difficult, I genuinely believe the plan laid out here—and with the team’s vision—would be franchise changing. Especially if the stadium has green seats.<sup>99</sup>

In parting, a tag line stuck with me when meeting with the Hunter Property group. Does the organization want to move past the era of the Coliseum and establish themselves as a premier club? Well, they’ve got the perfect opportunity to do so with the move to Downtown Oakland. Here, the team go from a “B team to A team” with one single decision, permanently affecting the trajectory of the organization for the decades to come.<sup>100</sup>

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<sup>98</sup>Matier & Ross, “Oakland A’s Hire Design Forward Architect”, *SF Chronicle*, August 2018, [https://www.sfchronicle.com/bayarea/matier-ross/article/Oakland-A-s-hire-design-forward-architect-to-13172836.php#photo-16046729\\_](https://www.sfchronicle.com/bayarea/matier-ross/article/Oakland-A-s-hire-design-forward-architect-to-13172836.php#photo-16046729_).

<sup>99</sup> Brad Null and Dave Kaval, *The Summer that Saved Baseball*, (Nashville: Cumberland Publishing, 2001).

<sup>100</sup> I want to wish multiple parties for help on this piece. At the outset, Dean Polden gave me an amazing platform at SCU Law to research something I could dig my teeth into, learn, and grow through a four-month research process. From there, Ryan Horning gave me my initial orientation with the endeavor with critical insight. Next, I want to acknowledge the entire Hunter Properties Group and specifically Deke Hunter for meeting with me on this project. I enjoyed our speculation and I think the estimates came out quite well. Finally, I will give credit to my partner Katherine who supported me during this entire project, listened, and challenged me to always push for more. I wish the team the best of luck on this Chapter—I’ll be fascinated with their pursuit and rooting them during every step of the journey, even as a Giants fan.

