

Table 11. Expansion, Relocation and Extortion

| Year | X/R | League/Club | Fee ^a | League | DMA ^b | Venue ^a | 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 | ^c 141 | 85.8 |
| | R | Los Angeles Raiders to Oakland | ... | 30 | 2.42 | ^c 128 | 100.0 |
| | R | Los Angeles Rams to St. Louis | ^f 29 | 30 | 1.24 | 299 | 100.0 |
| 1996 | R | Cleveland Browns to Baltimore Ravens | ^f 29 | 30 | 1.10 | 229 | 87.3 |
| | R | Houston Oilers to Nashville | ^f 29 | 30 | .97 | 292 | 75.7 |
| 1999 | X | Cleveland Browns (AFC) | 530 | 31 | 1.53 | 314 | 74.8 |
| 2002 | X | Houston Texans (AFC) ^e | 700 | 32 | 2.05 | 449 | 70.6 |
| <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 | ^c ... | ... |
| 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 | 450 | 30 | 2.31 | 611 | 100.0 |
| <i>National Basketball Association^g</i> | | | | | | | |
| 1995 | X | Toronto Raptors | 125 | 28 | 2.60 | 180 | ^d 0.0 |
| | X | Vancouver Grizzlies | 125 | 29 | 1.33 | 120 | ^d 0.0 |
| 2001 | R | Vancouver Grizzlies to Memphis | 30 | 30 | .67 | 250 | 93.6 |
| 2002 | R | Charlotte Hornets to New Orleans | 30 | 30 | .60 | ^c 122 | 100.0 |
| 2004 | X | Charlotte Bobcats | 300 | 30 | 1.09 | 265 | 91.3 |
| <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 | ^d 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 | ^d 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 | ^d 20.2 |
| 2000 | X | Columbus Blue Jackets | 80 | 29 | .91 | 179 | 19.2 |
| | X | Minnesota Wild | 80 | 30 | 1.71 | 190 | 74.7 |

X= Expansion R= Relocation

^a Venue cost and expansion/relocation fees in \$millions

^b DMA 2007-08 Nielsen Media Designated Market Area in million households

^c Renovations; ^d Joint NBA-NHL arenas

^e Seattle Seahawks switched from AFC to NFC in 2002 realignment of eight divisions of 4 teams.

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

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

The NFL retro-expanded into Cleveland in 1999 for 75 percent public funding of the new Browns Stadium with 147 suites and 8,800 club seats.⁷³ After several delays between competing L.A. investment groups, the NFL decided instead to retro-fill the Houston market for 71 percent public funding of Reliant Stadium (191 suites and 8,300 club seats) in 2002. The new Cleveland Browns paid an expansion fee of \$530 million and Houston Texans paid a premium fee of \$700 million. That left the second largest U.S. TV market L.A. without a NFL team. This was not a major problem for two reasons.

⁷³ In litigation settlement the NFL promised the City of Cleveland a new Browns club by 1999 and allowed the old Browns to become the Baltimore Ravens. The League did not say whether the new Cleveland team would be a relocation or expansion franchise until 1998 after stadium deals were completed in Tampa and Cincinnati.

