

League Expansion, Relocation and Venue Extortion

| Year   | X/R | League/Club                                 | Fee <sup>a</sup> | League | DMA <sup>b</sup> | Venue <sup>a</sup> | Public%           |
|--|-----|---|------------------|--------|------------------|--------------------|-------------------|
| <i>National Football League</i>                    |     |   |                  |        |                  |                    |                   |
| 1995   | X   | Carolina Panthers (NFC)                     | 140              | 29     | 1.09             | 248                | 24.6              |
|  | X   | Jacksonville Jaguars (AFC)                  | 140              | 29     | .66              | <sup>c</sup> 141   | 85.8              |
|  | R   | Los Angeles Raiders back to Oakland         | ...              | 30     | 2.42             | <sup>c</sup> 128   | 100.0             |
|  | R   | Los Angeles Rams to St. Louis               | <sup>f</sup> 29  | 30     | 1.24             | 299                | 100.0             |
| 1996   | R   | Cleveland Browns to Baltimore Ravens        | <sup>f</sup> 29  | 30     | 1.10             | 229                | 87.3              |
|  | R   | Houston Oilers to Nashville                 | <sup>f</sup> 29  | 30     | .97              | 292                | 75.7              |
| 1999   | X   | Cleveland Browns (AFC)                      | 530              | 31     | 1.53             | 314                | 74.8              |
| 2002   | X   | Houston Texans (AFC) <sup>e</sup>           | 700              | 32     | 2.05             | 449                | 70.6              |
| 2016   | R   | St. Louis Rams back to Los Angeles          | 500              | 32     | 7.46             | 1,800              | 0.0               |
| <i>Major League Baseball</i>                       |     |   |                  |        |                  |                    |                   |
| 1993   | X   | Colorado Rockies (NL)                       | 95               | 27     | 1.48             | 231                | 82.3              |
|  | X   | Florida Marlins (NL)                        | 95               | 28     | 1.54             | <sup>c</sup> ...   | ...               |
| 1998   | X   | Arizona Diamondbacks (NL)                   | 130              | 29     | 1.80             | 354                | 66.9              |
|  | X   | Tampa Bay Devil Rays (AL)                   | 130              | 30     | 1.78             | 218                | 100.0             |
| 2005   | R   | Montreal Expos to Washington Nationals (NL) | 450              | 30     | 2.31             | 611                | 100.0             |
| <i>National Basketball Association<sup>g</sup></i> |     |   |                  |        |                  |                    |                   |
| 1995   | X   | Toronto Raptors                             | 125              | 28     | 2.60             | 180                | <sup>d</sup> 0.0  |
|  | X   | Vancouver Grizzlies                         | 125              | 29     | 1.33             | 120                | <sup>d</sup> 0.0  |
| 2001   | R   | Vancouver Grizzlies to Memphis              | 30               | 30     | .67              | 250                | 93.6              |
| 2002   | R   | Charlotte Hornets to New Orleans            | 30               | 30     | .60              | <sup>c</sup> 122   | 100.0             |
| 2004   | X   | Charlotte Bobcats                           | 300              | 30     | 1.09             | 265                | 91.3              |
| 2008   | R   | Seattle Super Sonics to OKC Thunder         | 30               | 30     | .73              | 121                | 100.0             |
| <i>National Hockey League</i>                      |     |   |                  |        |                  |                    |                   |
| 1991   | X   | San Jose Sharks                             | 50               | 22     | 2.42             | 133                | 82.1              |
| 1992   | X   | Ottawa Senators                             | 50               | 23     | .60              | 160                | 21.3              |
|  | X   | Tampa Bay Lightning                         | 50               | 24     | 1.78             | 153                | 62.1              |
| 1993   | R   | Minnesota North Stars to Dallas Stars       | ...              | 24     | 2.44             | 420                | <sup>d</sup> 29.8 |
|  | X   | Anaheim Mighty Ducks                        | 50               | 25     | 5.65             | 120                | 100.0             |
|  | X   | Florida Panthers                            | 50               | 25     | 1.54             | 212                | 87.3              |
| 1995   | R   | Quebec Nordiques to Colorado Avalanche      | ...              | 26     | 1.48             | 170                | <sup>d</sup> 0.0  |
| 1996   | R   | Winnipeg Jets to Phoenix Coyotes            | ...              | 26     | 1.80             | 220                | 81.8              |
| 1997   | R   | Hartford Whalers to Carolina Hurricanes     | ...              | 26     | 1.04             | 158                | 87.3              |
| 1998   | X   | Nashville Predators                         | 80               | 27     | .97              | 144                | 100.0             |
| 1999   | X   | Atlanta Thrashers                           | 80               | 28     | 2.31             | 213                | <sup>d</sup> 20.2 |
| 2000   | X   | Columbus Blue Jackets                       | 80               | 29     | .91              | 179                | 19.2              |
|  | X   | Minnesota Wild                              | 80               | 30     | 1.71             | 190                | 74.7              |
| 2017   | X   | Las Vegas?                                  | 500              | 31     | .73              |                    |                   |

X= Expansion R= Relocation

<sup>a</sup> Venue cost and expansion/relocation fees in \$millions

<sup>b</sup> DMA 2007-08 Nielsen Media Designated Market Area in million households

<sup>c</sup> Renovations; <sup>d</sup> Joint NBA-NHL arenas

<sup>e</sup> Seattle Seahawks switched from AFC to NFC in 2002 realignment of eight divisions of 4 teams.

<sup>f</sup> Relocation fee is share of PSL payments to Ravens (\$65 million), Titans (\$71 million) and Rams (\$78 million).

<sup>g</sup> NBA added Charlotte Hornets, Miami Heat (1988); Minnesota T-Wolves, Orlando Magic (1989) fee of \$37.5 million.