## X. Exhibits:

### Exhibit 1: MLB Revenue for 2018

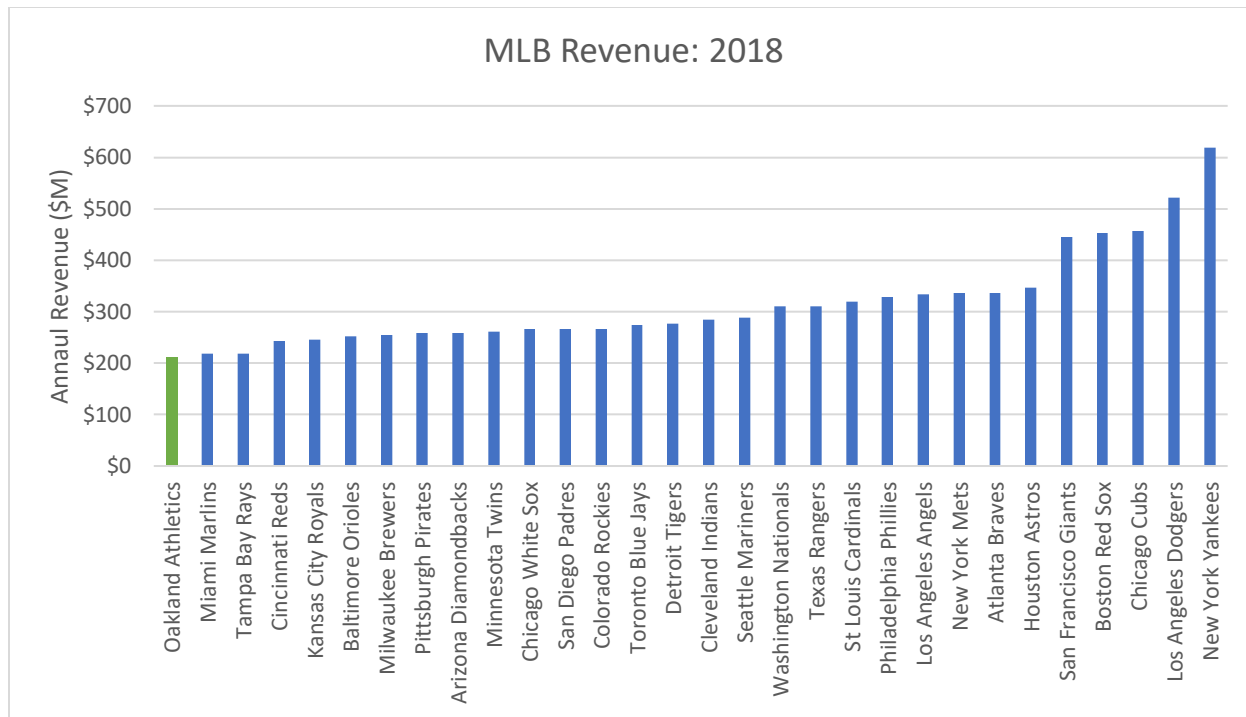


Exhibit 2: Professional TV Contracts as of 2018

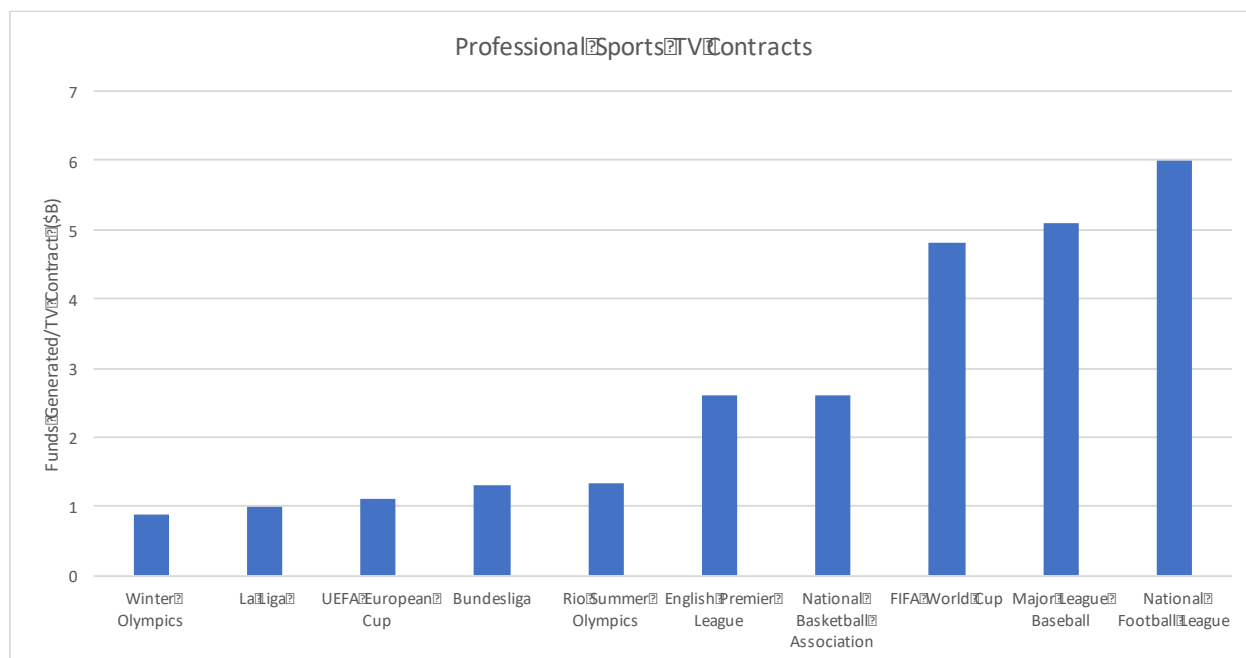
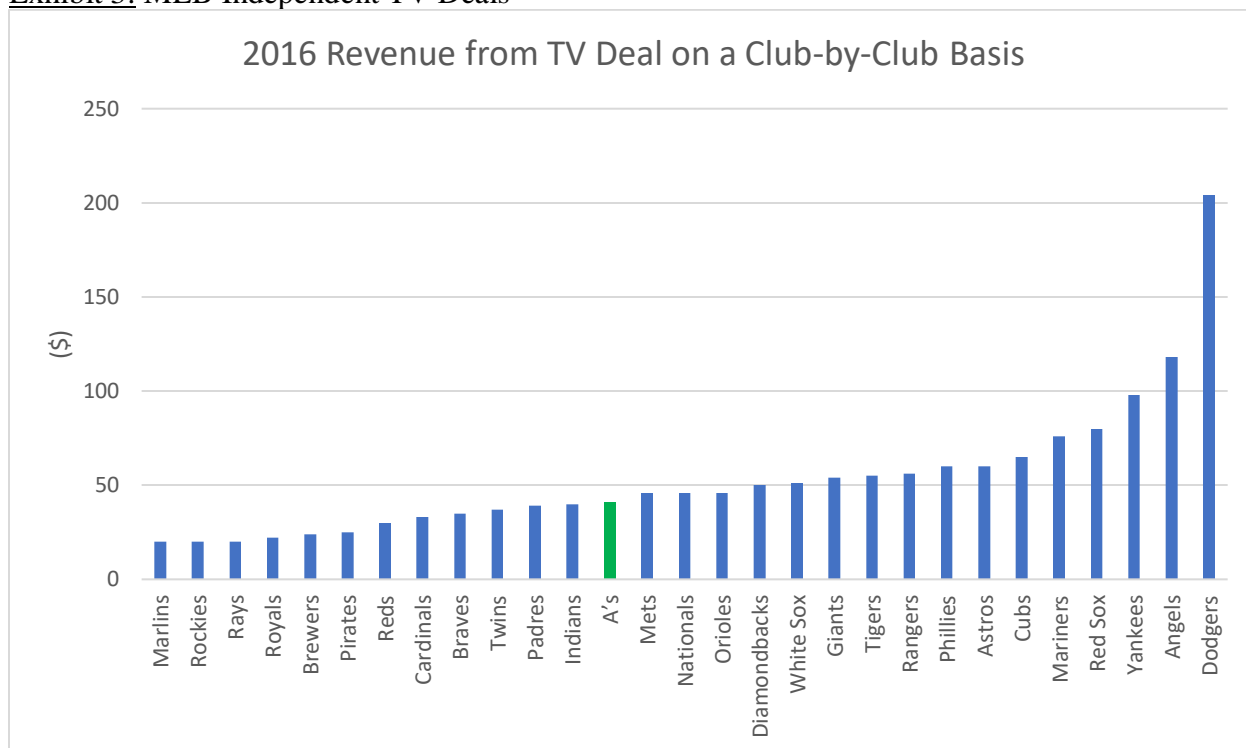