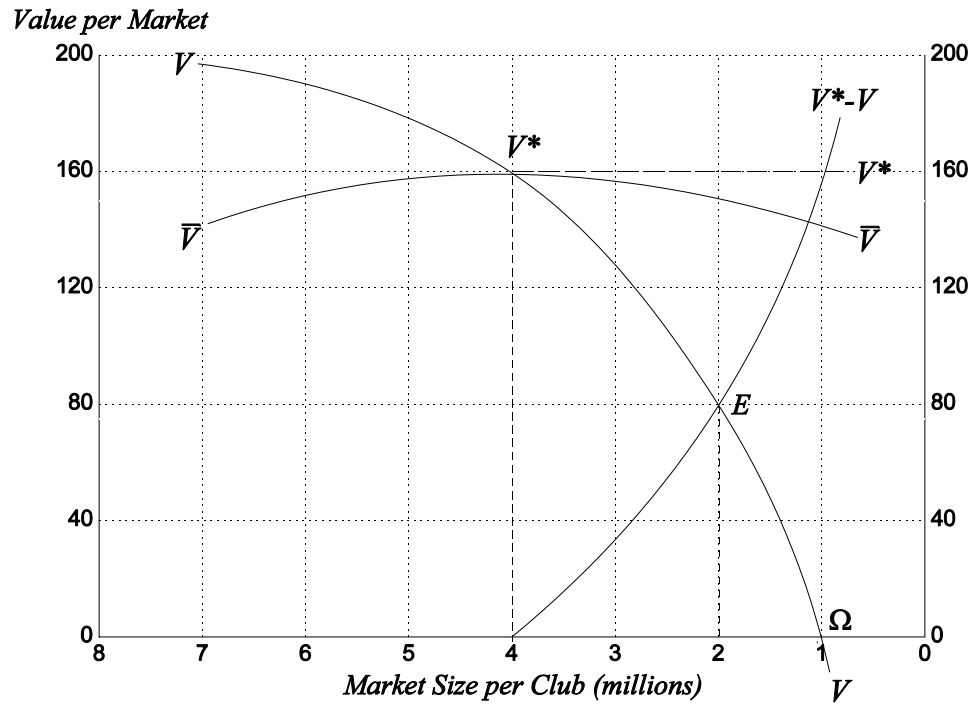


Figure 1. Optimum League Expansion (after Buchanan)