# RIVAL LEAGUE WARS & DUAL MARKET THEOREM

| RIVAL LEAGUE WARS & DUAL MARKET THEOREM |                       |     |       |       |                               |    |                       |       |    |                               |     |    |                        |    |    |       |      |  |  |
|---|-----------------------|-----|-------|-------|-------------------------------|----|-----------------------|-------|----|-------------------------------|-----|----|------------------------|----|----|-------|------|--|--|
| 1899 National League                    |                       |     |       |       | 1903 National League          |    |                       |       |    | 1903 American League          |     |    |                        |    |    |       |      |  |  |
| Rk                                      | Team                  | W   | L     | W-L%  | GB                            | Rk | Team                  | W     | L  | W-L%                          | GB  | Rk | Team                   | W  | L  | W-L%  | GB   |  |  |
| 1                                       | Brooklyn Dodgers      | 101 | 47    | 0.682 | ---                           | 1  | Pittsburgh Pirates    | 91    | 49 | 0.650                         | --- | 1  | Boston Red Sox         | 91 | 47 | 0.659 | ---  |  |  |
| 2                                       | Boston Braves         | 95  | 57    | 0.625 | 8                             | 2  | New York Giants       | 84    | 55 | 0.604                         | 6.5 | 2  | Philadelphia Athletics | 75 | 60 | 0.556 | 14.5 |  |  |
| 3                                       | Philadelphia Phillies | 94  | 58    | 0.618 | 9                             | 3  | Chicago Cubs          | 82    | 56 | 0.594                         | 8   | 3  | Cleveland Indians      | 77 | 63 | 0.550 | 15   |  |  |
| 4                                       | Baltimore Orioles     | 86  | 62    | 0.581 | 15                            | 4  | Cincinnati Reds       | 74    | 65 | 0.532                         | 17  | 4  | New York Yankees       | 72 | 62 | 0.537 | 17   |  |  |
| 5                                       | St. Louis Cardinals   | 84  | 67    | 0.556 | 18.5                          | 5  | Brooklyn Dodgers      | 70    | 66 | 0.515                         | 19  | 5  | Detroit Tigers         | 65 | 71 | 0.478 | 25   |  |  |
| 6                                       | Cincinnati Reds       | 83  | 67    | 0.553 | 19                            | 6  | Boston Braves         | 58    | 80 | 0.420                         | 32  | 6  | St. Louis Browns       | 65 | 74 | 0.468 | 26.5 |  |  |
| 7                                       | Pittsburgh Pirates    | 76  | 73    | 0.510 | 25.5                          | 7  | Philadelphia Phillies | 49    | 86 | 0.363                         | 40  | 7  | Chicago White Sox      | 60 | 77 | 0.438 | 30.5 |  |  |
| 8                                       | Chicago Cubs          | 75  | 73    | 0.507 | 26                            | 8  | St. Louis Cardinals   | 43    | 94 | 0.314                         | 47  | 8  | Washington Senators    | 43 | 94 | 0.314 | 47.5 |  |  |
| 9                                       | Louisville Colonels   | 75  | 77    | 0.493 | 28                            |    |                       |       |    |                               |     |    |                        |    |    |       |      |  |  |
| 10                                      | New York Giants       | 60  | 90    | 0.400 | 42                            |    |                       |       |    |                               |     |    |                        |    |    |       |      |  |  |
| 11                                      | Washington Senators   | 54  | 98    | 0.355 | 49                            |    |                       |       |    |                               |     |    |                        |    |    |       |      |  |  |
| 12                                      | Cleveland Spiders     | 20  | 134   | 0.130 | 84                            |    |                       |       |    |                               |     |    |                        |    |    |       |      |  |  |
|   |                       |     |       |       |                               |    |                       |       |    |                               |     |    |                        |    |    |       |      |  |  |
| 1959 National Football League           |                       |     |       |       | 1960 American Football League |    |                       |       |    | 1961 National Football League |     |    |                        |    |    |       |      |  |  |
| Team                                    | W                     | L   | W-L%  |       | Team                          | W  | L                     | W-L%  |    | Team                          | W   | L  | W-L%                   |    |    |       |      |  |  |
| East                                    |                       |     |       |       | East                          |    |                       |       |    | East                          |     |    |                        |    |    |       |      |  |  |
| 1 New York Giants                       | 10                    | 2   | 0.833 |       | 1 Houston Oilers              | 10 | 4                     | 0.714 |    | 1 New York Giants             | 10  | 3  | 0.769                  |    |    |       |      |  |  |
| 2 Philadelphia Eagles                   | 7                     | 5   | 0.583 |       | 2 New York Titans (Jets)      | 7  | 7                     | 0.500 |    | 2 Philadelphia Eagles         | 10  | 4  | 0.714                  |    |    |       |      |  |  |
| 3 Cleveland Browns                      | 7                     | 5   | 0.583 |       | 3 Buffalo Bills               | 5  | 8                     | 0.385 |    | 3 Cleveland Browns            | 8   | 5  | 0.615                  |    |    |       |      |  |  |
| 4 Pittsburgh Steelers                   | 6                     | 5   | 0.545 |       | 4 Boston Patriots             | 5  | 9                     | 0.357 |    | 4 St. Louis Cardinals         | 7   | 7  | 0.500                  |    |    |       |      |  |  |
| 5 Washington Redskins                   | 3                     | 9   | 0.250 |       | West                          |    |                       |       |    | 5 Pittsburgh Steelers         | 6   | 8  | 0.429                  |    |    |       |      |  |  |
| 6 Chicago Cardinals                     | 2                     | 10  | 0.167 |       | 1 Los Angeles Chargers (SD)   | 10 | 4                     | 0.714 |    | 6 Dallas Cowboys              | 4   | 9  | 0.308                  |    |    |       |      |  |  |
| West                                    |                       |     |       |       | 2 Dallas Texans (KC Chiefs)   | 8  | 6                     | 0.571 |    | 7 Washington Redskins         | 1   | 12 | 0.077                  |    |    |       |      |  |  |
| 1 Baltimore Colts                       | 9                     | 3   | 0.750 |       | 3 Oakland Raiders             | 6  | 8                     | 0.429 |    | West                          |     |    |                        |    |    |       |      |  |  |
| 2 Chicago Bears                         | 8                     | 4   | 0.667 |       | 4 Denver Broncos              | 4  | 9                     | 0.308 |    | 1 Green Bay Packers           | 11  | 3  | 0.786                  |    |    |       |      |  |  |
| 3 San Francisco 49ers                   | 7                     | 5   | 0.583 |       |                               |    |                       |       |    | 2 Detroit Lions               | 8   | 5  | 0.615                  |    |    |       |      |  |  |
| 4 Green Bay Packers                     | 7                     | 5   | 0.583 |       |                               |    |                       |       |    | 3 Chicago Bears               | 8   | 6  | 0.571                  |    |    |       |      |  |  |
| 5 Detroit Lions                         | 3                     | 8   | 0.273 |       |                               |    |                       |       |    | 4 Baltimore Colts             | 8   | 6  | 0.571                  |    |    |       |      |  |  |
| 6 Los Angeles Rams                      | 2                     | 10  | 0.167 |       |                               |    |                       |       |    | 5 San Francisco 49ers         | 7   | 6  | 0.538                  |    |    |       |      |  |  |
|   |                       |     |       |       |                               |    |                       |       |    | 6 Los Angeles Rams            | 4   | 10 | 0.286                  |    |    |       |      |  |  |
|   |                       |     |       |       |                               |    |                       |       |    | 7 Minnesota Vikings           | 3   | 11 | 0.214                  |    |    |       |      |  |  |
|   |                       |     |       |       |                               |    |                       |       |    |                               |     |    |                        |    |    |       |      |  |  |