Exhibit 3: MLB Independent TV DealsExhibit 4: Athletics TV Contract Compared to AL West Competition

AL West Teams	Current TV Deal (\$M)
LAA	118
SEA	76
HOU	60
TEX	56
OAK	41

Exhibit 5: MLB Attendance in 2018

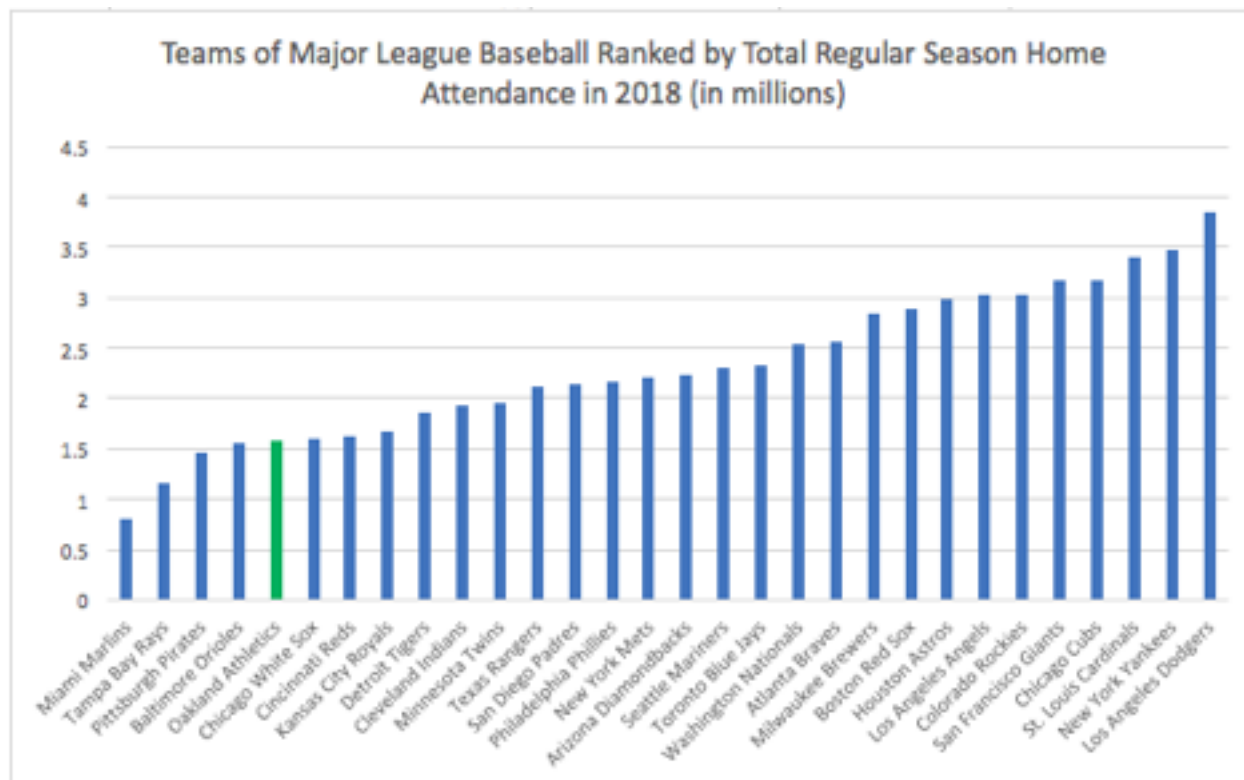


Exhibit 6: MLB Overview of Revenue and “Isolated Profit” (Non-Baseball Money)