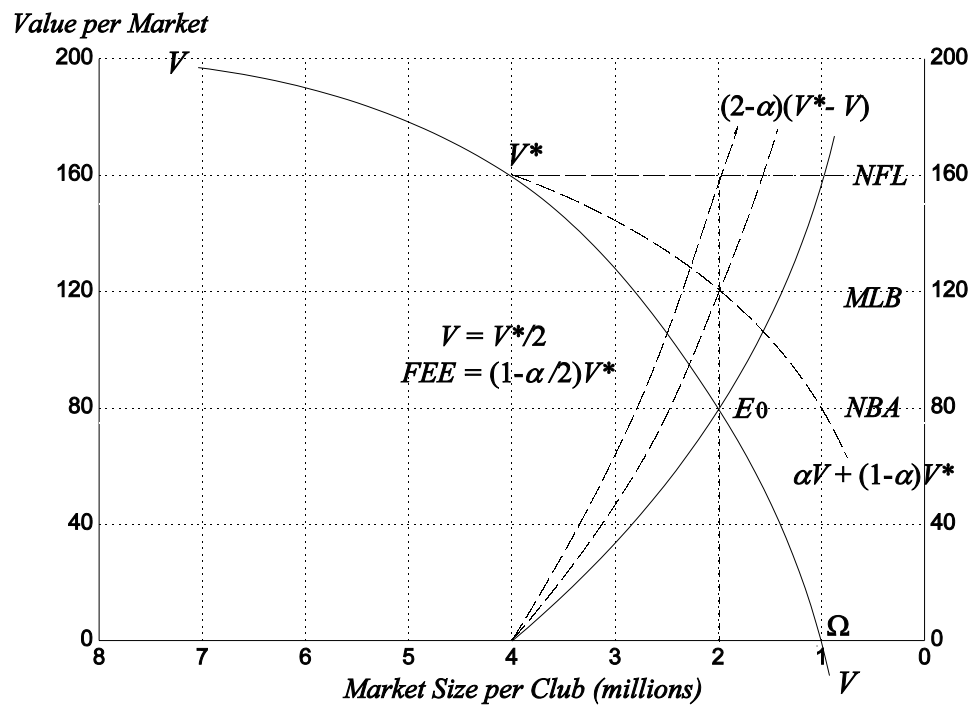


Figure 2. General Optimum Expansion