**Table III.** Franchise Expansion and Relocation in Major League Baseball

| Date | Relocation (R) or Expansion (X) Franchises    | Expansion Fee (\$mil) |
|------|---|-----------------------|
| 1953 | R Boston Braves to Milwaukee (NL)             | —                     |
| 1954 | R St. Louis Browns to Baltimore Orioles (AL)  | —                     |
| 1955 | R Philadelphia Athletics to Kansas City (AL)  | —                     |
| 1958 | R Brooklyn Dodgers to Los Angeles (NL)        | —                     |
|      | R New York Giants to San Francisco (NL)       | —                     |
| 1961 | X Expansion Los Angeles Angels (AL)           | 2.18 <sup>a</sup>     |
|      | X Expansion Washington Senators (AL)          | 2.15                  |
|      | R Washington Senators to Minnesota Twins (AL) | —                     |
| 1962 | X Expansion New York Mets (NL)                | 1.80 <sup>b</sup>     |
|      | X Expansion Houston Colt 45's (NL)            | 1.85                  |
| 1965 | R Los Angeles Angels to Anaheim (AL)          | —                     |
| 1966 | R Milwaukee Braves to Atlanta (NL)            | —                     |
| 1967 | R Kansas City Athletics to Oakland (AL)       | —                     |
| 1969 | X Kansas City Royals (AL)                     | 5.25 <sup>c</sup>     |
|      | X Seattle Pilots (AL)                         | 5.25                  |
|      | X Montreal Expos (NL)                         | 10.00                 |
|      | X San Diego Padres (NL)                       | 10.00                 |
| 1970 | R Seattle Pilots to Milwaukee Brewers (AL)    | —                     |
| 1972 | R Washington Senators to Texas Rangers (AL)   | —                     |
| 1977 | X Expansion Seattle Mariners (AL)             | 6.25 <sup>d</sup>     |
|      | X Expansion Toronto Blue Jays (AL)            | 7.00                  |
| 1993 | X Expansion Colorado Rockies (NL)             | 95.00 <sup>e</sup>    |
|      | X Expansion Florida Marlins (NL)              | 95.00                 |
| 1998 | X Expansion Arizona Diamondbacks (NL)         | 130.00 <sup>f</sup>   |
|      | X Expansion Tampa Bay Devil Rays (NL)         | 130.00                |

a. In an expansion draft the Angels and Senators selected 28 players at \$75K each; the Angels chose another 3 and Senators, 2 at \$25K. The average player salary in 1961 was about \$15K.

b. The Mets and Colt 45's each drafted 16 players at \$75K; the Mets took 2 and the Colts, 3 at \$50K and both chose 4 players at \$125K.

c. The Royals and the Pilots selected 30 players at \$175K apiece; the Expos and Padres chose 30 players for a flat fee of \$10M. The average player's salary in 1969 was \$25K.

d. The Mariners and Blue Jays received no TV share from 1977–9 (\$3M). Each selected 30 players at \$175K apiece. Average MLB salary in 1976: \$50K.

e. The Rockies and Marlins received no TV share in 1993 (\$13M). Each drafted 36 players from both leagues for flat fee of \$95M: \$21M to 14 AL clubs and \$74M divided among 12 NL clubs. Average MLB salary in 1992: \$1.1M.

f. The Diamondbacks and Devil Rays receive \$5M less of a TV share in 1998–2003 (\$25M).

270 games were being locally televised, including 231 home games for the three New York clubs in 1957.<sup>19</sup> Due largely to the double occupancy of the Baltimore-Washington market, the Washington Senators moved to a smaller Minneapolis market in 1961 for \$320K more in media rights fees. In a second move, the Braves left the confinement of the tripled Milwaukee-Chicago area in 1966 for Atlanta, a city the same size as Milwaukee, for \$800,000 more in annual media reve-

19. Another important drawing factor was the prospects of playing in new stadia. The Braves went to a \$5 million County Stadium in Milwaukee in 1953 with a rent of \$1,000 per year for the first two years and five percent of the gross thereafter, and then jumped to the \$18 million 50K-seat Fulton County Stadium in Atlanta in 1966 with \$500,000 in moving costs. The Dodgers traded minor league Wrigley Field for 300 acres in Chavez Ravine, and Los Angeles provided \$2 million infrastructure. The Senators were "guaranteed" an average 750K attendance for the first five years to move into the enlarged Metropolitan stadium. According to the referee, who is familiar with the Twins, rent was not due until the club drew 3.75 million. "The Twins did receive an escape clause in the contract they signed when they moved to the Metrodome, however, and will exploit this to the full in their demands for a new baseball-only stadium." The Rangers (Senators II) were charged \$1 per year rent in Texas until they drew 1 million fans.

**Table IV.** Franchise Expansion and Relocation in National Football League

| Date | Relocation (R), or Expansion (X) and Suburban (S)         | Expansion Fee (\$mil) |
|------|---|-----------------------|
| 1960 | X Expansion Dallas Cowboys (NFL)                          | .60 <sup>a</sup>      |
|      | R Chicago Cardinals to St. Louis (NFL)                    | —                     |
| 1961 | X Expansion Minnesota Vikings (NFL)                       | .60 <sup>a</sup>      |
|      | R Los Angeles Chargers to San Diego (AFL)                 | —                     |
| 1963 | R Dallas Texans to Kansas City Chiefs (AFL)               | —                     |
| 1966 | X Atlanta Falcons (NFL)                                   | 8.50 <sup>b</sup>     |
|      | X Miami Dolphins (AFL)                                    | 7.50                  |
| 1967 | X New Orleans Saints (NFL)                                | 8.50 <sup>b</sup>     |
|      | X Cincinnati Bengals (AFL)                                | 8.00                  |
| 1970 | X AFL-NFL merger (ten AFL clubs)                          | 18.00 <sup>c</sup>    |
| 1971 | S Boston (New England) Patriots to Foxboro, Massachusetts | —                     |
|      | S Dallas Cowboys to Irving, Texas                         | —                     |
| 1973 | S Buffalo Bills to Orchard Park, New York                 | —                     |
| 1975 | S Detroit Lions to Pontiac, Michigan                      | —                     |
| 1976 | X Expansion Seattle Seahawks (AFC)                        | 16.00 <sup>d</sup>    |
|      | X Expansion Tampa Bay Buccaneers (NFC)                    | 16.00                 |
|      | S New York Giants to East Rutherford, New Jersey          | —                     |
| 1980 | S Los Angeles Rams to Anaheim, California                 | —                     |
| 1982 | R Oakland Raiders to Los Angeles                          | —                     |
| 1984 | R Baltimore Colts to Indianapolis                         | —                     |
|      | S New York Jets to East Rutherford, New Jersey            | —                     |
| 1988 | R St. Louis Cardinals to Phoenix, Arizona                 | —                     |
| 1995 | X Expansion Carolina Panthers (NFC)                       | 140.00 <sup>e</sup>   |
|      | X Expansion Jacksonville Jaguars (AFC)                    | 140.00                |
|      | R Los Angeles Raiders to Oakland, California              | —                     |
|      | R Los Angeles Rams to St. Louis                           | —                     |
| 1996 | R Cleveland Browns to Baltimore Ravens                    | —                     |
|      | R Houston Oilers to Nashville, Tennessee                  | —                     |
| 1997 | S Washington Redskins to Landover, Maryland               | —                     |

a. The Cowboys and Vikings each selected 36 expansion draft players at \$15K apiece.

b. The Falcons, Dolphins, Saints and Bengals each selected 42 players at \$200K apiece.

