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To everyone who has helped me and will help me along my journey in life.

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CHAPTER I

INTRODUCTION

Professional sport franchises are located throughout the United States. They not only create a great sense of local civic pride, but also have followers throughout the world. These franchises even have television channels and websites dedicated entirely to their daily activities and current events. Although they are seen as another form of entertainment, these professional sport franchises are extremely sought after and some local governments go to great lengths to either acquire them or keep them within their borders. Professional sports in the United States are not only a great source of entertainment, but also are big business. What the average person never notices is the affect that these franchises have on local governments.

These franchises have greatly evolved from being their humble beginnings. No longer are they dedicated to solely bringing entertainment to the masses of fans and followers. They have now become interwoven into the fabric of the American society and because of their limited quantities, are strongly sought after. Local governments flock at the chance to have their city or municipality associated with a sports franchise, not only because of the perceived economical advantages, but also because of the notoriety that their area will receive.

The affect that these sport franchises have on local governments are not ignored by any means, but are also not focused on. Local newspapers and online news sources will report on daily occurrences, especially during high points of interests, but they will not convey the big picture of the situation. There have been dozens of situations in the past thirty years alone that demonstrate this, and with the growing trend, will continue to multiply. Three recent examples involve the Dallas Cowboys and the Dallas-Fort Worth Metroplex, the Los Angeles Angels of Anaheim and the city of Anaheim, and the Oklahoma City Thunder and the city of Seattle, each with a different and unique situation that demonstrate the strenuous and complicated relationship that each franchise shares with their host city.

Jerry Jones, the owner of the Dallas Cowboys football franchise, is not only known throughout the National Football League, but also around the world for his business savvy and hands on approach to managing his organization. Jones determined in the mid-1990s that the Cowboys could no longer play their seven or eight home games in Irving, Texas, but wanted a new stadium built and was willing to search throughout the surrounding areas in search of a new host city. His list of requirements included that the new host city for the facility needed to be willing to pay for half of the construction costs, amongst other expenses and tax breaks. Jones also wanted the city government to use eminent domain to gain land at low prices for the use of the new stadium and parking lots.

The Los Angeles Angels of Anaheim had a situation arise that affected their relationship with the city of Anaheim. When Arte Moreno purchased the team from the Disney Company, he decided to put his marketing expertise into use and decided to make a controversial change to the team who had at the time had recently won a World Series Title. This sudden name change did not affect the actual composition of the team, its location, or

even its status within Major League Baseball, but created an uproar within the city government of Anaheim. The original contract between Disney and the city of Anaheim did not specifically state or clarify where, or if it had exclusive rights to prominently have the city's name in the teams' title. A conflict arose when Moreno decided to change the franchises name to the Los Angeles Angels of Anaheim with the city filing a lawsuit against the team in order to attempt them to revert to the old name.

The Seattle Supersonics also greatly affected the city of Seattle when the team was sold to Clay Bennett and his company, the Professional Basketball Group in 2006. The previous owners had for years unsuccessfully petitioned the local and state governments of Seattle and Washington for public funding for a new arena, even after bills were approved by the voters for public funding for new facilities for both the Seahawks football organization and Mariner baseball organization. The owners argued that KeyArena (the basketball facility in Seattle) being one of the oldest professional basketball facilities still actively used by an NBA team, was inadequate compared to other NBA facilities around the country. Once Bennett and his associates purchased the team he immediately gave a one-year deadline for negotiations to achieve an agreement for the use of public funds for a new arena. It was later discovered that he was simultaneously preparing the team for a move to his hometown of Oklahoma City, which created a public uproar and subsequent denouncing and lawsuit from the city and state government.

While these three franchises are only examples, they personify the almost hidden situations that arise between themselves and their local governments. Each being completely unique in every way, shape, and form. The one thing they certainly do have in common is the fact that they greatly affect each other in many different aspects. This trend will continue to

grow as cities become aware of the publicity and notoriety that comes from hosting a professional sports franchise within their borders, and therefore these kinds of relationships will continue to occur, most at a high price paid for by the everyday taxpayer.

CHAPTER II

DALLAS COWBOY STADIUM: A TAXPAYER EXPENSE, A JERRY JONES PROFIT

The Dallas Cowboys were nicknamed “America’s Team” in the late 1970’s, and have been a symbol of Texan pride ever since. Since the addition of the team to the National Football League in 1960, the Cowboys have called three different fields home. Their newest addition, Cowboys Stadium, is a \$1.3 billion complex located in Arlington, Texas that is playfully nicknamed “Jerry’s World,” after the team’s enigmatic owner, Jerry Jones.¹ The story behind the development, construction, and subsequent opening of this complex is filled with controversy and governmental involvement. From the use of eminent domain to the use of public funds to subsidize construction, the local government of Arlington, Texas has become entrenched in the Cowboys Stadium saga, while simultaneously competing with both Dallas and Irving for the right to host this popular Texas icon. The Cowboys and the city of Arlington both agreed that a new stadium would generate additional revenue, raise property values, and create jobs, but others are not as confident in the potential that has been claimed.² Cowboys Stadium has greatly affected cities throughout the Dallas-Fort Worth Metroplex by

¹ Jeff Mosier, Stadium Eminent Domain Imminent For Homeowners, *Dallas Morning News*, June 24, 2005. <http://www.dallasnews.com/sharedcontent/dws/news/localnews/cowboysstadium/stories/062505dnmetcondemn.415743ed.html> (accessed March 24, 2010).

² Weiner, Evan. *The Business and Politics of Sports: a selection of columns*, ed. Evan Weiner, (New Canaan: TBE Press), 2005, 211.

simultaneously improving the franchises worth through public funds, and taking advantage of the team's popularity to have local government assist in its creation.

In the Fabric of Society

“Texas is a state that takes football seriously,” says Kimberly Aaron, a lecturer at the School of Economic, Political and Policy Sciences at the University of Texas at Dallas, “Starting with Pee Wee Football associations, children are indoctrinated into the sport, both as participants and observers. The love of the sport continues from elementary school through high school and into college.”³ Having grown up with the sport deeply embedded in the fabric of the culture, Texans take their football very seriously. The Dallas Cowboys represent the pinnacle of football in Texas and is treated as such. The team first called the already 30-year-old Cotton Bowl its home in Dallas from 1960 to 1971.

After an 11-year stint, Texas Stadium opened in Irving, a suburb of Dallas, which was built exclusively for the team's use.⁴ Both these facilities are owned by the cities of Dallas and Irving respectively, with Texas Stadium being financed through a public bond option. Current owner Jerry Jones purchased the team in 1989, and by 1996 made it known that he would be seeking vast improvement to the stadium, or even a whole new facility altogether. Following years of futile attempts and various opportunities lost, Jerry Jones met with Dallas officials regarding the construction of a new stadium.⁵

³ Kimberly Aaron. “A New Stadium, A New City: The Dallas Cowboys’ Quest for a New Playing Field.” *Building the Local Economy: Cases in Economic Development*, ed. John C Morris (United States of America: The University of Georgia, 2008), 178.

⁴ *ibid* 178

⁵ *ibid* 179

Jerry Jones' Quest for a New Stadium

In September 2003, owner Jerry Jones met with the Dallas City Council about the possibility of leaving Irving. The County Commissioners were interested in the prospect of building a stadium in downtown Dallas adjacent to the Trinity River and major interstates. They claimed to be willing to raise public funds through car rental and hotel tax increases. Then Dallas Mayor Laura Miller voiced her concerns about what the tax increase would do to the Dallas hotel economy. Dallas area hotels occupancy rates were already 55% below previous years, voters would be resistant to even higher rates for rooms with a tax increase.⁶ Once it became obvious that the talks with Dallas officials were not headed in the direction that he intended, Mr. Jones brought together the mayors of almost every city in Dallas County, as well as business leaders to the team's headquarters to reveal his idea of the new stadium, with an estimated price tag of \$650 million. He made it clear that he expected public funding through tax increases for the new facility.⁷

Mayor Miller again expressed her opinion about the hotel tax increases and was met with agreement from Dallas County Judge Margaret Kelleher, who suggested that if Jones insisted on public funds that they be raised by taxing users of the proposed stadium instead of those staying at area hotels.⁸ Other business leaders too voiced their discontent with Jones' proposed funding with officials from Mary Kay, a large Dallas based corporation, displaying their displeasure by going as far as sending a letter to the Dallas Visitors Bureau. The letter

⁶ *ibid*

⁷ *ibid*

⁸ Evan Smith, "Laura Miller," *Texas Monthly*, February 2006, page nr. <http://www.texasmonthly.com/2006-02-01/talks.php> (accessed March 24, 2010).

stated that they did not agree with the tax increases, and if they were to be imposed, that the company would stop holding regular meetings in the city and would cease to use the convention center. The controversy began brewing even before any real proposals were made, but not everyone was against it. Many individuals and organizations expressed their interest in the venture, seeing it as a way to stimulate the county's economy.⁹ At this point in the process, everything from the proposal, including the negative and positive connotations associated with it was all speculation. The local governments of the various cities in Dallas County were all vying for the opportunity to host the Cowboys in the future; it seemed as if the team's time at Texas Stadium would be coming to a close.

Team officials were confident that the Cowboys would return to Dallas. The first public hearing regarding stadium development was held February 2004. Dallas residents voiced their concerns about having the team and the stadium as their immediate neighbors.¹⁰ "While some citizens believed the Cowboys would be good for the community, others believed residents could lose their homes to the development and that the traffic congestion in the area would become unmanageable," states Kimberly Aaron.¹¹ Even after the public had voiced its concerns, Dallas officials decided to continue the process. County Commissioners began to realize that the increases in hotel and car rental taxes were unpopular amongst business leaders, and the alternative, a tax on each ticket sold to the arena, would be unpopular to the voters.

⁹ Kimberly Aaron. "A New Stadium, A New City: The Dallas Cowboys' Quest for a New Playing Field." *Building the Local Economy: Cases in Economic Development*, ed. John C Morris (United States of America: The University of Georgia, 2008), 180.

¹⁰ *ibid* 181

¹¹ *ibid*

City Council members were also not in agreement in regards to which location to propose for the stadium, with the council split on two sites. Commissioner John Wiley Price, an influential and controversial political figure, opposed the idea of upgrading the Cotton Bowl in Fair Park because the area was not intended for large-scale development. Price believed without additional commercial development in the immediate surrounding area, there would be no long-term economic stimulus because no new sales tax or property tax would be generated.¹² After the commissioner voiced his concern about the city gaining a long-term benefit from investing public funds into the project, "...lawyers, financial advisors, and underwriters [assisted] in the evaluation and guide plans."¹³ These individuals were hired to assess the situation and would give the city a third-party evaluation. Some Dallas officials were so in favor of the project that they developed a sort of tunnel vision, without fully considering the ramifications of their actions, and the overall affect it would have on not only their city, but also its residents, and even their own political futures. Not to mention the fact that the amount of time the city council and county commissioners were spending on the proposal could have been spent on other immediate concerns.