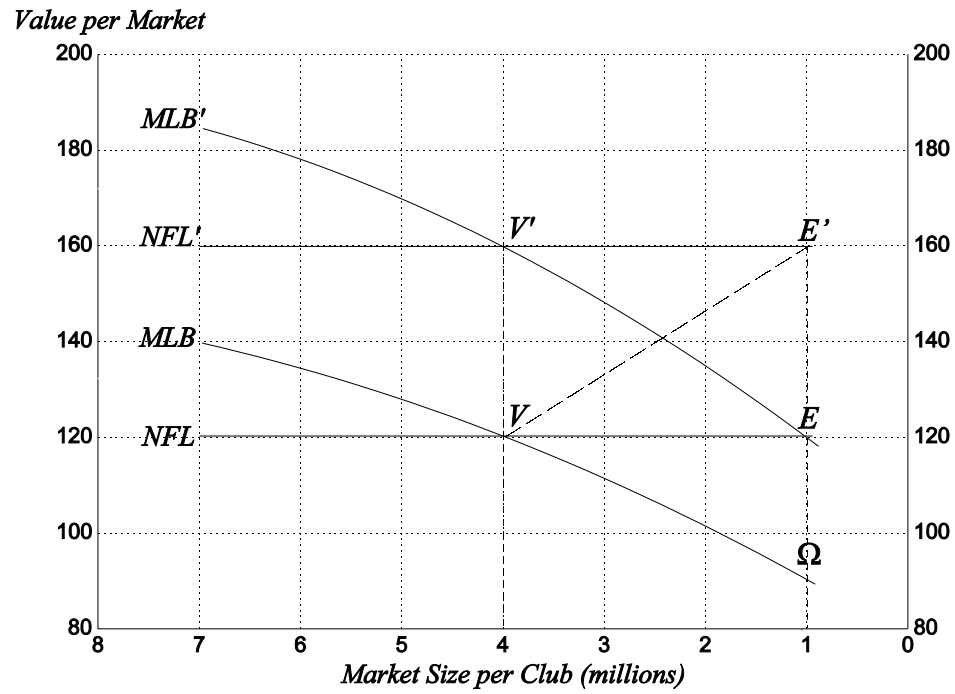
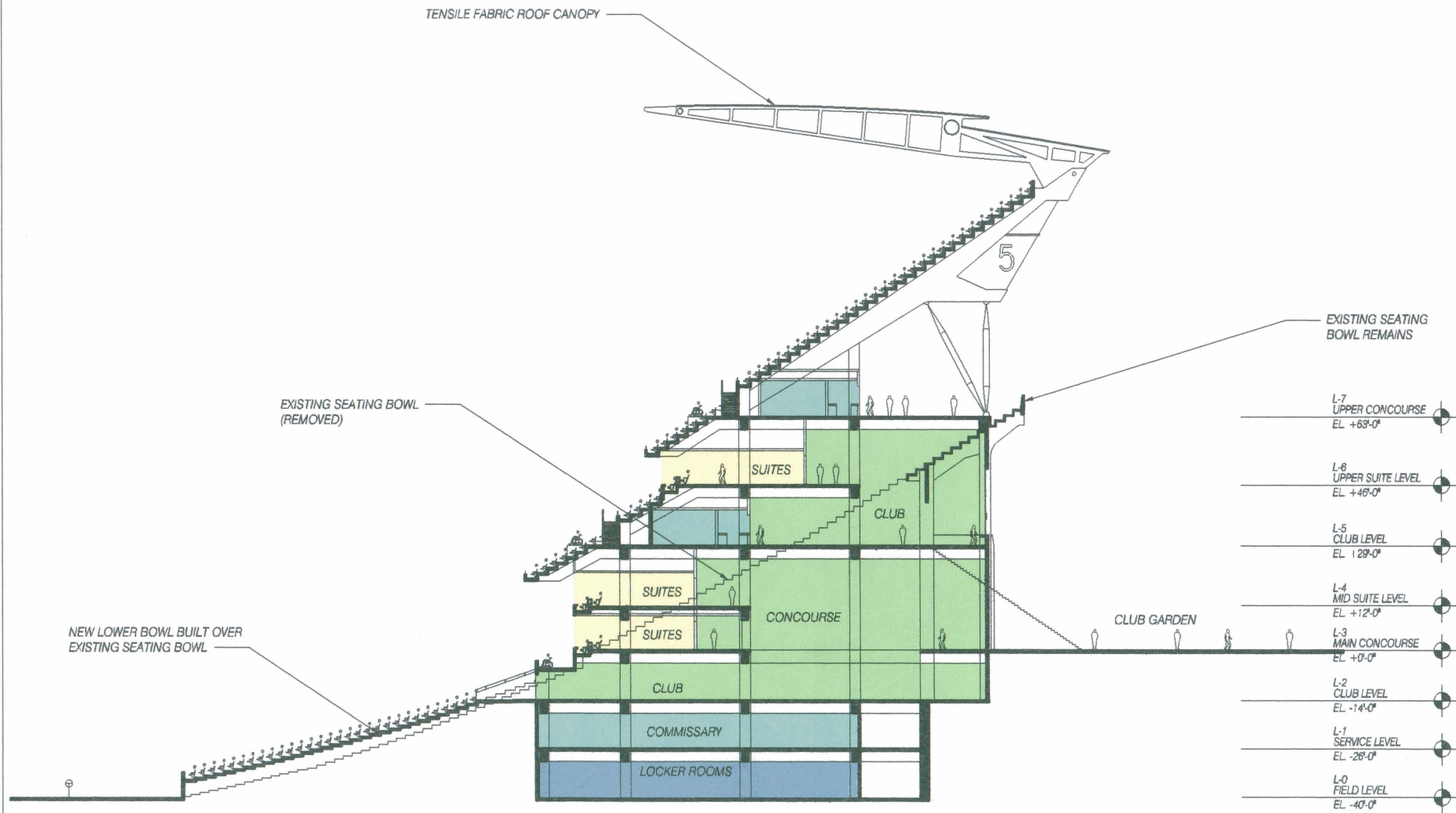