c. Ten clubs merged from the AFL: Boston Patriots, Buffalo Bills, Cincinnati Bengals, Denver Broncos, Houston Oilers, Kansas City Chiefs, Oakland Raiders, Miami Dolphins, New York Jets, San Diego Chargers. Nine AFL clubs paid \$2M per club indemnity to the two NFL clubs that were doubled: the New York Giants and the San Francisco 49ers. The Bengals paid the expansion fee of \$8M. AFC clubs did not receive a share of 1967 expansion proceeds. The original AFL expansion fee was \$25K in 1959.

d. The Seahawks and Buccaneers received full TV shares. Each paid \$3M in 1974–5, \$2M in 1976–80 plus 4 percent of unpaid balance.

e. The Panthers and Jaguars each receive half TV shares in 1995–9 (\$48.75M). Each pay the league \$42M in 1993, \$28M in 1994, and \$17.5M in 1995–8 plus 6 percent of unpaid balance.

enced minor dual-market adjustments. The Chicago Cardinals relocated to St. Louis in 1960 with a side payment of \$500,000 made by the Chicago Bears, the Los Angeles Chargers moved to San Diego in 1961 and the original cornerstone of the AFL, the Dallas Texans, became the Kansas City Chiefs in 1963. As the two leagues battled, player costs escalated and competitive expansion was pushed into marginal sites of Atlanta (NFL) and Miami (AFL) in 1966, and New Orleans (NFL) and Cincinnati (AFL) in 1967.<sup>34</sup> The leagues reached a merger agreement in 1966, where all clubs

34. QF observe that the threat of AFL expansion into Chicago in 1966 may have convinced George Halas, the owner of the Chicago Bears “to bring his considerable influence to bear (*sic*) to end the war” [10, 350].

**Table 1.** National Football League TV Right Fees

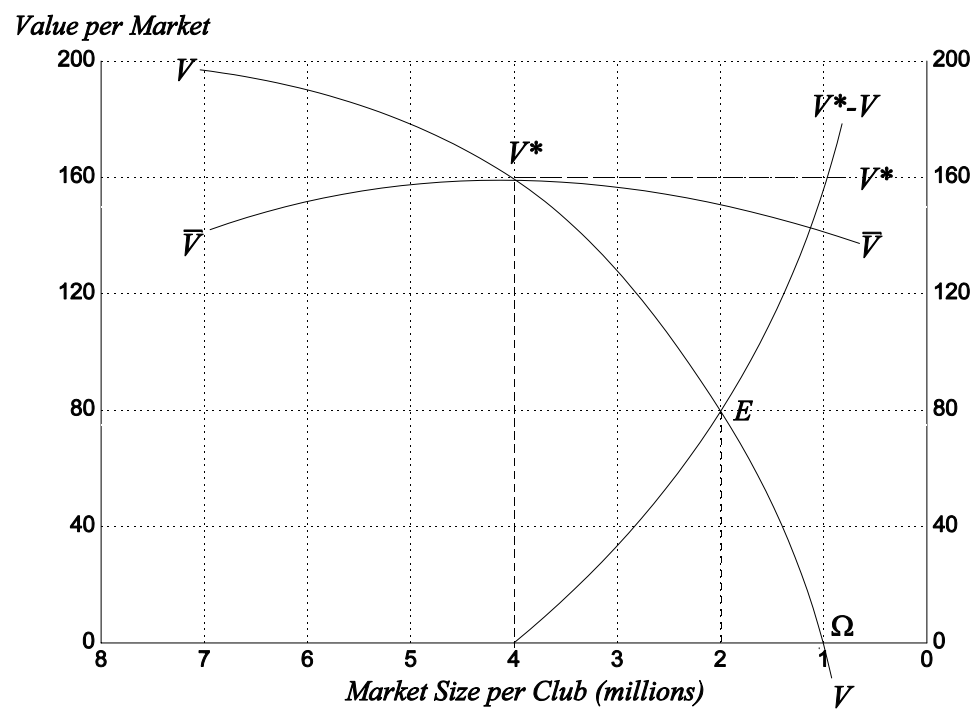
| Term                     | Years | Clubs | Total Rights | Annual Rights | Broadcast |       |       |       | Cable |     | Satellite DirecTV |
|--------------------------|-------|-------|--------------|---------------|-----------|-------|-------|-------|-------|-----|-------------------|
|                          |       |       |              |               | ABC       | CBS   | NBC   | FOX   | ESPN  | TBS |                   |
| American Football League |       |       |              |               |           |       |       |       |       |     |                   |
| 1960-64                  | 5     | 8     | 10.6         | 2.1           | 2.1       | ...   | ...   | ...   | ...   | ... | ...               |
| 1964-69                  | 5     | 10    | 42.5         | 8.5           | ...       | ...   | 8.5   | ...   | ...   | ... | ...               |
| National Football League |       |       |              |               |           |       |       |       |       |     |                   |
| 1960-61                  | 2     | 14    | .6           | .3            |           | .3    | ...   | ...   | ...   | ... | ...               |
| 1962-63                  | 2     | 14    | 10.5         | 5.3           | ...       | 4.7   | .6    | ...   | ...   | ... | ...               |
| 1964-65                  | 2     | 14    | 32           | 16            | ...       | 16    | ...   | ...   | ...   | ... | ...               |
| 1966-69                  | 4     | 16    | 98           | 24.5          | ...       | 24.5  | ...   | ...   | ...   | ... | ...               |
| 1970-73                  | 4     | 26    | 188          | 47            | 8         | 22    | 17    | ...   | ...   | ... | ...               |
| 1974-77                  | 4     | 28    | 218          | 55            | 13        | 24    | 18    | ...   | ...   | ... | ...               |
| 1978-78                  | 4     | 28    | 646          | 162           | 60        | 54    | 48    | ...   | ...   | ... | ...               |
| 1982-86                  | 5     | 28    | 2,100        | 420           | 115       | 120   | 107   | ...   | ...   | ... | ...               |
| 1987-89                  | 3     | 28    | 1,428        | 476           | 125       | 165   | 135   | ...   | 51    | ... | ...               |
| 1990-93                  | 4     | 28    | 3,600        | 900           | 225       | 265   | 188   | ...   | 111   | 111 | ...               |
| 1994-97                  | 4     | 30    | 4,388        | 1,097         | 230       | ...   | 217   | 395   | 131   | 124 | ...               |
| 1998-05                  | 8     | 31    | 19,600       | 2,600         | 550       | 500   | ...   | 550   | 600   | ... | 400               |
| 2006-11                  | 6     | 32    | 22,410       | 3,735         | ...       | 623   | 600   | 713   | 1,100 | ... | 700               |
| 2012-13                  | 2     | 32    | 8,130        | 4,065         | ...       | 620   | 603   | 743   | 1,100 | ... | 1,000             |
| 2014-22                  | 9*    | 32    | 58,820       | 6,580         | ...       | 1,080 | 1,050 | 1,150 | 1,900 | ... | 1,400             |

DirecTV "Sunday Ticket" extended at \$4 billion four years 2011-14, and expected \$1.4 billion 2015-2022; ESPN 8 years \$15.2 billion 2014-21.  
 TV Rights in other leagues: MLB \$803 million annually (7 years 2007-13); NBA \$930 million annually (8 years 2008-16); NASCAR \$560 million annually (8 years 2007-14). Total TV revenues in Big 5 European Leagues \$4.45 billion 2008-09