At the same time, the city of Irving would not easily let go of the tenant who had made its city home for over thirty years. Irving officials saw this as an opportunity to make a push for the team to stay within the city limits.¹⁴ While the Cowboys aggressively campaigned for the team's return to the city of Dallas, Irving officials were developing their final stand. They believed that their long standing relationship with the team would give

¹² *ibid* 181-182

¹³ *ibid*

¹⁴ *ibid* 181

them an edge over other cities, and eventually come to a compromise that would either lead to improvements to Texas Stadium or the construction of a new facility at another location within Irving.¹⁵

Officials in Dallas were not the only ones who could not reach an agreement, Irving officials could also not agree on the best course of action, or even what the best location would be to build a new stadium.¹⁶ Even with these disagreements looming over their heads, they could not even come to the conclusion of how far they were willing to go in order to keep the Cowboys in Irving. City officials estimated that \$225 million was necessary in order to upgrade Texas Stadium, but by this point, Jerry Jones had his mind set on moving the team to a new facility and had no interest in renovating any existing arena.¹⁷ By March 2004, both Dallas and Irving mayors had one thing in common, they both wanted the Cowboys to call their respective city home, but were not willing to do so at any price. The stadium development had taken a toll on both the local governments of both cities, with each taking substantial time, energy, and public funds in their attempt to land the deal. Irving essentially dropped out of the race because of this and was no longer considered a contender to continue hosting the professional football team.

The Cowboys and Dallas Cannot Reach an Agreement

Unfortunately by June 2004, talks began to break down between the team and local government of Dallas. Mayor Laura Miller refused to pay half of the stadium's cost that Jerry Jones was asking. With negotiations coming to a halt, the deadline for putting the proposal in the November ballot was soon approaching. With the two sides unable to come to a

¹⁵ *ibid*

¹⁶ *ibid* 181-183

¹⁷ Evan Smith, "Jerry Jones," *Texas Monthly*, October 2009, page nr. <http://www.texasmonthly.com/2009-10-01/talks.php> (accessed March 24, 2010).

compromise, Dallas officials concluded that productive negotiations were no longer possible under those circumstances. Kimberly Aaron argued that, “Dallas officials said that the Cowboys never provided requested financial information and were forcing city officials and county officials to make a decision too quickly.”¹⁸ Talks finally completely broke down, at the same time, it became apparent that even with Irving’s eagerness to keep the team in their city they did not have, and could not come up with the funds for the type of stadium that Mr. Jones required. With the top two contenders effectively bowing out of the race, a third city would emerge to rival them. While neither city could internally agree on the details or compromise with the Cowboys on the logistics during the twelve month span, Arlington would fly in under the radar agreeing to the demands of the team’s owner and organization.

Once the talks with Dallas fell through, the Cowboys organization announced that they were going to begin exclusive negotiations with the city of Arlington. They made this announcement very public in hopes of possibly starting a bidding war between Arlington and Dallas. Dallas political figures and business leaders were caught by surprise, they believed that Jerry Jones was holding out for smaller concessions, and would return to negotiations. Arlington leaders were also under the deadline of the November ballot and would need to expedite talks and reach a compromise by mid-August 2004.¹⁹

One of the bigger controversies that arose during this stage in the process was the fact that Dallas could not bring their team back home. Irving could not compete with the resources of Dallas, and were not willing to spend beyond their means in order to keep the team within their city limits. Even with the resources and political backing at their disposal,

¹⁸ Kimberly Aaron. “A New Stadium, A New City: The Dallas Cowboys’ Quest for a New Playing Field.” *Building the Local Economy: Cases in Economic Development*, ed. John C Morris (United States of America: The University of Georgia, 2008), 182.

¹⁹ *ibid*

Dallas officials would also not give in to the desires of Jerry Jones and his professional sport franchise. They were extremely interested in having the Cowboys call Dallas their home once again, but would not be willing to essentially write a blank check. Gary Cartwright of the Texas Monthly stated that, “Jones had been casting about for at least eight years to find a city in North Texas willing to lean on its taxpayers to finance a retractable-dome stadium for the Cowboys, whose current home, [was] one of the oldest in the league.”²⁰

Dallas Mayor Laura Miller was at the forefront of cautious questioning during the negotiations with the Cowboys organization and since then has been blamed by many as the reason for the team choosing the neighboring city of Arlington. In a 2006 interview with the Texas Monthly, she admits that Dallas did not have the funds that Jerry Jones was requesting, and would certainly not be willing to invest another substantial sum of public funding for the infrastructure upgrade the area needed. Laura Miller told the Texas Monthly that:

“The only way we could have had the \$325 million was if the hotel and car rental tax had been levied countywide. Right after the county said no, I went to see the Cowboys guys, and I said, ‘I’ve got the hotel and car tax just in Dallas. Run the numbers.’ They said, ‘We don’t have enough money.’ I remember sitting with [Cowboys owner] Jerry [Jones] and [his son] Stephen and saying, ‘Listen, you’ve got to go to Fair Park. Its going to cost us \$120 million to \$150 million to clear the land, make infrastructure improvements, put in new water-main lines, and all that but you build your building and you keep all the revenue. And they said no. They were very nice, but they said, “Somebody is going to give us the \$325 million just for the building.”’²¹

Three weeks after this meeting, Arlington offered the \$325 million dollars that the team was seeking. Laura Miller did not seek reelection in 2007, and even made it clear that

²⁰ Gary Cartwright, “Arlington’s Team,” *Texas Monthly*, October 2004, page nr. <http://www.texasmonthly.com/2004-10-01/cartwright.php> (accessed March 24, 2010).

²¹ Evan Smith, “Jerry Jones,” *Texas Monthly*, October 2009, page nr. <http://www.texasmonthly.com/2009-10-01/talks.php> (accessed March 24, 2010).

she would be exiting politics for good.²² Cowboy fans in Dallas, needless to say, were not pleased with the fact that the city allowed the team to build its stadium in Arlington instead of its namesake. This whole ordeal may have led to her not seeking reelection because of the public displeasure with this incident, even if she was looking out for the taxpayer, and not the Cowboys organization.

Arlington Arrives

Once Arlington officials and the Cowboys agreed on all the major aspects of the deal, the voters would have to decide whether to pass the tax increases that would raise the funds needed. A combination of tax increases, 10% tax on all tickets sold to the stadium, and a \$3 dollar parking tax for each car were put to the voter test. The terms of the deal included that the Cowboys organization agreed to pay the city a \$2 million rental fee beginning in 2009. Arlington would also receive 5% cut of the naming rights to the stadium, with the limit set at \$500,000 a year, which as of the end of the 2009/2010 football season has not been done due to the poor economy. The team also agreed to spend \$16 million over the life of the agreement on charitable donations to youth athletic fields.²³ The agreement was set for thirty years, with the option of two ten-year extensions. The city also agreed to use its power of eminent domain to acquire the land needed for the stadium.

Before Arlington officials agreed to these terms, and put it to a vote on the November ballot, a study was commissioned to explore the actual rewards that the city would gain by not only giving the Cowboys \$325 million, but also using eminent domain to essentially give the team the land it needed for the stadium. "...A cost-benefit study by the Economic

²² *ibid*

²³ Kimberly Aaron. "A New Stadium, A New City: The Dallas Cowboys' Quest for a New Playing Field." *Building the Local Economy: Cases in Economic Development*, ed. John C Morris (United States of America: The University of Georgia, 2008), 184-185.

Research Association would assess the economic impact that the new stadium would have on the city, says Professor Aaron.”²⁴ This study indicated that the city would have a substantial return on their investment, including generating \$238 million annually for the city and creating 807 jobs. Tarrant County (the county Arlington is located in) would also see \$416 million annually from revenue and 1,940 jobs. The study also indicated that the construction would also give the local economy a temporary boost with an estimated \$72 million to Arlington and \$349 million to the county. The increase in tax dollars would also infuse the city’s general fund with about \$1.8 to \$2.9 million depending on how often the stadium would be used each year. Arlington officials took this all into consideration before making the final agreement with the Cowboys, and considering they would be facing a \$16 million deficit for the upcoming fiscal year, the idea of a new revenue stream for the city looked very appealing.²⁵

The Truth Behind Economic Studies

All local governments who consider building a sports facility within their city limits use these independent studies to gauge the ratio of cost to benefit. Considering the amount of public funds that professional sport franchises are currently requesting, it is the sensible thing to do. These studies are essentially estimates, at best, and their validity has come into question. Andrew Zimbalist, a professor of economics at Smith College, argues against public funding because of the diminutive impact that these facilities have on local economies. “It is a common perception that sports teams have an economic impact on a city that is

²⁴ *ibid*

²⁵ *ibid*

tantamount to their cultural impact. This is wrong. In most circumstances, sport teams have a small positive economic effect, similar to the influence of a new department store.”²⁶

This is a very extreme argument, considering the findings attained by these independent groups. He also states that professional sports teams are not the big business that they seem to be. In 1994, the St. Louis Rams grossed \$65 million, which is insignificant compared to the Effective Buying Income (EBI) of St. Louis. With the EBI of St. Louis being \$21 billion in 1993, the Rams accounted for about 0.3% of it.²⁷ Zimbalist goes on to argue that economic studies have found that many public sport facilities are unable to even cover their own fixed and operating costs. If they are unable to cover these costs, then local or even state governments must come up with the difference.²⁸ Which in turn means higher taxes must be levied, and therefore local taxpayers have to not only fund the initial construction of the project, but also cover costs if they are unable to stay solvent on their own.

Higher taxes also discourage business growth in the area surrounding these facilities. These studies also estimate the number of jobs that the sports facility will create, whether they are temporary jobs due to the construction or more long-term jobs after the stadium or arena is opened. Andrew Zimbalist also argues that these numbers can be misleading in this aspect as well because, “Arenas don’t generally create good jobs. Most of the arena jobs are per diem and don’t even pay minimum wage.., (the city) would be better off building a

²⁶ Andrew Zimbalist, “The Economics of Stadiums, Teams, and Cities.” Wilbur C Rich, ed. *The Economics and Politics of Sports Facilities*. (Westport: Quorum Books, 2000). 58.

²⁷ *ibid*

²⁸ *ibid* 59

supermarket than a football stadium and an arena.”²⁹ The cost-benefit studies, such as the one Arlington used, aren’t as honest as they would like the public to believe. The correct term for these studies are often referred to as promotional studies, because they are used by one or both parties to promote the idea to the public, instead of portraying the whole truth. They, of course, do not outright lie, but use certain techniques in order to portray positive results regardless of what they would actually be.

The first technique is that these studies do not differentiate between new and diverted spending. People only have so much disposable income, so if a professional sports team were to open a facility within their city they would either have to choose between spending their money there, or on their usual leisure activities. These promotional studies also tend to make assumptions of the area being affected, that is to say, the smaller the circle around the stadium or arena, the larger the amount of attendees that can be classified as being from out of town. Another assumption is that the hefty salaries that coaches, players, and executives are being paid to do their jobs will be reinvested in the local economy. These promotional studies not only affect the taxpayers who are persuaded into voting for higher taxes that will lead to the construction of a new arena or stadium, but also the city and state governments who will have to cover the costs if the revenue that is supposed to be generated does not materialize.