Figure 5. The Extortion Triangle



Approximate Scale
1 inch = 40 feet

This rendering is conceptual and is subject to change.
Source: NBBJ Architects, A401 - 50 Yard Line Section, July 22, 2003.



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Figure III-19
Conceptual Plan - 50 Yard Line Section

North American Sports Leagues Home TV-Market Rankings 2007-08

| Rank | Designated Market Area (DMA) | TV HHLDS | NFL | MLB | NBA | NHL |
|------|------------------------------|----------|-----|-----|-----|-----|
| 1 | New York | 7.392 | 2 | 2 | 2 | 3 |
| 2 | Los Angeles | 5.647 | 0 | 2 | 2 | 2 |
| 3 | Chicago | 3.469 | 1 | 2 | 1 | 1 |
| 4 | Philadelphia | 2.940 | 1 | 1 | 1 | 1 |
| | Toronto (1) | 2.597 | 0 | 1 | 1 | 1 |
| 5 | Dallas-Ft. Worth | 2.436 | 1 | 1 | 1 | 1 |
| 6 | San Francisco-Oakland | 2.419 | 2 | 2 | 1 | 1 |
| 7 | Boston | 2.394 | 1 | 1 | 1 | 1 |
| 9 | Washington, DC | 2.308 | 1 | 1 | 1 | 1 |
| 8 | Atlanta | 2.310 | 1 | 1 | 1 | 1 |
| 10 | Houston | 2.051 | 1 | 1 | 1 | 0 |
| 11 | Detroit | 1.925 | 1 | 1 | 1 | 1 |
| 12 | Phoenix | 1.803 | 1 | 1 | 1 | 1 |
| 13 | Tampa-St. Pete | 1.784 | 1 | 1 | 0 | 1 |
| 14 | Seattle-Tacoma | 1.782 | 1 | 1 | 1 | 0 |
| 15 | Minneapolis-St. Paul | 1.707 | 1 | 1 | 1 | 1 |
| 16 | Miami-Ft. Lauderdale | 1.536 | 1 | 1 | 1 | 1 |
| 17 | Cleveland-Akron | 1.534 | 1 | 1 | 1 | 0 |
| | Montreal (2) | 1.526 | 0 | 0 | 0 | 1 |
| 18 | Denver | 1.477 | 1 | 1 | 1 | 1 |
| 19 | Orlando-Daytona Beach | 1.434 | 0 | 0 | 1 | 0 |
| 20 | Sacramento-Stockton | 1.392 | 0 | 0 | 1 | 0 |
| | Vancouver (3) | 1.329 | 0 | 0 | 0 | 1 |
| 21 | St. Louis | 1.244 | 1 | 1 | 0 | 1 |
| 22 | Pittsburgh | 1.158 | 1 | 1 | 0 | 1 |
| 23 | Portland, OR | 1.150 | 0 | 0 | 1 | 0 |
| 24 | Baltimore | 1.095 | 1 | 1 | 0 | 0 |
| 25 | Charlotte | 1.086 | 1 | 0 | 1 | 0 |
| 26 | Indianapolis | 1.072 | 1 | 0 | 1 | 0 |
| 27 | San Diego | 1.051 | 1 | 1 | 0 | 0 |
| 28 | Raleigh-Durham | 1.040 | 0 | 0 | 0 | 1 |
| 29 | Hartford & New Haven | 1.007 | 0 | 0 | 0 | 0 |
| 30 | Nashville | .966 | 1 | 0 | 0 | 1 |
| 31 | Kansas City | .927 | 1 | 1 | 0 | 0 |
| 32 | Columbus, OH | .906 | 0 | 0 | 0 | 1 |
| 33 | Cincinnati | .904 | 1 | 1 | 0 | 0 |
| 34 | Milwaukee | .891 | 0 | 1 | 1 | 0 |
| 35 | Salt Lake City | .875 | 0 | 0 | 1 | 0 |
| 37 | San Antonio | .792 | 0 | 0 | 1 | 0 |
| 43 | Las Vegas | .707 | 0 | 0 | 0 | 0 |
| 45 | Oklahoma City | .676 | 0 | 0 | 0 | 0 |
| 47 | Memphis | .668 | 0 | 0 | 1 | 0 |
| 49 | Jacksonville | .655 | 1 | 0 | 0 | 0 |
| 50 | Buffalo | .637 | 1 | 0 | 0 | 1 |
| 53 | New Orleans | .600 | 1 | 0 | 1 | 0 |
| | Ottawa (4) | | 0 | 0 | 0 | 1 |
| | Edmonton (5) | | 0 | 0 | 0 | 1 |
| | Calgary (6) | .551 | 0 | 0 | 0 | 1 |
| 70 | Green Bay-Appleton | .440 | 1 | 0 | 0 | 0 |
| | U.S. Clubs | | 32 | 29 | 29 | 24 |
| | Canadian Clubs | | 0 | 1 | 1 | 6 |
| | League Totals | | 32 | 30 | 30 | 30 |

Source: John Vrooman Nielsen Media Research. (Canadian rank)