**Table 1.** Ranking NA TV Households by Designated Market Area (DMA in millions)

| Rank          | Designated Market Area (DMA)   | TVHH         | NFL       | MLB       | NBA       | NHL       | MLS | TOTAL      |
|---------------|--------------------------------|--------------|-----------|-----------|-----------|-----------|-----|------------|
| 1             | New York                       | 7.461        | 2         | 2         | 2         | 3         | 2   | 9          |
| 2             | Los Angeles                    | 5.666        | 0         | 2         | 2         | 2         | 2   | 6          |
| 3             | Chicago                        | 3.534        | 1         | 2         | 1         | 1         | 1   | 5          |
| 4             | Philadelphia                   | 2.964        | 1         | 1         | 1         | 1         | 1   | 4          |
| 5             | Toronto                        | 2.957        | 0         | 1         | 1         | 1         | 1   | 3          |
| 6             | Dallas-Ft. Worth               | 2.655        | 1         | 1         | 1         | 1         | 1   | 4          |
| 7             | San Francisco-Oakland-San Jose | 2.519        | 2         | 2         | 1         | 1         | 1   | 6          |
| 8             | Boston                         | 2.433        | 1         | 1         | 1         | 1         | 1   | 4          |
| 9             | Washington, DC                 | 2.412        | 1         | 1         | 1         | 1         | 1   | 4          |
| 10            | Atlanta                        | 2.375        | 1         | 1         | 1         | 0         | 1   | 3          |
| 11            | Houston                        | 2.289        | 1         | 1         | 1         | 0         | 1   | 3          |
| 12            | Detroit                        | 1.856        | 1         | 1         | 1         | 1         | 0   | 4          |
| 13            | Phoenix                        | 1.855        | 1         | 1         | 1         | 1         | 0   | 4          |
| 14            | Seattle-Tacoma                 | 1.848        | 1         | 1         | 0         | 0         | 1   | 2          |
| 15            | Tampa-St. Pete                 | 1.828        | 1         | 1         | 0         | 1         | 0   | 3          |
| 16            | Minneapolis-St. Paul           | 1.748        | 1         | 1         | 1         | 1         | 0   | 4          |
| 17            | Miami-Ft. Lauderdale           | 1.663        | 1         | 1         | 1         | 1         | 1   | 4          |
| 18            | Denver                         | 1.575        | 1         | 1         | 1         | 1         | 1   | 4          |
| 19            | Montreal                       | 1.526        | 0         | 0         | 0         | 1         | 1   | 1          |
| 20            | Orlando-Daytona Beach          | 1.490        | 0         | 0         | 1         | 0         | 1   | 1          |
| 21            | Cleveland-Akron                | 1.485        | 1         | 1         | 1         | 0         | 0   | 3          |
| 22            | Sacramento                     | 1.388        | 0         | 0         | 1         | 0         | 0   | 1          |
| 23            | Vancouver                      | 1.329        | 0         | 0         | 0         | 1         | 1   | 1          |
| 24            | St. Louis                      | 1.255        | 1         | 1         | 0         | 1         | 0   | 3          |
| 25            | Portland, OR                   | 1.185        | 0         | 0         | 1         | 0         | 1   | 1          |
| 26            | Pittsburgh                     | 1.182        | 1         | 1         | 0         | 1         | 0   | 3          |
| 27            | Raleigh-Durham                 | 1.165        | 0         | 0         | 0         | 1         | 0   | 1          |
| 28            | Charlotte                      | 1.158        | 1         | 0         | 1         | 0         | 0   | 2          |
| 29            | Indianapolis                   | 1.097        | 1         | 0         | 1         | 0         | 0   | 2          |
| 30            | Baltimore                      | 1.095        | 1         | 1         | 0         | 0         | 0   | 2          |
| 31            | San Diego                      | 1.081        | 1         | 1         | 0         | 0         | 0   | 2          |
| 32            | Nashville                      | 1.043        | 1         | 0         | 0         | 1         | 0   | 2          |
| 33            | Hartford - New Haven           | 1.000        | 0         | 0         | 0         | 0         | 0   | 0          |
| 34            | Kansas City                    | 0.942        | 1         | 1         | 0         | 0         | 1   | 2          |
| 35            | Columbus, OH                   | 0.929        | 0         | 0         | 0         | 1         | 1   | 0          |
| 36            | Salt Lake City                 | 0.921        | 0         | 0         | 1         | 0         | 1   | 1          |
| 37            | Milwaukee                      | 0.917        | 1         | 1         | 1         | 0         | 0   | 3          |
| 38            | Cincinnati                     | 0.908        | 1         | 1         | 0         | 0         | 0   | 2          |
| 39            | San Antonio                    | 0.906        | 0         | 0         | 1         | 0         | 0   | 1          |
| 40            | Greenville                     | 0.849        | 0         | 0         | 0         | 0         | 0   | 0          |
| 41            | West Palm Beach                | 0.810        | 0         | 0         | 0         | 0         | 0   | 0          |
| 42            | Grand Rapids -Kalamazoo        | 0.734        | 0         | 0         | 0         | 0         | 0   | 0          |
| 43            | Austin                         | 0.733        | 0         | 0         | 0         | 0         | 0   | 0          |
| 44            | Oklahoma City                  | 0.730        | 0         | 0         | 1         | 0         | 0   | 1          |
| 45            | Las Vegas                      | 0.726        | 0         | 0         | 0         | 0         | 0   | 0          |
| 46            | Harrisburg                     | 0.725        | 0         | 0         | 0         | 0         | 0   | 0          |
| 47            | Birmingham                     | 0.719        | 0         | 0         | 0         | 0         | 0   | 0          |
| 48            | Norfolk                        | 0.719        | 0         | 0         | 0         | 0         | 0   | 0          |
| 49            | Greensboro                     | 0.705        | 0         | 0         | 0         | 0         | 0   | 0          |
| 50            | Albuquerque-Santa Fe           | 0.691        | 0         | 0         | 0         | 0         | 0   | 0          |
| 51            | Jacksonville                   | 0.676        | 1         | 0         | 0         | 0         | 0   | 1          |
| 52            | Louisville                     | 0.675        | 0         | 0         | 0         | 0         | 0   | 0          |
| 53            | Memphis                        | 0.672        | 0         | 0         | 1         | 0         | 0   | 1          |
| 54            | New Orleans                    | 0.652        | 1         | 0         | 1         | 0         | 0   | 2          |
| 55            | Buffalo                        | 0.634        | 1         | 0         | 0         | 1         | 0   | 2          |
| <i>Totals</i> |                                | <i>1.482</i> | <i>32</i> | <i>30</i> | <i>30</i> | <i>26</i> |     | <i>122</i> |

Source: Nieslen Media and BBM Canada . DMAs are multi-county areas with > 50% viewership.