The Government Can Take Your Land

Before the actual construction of Cowboys Stadium could begin, the land that was agreed upon by both the team and the city would have to be cleared and prepped. The major problem that arose during this stage of the process was that there were already businesses and

²⁹ Evan Weiner, *The Business and Politics of Sports: a selection of columns* (New Canaan: TBE Press, 2005), 211.

residents established within the proposed construction site. The local government first offered them what they would call, “just compensation”, for their property. If the owners would not accept it, then eminent domain would be used to force the resident to accept the buyout.³⁰ David Cay Johnston, a retired Pulitzer Prize-winning reporter for *The New York Times* argued that, “The Bill of Rights sets the standard for payment of seized property at ‘just compensation.’ Invoking eminent domain inherently lowers market values. It does this by putting a cloud over continued ownership, making *just* a synonym for discounted.”³¹

There was no real alternative to taking the offer that the city gave the individuals who owned the land the Cowboys coveted.³² Their only choice was to go to court; seventeen landowners who refused to accept the buyout petitioned the Texas Supreme Court to hear their case.³³ “An attorney for the landowners argued that the stadium lease was invalid because it gave too much authority to the team, making them the ‘de facto owner,’” states Jeff Mosier, a contributor to the *Dallas Morning News*.³⁴ The 2nd Appeals Court in Fort Worth first ruled in favor of the city and so the attorney representing the landowners attempted to have the Texas Supreme Court hear his argument, but was denied. “What it comes down to is that government can only do so much with their property,” said Bob Cohen,

³⁰ Jeff Mosier, Texas Supreme Court Won't Hear Cowboys Stadium Eminent Domain Case, *Dallas Morning News*, June 17, 2009. <http://www.dallasnews.com/sharedcontent/dws/dn/latestnews/stories/061809dnmetdomain.3f1fe52.html> (accessed March 24, 2010).

³¹ Johnston, David Cay. *Free Lunch: How the Wealthiest Americans Enrich Themselves at Government Expense (And Stick You With The Bill)*. (New York: Portfolio, 2007), 79

³² *ibid*

³³ Jeff Mosier, Texas Supreme Court Won't Hear Cowboys Stadium Eminent Domain Case, *Dallas Morning News*, June 17, 2009. <http://www.dallasnews.com/sharedcontent/dws/dn/latestnews/stories/061809dnmetdomain.3f1fe52.html> (accessed March 24, 2010).

³⁴ *ibid*

attorney for the property owners. ‘The one thing they can't do with their property is to give exclusive, irrevocable management and control to a private individual.’”³⁵

The owners of the properties that were taken by the use of eminent domain were compensated the amount the city saw as “just,” and construction on the stadium began. In these situations, only individuals or groups with a substantial amount of money are able to fight litigation, most people settle for what they can get and sell their land to the government. The city of Arlington is no stranger to the use of eminent domain for sports facilities. In 1989, the Texas Rangers were sold to a group of investors spearheaded by future Texas Governor and 43rd President of the United States, George W. Bush. Although this group of investors personally possessed the funds to buy the land needed, and construct a new stadium for the team, they were able to negotiate a deal with the city of Arlington. The local government seized land by using eminent domain and funded the construction of the stadium. This mirrors the situation with the Dallas Cowboys, because in both situations the owners are capable of funding their own arenas, but chose to have the taxpayers pay the bill. These cases arise so often that it has been nicknamed, “Welfare for Billionaires.”³⁶

Millionaires Who Can't Pay their Own Bills

Both the use of public funds and the use of eminent domain bring up a number of issues. “When government uses this power to take one man’s land to enrich another man, a moral hazard arises. The hazard was well known to America’s founders. Alexander Hamilton, at the Constitutional Convention in 1787, said that protecting ‘the security of

³⁵ *ibid*

³⁶ Johnston, David Cay. *Free Lunch: How the Wealthiest Americans Enrich Themselves At Government Expense (and Stick You with the Bill)*. (New York: Penguin Group 2008) 80.

property’ was one of the two great objects of government,” argues David Cay Johnston.³⁷ He also states that questions of morals and ethics occurs with individuals or groups with substantial amounts of money because they are, “...Powerful and connected [and are able to] manipulate the levers of government to redistribute wealth, forcibly taking from someone else so they can grower richer still.”³⁸ This dilemma will always arise when dealing with owners of sport franchises and their want for government subsidization of facilities, especially in the modern age of stadiums. These buildings have become the new cathedrals, no longer is the word “adequate” acceptable when constructing them. “I could have built this (Cowboys Stadium) for \$850 million (originally proposed for \$650 million), and it would have been a fabulous place to play football. But this was such an opportunity for the ‘wow factor,’” stated Jerry Jones during an interview with *The New York Times*.³⁹ With the Dallas Cowboys named the most valuable sports team in 2009 at \$1.6 billion, Jones could have covered the \$325 million, but instead chose to have it covered by the taxpayers.⁴⁰

The argument of whether sports facilities are a good or bad investment is one that will continue to be debated for years to come. Government officials and citizens alike will have their own opinion on the matter, but the stark reality is that in the modern age, the taxpayer will have to pay some portion for these new cathedrals. This in turn has a great affect on local government whether the facility does generate substantial revenue or whether it fails to even keep itself solvent. Either way the taxpayer is affected and local government will have to deal with it. With Cowboys Stadium opening August 2009, it is still too early to assess the

³⁷ *ibid* 79

³⁸ *ibid*

³⁹ Richard Sandomir, A Texas-Sized Stadium, *New York Times*, July 26, 2009.

http://www.nytimes.com/2009/07/17/sports/football/17cowboys.html?_r=1 (accessed March 24, 2010).

⁴⁰ *ibid*

validity of the case-benefit study that was hastily conducted for Arlington officials. What is obvious is that the stadium has attracted major excitement and has already hosted huge events such as the 2010 NBA All Star game and its record breaking crowd of 108,713, the Manny Pacquiao-Joshua Clottey professional boxing match, and the Texas Longhorn-Nebraska Cornhuskers Big 12 Championship football game.

Paris has the Eiffel Tower, Vatican City has St. Peter's Basilica, and now Arlington has Cowboy Stadium. To football fans, this stadium rivals the engineering marvels of cities from around the world. Touted as the "ultimate sports complex," its proposal, construction, and unveiling has been entrenched in controversy with the owner, local governments, fans, and residents all having their own opinions and specific point of views. The actions of the local governments of Irving, Dallas, and Arlington have all come into question. With Arlington taking the brunt of criticism, it is still unknown what concrete benefits Cowboys Stadium will give the city. In the end, it may never be fully assessed, and may just be a matter of opinion.

CHAPTER III

A CRISIS OF IDENTITY: THE LOS ANGELES ANGELS OF ANAHEIM

Every professional sports franchise has a unique history and story, and the Los Angeles Angels of Anaheim are no exception. A cowboy, a cartoon mouse, and an advertisement guru have all owned the Angels at one point, and this can arguably be the least interesting aspect about the team. The advertisement guru, Arte Moreno, purchased the team in 2003 from the Walt Disney Company and immediately began revamping the team. Although the Angels had won its first World Series title in 2002, the team had been circling the drain economically.⁴¹ The only thing keeping the franchise financially solvent was its parent company stability and vast revenue streams. Moreno, having an advertisement background, knew that in order to take the flailing franchise out of its financial slump it needed to become a global brand. Other Major League Baseball franchises, such as the New York Yankees and the Chicago Cubs have a global appeal. Regardless of how well they do each season, they are known around the world as great baseball teams because of the cities they are associated with. Arte Moreno knew that the city of Anaheim was not on par with Chicago or New York, and it could never be. The only thing Anaheim is known for are theme parks, and even after seven years of ownership and a World Series Title the Disney Company were unable to cross promote the two successfully. Moreno decided that in order to gain this long sought after global appeal the only option would be to change the team's name. As with many other aspects of society,

⁴¹ Sports Encyclopedia, s.v. "Los Angeles Angels of Anaheim"

change is not easy or welcomed. Arte Moreno's first executive order was the overhaul of the franchise's name. With the birth of the Los Angeles Angels of Anaheim came the controversy and issues that followed. The city of Anaheim did not take kindly to the sudden name change and needless to say, a lawsuit was filed. The Angels franchise and the city of Anaheim have a relationship just like any other professional sports organization and its host city, but as this dilemma demonstrated, the sports team has a great affect on its local government.

The Angels Briefly Land in Los Angeles

The late 1950s were a time of relative peace. With World War II having ended, the American perspective was shifting back to the home front instead of abroad. Major League Baseball was in full swing and at the time was looking for expansion. Both the National League and American League announced it would expand its roster of teams with high interest in creating a new franchise on the West Coast. The American League announced that it would expand in Los Angeles, and was searching for a suitable owner. Gene Autry, the cowboy, made a bid for the new franchise and was approved during an owners meeting. Autry's first move as owner was naming the team the Los Angeles Angels and in 1961 the team began its inaugural season in South Los Angeles.⁴²

The following season the Los Angeles Angels relocated to the home of the Los Angeles Dodgers in an area known as Chavez Ravine. While Dodger Stadium was a suitable temporary facility, the franchise and owner were not ecstatic about being tenants in another team's home. Gene Autry actively searched for a location within the Los Angeles borders where a new stadium could be built. He eventually expanded the search throughout Southern California and found the city of Anaheim in Orange County. Construction of Anaheim

⁴² *ibid*

Stadium was completed in 1966 and in anticipation of the move the team was renamed the California Angels in 1965.⁴³ The inaugural season in Anaheim became a huge boost for not only the fan base but also attendance. The year prior to the move, the Angels drew only 566,727 fans in Dodger Stadium, while 1.4 million fans attended games within Anaheim Stadium during the first season. The Angels not only led the American League in attendance that season, but also made Major League Baseball available to the untapped area of Southern California.

The Cartoon Mouse Takes Control

Gene Autry remained the owner and head of the California Angels until the mid-1990s. The team had been through many ups and downs during its short history, but the 1990's were a difficult time for the organization. Autry's health had been deteriorating and there was much confusion of who was actually making the decisions at the top. His wife Jackie Autry, at times, seemed to be the ultimate decision maker and at others the Disney Company, who had purchased a minority stake in the ball club, seemed to run the show. The team suffered because of it and it became obvious that Gene Autry would not be the majority owner for long. In 1996, thirty-five years after Gene Autry purchased the MLB expansion team he sold majority interest to the Disney Company effectively ending the cowboy's ownership of the team. While he remained the chairman of the organization and technically did not relinquish controlling interest to Disney until his death in 1998, the cartoon mouse's era had officially begun.⁴⁴

Once Disney became the majority owner, it began to overhaul not only the team, but also the stadium. The city of Anaheim and the Angels organization had always had a good

⁴³ *ibid*

⁴⁴ *ibid*

relationship, with the city subsidizing the creation of its stadium in the 1960's and the baseball club attracting tourism and tax revenue for the city. In 1997, the two entities successfully negotiated a renovation of Angels Stadium. The Los Angeles Rams football team had called Angels Stadium home from 1980 to 1994 and had to be converted from a football field to a baseball field on a regular basis.⁴⁵ Because of the dimensions and needs of each field, the stadium had become oversized and its condition greatly declined. With the renovation, the facility was reduced and became the exclusive location for Angels baseball. A condition of the agreement between the team and the city, which would later become the center of disagreement, would be the changing of the stadium's name. The Angels would be allowed to sell the naming rights to the highest bidder as long as it contained the city's name within the title.⁴⁶

Edison International, who owns Southern California Edison, the primary electricity supplier to Southern California bought the naming rights to stadium and it was thereafter called the Edison International Field of Anaheim. In addition to the name change, the renovation agreement included a clause that stated that Anaheim be included in the team name. Thirty-one years after the Anaheim Angels moved down the I-5 highway and became the California Angels, they would once again be renamed.⁴⁷ The Anaheim Angels would eventually win its first World Series Title in 2002 and push the image of the city of Anaheim throughout the United States and the world. Behind the scenes though, the Disney Company was struggling to make a profit from the baseball organization. Despite the clubs title year in 2002, it was still not economically solvent. With the team not returning a profit, the Disney

⁴⁵ *ibid*

⁴⁶ *ibid*

⁴⁷ *ibid*

Company decided to cut its losses after seven years of majority ownership and began actively searching for a buyer.⁴⁸

The Corporation Sells Out

With the team's constant financial problems, the Disney Company decided that the Angels were no longer a viable investment. Arte Moreno and his company Angels Baseball LP emerged as the team's next owner, and just like the prior two, he decided to make immediate changes. With an advertisement background, Moreno quickly decided that the reason that the Angels were not financially stable was because of the how they were being viewed. Forty miles to the north, the Dodgers represent the city of Los Angeles and one hundred miles to the south; San Diego is home to the Padres. In between these two world-renowned metropolitan cities is the city of Anaheim with the population of approximately 335,000 inhabitants.⁴⁹ Anaheim, which is mainly known for its Disney theme parks, is not on par with these two cities and is seen as such. Moreno understood this dilemma and believed he could rectify the problem. He essentially only had two options, either move the team to a larger and well-known city, or change the strategy to make it seem as if the team was associated with one.