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

NHL Sun Belt Expansion/Relocation Arena Subsidies

| NHL Franchise | Arena | Year Open | Seating Cap | Luxury Suites | Club Seats | Arena Cost | Team Cost | Team Share |
|--------------------------------|--------------------------|-----------|-------------|---------------|------------|------------|-----------|------------|
| Anaheim Ducks* | Honda Center | 1993 | 17.2 | 84 | 2,731 | \$120 | \$0 | .000 |
| San Jose Sharks* | HP Pavilion | 1993 | 17.2 | 68 | 3,000 | 162 | 29 | .180 |
| Chicago Blackhawks/Bulls‡ | United Center | 1994 | 21.7 | 216 | 3300 | 175 | 170 | .971 |
| Vancouver Canucks† | General Motors Place | 1995 | 19.2 | 88 | 2,200 | 120 | 120 | 1.000 |
| Boston Bruins/Celtics‡ | TD Banknorth Garden | 1995 | 18.6 | 104 | 2350 | 160 | 160 | 1.000 |
| Philadelphia Flyers/76ers‡ | Wachovia Center | 1996 | 18.2 | 126 | 1880 | 210 | 197 | .937 |
| Montreal Canadiens† | Le Centre Bell | 1996 | 21.3 | 135 | 2,674 | 172 | 172 | 1.000 |
| Ottawa Senators*† | ScotiaBank Place | 1996 | 18.5 | 150 | 2,500 | 160 | 126 | .790 |
| Tampa Bay Lightning* | St. Pete Times Forum | 1996 | 19.8 | 80 | 3,300 | 153 | 58 | .381 |
| Washington Capitals/Wizards‡ | Verizon Center | 1997 | 20.7 | 110 | 3045 | 260 | 200 | .769 |
| Nashville Predators* | Nashville Arena | 1998 | 17.5 | 72 | 1,850 | 144 | 0 | .000 |
| Florida Panthers* | Bank Atlantic Center | 1998 | 19.5 | 74 | 2,300 | 212 | 27 | .127 |
| Carolina Hurricanes** | RBC Center | 1999 | 18.8 | 75 | 2,000 | 158 | 20 | .127 |
| Toronto Maple Leafs/ Raptors†‡ | Air Canada Centre | 1999 | 19.8 | 152 | 1500 | 180 | 180 | 1.000 |
| Atlanta Thrashers/Hawks* | Philips Arena | 1999 | 20.3 | 96 | 1866 | 213 | 170 | .796 |
| Denver Avalanche/Nuggets***‡ | Pepsi Center | 1999 | 19.3 | 95 | 1879 | 170 | 170 | 1.000 |
| L.A. Kings/Lakers/Clippers‡ | Staples Center | 1999 | 20.0 | 160 | 2500 | 375 | 363 | .968 |
| Columbus Blue Jackets* | Nationwide Arena | 2000 | 18.1 | 74 | 3,200 | 179 | 150 | .838 |
| Minnesota Wild* | Xcel Energy Center | 2000 | 18.8 | 64 | 2,800 | 190 | 48 | .253 |
| Dallas Stars/Mavericks***‡ | American Airlines Center | 2001 | 19.2 | 130 | 1600 | 420 | 295 | .702 |
| Phoenix Coyotes** | Jobbing.com Arena | 2003 | 17.7 | 89 | 400 | 220 | 40 | .182 |

Source: John Vrooman

* Sun Belt Expansion

** Sun Belt Relocation

† Canadian Clubs

‡ Joint NHL+NBA Arenas

NHL Sun Belt Strategy: Nine Teams in Nine Years

| Date | Expansion (X) or Relocation (R) Franchise | Fee | League Size | Divisions | Games |
|------|---|------|-------------|-----------|-------|
| 1991 | X San Jose Sharks | 50.0 | 22 | 4 | 80 |
| 1992 | X Ottawa Senators | 50.0 | 23 | 4 | 84 |
| | X Tampa Bay Lightning | 50.0 | 24 | 4 | 84 |
| 1993 | R Minnesota North Stars to Dallas Stars | ... | ... | ... | ... |
| | X Anaheim Mighty Ducks | 50.0 | 25 | 4 | 84 |
| | X Florida Panthers | 50.0 | 26 | 4 | 84 |
| 1995 | R Quebec Nordiques to Colorado Avalanche | ... | ... | ... | ... |
| 1996 | R Winnipeg Jets to Phoenix Coyotes | ... | ... | ... | ... |
| 1997 | R Hartford Whalers to Carolina Hurricanes | ... | ... | ... | ... |
| 1998 | X Nashville Predators | 80.0 | 27 | 6 | 82 |
| 1999 | X Atlanta Thrashers | 80.0 | 28 | 6 | 82 |
| 2000 | X Columbus Blue Jackets | 80.0 | 29 | 6 | 82 |
| | X Minnesota Wild | 80.0 | 30 | 6 | 82 |

Source: John Vrooman