<b>Team</b>	<b>Revenue</b>	<b>Gate Revenue</b>	<b>Annual TV Revenue</b>	<b>Isolated Profit</b>
New York Yankees	\$619,000,000.00	\$278,000,000.00	\$98,000,000.00	\$243,000,000.00
LA Dodgers	\$622,000,000.00	\$188,000,000.00	\$204,000,000.00	\$230,000,000.00
Atlanta Braves	\$336,000,000.00	\$79,000,000.00	\$35,000,000.00	\$222,000,000.00
SF Giants	\$445,000,000.00	\$180,000,000.00	\$54,000,000.00	\$211,000,000.00
New York Mets	\$336,000,000.00	\$104,000,000.00	\$46,000,000.00	\$186,000,000.00
Philadelphia Phil.	\$329,000,000.00	\$84,000,000.00	\$60,000,000.00	\$185,000,000.00
Boston Red Sox	\$453,000,000.00	\$192,000,000.00	\$80,000,000.00	\$181,000,000.00
Texas Rangers	\$311,000,000.00	\$77,000,000.00	\$56,000,000.00	\$178,000,000.00
Chicago Cubs	\$457,000,000.00	\$214,000,000.00	\$65,000,000.00	\$178,000,000.00
Pittsburgh Pirates	\$258,000,000.00	\$60,000,000.00	\$25,000,000.00	\$173,000,000.00
Colorado Rockies	\$266,000,000.00	\$73,000,000.00	\$20,000,000.00	\$173,000,000.00
Miami Marlins	\$219,000,000.00	\$27,000,000.00	\$20,000,000.00	\$172,000,000.00
San Diego Padres	\$266,000,000.00	\$55,000,000.00	\$39,000,000.00	\$172,000,000.00
Tampa Bay Rays	\$219,000,000.00	\$28,000,000.00	\$20,000,000.00	\$171,000,000.00
Cleveland Indians	\$284,000,000.00	\$76,000,000.00	\$40,000,000.00	\$168,000,000.00
Chicago White Sox	\$266,000,000.00	\$48,000,000.00	\$51,000,000.00	\$167,000,000.00
Cincinnati Reds	\$243,000,000.00	\$46,000,000.00	\$30,000,000.00	\$167,000,000.00
Milwaukee Brew.	\$255,000,000.00	\$66,000,000.00	\$24,000,000.00	\$165,000,000.00
Washington Nats.	\$311,000,000.00	\$101,000,000.00	\$46,000,000.00	\$164,000,000.00
Toronto Blue Jays	\$274,000,000.00	\$83,000,000.00	\$30,000,000.00	\$161,000,000.00
Arizona D-Backs	\$258,000,000.00	\$49,000,000.00	\$50,000,000.00	\$159,000,000.00
Kansas City Royals	\$245,000,000.00	\$64,000,000.00	\$22,000,000.00	\$159,000,000.00
St. Louis Cardinals	\$319,000,000.00	\$129,000,000.00	\$33,000,000.00	\$157,000,000.00
Minnesota Twins	\$261,000,000.00	\$70,000,000.00	\$37,000,000.00	\$154,000,000.00
Detroit Tigers	\$277,000,000.00	\$70,000,000.00	\$55,000,000.00	\$152,000,000.00
Baltimore Orioles	\$252,000,000.00	\$54,000,000.00	\$46,000,000.00	\$152,000,000.00
Houston Astros	\$347,000,000.00	\$137,000,000.00	\$60,000,000.00	\$150,000,000.00
Seattle Mariners	\$288,000,000.00	\$63,000,000.00	\$76,000,000.00	\$149,000,000.00
<b>Oakland Athletics</b>	<b>\$210,000,000.00</b>	<b>\$33,000,000.00</b>	<b>\$41,000,000.00</b>	<b>\$136,000,000.00</b>
Los Angeles Angels	\$334,000,000.00	\$95,000,000.00	\$118,000,000.00	\$121,000,000.00