The Advertisement Guru has a Plan

To fully understand the intentions and idiosyncrasies of the Angels latest owner, it is important to understand his background. When Arturo "Arte" Moreno purchased the Angels in 2003, he became the first Hispanic to own a major sports franchise in the United States. Moreno, a native of Tucson, Arizona was the oldest of eleven children, and graduated from the University of Arizona after returning from the Vietnam War. Upon receiving his degree

⁴⁸ *ibid*

⁴⁹ City-Data.com, "Anaheim, California"

in marketing, he was hired by Eller Outdoor, an advertising company. He would later join Outdoor Systems, a billboard company based in Arizona. Moreno would eventually become the company's CEO and president; he would take the company public in 1996.⁵⁰ The company's stock skyrocketed in 1998 when Moreno sold the company to Infinity Broadcasting, a rival advertising firm, for approximately \$8 billion. Moreno was no stranger to the sport of baseball or club ownership. In 1986, he was part of an investment group that purchased the minor league franchise, the Salt Lake Trappers for \$150,000. In 1992, the investment group sold the team and would gain a healthy return by selling it for approximately \$1.75 million.⁵¹

He previously unsuccessfully attempted to purchase a majority share of the Arizona Diamondbacks when the team was put on sale. As a minority owner, Moreno disagreed with how the team was being managed and decided to sell his minority share in order to pursue the opportunity to purchase his own franchise.⁵² When the opportunity to purchase the Angels franchise arose, he quickly jumped at the chance to own the financially underachieving team. Upon purchasing the ball club, he quickly went about making changes to make the team more popular in order to raise attendance and increase the number of fans. He immediately cut ticket and beer prices and went about aggressively signing four free agents in order to fortify the team's roster.⁵³

These quick improvements made him very popular amongst loyal fans and successfully brought in a whole new fan base by swiftly demonstrating that he was not an

⁵⁰ "Anaheim, California." City Data. <http://www.city-data.com/city/Anaheim-California.html> (accessed July 2, 2010).

⁵¹ *ibid*

⁵² *ibid*

⁵³ *ibid*

owner by name only, but was willing to stay personally involved in the franchise's operations. Moreno has also demonstrated that he is a down to Earth owner by not sitting in a skybox, but rather as Orange County Register reported he sits alongside fans.⁵⁴ This seems to have all paid off with a record attendance of 3.7 million, when compared to 2002, the year the team won the World Series Title. As Newsweek.com reports, "Moreno routinely fills Angel Stadium to near capacity, has tripled ad revenues, and says the Angels will earn \$11 million-plus this year (2007) after years of losses."⁵⁵

Anaheim Cries Foul

Not all of Arte Moreno's changes were popular. Another of Moreno's marketing ideas included associating the franchise with the closest metropolitan city in order to broaden its branding and global appeal. While many names were considered, he eventually settled on the Los Angeles Angels of Anaheim and the team's name officially changed less than two years after the purchase. Anaheim city officials cried foul and threatened to sue Moreno and the franchise unless the name was immediately reverted back to the Anaheim Angels. City officials claimed that under the agreement made with the Disney Company, "Anaheim" would have to be included in the franchise's name in exchange for public funds in order to renovate and upgrade the facility. Moreno believed he was complying with the agreement because "of Anaheim" was included in the title, and therefore met the specifications agreed upon with the previous owners. Anaheim officials were not satisfied with the addition of their city's name at the end of the team's title and would not compromise.⁵⁶

⁵⁴ Sarah Tully, "Batter Up! City, team will make pitches to jury"

⁵⁵ Ronald Grover, "Arte Moreno: How the ex-billboard king turned around the LA Angels of Anaheim"

⁵⁶ *ibid*

Moreno and the Angels organization argued that while the team is not located in Los Angeles or even Los Angeles County, the name change reflected the history of the team. Since the original name of the expansion team in 1960 reflected the American League's representation in the greater Los Angeles area, Moreno wanted to do so again. In an official press release, the Angels franchise made it clear that it was paying homage to the teams history while simultaneously "...strengthen[ing] the Angels' long-term economic health by enhancing the marketability through [the Los Angeles] metropolitan area and beyond."⁵⁷ The press release goes on to state that; "The Angels have enjoyed tremendous success in Anaheim, highlighted by a World Championship in 2002. The organization will continue to work closely with the city of Anaheim in promoting the Anaheim community, Angels Stadium of Anaheim, and the Angels' baseball experience."⁵⁸ Once the change was announced, Moreno ordered all merchandise and marketing materials be changed in order to reflect the team's new name.⁵⁹

Anaheim Responds with Legal Action

Anaheim Mayor Curt Pringle and other officials decided to take legal action against the team in order to seek damages that were incurred from the name change. City officials argued that the new name violated the current stadium lease which required that "Anaheim" be included in the team name. While Anaheim officials understood that Moreno has technically complied with the language of the agreement to "include" the city's name in the team's title, they argued that the Angels current owner violated the spirit of the lease clause

⁵⁷ Angels Baseball Press Release, "Angels Baseball official name change"

⁵⁸ *ibid*

⁵⁹ Sarah Tully, "Moreno holds firm to name change"

by adding “Los Angeles” to it. The city of Anaheim’s argued that they used the loose term, “include” because when the previous owner, the Disney Company, were in the process of selecting a team’s name, they it did not want to hinder their creative process.⁶⁰

The city first applied for a preliminary injunction in Orange County Superior Court to force the Angels organization from changing the team name until the outcome of a pending lawsuit.⁶¹ The Angels had announced in a press release that the name change would become official January 3, 2005.⁶² On February 16, 2005, the Anaheim City Council announced in a press release that it had consulted with, “...a panel of three preeminent trial lawyers to evaluate the merits of the city’s current litigation against Angels Baseball L.P.”⁶³ In the same press release Mayor Pringle is quoted as saying that, “The purpose was for the City Council to have an independent evaluation by three trial attorney’s who are recognized to be among the best in the State of California.”⁶⁴ He went on to state that, “We felt that the citizens of Anaheim deserved this additional due diligence in a case of this magnitude. We are extremely pleased that this panel concurs with the opinions of our legal counsel on the merits of the case.”⁶⁵

Mayor Pringle also made several points clear in the city’s press release, including that he regretted that Arte Moreno and the team’s management had forced them to pursue legal action and for them to reconsider what he called a, “misguided marketing effort.”⁶⁶ He also

⁶⁰ *ibid*

⁶¹ Anaheim Advised by Panel of Preeminent Trial Lawyers to Continue Case Against Angels Baseball, L.P., Anaheim.net

⁶² Press Release, “Angels Baseball announces official name change”

⁶³ Anaheim Advised by Panel of Preeminent Trial Lawyers to Continue Case Against Angels Baseball, L.P., Anaheim.net

⁶⁴ *ibid*

⁶⁵ *ibid*

⁶⁶ *ibid*

stated that all the legal expenses and costs associated with the lawsuit would be paid from the city's enterprise operation and its Convention, Sports and Entertainment Department, which is in part funded by the money received from the agreement stated in the lease between the Angels and the city of Anaheim. Pringle made it clear that money would not be used from the city's general fund, which provides funding for the general programs and day-to-day operations.⁶⁷

Los Angeles' Two Cents

Anaheim was not the only city unhappy with the Angels name change. Los Angeles officials made it a point to become vocal in its opposition to the baseball club adopting the city's name. On January 19, 2005, Los Angeles City Attorney Rockard J. Delgadillo, filed an ex parte application for leave to file brief as *amicus curiae* in support of Anaheim's preliminary injunction.⁶⁸ *Amicus curiae*, Latin for friend of the court, being someone who volunteers to offer information and is not asked by either party.⁶⁹ The filing first explained that:

“Amicus is the most populous city in the State of California (and second-most populous city in the United States). Los Angeles and its residents share a close bind with the City's major professional sports franchises: The Los Angeles Dodgers (baseball), Los Angeles Lakers (basketball), Los Angeles Kings (hockey), Los Angeles Clippers (basketball), Los Angeles Sparks (women's basketball), and the Los Angeles Avengers (arena football). Those teams play at home stadiums located within the Los Angeles city limits, and thereby generate substantial tax revenues for the City along with other substantial positive economic publicity impacts. In addition, Los Angeles County is home to the Major League soccer team, the Los Angeles Galaxy.”⁷⁰

⁶⁷ *ibid*

⁶⁸ *City of Anaheim v. Angels Baseball LP, Attorneys for Amicus Curiae City of Los Angeles*

⁶⁹ “Amicus Curiae,” *Tech Law Journal*,

<http://www.techlawjournal.com/glossary/legal/amicus.htm> (accessed July 6, 2010).

⁷⁰ *City of Anaheim v. Angels Baseball LP, Attorneys for Amicus Curiae City of Los Angeles*

The filing made it clear that the Los Angeles City Attorney was emphasizing the fact that the city of Los Angeles and its county were already home to numerous professional sport franchises within its own borders. The filing also stated that:

“Although Amicus is honored that the Angels like the Los Angeles name so much that they seek to adopt it for their team name, it is improper for the Angeles to use the Los Angeles name. The Angels do not play their games in Los Angeles; they do not contribute to the financial success or tax revenues of Los Angeles; and they simply are not part of either the City or County of Los Angeles. Accordingly, while it may be characterized as a compliment to the City of Los Angeles that the Angels desire to adopt the Los Angeles name, the Angels are not a Los Angeles team and should not be identified as such. Amicus expends considerable effort to maintain working relationship with its resident professional sports teams. Amicus relies on professional sports franchises as a great source of civic pride and an important part of its tax base. The fans of these teams are fiercely loyal and possessive, viewing ‘their’ teams as City assets.”⁷¹

The court document explained in great detail how the relationship with the Angels ended once the previous owner, Gene Autry, decided to move the team outside of the its geographical borders. It also made light of the fact that the Dodgers moved to Los Angeles in 1958 and have remained there ever since. The focus of it being that the Angels do not play their home games within the city of Los Angeles and that the name change could be confusing to the public.⁷²

While the filing essentially did not dissuade Judge Peter J. Polos of the Orange County Superior Court from denying the Preliminary Injunction, it did send a clear message that Los Angeles city officials were also not pleased with the name change. They wanted to show their support for the lawsuit against the Angels, and wanted to make sure that the Los

⁷¹ *ibid*

⁷² *ibid*

Angeles brand name would be used exclusively for teams belonging to Los Angeles and its outlying areas, which pay taxes to their local government.