**Figure 1.** Optimum League Expansion (after Buchanan)

## The Cost of NHL Southern Expansion Strategy

In 1993-94 the league spent 57 percent of league revenues for player salaries. That year the player's salaries took up \$414 million of the league's \$732 million in revenues. Player costs approached 76 percent of revenues at the time of the lockout in 2004-05. Beginning in 2005-06 the NHL salary cap sets the player cost limit at 57 percent of "Hockey Related Revenue."

### NHL Cost Squeeze before the 2004-05 Lockout

|                       | 1993-94       | 2002-03        |
|-----------------------|---------------|----------------|
| Average Player Salary | \$558,000     | \$1,790,000    |
| Total NHL Revenues    | \$732 million | \$1.93 billion |
| Total Player Salaries | \$414 million | \$1.46 billion |
| Player Cost Squeeze   | 56.6%         | 75.6%          |

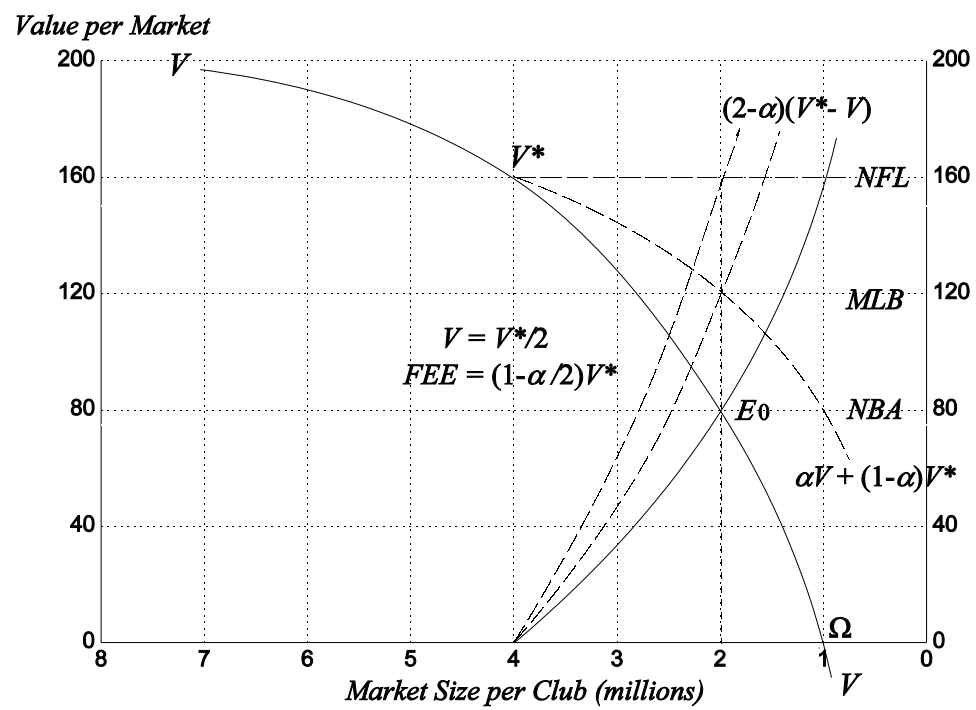
Source: John Vrooman and NHL

### NHL Player Salaries "Southern Strategy"

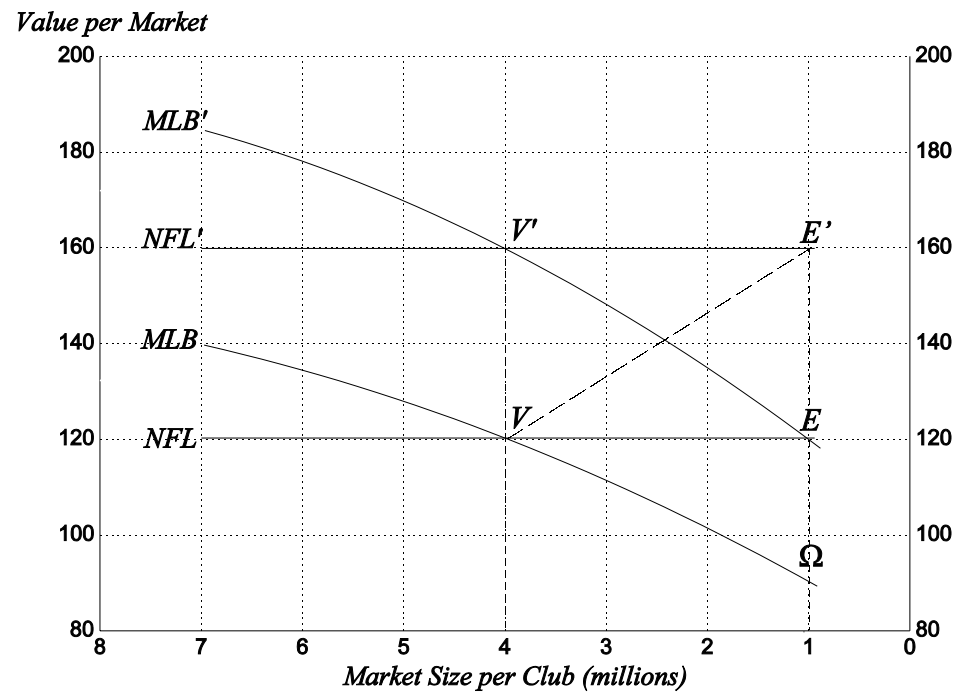
| Season  | Avg. Salary |
|---------|-------------|
| 1990-91 | \$276,000   |
| 1991-92 | \$368,000   |
| 1992-93 | \$465,000   |
| 1993-94 | \$558,000   |
| 1994-95 | \$733,000   |
| 1995-96 | \$892,000   |
| 1996-97 | \$981,000   |
| 1997-98 | \$1,167,713 |
| 1998-99 | \$1,288,974 |
| 1999-00 | \$1,356,380 |
| 2000-01 | \$1,434,885 |
| 2001-02 | \$1,642,590 |
| 2002-03 | \$1,790,209 |
| 2003-04 | \$1,830,126 |
| 2004-05 | Lockout     |
| 2005-06 | \$1,460,000 |