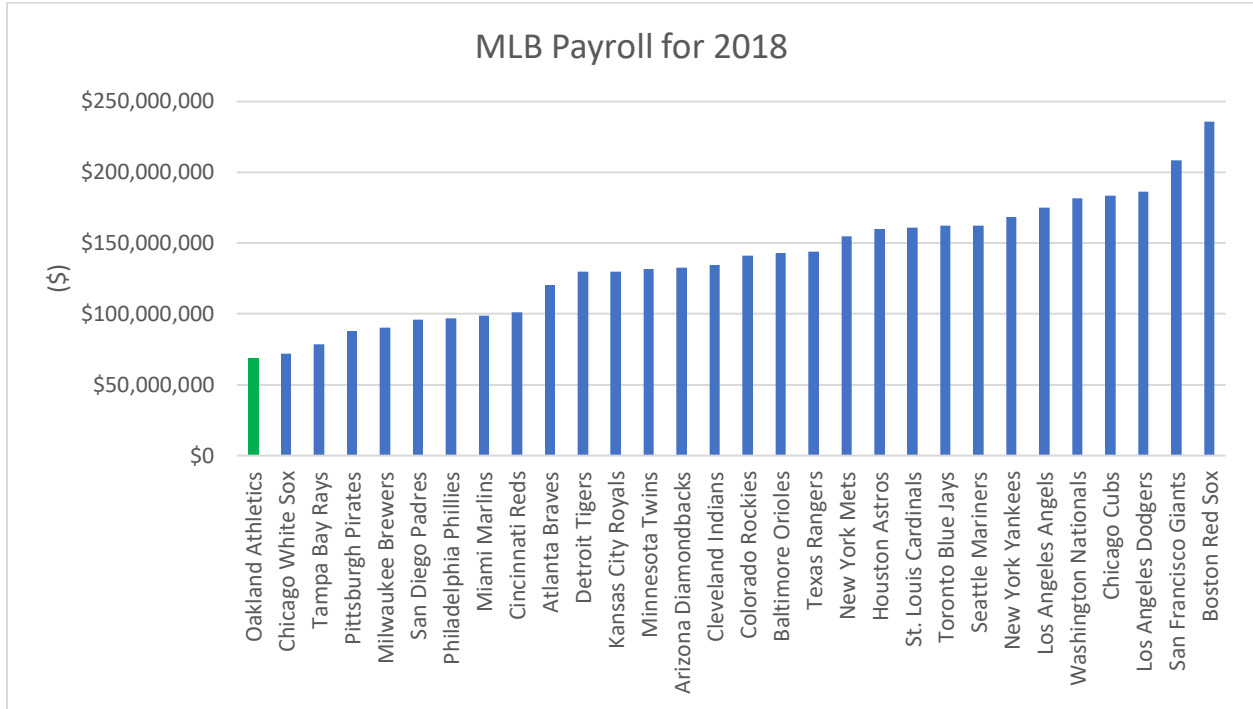
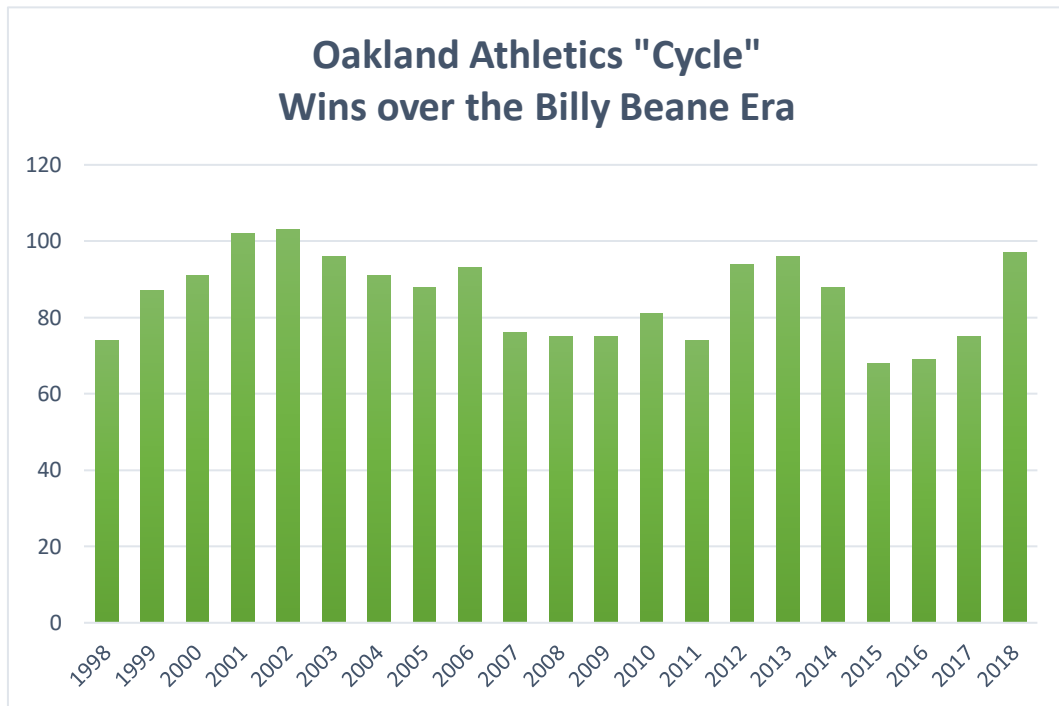
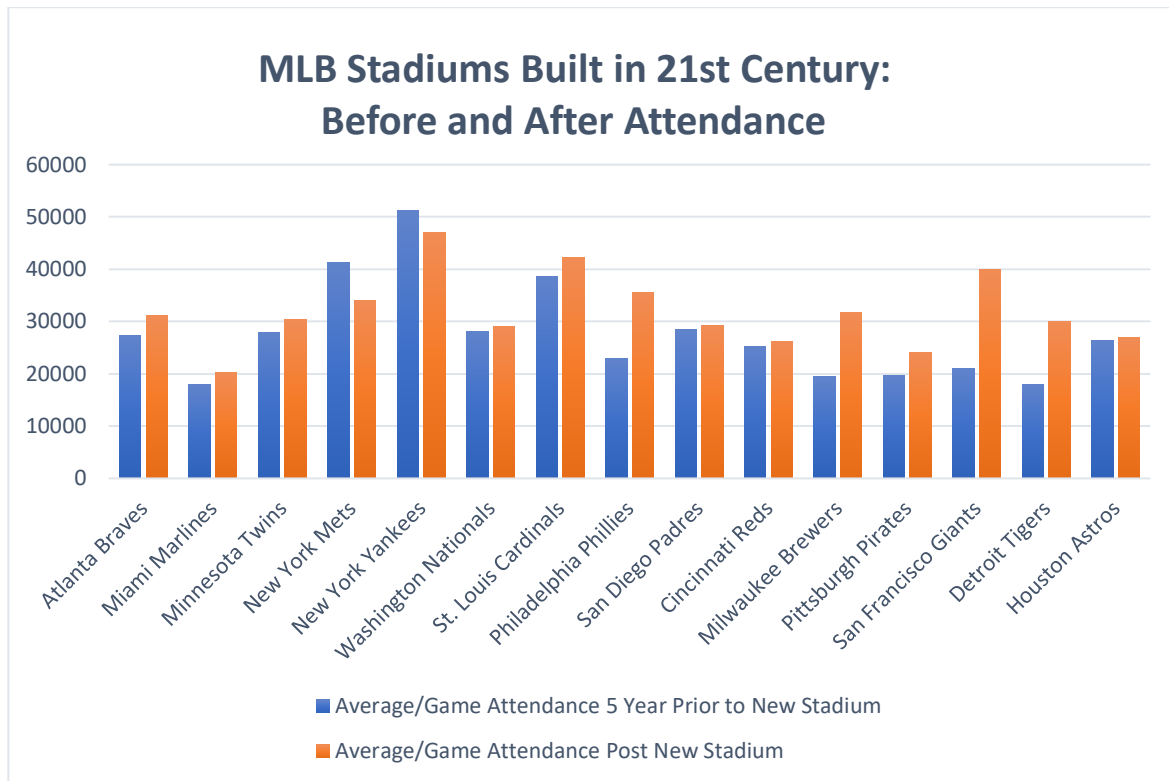
Exhibit 7: MLB Payroll for 2018Exhibit 8: “Waves” of the Oakland A’s