Many other cities around Orange and Los Angeles County joined in the disapproval of the name change. Anaheim received support from the mayors of all thirty-four cities located within Orange County with each of them signing a joint resolution in support of the efforts against the proposed name change. With the cities of Brea, Cypress, Fullerton, Garden Grove, Irvine, La Palma, Laguna Niguel, Los Angeles, Newport Beach, Stanton, and Yorba all passing resolutions backing Anaheim. Anaheim and Orange County Visitor and Convention Bureau, Disneyland President Matt Oiumet, the Los Angeles Chamber of Commerce, the Anaheim Chamber of Commerce, and the Los Angeles Business Council all having written statements demonstrating their opposition.⁷³ While these signed petitions, written statements, and resolutions were not on par with the court filing that the Los Angeles City Attorney made, it did clearly demonstrated the opposition by all these cities and organizations to the actions perpetrated by the Angels organization with the baseball clubs name change.

City of Anaheim v. Angels Baseball LP

On January 9, 2006, the jury trial commenced between Anaheim and Arte Moreno's ownership company, Angels Baseball LP. The following day jury selection began with the Honorable Judge Peter Polos declaring that potential jurors in the preliminary selection process could only be asked to answer three questions. These questions included: What have you heard about the dispute? What are your thoughts about the dispute? If selected to be on the jury, could you be fair and impartial?⁷⁴ The Orange County Register, the local newspaper

⁷³ Save the Anaheim Angels, City of Anaheim, <http://www.anaheim.net/administration/PIO/saveanaheimangels.asp> (accessed July 4, 2010).

⁷⁴ Sarah Tully, "Court may start picking jury in Angels name case"

in the region, reported that potential jurors who answered no to the last question would be questioned privately. Once the first round of questioning was complete and the jury pool was shrunk, lawyers from both sides would be able to freely question potential jurors before final selections were made.⁷⁵

On January 13, 2006, it became clear during opening statements what each side would be arguing, defending, and what damages the city of Anaheim would be seeking from the Angels baseball club. Anaheim lawyers declared that, as reported by the Orange County Register, “The Walt Disney Co. agreed to include ‘Anaheim’ in the team name as part of the stadium lease when it bought the team in 1996. Team owner Arte Moreno adopted the lease when he purchased the team in 2003.”⁷⁶ They argued that the new name did not include “Anaheim” as the focal point of the team name but rather included it as an appendage, which the city argued violated the contract. Although the contract did not include in so many words that the city’s name had to be placed in a certain location, attorneys argued that, “...there [was] an implied covenant of good faith and fair dealing, meaning that the parties [were not] supposed to stray from the bargain’s intent.”⁷⁷

The second argument from the city claimed that with the ball clubs name change came an “erasure of the ‘Anaheim’ name” from various media. With Los Angeles being the focus of the team’s name, the Angels organization removed the “Anaheim” name from merchandise, press releases, and its exposure on television. The third argument was that the Angels were breaking away from customary practice from other Major League Baseball teams. No other franchise in either the American or National league currently included or

⁷⁵ *ibid*

⁷⁶ Sarah Tully, “Opening arguments for the Angels in court Friday”

⁷⁷ *ibid*

have ever included two geographic areas within their team names. The city of Anaheim would prove through the testimony of three key expert witnesses that the city lost over \$100 million because of the name change.

The lawyers representing Moreno and the Angels Baseball LP also made their arguments clear. As the Orange County Register reported, “A clause in the city-owned stadium lease states that the team name must include ‘Anaheim.’ The city failed to include more specific language to spell out the limitations and prominence of ‘Anaheim’ ...”⁷⁸ They claimed because of this foresight between the city of Anaheim and The Disney Company the new team name, the Los Angeles Angels of Anaheim should be considered legal. The Angels defense team claimed that other lease clauses were much more specific. For example, a lease clause states that signs located on the stadium must have the city’s name on it and must be at least 75% the size of the stadium name’s signs.⁷⁹

They also argued that the city’s claim of the intent of the contract could not be legally binding because verbal agreements between those two parties or their intentions do not apply to the current owner. Todd Theodora, an attorney for the Angels, stated during opening arguments that, “The city can’t change the deal. They have to live by what they signed.”⁸⁰ He also went on to say, “If it’s not written in the lease, it doesn’t count.”⁸¹ The Angels defense team also brought up the argument that the team’s current owner, Arte Moreno, had sole control over marketing. The baseball franchise’s name being one tool in marketing his business, so long as the new owner was abiding by the lease agreements, the city had no say

⁷⁸ *ibid*

⁷⁹ *ibid*

⁸⁰ *ibid*

⁸¹ Sarah Tully, “The first pitch at Angels trial”

in how he marketed it.⁸² Theodora used a simplistic argument that, the word “include,” would be the defenses primary focus, at times in a mocking tone. “It’s hard to imagine that there’s going to be a long trial over it. But that’s why we’re here, Theodora explained to the jury.”⁸³

Following opening statements, Moreno made it clear that he tried to convince Mayor Curt Pringle that the new name would help both parties, but was unsuccessful during five prior settlement meetings. He also claimed that at the time of the trial the team was finally breaking even after years of not making a profit by the previous owners.⁸⁴ At this point it in the timeline, it had been approximately one year since the name change had become official, and Moreno argued that it was working. “I don’t have to sell Anaheim. That’s not my job, Moreno argued. My job is to market the Angels.”⁸⁵

Both Sides Come Out Swinging

Throughout the trial, but more specifically during opening statements, both parties seemed to be using a joking tone in their arguments. For example, Anaheim attorney Andrew Guilford made it a point to tell the jury that, “Anaheim has been made a joke.”⁸⁶ He also described the actions of Moreno and his company as making the city a national “laughingstock” and the name change a “slap in the face” to Anaheim. Todd Theodora, the Angels attorney countered with, “When Disney named the [city’s] hockey team ‘The Mighty

⁸² Sarah Tully, “Opening arguments for the Angels in court Friday”

⁸³ Mark Whicker, “Trial new take on hits and errors”

⁸⁴ Sarah Tully, “The first pitch at Angels trial”

⁸⁵ *ibid*

⁸⁶ *ibid*

Ducks of Anaheim’ [after the fictional hockey team from the Disney film series of the same name] you heard people ask, what kind of name is that? Sound familiar?”⁸⁷

Not only were both parties, going back and forth by countering each others arguments, Anaheim’s attorneys attempted to stir up feelings amongst the jurors by explicitly referring to Orange County pride and pushing an Anti-Los Angeles sentiment. Andrew Guilford repeatedly called Los Angeles the “main rival” to Orange County in a number of ways.⁸⁸ He even went on to associate the teams name change a year prior to the reason for the team not winning a World Series Title, which brought laughs from spectators. Guilford’s comments also brought a smile to Arte Moreno since the team had at the time existed in Anaheim for thirty eight years and has only won one title.⁸⁹ While Guilford continued to press his argument in an almost philosophical manner, Theodora simply countered by stating that, “Arte Moreno paid \$180 million. He owns it.”⁹⁰

The Issue of Intent v. Contractual Language

It became apparently clear how each side would present its arguments following the first full day of the trial. The Angels defense would be pushing its “straight to the point” argument of what the contract states and how there is no room for interpretation, while the Anaheim prosecution would try and chip away at it by planting seeds of doubt into the jury. Following the weekend break, the trial resumed on Monday with the same intensity that it began with. The prosecution called its first witness, former Anaheim City Manager Dave Morgan and again followed a line of questioning to set forth the intent of the original agreement between Disney and Anaheim. Morgan was the city manager in 1996 during the

⁸⁷ Mark Whicker, “Trial new take on hits and errors”

⁸⁸ *ibid*

⁸⁹ *ibid*

⁹⁰ *ibid*

negotiations between the two parties and testified that the idea of having two geographical locations in the team name was never discussed. The prosecution made it a point to ask Morgan why the language in the lease contained so much flexibility in terms of the team name when compared to other clauses. Morgan responded by stating that the city did so to give Disney the flexibility to name the franchise as it wanted with two names in particular that were brought up, the “Angels of Anaheim” and the “Almighty Angels of Anaheim.”⁹¹ This in particular was the issue that the prosecution wished to press during the trial because of the intent of the agreement and not the actual language used in the contract.

Anaheim continued with their list of witnesses by calling John Thorn, a leading baseball historian who had written over sixty books on the subject of sports. He was brought in to again stress the subject of the team containing the name of two regions and the alleged disappearance of the city’s name when the team was referenced in the media.⁹² Thorn testified that, “My opinion is that Anaheim has disappeared from the naming practice of the Angels baseball club.”⁹³ He also claimed that “Anaheim” had disappeared from what he estimated 99.9% from merchandise and media reports that used to carry the city’s name. The Orange County Register reported that, “After conducting a study, Thorn showed that web sites, such as Yahoo Sports and ESPN.com, stated ‘Los Angeles’ or ‘Los Angeles Angels’ on scores.”⁹⁴

During the same day the Angels defense countered with the notion that while LAA (the acronym for Los Angeles Angels of Anaheim) may of replaced the old ANA (Anaheim Angels), the team’s full name showed up on its official website and publications and even

⁹¹ Sarah Tully, “2 locales not in Angels lease talk, official says”

⁹² Sarah Tully, “‘Anaheim has disappeared,’ baseball expert says”

⁹³ *ibid*

⁹⁴ Sarah Tully, “Witness says ‘Anaheim’ rare in team merchandise, media”

brought up the fact that it shows up on publications such as the Ottawa Sun, The Missourian and a newspaper from the Virgin Islands.⁹⁵ The defense attempted to demonstrate John Thorn's study as one sided and was done in order to give the prosecution a biased boost. The defense also brought up the fact that Major League Baseball was currently selling a calendar with the full team name appearing on it, instead of just having the "Angels" moniker on it, something that had never been done before.⁹⁶

Mediation Fails While Former and Current Officials Testify

Judge Peter Polos upon hearing that the prosecution would show videotaped depositions of former Angels officials under Disney, vice president of business operations Kevin Uhlich, and president Tony Tavaris, asked both parties to set up a mediation session.⁹⁷ Both sides agreed to the mediation that was scheduled for January 20, 2006 and was presided over by Judge Kim Dunning; who was not affiliated with the trial. Judge Polos was on record as stating that, "I think this case is crying out to be resolved."⁹⁸ Following the Friday mediation between the city and the team, both sides walked away without a settlement. This would be the sixth unsuccessful attempt to reach an agreement, both sides, at this point, would not be willing to compromise.