Source: John Vrooman and NHL





**Figure 2.** General Optimum Expansion



**Figure 5.** The Extortion Triangle

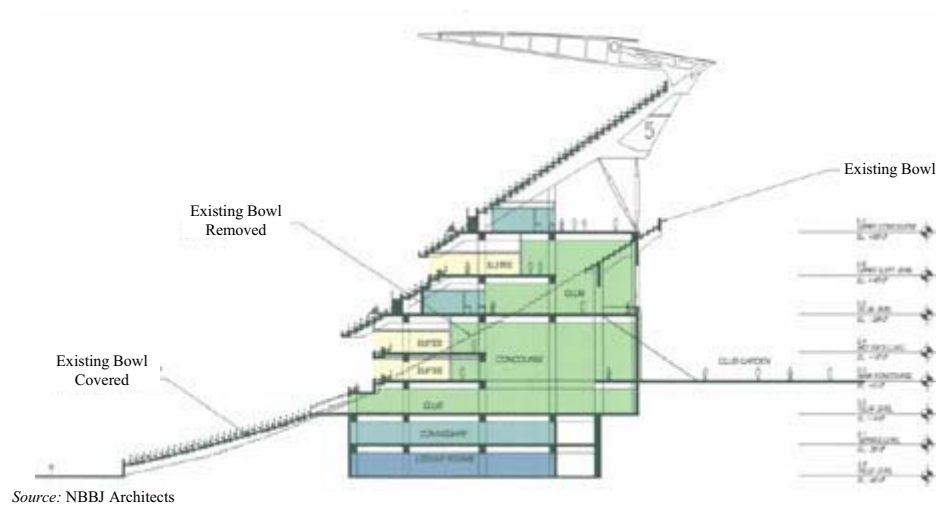


Figure 1. L. A. Coliseum Proposed Renovations

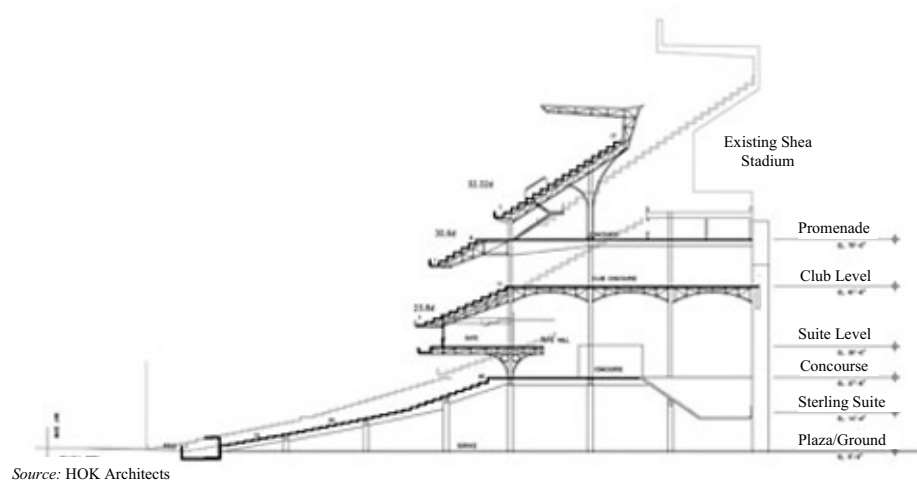


Figure 5. N.Y. Mets Citi Field and Shea Stadium

Source: John Vrooman

## NFL Venue Revolution since 1995 Expansion

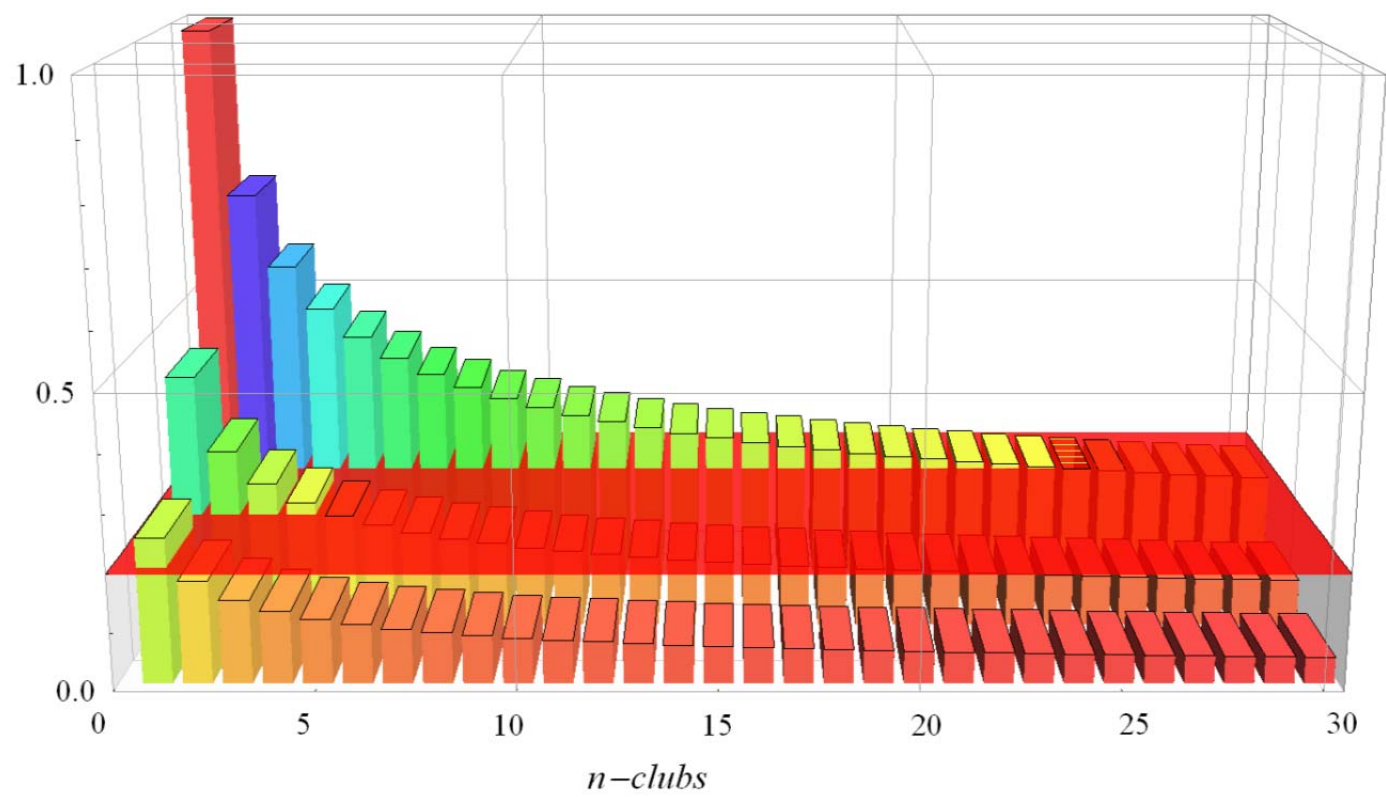
| Franchise            | Stadium                     | Year Open | Total Seats | Luxury Suites | Club Seats | PSL Seats | G-3/4 Loan | PSL Fees | Total Cost | Private Cost | Public Cost | Private Share | Public Share |
|----------------------|-----------------------------|-----------|-------------|---------------|------------|-----------|------------|----------|------------|--------------|-------------|---------------|--------------|
| Relocation-Extortion |                             |           |             |               |            |           |            |          |            |              |             |               |              |
| Jacksonville Jaguars | EverBank Field†             | 1995      | 73.0        | 85            | 11.2       | ...       | ...        | ...      | \$141      | \$20         | \$121       | 14.2%         | 85.8%        |
| St. Louis Rams       | Edward Jones Dome           | 1995      | 65.3        | 124           | 6.2        | 53.5      | ...        | \$78     | \$299      | \$0          | \$299       | 0.0%          | 100.0%       |
| Oakland Raiders      | McAfee Coliseum†            | 1995      | 63.1        | 143           | 6.3        | 39.0      | ...        | \$68     | \$128      | \$0          | \$128       | 0.0%          | 100.0%       |
| Carolina Panthers    | Bank of America Stadium     | 1996      | 73.4        | 158           | 11.4       | 62.5      | ...        | \$122    | \$248      | \$187        | \$61        | 76.3%         | 24.6%        |
| San Diego Chargers   | Qualcomm Stadium†           | 1997      | 71.5        | 113           | 7.8        | ...       | ...        | ...      | \$78       | \$18         | \$60        | 23.1%         | 76.9%        |
| Washington Redskins  | FedEx Stadium               | 1997      | 91.7        | 284           | 15.0       | ...       | ...        | ...      | \$251      | \$180        | \$71        | 72.0%         | 28.3%        |
| Baltimore Ravens     | M&T Bank Stadium            | 1998      | 69.3        | 108           | 7.9        | 60.2      | ...        | \$65     | \$229      | \$29         | \$200       | 12.7%         | 87.3%        |
| Tampa Bay Bucs       | Raymond James Stadium       | 1998      | 66.3        | 195           | 12.3       | ...       | ...        | ...      | \$169      | \$15         | \$154       | 8.9%          | 91.1%        |
| Tennessee Titans     | LP Field                    | 1999      | 67.7        | 143           | 9.6        | 58.2      | ...        | \$71     | \$292      | \$71         | \$221       | 24.3%         | 75.7%        |
| Cleveland Browns     | First Energy Stadium        | 1999      | 73.2        | 147           | 8.8        | 57.0      | ...        | \$25     | \$314      | \$79         | \$235       | 25.2%         | 74.8%        |
| Cincinnati Bengals   | Paul Brown Stadium          | 2000      | 65.6        | 114           | 7.6        | 58.0      | ...        | \$26     | \$458      | \$44         | \$414       | 9.6%          | 90.4%        |
| Pittsburgh Steelers  | Heinz Field                 | 2001      | 64.5        | 129           | 6.6        | 45.0      | ...        | \$37     | \$284      | \$113        | \$171       | 39.8%         | 60.2%        |
| Houston Texans       | NRG Stadium                 | 2002      | 69.5        | 191           | 8.3        | 44.0      | ...        | \$50     | \$449      | \$132        | \$317       | 33.1%         | 70.6%        |
| Extortion Totals     | 13 Venues                   |           | 70.3        | 149           | 9.2        | 53.0      | \$0        | \$542    | \$3,340    | \$888        | \$2,452     | 26.6%         | 73.4%        |
| G-3/4 Loan Program   |                             |           |             |               |            |           |            |          |            |              |             |               |              |
| Denver Broncos       | Sports Authority Field      | 2001      | 76.2        | 124           | 8.2        | ...       | \$48       | ...      | \$401      | \$100        | \$301       | 24.9%         | 75.1%        |