Exhibit 9: MLB Stadium Attendance Before/After ConstructionExhibit 10: MLB Attendance Percentage Increase After Construction

Team	Attendance % increase
Atlanta Braves	12.25%
Miami Marlins	11.13%
Minnesota Twins	8.32%
New York Mets	-21.78%
New York Yankees	-8.71%
Washington Nationals	2.91%
St. Louis Cardinals	8.90%
Philadelphia Phillies	35.83%
San Diego Padres	2.89%
Cincinnati Reds	4.08%
Milwaukee Brewers	39.04%
Pittsburgh Pirates	18.47%
San Francisco Giants	47.19%
Detroit Tigers	39.95%
Houston Astros	1.80%
<b>Total Averages for Teams Who Built Stadium</b>	<b>13.48%</b>
<b>MLB Average During Span</b>	<b>2.31%</b>

Exhibit 11: Revenue Projection for New Stadium

Oakland Athletics Potential Ticket Revenue from New Stadium--4 Scenarios				
Years	Bad (0)	Below Average (1)	Above Average (2)	Great (3)
Y1	2.05	2.269695842	2.5	2.841192027
Y2	1.81425	2.00868082	2.2125	2.514454944
Y3	1.558	1.72496884	1.9	2.159305941
Y4	1.517	1.679574923	1.85	2.1024821
Y5	1.60925	1.781711236	1.9625	2.230335741
Sum of Attendance	8.5485	9.46463166	10.425	11.84777075
Ticket Revenue*4 (\$M)	\$200.98	\$309.97	\$341.42	\$388.01
	Additional Rev over 5 Years (\$M)	\$108.99	\$140.44	\$187.04
	Potential Rev/Year (\$M)	\$21.80	\$28.09	\$37.41
*0 Current location plus 2.5% attendance growth based on new ticket policy, better team				
*1 Average of all 15 teams who built new stadiums since 2000				
*2 20% growth, medium scenarios based on "middle" teams who built stadiums since 2000				
*3 Average of 3 highest growth for attendance from teams with highest growth (Giants, Pirates, and Brewers)				
*4 Ticket Revenue for current location: \$24/ticket, future site projections at *32.75--the average MLB ticket price				
*5 All Years show fans in Millions				