Tony Tavares, the former president of the team, testified the following Monday claiming that the original agreement intended for Disney to change the team's name in a manner that would give it an international appeal.⁹⁹ This would be a big boost to the Anaheim's argument of the intent of the original creators of the agreement, because Tavares

⁹⁵ *ibid*

⁹⁶ *ibid*

⁹⁷ Sarah Tully, "Baseball historian to testify today in Angels trial"

⁹⁸ Sarah Tully, "Judge in Angels case: Parties should get mediator"

⁹⁹ Frank Mickadeit, "Tavares gives the city a good day in court"

gave the jury a first hand account of the negotiations while being an impartial third party since he was no longer affiliated with either side. In the line of questioning during his deposition Tavaris was asked, [Whether] it was Disney's intent [that] Anaheim would receive (name) benefits throughout the term of the agreement?"¹⁰⁰ To which Tavares answered with a simple, "yes." When he was asked, [Whether] it [was his] intention that (the marketing rights portion of the contract) was to supersede (the naming rights portion)," Tavares answered, "The answer's no."¹⁰¹

The following day the current Angels owner Arte Moreno was called to testify. He reiterated everything his attorneys had at that point been arguing. As reported by the Associated Press, Moreno testified that, "I felt that for us to grow the brand, we needed to expand the brand into the media market. I look at the whole L.A. area."¹⁰² He also made it a point to compare the relationship between Los Angeles and Anaheim as on par as the relationship between Queens or the Bronx to New York City. In such a serious case, with grave ramifications for either side, Moreno kept his tone serious but lighthearted. When asked about the apparent lack of the use of "Anaheim" in merchandise he clearly stated that as the team's owner he had the right to market his property as he saw fit and that upon purchasing the team in 2003 he ordered his organization to stop using "Anaheim" on merchandise and instead focus on "Angels." As the Associated Press reported, "When asked about team merchandise that bore the name Anaheim, he also suggested it was from the black market. When asked about another cap that said the Los Angeles Dodgers of Los Angeles, he

¹⁰⁰ *ibid*

¹⁰¹ *ibid*

¹⁰² Gillian Flaccus, "Moreno testifies at Angels trial"

joked ‘maybe they changed their name.’”¹⁰³ Moreno’s testimony only solidified the arguments of the defense, and demonstrated to the jury that he was not shaken by the prosecutions claims.

Following Moreno’s morning testimony, former Anaheim Mayor Tom Daly took the stand. He explained how the Anaheim City Council voted to approve the lease in 1996 in part because it believed using the city’s name in the title would be good for it. He also claimed that Disney used the team name in the bargaining process when it was negotiating the lease because they believed using the city’s name would get them a better deal than without.¹⁰⁴ During the cross examination, the Angels defense again went on with the simple argument and asked Daly if he was so concerned about its name in the title why it did not use specific language to guarantee it would be upheld regardless of who owned the team prior to the expiration of the lease. Theodora went on by presenting the Mighty Ducks of Anaheim as an example because when sold by the Disney Company; they were renamed the Anaheim Ducks because the language used in the lease agreement with the National Hockey League that was used to protect itself.

One Last Effort

With Anaheim’s witnesses coming under direct fire from the defense, the prosecution decided to begin introducing witnesses that would attempt to quantify the city’s loss in actual monetary amount while again simultaneously attempting to infuse the idea of pride for its city. On January 25, 2006 Charles Ahlers, the president of the Anaheim/Orange County Visitor and Convention Bureau, was called to testify to try and demonstrate the loss to Anaheim because of the name change. Ahlers was quoted as saying, “Anaheim has always

¹⁰³ *ibid*

¹⁰⁴ *ibid*

fought for an identity,” while trying to reiterate that the city had worked for years to create its own brand and the name change had set its efforts back by many years.¹⁰⁵ When cross-examined by the defense, Ahlers was forced to admit that he did not have any data to back up his claims that the city had suffered or that it was given a boost in terms of tourism when the team was named the Anaheim Angels in 1996.

The same day as the Charles Ahlers testimony, Judge Polos forbade the prosecution from calling two of its witnesses. The first being Andrew Zimbalist, a sports economist and Smith College professor, who is known for his various books and studies regarding the economic effects of sports. He was expected to explain his opinion on how much the city had lost because of the inability to develop the land being occupied by the stadium. The second witness was attorney Jill Draffin, who was going to testify about the city and its intentions when it drafted the contract with the baseball club. Judge Polos argued that Zimbalist would not be the most appropriate witness to quantify the loss because he had no direct analysis of the situation and Draffin because prior witnesses already covered her area of expertise.¹⁰⁶

The Bosses Last Stand

With the trial coming to an end, both sides decided to bring out the two men most connected to the disagreement over the name change. Anaheim Mayor Curt Pringle would testify for the first time, while Arte Moreno would again be questioned. Pringle essentially reiterated the prosecutions argument throughout the testimony while attempting to paint the issue as a grave injustice to the city of Anaheim and Orange County. At one point he even

¹⁰⁵ Sarah Tully, “Anaheim visitor bureau official raises concerns about lost tourism”

¹⁰⁶ *ibid*

quantified the name change and situation by saying, “It was a punch to the stomach.”¹⁰⁷

Moreno, on the other hand, attempted to show the positive in the situation. As the Orange County Register reported, “The year the Angels won the World Series (2002), the team lost more than \$6 million. But the following year, Phoenix billionaire Arte Moreno wanted to buy the ball club anyway.”¹⁰⁸ Since he purchased the team the team’s broadcast revenues have more than doubled, the income from advertising has tripled and three years after the sale was on target to break even or even make a profit, and this is on top of the \$100 million plus that Moreno spent on free agents. He also stated that while he never meant to hurt the city or its pride that, “I think that we’ve done a lot of things to enhance Anaheim.”¹⁰⁹

The Jury Deliberates

On February 9, 2006, a month after the trial officially began in Orange County Superior Court, the jury returned after deliberation with a 9-3 vote in favor of Arte Moreno and his right to name his team the Los Angeles Angels of Anaheim. As the Orange County Register reported, “After four hours of discussions on the first day of deliberations, jurors in the civil case ruled that Moreno did nothing wrong because he kept “Anaheim” in the name.”¹¹⁰ As juror Jack Clay of Huntington Beach told the media after he was dismissed, “You can understand their feeling when the name was changed. This was their hometown. It’s not so much whether we like it. It’s whether (Moreno) had the right to do it.”¹¹¹ When the decision was read out loud in the courtroom, Moreno’s eyes welled up with a sigh of relief,

¹⁰⁷ Sarah Tully, “Pringle: Name change punch in stomach”

¹⁰⁸ Sarah Tully, “Moreno pitches team's financial growth”

¹⁰⁹ *ibid*

¹¹⁰ Sarah Tully, Eleeza Apopian, Rachanee Srisavasdi and Larry Welborn, “Tears in the courtroom over Angels verdict”

¹¹¹ *ibid*

while members of the City Council sat stone-faced.¹¹² Mayor Pringle went on to say, “I feel that it was the right thing to do to defend that asset.”¹¹³ At the end of the trial it was estimated that the city had spent over \$2 million on the case, but the city defended its decision to do so because it claimed that the name was well worth over \$100 million to Anaheim.¹¹⁴ Although no real data or study was released by the city to defend their statement.

The Appeal

Once the trial officially ended, the city still had multiple options. Its main route was filing for an appeal and returning to court to try and have the judgment reversed. By this point Anaheim officials were split on whether to seek further legal action or cut their losses and admit defeat. Councilman Harry Sidhu voiced his opinion following the verdict by saying, “I think it’d be a waste of time to try an appeal now.”¹¹⁵ Councilman Richard Chavez added, “We can’t go any lower than we are today.”¹¹⁶ Anaheim officials would continue to argue whether an appeal would end in a different outcome. A year later, the city decided to appeal the court decision because it claimed that there was additional testimony that it wanted to present, this time it also specifically attempted to attain \$7 million to recoup court costs. On December 2008, a state appellate court issued a decision refusing to reopen the case or award the city the money it was seeking.¹¹⁷

The End Finally Arrives

The healing process and the argument of an appeal would continue for years and it wouldn’t be until January 2009, three years after the original trial began and four years since

¹¹² *ibid*

¹¹³ *ibid*

¹¹⁴ *ibid*

¹¹⁵ *ibid*

¹¹⁶ *ibid*

¹¹⁷ Brian Perdue, Tavares gives the city a good day in court: Angels Blog

the team changed its name, which the city of Anaheim decided to completely concede.¹¹⁸ At the end of a City Council meeting on January 12, 2009, Mayor Pringle announced that the council members have voted unanimously not to spend any more time or money fighting the name change.¹¹⁹ Mayor Pringle stated after the meeting that, “We’re all very disappointed with this. We believe that the wrong decision was made in court twice. . . . We gave up revenue to have the team associated with Anaheim, so people across the country and the world would see the name and think to visit Anaheim.”¹²⁰ He went on to say that, “. . . at this point, we agree that it’s in everybody’s best interest to take no further action.”¹²¹

In the end, the city of Anaheim spent about \$4 million on the trial and capped expenses on the appeal at \$150,000. The baseball franchise spent an estimated \$7.5 according to Tim Meade, a team spokesperson. Both sides looked to completely amend relations and pointed to the acquisition of the 2010 MLB All Star Game and festivities as a focal point of their renewed cooperation and spirit of friendship.¹²²

The Baseball Team Greatly Affected the City of Anaheim

Following the four years of legal action and over \$11 million in combined legal expenses by both sides, it became obvious that this professional sport franchise greatly affected its local government. From the time the team moved down the highway from Los Angeles there had been a relationship, whether good or bad, between the two entities. When

¹¹⁸ Eric Carpenter, “Anaheim decides to end fight over Angels name”

¹¹⁹ *ibid*

¹²⁰ *ibid*

¹²¹ *ibid*

¹²² *ibid*

Gene Autry first negotiated the agreement for a home stadium for the then California Angels, the city began its association with its first professional sport franchise. When it negotiated a stadium renovation with the Disney Company in 1996, it received an agreement that “Anaheim” would be included in the team’s name throughout the life of the lease. Once Arte Moreno purchased the team and renamed it, the city decided to sue in order to have the name reverted. It became clear that no matter what kind relationship both sides have, there is a relationship nonetheless. Whether city officials went along with the lawsuit out of pride or whether they believed the city would lose revenue because of the name change is yet to be seen.

What is clear is that Anaheim had only existed in the team’s title for seven years out of the thirty-plus years the expansion team had called Anaheim home. It had become accustomed to it very quickly and was willing to spend a large sum of money to maintain its status amongst other cities. What became clear following the end of the trial was that in 2005, the city had gained \$2.2 million in ticket sale revenue from the Angels, but then immediately spent it all on the lawsuit.¹²³ “You have to spend money to protect that (the money the city assumed it lost),” declared Mayor Curt Pringle at the beginning of the trial.¹²⁴ The city took the team to court to argue the intent of the original parties to the agreement, but in the end failed.

The Los Angeles Angels/California Angels/Anaheim Angels/Los Angeles Angels of Anaheim have gone through many transitions since their inception, but remain the same American League expansion team awarded to the original owner, Gene Autry. Even if they eventually went through several name changes, it is still the presence the American League

¹²³ Sarah Tully, “Batter Up! City, team will make pitches to jury”

¹²⁴ *ibid*

intended on the west coast. Just with everything else in the world, time brought change and at times sudden and unexpected change. Arte Moreno, like any other businessman, purchased the Los Angeles Angels of Anaheim and immediately attempted to turn the team around so it would become fiscally solvent and financially viable. In doing so it brought the wrath of Anaheim officials because of location of their city's name within the team's title. Whether the city entered into a futile fight that it could never win is at this point a matter of opinion, with evidence pointing in either direct. This series of events, on the other hand, is definite evidence of the affect that professional sports have on local government because Anaheim officials were so offended by the replacement of their name within the title that they spent four years and millions from tax revenue to try and it reverted to the way it once was.

CHAPTER IV

HOW PATIENT AND GENEROUS IS THE PUBLIC?