| New England Patriots | Gillette Stadium            | 2002      | 68.8        | 80            | 6.0        | ...       | \$141      | ...      | \$412      | \$340        | \$72        | 82.5%         | 17.5%        |
| Detroit Lions        | Ford Field                  | 2002      | 64.4        | 132           | 8.6        | ...       | \$100      | ...      | \$500      | \$375        | \$125       | 75.0%         | 25.0%        |
| Seattle Seahawks     | CenturyLink Field           | 2002      | 67.0        | 82            | 7.7        | 8.3       | \$63       | \$17     | \$430      | \$130        | \$300       | 30.2%         | 69.8%        |
| Philadelphia Eagles  | Lincoln Financial Field     | 2003      | 67.6        | 172           | 10.8       | 29.0      | \$125      | \$70     | \$518      | \$330        | \$188       | 63.7%         | 36.3%        |
| Chicago Bears        | New Soldier Field           | 2003      | 61.5        | 133           | 8.6        | 27.5      | \$100      | \$70     | \$632      | \$200        | \$432       | 31.6%         | 68.4%        |
| Green Bay Packers    | Lambeau Field†              | 2003      | 71.0        | 167           | 6.3        | 58.0      | \$13       | \$93     | \$295      | \$126        | \$169       | 42.7%         | 57.3%        |
| Arizona Cardinals    | University of Phoenix       | 2006      | 63.4        | 88            | 7.5        | ...       | \$42       | ...      | \$455      | \$147        | \$308       | 32.3%         | 67.7%        |
| Indianapolis Colts   | Lucas Oil Stadium           | 2008      | 63.0        | 142           | 7.1        | ...       | \$33       | ...      | \$675      | \$100        | \$575       | 14.8%         | 85.2%        |
| Dallas Cowboys       | AT&T Stadium                | 2009      | 80.0        | 320           | 15.0       | 66.0      | \$76       | 470      | \$1,200    | \$850        | \$350       | 70.8%         | 29.2%        |
| Kansas City Chiefs   | Arrowhead Stadium†          | 2010      | 77.1        | 133           | 10.0       | ...       | \$43       | ...      | \$375      | \$125        | \$250       | 33.3%         | 66.7%        |
| New York Giants/Jets | MetLife Stadium             | 2010      | 82.5        | 217           | 10.0       | 55.5      | \$300      | \$800    | \$1,600    | \$1,600      | \$0         | 100.0%        | 0.0%         |
| San Francisco 49ers  | Levis Stadium (G-4)         | 2014      | 68.5        | 170           | 9.0        | 68.5      | \$200      | \$312    | \$1,310    | \$1,196      | \$114       | 91.3%         | 8.7%         |
| Minnesota Vikings    | US Bank Stadium (G-4)       | 2016      | 65.4        | 131           | 8.0        | 49.0      | \$200      | \$151    | \$1,027    | \$529        | \$498       | 51.5%         | 48.5%        |
| Atlanta Falcons      | Mercedes Benz Stadium (G-4) | 2017      | 71.0        | 180           | 7.5        | 71.0      | \$200      | \$200    | \$1,400    | \$600        | \$800       | 42.9%         | 57.1%        |
| G-3/4 Totals         | 15 Venues                   |           | 69.8        | 151.4         | 8.7        | 48.1      | \$1,684    | \$2,183  | \$11,230   | \$6,748      | \$4,482     | 60.1%         | 39.9%        |
| Grand Total          | 28 Venues                   |           | 70.1        | 150.2         | 8.9        | 50.6      | \$1,684    | \$2,725  | \$14,570   | \$7,636      | \$6,934     | 52.4%         | 47.6%        |

Following the aborted move of New England Patriots to Hartford Connecticut in 1993, the League established the G-3 loan program for venue construction (Amendment 1999 G-3 NFL Bylaws). Using a debt facility backed by TV revenues, the NFL loaned up to 50 percent of private stadium contribution for top six TV markets (\$150 million maximum) and up to 34 percent of the private share for smaller markets (\$100 million maximum). G-3 loans are repaid from visiting team share of club-seat premiums. The G-3 program ended in 2007 and after the 2008 financial crisis was it replaced by the G-4 program (\$200 million maximum) in 2011.

\*Private cost includes G-3/4 League loans and PSL fees as the present value of season ticket discounts over time. †Stadium renovations

Source: Vrooman Sports Economics

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**Figure 1.** Vrooman's Law