Exhibit 12: MLB Stadiums kNN Analysis

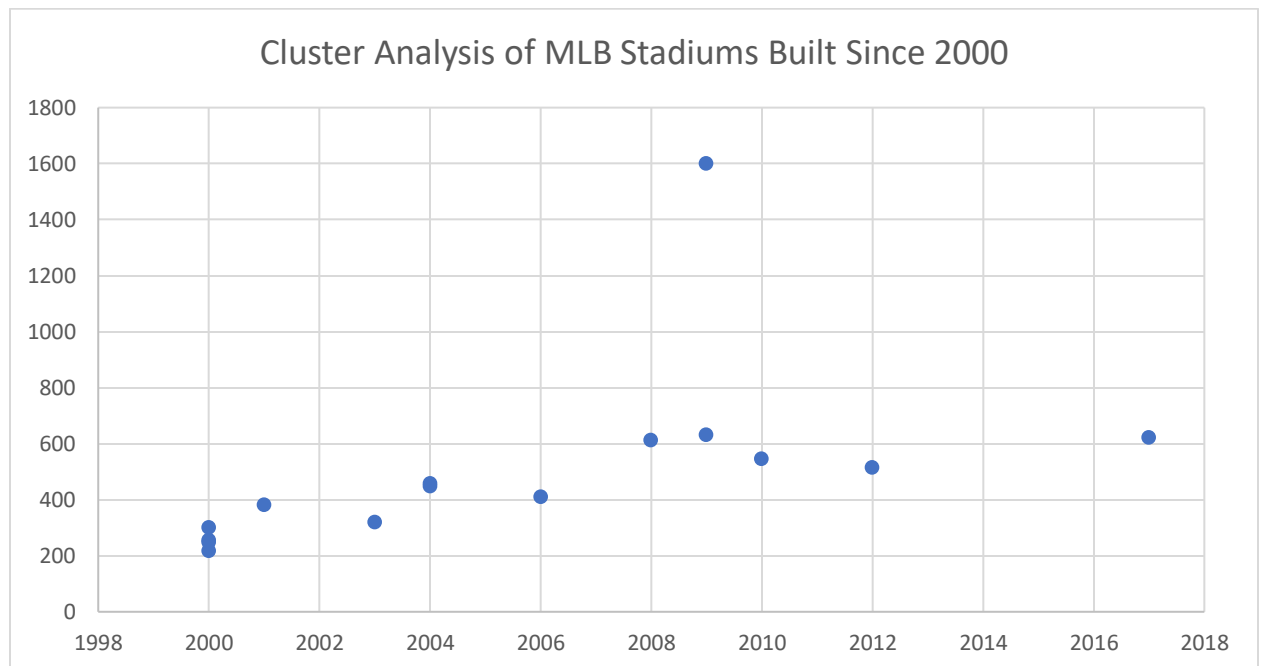


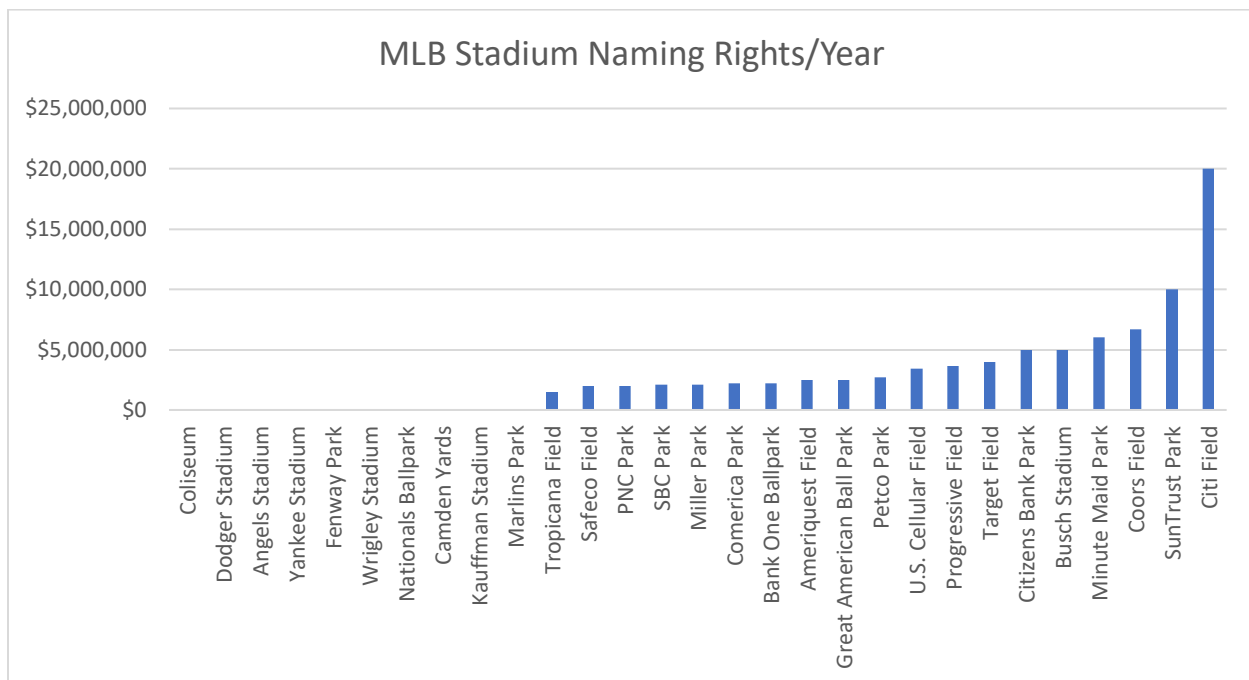
Exhibit 13: MLB Stadium Naming Rights Money Generated