THE SEATTLE SUPERSONICS RELOCATION

KeyArena was filled with 16,272 fans cheering on the Seattle SuperSonics as they played against Western Conference rival Dallas Mavericks. The roar of the crowd echoed inside one of the NBA's smallest basketball arenas. As the Seattle Times reported, "KeyArena erupted when rookie Kevin Durant hit a 16-foot jumper to give the Sonics a 96-95 lead and the cheers reached a fever pitch when Durant made a driving lay in with 14.3 remaining."¹²⁵ Even though the team was in last place in the Northwest Division with a record of eighteen wins and sixty two losses at the time of the game and had already been eliminated from making the playoffs that season, the fans cheered as if it were a game seven in the NBA finals.¹²⁶ The game ended with a Sonics 99-95 win over the Mavericks, and it would be their final stand in the city of Seattle.

The fans chanted, "Save our Sonics" and held up signs showing their support for the home team. When the lights were turned off at KeyArena following the match, it would be the last time professional basketball would be played in Seattle, Washington. Following the

¹²⁵ Jayda Evans, "Last Game of Season in KeyArena Is a Win For Sonics," *Seattle Times*, April 14, 2008. http://seattletimes.nwsourc.com/html/nba/2004347096_soni14.html (accessed November 1, 2010).

¹²⁶ *ibid*

2007-2008 NBA season, the SuperSonics would relocate to the Midwest and become the Oklahoma City Thunder. After forty-one years of the Sonics presence in Seattle, they simply packed up and moved to Oklahoma. Although the move would be simple, the events leading up to it would be anything but. What started as a sale of an NBA franchise became multiple litigious battles, a lesson in apathy from government officials, protests from a small fan minority, and a clear message from voters in Seattle.

The SuperSonics Land in the Northwest

In 1962, a World's Fair was held in Seattle that helped create not only the infrastructure that made it possible for the National Basketball Association to expand in Seattle, but also attracted nearly ten million people to the state. While the 1962 Seattle World's Fair would be remembered by the construction of the Space Needle, it also created the Seattle Center, which included a pavilion that would eventually be remodeled to become the Washington State Coliseum.¹²⁷ With this new infrastructure in place, it would only be a matter of time until the city would be awarded a professional sports franchise. The NBA would soon make its presence known in the state of Washington.

On December 20, 1966, Seattle was awarded an expansion basketball franchise alongside San Diego, California. Efforts by Los Angeles based businessman Sam Schulman and his partner Eugene Klein were successful in bringing the NBA and Seattle's first professional sports franchise to the Northwest; with the team scheduled to begin operations and play their inaugural season in October 1967.¹²⁸ The Seattle SuperSonics would be named

¹²⁷ Urso Chappell, "1962 Seattle World's Fair," Expo Museum, <http://www.expomuseum.com/1962/> (accessed November 6, 2010).

¹²⁸ NBA, "Seattle SuperSonics History," Sonics: Seattle SuperSonics History, http://www.nba.com/thunder/history/sonics_history.html (accessed October 23, 2010).

after the SST project or Boeing 2707 that was awarded to the commercial airlines company that had development facilities in the city. The Boeing 2707 was supposed to be the first American supersonic airplane, but would later be cancelled because of several problems that included rising costs.¹²⁹

The SuperSonics would not be alone in Seattle for long, with the Pilots, the city's first baseball franchise arriving in 1969. The Seattle Pilots would only call the northwest home for one season before being relocated to Milwaukee.¹³⁰ This would only be a small speed bump in the state of Washington acquiring other professional sport franchises. In 1976, the Seahawks football team began their inaugural season and in 1977 baseball returned in the form of the Seattle Mariners.¹³¹¹³² The support demonstrated by Seattle and its surrounding areas for the SuperSonics allowed for the National Football League and Major League Baseball to expand to the area, which can be argued began a new era and relationship between city, county and state officials and professional sports.

The Sonics would win a championship title in 1979, but the team would be sold to Barry Ackerly for \$11 million in 1983. While the franchise would not win another championship title to date, Ackerly won over the established fan base with his management and enthusiasm for the team. In 1994, KeyArena would begin renovations to attempt to bring it up to the then NBA standards. Being one of the oldest stadiums in the league at the time,

¹²⁹ "Boeing 2707 SST," Global Security, <http://www.globalsecurity.org/military/systems/aircraft/b2707.html> (accessed November 13, 2010).

¹³⁰ Mike Fuller, "Seattle Pilots History," Seattle Pilots, <http://seattlepilots.com/histindx.html> (accessed November 8, 2010).

¹³¹ "Seattle Seahawks," Sports Encyclopedia, <http://www.sportsecyclopedia.com/nfl/seattle/seahawks.html> (accessed November 8, 2010).

¹³² MLB, "Seattle Mariners Timeline," Seattle Mariners, <http://mlb.mlb.com/sea/history/timeline1.jsp> (accessed November 7, 2010).

the renovations were approved by the city of Seattle and cost the local government and taxpayers \$74.5 million and the SuperSonics franchise an additional \$21 million. The naming rights to the facility would be sold to KeyCorp, the parent company of KeyBank, which agreed to pay \$15.1 million for the naming rights.¹³³ The renovation not only brought it up to NBA standards at the time, but also added three thousand seats to the facility.

The Mariners and Seahawks Issue Threats

In order to fully understand where the dilemma that arose in Seattle between the basketball franchise and the city of Seattle, it is important to understand the events that occurred between the other professional sport franchises and the local government. The Seattle Seahawks and Mariners called the Kingdome, the King County owned and operated multipurpose domed stadium, home since their inaugural seasons. With the rapid change in stadium and sports facility technologies, both teams began to seek their own exclusive facilities to play their home games in. The mid-1990s were a tumultuous time in Seattle and King County that pitted the teams' ownership, fans, voters and government officials against each other when the teams demanded public funding for their own stadiums.

In 1994, during the renovation of KeyArena, King County executive Gary Locke called for an assessment for the need of a new baseball stadium for the Mariners. The team had threatened to relocate if they did not receive public funding for a new facility. A twenty eight member task force came to the conclusion that a new stadium would be necessary to keep the Mariners from relocating to a city willing to fund a new state of the art facility for

¹³³ “An Ordinance Relating to the Seattle Center Department; Authorizing Execution of an Agreement with Keycorp That Terminates a Prior Agreement between the Parties and Replaces It with a New Agreement For the Title Sponsorship of Keyarena at Seattle Center.,” City Clerks Online Information, <http://clerk.ci.seattle.wa.us/...scripts/nph-brs.exe?d=CBOR&s1=116474.cbn.&Sect6=HITOFF&l=20&p=1&u=/...public/cbor2.htm&r=1&f=G> (accessed November 7, 2010).

the team. The task force also noted that a sales tax increase of .01% would be sufficient to raise funds for the new baseball stadium. A special election was held in September 1995, in order for the public to vote on whether this sales tax would be implemented.¹³⁴

The results of the election were not what the Mariners hoped for with 246,500 against and 245,418 in favor. The measure was narrowly defeated by .01%. While it seemed like the end of Mariner baseball in Seattle, the team itself was focused on making the post season. In the same month as the election, the Mariners made a late season comeback after being thirteen games out of first place. They ended up tying with the California Angels for first place in the American League West and a one-game elimination playoff was held, with the Seattle baseball club emerging victorious. They defeated the New York Yankees in the first round of the American League Division Series, and with this sparked the interest of the public once again.¹³⁵ Now the focus was shifted away from the team asking the public for money, to the sport itself. Although they would be eliminated by the Cleveland Indians in the American League Championship Series, the team's improbable playoff run created enough interest that the Washington State Legislature stepped in at the 11th hour.¹³⁶

A special session was convened on October 14, 1995 that lasted three days, and a new idea was brought forth to raise the funds for the new stadium. Instead of specifically taxing the residents of Washington through sales tax, the money would be raised by using state

¹³⁴ David Schaefer, "M's Lease Will Be Unveiled -- County Also Planning to Sell Stadium Bonds," *Seattle Times*, December 19, 1996.

<http://community.seattletimes.nwsourc.com/archive/?date=19961219&slug=2365865> (accessed November 15, 2010).

¹³⁵ "Sonicsgate," *SonicsGate.org*, <http://www.sonicsgate.org/movie/index.php?hd=1> (accessed September 18, 2010).

¹³⁶ *ibid*

money and new taxes in King County.¹³⁷ Seattle officials voted in favor of the new deal created by the State Legislature. Following a year of planning and design, four of the thirteen members from the County Council sent letters to the Mariners, stating that they did not agree with the use of public funding for the baseball stadium. Furious at the notion of an impending delay, team owners officially put the franchise up for sale and stated that they had no choice. As the *Seattle Times* reported, "Reluctantly, after more than five years of work, (we) have concluded that there is insufficient political leadership in King County to complete the new stadium by 1999,' the owners said in a five-page statement that [Mariners Chief Executive John] Ellis read at a downtown news conference. 'This is not a bluff.'"¹³⁸

The Mariners stated that a delay in construction would push back the opening of the new facility and cause the team to lose even more money by having to play an additional season in the Kingdome. As John Ellis also stated at his news conference, "It is clear that they intend for the ballpark project to fail," Ellis said of the four council members. "We've done all we can do. We're now on a different course."¹³⁹ Council member Cynthia Sullivan countered Ellis' claim by calling it a 'profound overreaction.' She also stated that, 'Maybe the Mariners have decided they want to make a graceful exit and they need to blame the politicians. It wouldn't be the first time I've been used by someone trying to get their way. Everything is fixable, but it is my estimation that if they have decided to walk away one

¹³⁷ Elliott Almond, David Schaefer, Richard Steven and Stephen Clutter, "Mariners Put up For Sale -- Owners Blame Council Members For Discussing Ballpark Delay," *Seattle Times*, December 15, 1996.

<http://community.seattletimes.nwsourc.com/archive/?date=19961215&slug=2365157> (accessed November 2, 2010).

¹³⁸ *ibid*

¹³⁹ *ibid*

hundred percent, then it was their intention all along.”¹⁴⁰ This exchange between the Mariner executive and councilwoman led to public outcry that caused the four council members to drop their protest and reaffirm their support for the new baseball stadium. Safeco Field would open July 1999, directly across the street from where Qwest Field would eventually be built.

In 1995, two years after King County approved the funding for the renovation of the Sonics home KeyArena, Seahawks officials proposed that county bonds be used to renovate and remodel the team’s current stadium, the Kingdome. The proposal failed and the owner at the time, Ken Behring, threatened to move the team.¹⁴¹ Behring demonstrated that he was not simply bluffing and moved team offices and headquarters to Anaheim, California in March 1996. King County in turn sued him in order to keep the team in Seattle. With no agreement in sight, it seemed as if litigation would continue for years, until local billionaire and Microsoft co-founder Paul Allen stepped in with a solution. Allen promised to purchase the team and keep it in Seattle if it could receive public funding for a new stadium and rescind the lease agreement with the Kingdome that called on the Seahawks to play there through 2005.¹⁴² As the *Seattle Times* reported, “[King County executive Gary] Locke offered to reduce the ten-year agreement to three years, and give the Microsoft co-founder a bigger share of county revenue from the facility, if he agree[d] to buy the team and keep it in the Seattle area for ten years.”¹⁴³

¹⁴⁰ *ibid*

¹⁴¹ “Sonicsgate,” SonicsGate.org, <http://www.sonicsgate.org/movie/index.php?hd=1> (accessed September 18, 2010).

¹⁴² David Schaefer, “Locke Agrees to Deal On Lease -- If Paul Allen Agrees to Keep Hawks Here,” *Seattle Times*, August 28, 1996.

<http://community.seattletimes.nwsourc.com/archive/?date=19960828&slug=2346347> (accessed November 2, 2010).