Exhibit 14: Real Estate Around MLB Stadiums

Where Home Values Are Highest Around MLB Stadiums						
Team Name	Name of Stadium	Metro Location	Year Opened	Median Metro Home Value	Median Home Value Near Stadium	% Stadium Home Value vs. Metro Home Value
<a href="#">New York Yankees</a>	Yankee Stadium	New York, NY	2009	\$407,379	\$740,106	81.7%
<a href="#">Houston Astros</a>	Minute Maid Park	Houston, TX	2000	\$171,162	\$306,686	79.2%
<a href="#">Boston Red Sox</a>	Fenway Park	Boston, MA	1912	\$395,937	\$658,396	66.3%
<a href="#">Cincinnati Reds</a>	Great American Ballpark	Cincinnati, OH	2003	\$144,210	\$226,140	56.8%
<a href="#">Detroit Tigers</a>	Comerica Park	Detroit, MI	2000	\$62,101	\$92,145	48.4%
<a href="#">Pittsburgh Pirates</a>	PNC Park	Pittsburgh, PA	2001	\$131,293	\$175,461	33.6%
<a href="#">Colorado Rockies</a>	Coors Field	Denver, CO	1995	\$329,568	\$439,351	33.3%
<a href="#">Philadelphia Phillies</a>	Citizens Bank Park	Philadelphia, PA	2004	\$138,670	\$176,572	27.3%
<a href="#">Chicago Cubs</a>	Wrigley Field	Chicago, IL	1914	\$208,939	\$255,475	22.3%
<a href="#">Washington Nationals</a>	Nationals Park	Washington, DC	2008	\$361,061	\$415,434	15.1%



Exhibit 16: Social Grades for Sites

Coliseum Social Factors	
Distance from Coliseum	Distance (miles) and Quantity
Jack London Square	7
Downtown Oakland	6.5
Telegraph Avenue	9.3
Food Options: 4 Blocks	7
Food Options: "Walking" Distance--1 Mile	25
Food Options: "Biking" Distance--2 Miles	99
Bar Options: 4 Blocks	7
Bar Options: "Walking" Distance--1 Mile	9
Bar Options: "Biking" Distance--2 Miles	12

Howard Terminal Social Factors	
Social Items	Distance (miles) and Quantity
Jack London Square	0.5
Downtown Oakland	1.2
Telegraph Avenue	1.3
Food Options: 4 Blocks	0
Food Options: "Walking" Distance--1 Mile	121
Food Options: "Biking" Distance--2 Miles	587
Bar Options: 4 Blocks	0
Bar Options: "Walking" Distance--1 Mile	32
Bar Options: "Biking" Distance--2 Miles	139

Exhibit 17: Oakland Real Estate Evaluation

House Value	2007-2010	2017-2020
400,000-499,999	1,025	1975
500,000-599,999	4325	3245
600,000-699,999	4950	2875
700,000-899,999	6850	4,350
900,000-1,199,999	1650	3,200
1,200,000+	1850	3,400
Total Construction	20,650	19,045
<b>900k+ % of Market</b>	<b>17%</b>	<b>35%</b>

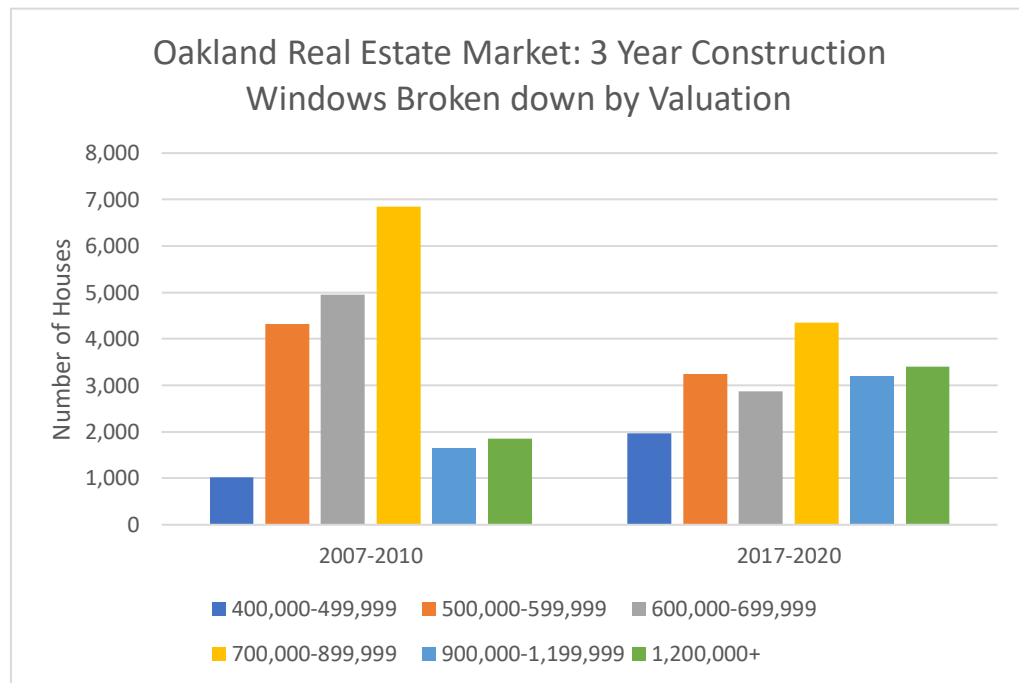
Exhibit 18: Oakland Real Estate Evaluation

Exhibit 19: Public Transit Comparison

Distance from Howard Terminal	Distance
Bart Station	1
AC Transit	1.4
Amtrak	0.8
Distance from Coliseum	Distance
Bart Station	0.5
AC Transit	1.1
Amtrak	0.7