¹⁴³ *ibid*

Paul Allen in turn asked the state legislature to hold a referendum on the proposal to publicly fund a portion of a new stadium. He and his backers personally funded Referendum 48, which was nicknamed the “stadium vote,” and was reported to have spent \$6.3 million dollars on the campaign.¹⁴⁴ On June 17, 1997, the voters of Washington passed referendum 48 by a margin of 51% to 49%. Allen and the Seahawks were successful in securing \$300 million in order to help fund a new stadium, in which he had a personal \$100 million investment.¹⁴⁵

The Seattle Seahawks and their ownership group did what many other sport franchises around the country have done and continue to do. They sought public assistance from local and state governments, and when public funding did not immediately materialize they threatened to relocate to an area that they deemed more accommodating to their wants. While Ken Behring was unsuccessful in relocating the franchise to Southern California, he was able to sell the team. While Paul Allen and his associates did indeed spend millions of dollars on the campaign to pass the referendum for public funding, the reward outweighed the risk and it paid off with the voters subsidizing \$300 million for the new stadium. Behring pushed the local and state governments and was hit with a lawsuit, which Allen used in order

¹⁴⁴ David Postman, “Campaign Wasn't Cheap -- Allen and Stadium Backers Spent \$6.3 Million to Pass Ref. 48,” *Seattle Times*, July 11, 1997. <http://community.seattletimes.nwsourc.com/archive/?date=19970711&slug=2549009> (accessed November 4, 2010).

¹⁴⁵ David Postman, “Stadium `not a Good Deal' -- Hawks to Lose Money Until New Facility Is Open,” *Seattle Times*, June 7, 1997. <http://community.seattletimes.nwsourc.com/archive/?date=19970607&slug=2543328> (accessed November 4, 2010).

to push his agenda. Either the public was going to help fund a new facility for the Seahawks, or they would relocate. The Seahawks Stadium would eventually be named Qwest Field, opened in 2002.¹⁴⁶

Third Time's a Charm: The Starbucks Effect

With Safeco Field opening in 1999 and Qwest Field opening in 2002, it was only a matter of time before Seattle's original professional sports franchise would also ask for public assistance for a new stadium. Even with the renovations completed to KeyArena in 1995, the facility had quickly become outdated. Facilities such as the Staples Center in Los Angeles were quickly becoming the new trend in NBA arenas, with larger capacities and restaurants and shops that added to the team's revenue stream. The main problem was that KeyArena was located at the heart of the Seattle Center, which was in the middle of neighborhoods, and there was simply no room for it to expand.

Howard Shultz, owner of Starbucks Coffee chain, purchased the Seattle SuperSonics from Barry Ackerley on March 30, 2001. Which signaled an era of mediocrity and staunch criticism by both fans and players. Shultz believed he could run the basketball franchise as he did his coffee company, and would be proven wrong. It can be argued that the low point of his ownership came in 2002. He began to feud with the teams' star Gary Payton. Shultz announced to the media that Payton disrespected him when he did not show up to the first day of training camp that year because of a contract dispute. These disputes would continue

¹⁴⁶ James Brown, "Tackling a Stadium Project," Point of Beginning, http://www.pobonline.com/Articles/Cover_Story/97a0817cac0f6010VgnVCM100000f932a8c0_____ (accessed November 5, 2010).

to arise between the star and the owner leading up to the 2002-2003 season when Gary Payton was traded to the Milwaukee Bucks.¹⁴⁷

In 2005, Shultz unsuccessfully attempted to persuade the Washington State Legislature to help fund another round of renovations for KeyArena. It seemed that if the state were willing to fund stadiums for the Mariners and Seahawks, whether through a vote or directly through measures enacted by government officials, he would be able to do the same. He was essentially turned down by the State Legislature, and put the team up for sale. As Seattle Times sports writer Steve Kelley wrote immediately following the sale of the franchise on July 19, 2006, “Five years ago, the Lord of Lattes pledged an NBA championship for the city of Seattle. Five years later, he gave it the shaft instead.”¹⁴⁸ He continued on to say that, “Five years later, he and his ownership group, The Basketball Club of Seattle, sold the team to a group from Oklahoma City — where, not so coincidentally, the NBA is very interested in locating a franchise.”¹⁴⁹

Howard Shultz was never the ideal NBA owner; he made a number of enemies with not only his players and employees, but also the fan base. The sale of the team to an investment group made up completely of Oklahoma City residents vilified him within the Seattle community. Oklahoma City had previously hosted the New Orleans Hornets for one and a half seasons while New Orleans and their basketball facilities were rebuilt following Hurricane Katrina. They received the taste of professional basketball within their borders and

¹⁴⁷ Seattle Times Staff, “Payton, Mason Traded to Milwaukee For Ray Allen,” *Seattle Times*, February 20, 2003.

<http://community.seattletimes.nwsourc.com/archive/?date=20030220&slug=webpayton20> (accessed November 2, 2010).

¹⁴⁸ Steve Kelly, “Schultz Sold Out Seattle For \$350 Million,” *Seattle Times*, July 19, 2006.

<http://community.seattletimes.nwsourc.com/archive/?date=20060719&slug=kell19> (accessed November 2, 2010).

¹⁴⁹ *ibid*

were hooked. The only problem was that the National Basketball Association was not looking to expand the league by creating new franchises; the only solution for Oklahoma City would be to relocate an existing team.

Selling the franchise to a group of outside investors was not Shultz's first plan. As ESPN reported days following the sale of the team, the whole situation was mismanaged by both the owner and government officials.

“When he did not get cooperation from the city or the state, he was aghast. When politicians suggested the Sonics did not mean as much to the area as Schultz thought they did, he was horrified. And when the public said they did not want to help billionaire owners get out of their own bad investment, he was nonplussed. Four days before the Seahawks were going to play in the Super Bowl, Schultz made a major public-relations blunder by threatening to move or sell the team if his demands were not met, not only detracting from the feel-good story of the city's long-embattled football team but looking like a spoiled brat at the same time: ‘What do you mean I can't have what I want?’ When the state legislature rejected Schultz's demands for public subsidies in February, that was the tipping point for Schultz; he was going to sell the team. The organization said it would explore all options for getting a new arena, but in reality it did not. It still has not tried to pair with Bellevue, a Seattle suburb, and approach the state legislature. It never said it would increase its own contribution to the project. In fact, it ignored three proposals recently submitted by the city of Seattle for a renovation.”¹⁵⁰

While ESPN attempted to paint Schultz as being complete fault for the Sonics failing to receive public assistance for a new arena, the truth was that the public in Seattle and Washington were not in favor of putting up public funds for the benefits of private sport franchises. The Seahawks stadium referendum narrowly passed by .01% of the vote. The Mariners in fact were not able to sway the public vote and needed an unlikely surge at the end of their regular season and first two rounds of the playoffs in order to get the Washington

¹⁵⁰ Hughes, Frank. “Why Schultz Tuned Out and Sold Out the Sonics.” *ESPN NBA*, July 21, 2006. http://sports.espn.go.com/nba/columns/story?columnist=hughes_frank&id=2525634 (accessed November 12, 2010).

State Legislature to put together a special package in order to raise the funds. The Sonics only ten years earlier had received \$75 million from the government to renovate KeyArena, and now were asking for an additional sum in order to construct a new facility. They had no real argument for the public assistance since Qwest Field was already home to other events such as concerts; the basketball arena was seen as only benefiting the SuperSonics. Outside of rental payments made by the team from a new facility, the voters had nothing to gain from funding a new arena.

The citizens of Washington and their elected officials were simply not in favor of putting forth a large amount of money for a fourth time in a decade to fund the construction of a professional sports facility, especially with Schultz not promising a larger portion of his own capital. As the New York Times reported on November 13, 2006, “Public sentiment turned against the Sonics last winter when Mr. Schultz, the Starbucks chairman, demanded that the state provide \$200 million to refurbish the city-owned arena. The team would have contributed \$18 million.”¹⁵¹ This would come out to about 9% of the amount being requested.

Clay Bennett and Associates Arrive in Seattle

Clay Bennett and his company, the Professional Basketball Club LLC stepped in to purchase the Seattle SuperSonics from Howard Schultz on July 18, 2006 for \$350 million. Shultz and his associates had purchased the franchise from Barry Ackerely in 2001 for \$200 million and in 2006 sold the franchise for \$350 million¹⁵² Bennett had been a part owner of

¹⁵¹ Jessica Kowal, “As Sonics Pack to Leave Town, Seattle Shrugs,” *New York Times*, November 13, 2006. <http://www.nytimes.com/2006/11/13/us> (accessed November 2, 2010).

¹⁵² Jim Brunner, “As Sonics Pack to Leave Town, Seattle Shrugs,” *Seattle Times*, April 5, 2006. http://seattletimes.nwsourc.com/html/localnews/2002911244_sonicsowners05m.html (accessed November 2, 2010).

the San Antonio Spurs in the 1990's and had always had a passion for professional basketball. He worked behind the scenes in order to get the Hornets to play their home games for a season and a half in Oklahoma City following Hurricane Katrina, and was passionate about getting his hometown a permanent team. The situation in Seattle created the perfect opportunity for Bennett and his associates to purchase the franchise they had sought after. The problem that arose involved the fact that they were not upfront with their intentions with the team.

When Bennett purchased the team, part of the sale agreement called for the new owners to negotiate in good faith within the twelve months following the sale with the local government in order to successfully build a new stadium. Schultz said he believed that this was the only solution, because he had already attempted to receive public funds and had failed. Like any other franchise that is seeking funds for a new facility, the Sonics ownership used the threat of relocation, and even went as far as selling the team after the Washington State Legislature called their bluff.¹⁵³

Bennett reiterated the claim of negotiating in good faith during the press conference that was called following the sale of the team, and his introduction as new owner. He presented a proposal to the state legislature in February 2007 that called for a public subsidized arena. The Seattle Times reported in April 2007, "The Sonics' proposal for a \$500 million taxpayer-subsidized arena in Renton (a suburb north of Seattle) appears dead, prompting Sonics owner Clay Bennett to say tonight there is 'little hope' the team will remain in the area."¹⁵⁴ Bennett at first declared that if a deal was not reached by October 31

¹⁵³ *ibid*

¹⁵⁴ Jim Brunner and Ralph Thomas, "Sonics owner: "Little hope" team will stay" *Seattle Times*, April 16, 2007.

that he would not renew the existing lease with KeyArena and would move the team following the expiration of the lease in 2010.

Bennett's Promise and the Public Uproar

While Clay Bennett promised he would negotiate in good faith to keep the SuperSonics in Seattle, some believe he had no interest in keeping his word and his sole purpose in purchasing the franchise was to relocate them to Oklahoma City. While he did go through the motions of proposing his ideas to the Washington State Legislature and even hiring a development firm to examine the location and construction issues, it seemed at times he was only doing it to appease the purchase agreement. Aubrey McClendon, a minority owner and member of the Professional Basketball Club LLC, came out and told *The Journal Record*, a local Oklahoma newspaper, that the plan was never to keep the team in Seattle. "We know it's a little more difficult here in Oklahoma City, but we think it's great for the community and if we could break even we'd be thrilled."¹⁵⁵ McClendon would be fined \$250,000 by the NBA for his comments on the matter and Bennett would also release a statement stating that McClendon was not speaking on behalf of the ownership group.¹⁵⁶

August 2007, a month after the McClendon's comments were printed, the *New Tribune of Tacoma Washington* released an article stating it had obtained information from a Sonics employee who spoke to them on the condition of anonymity. It reported that, "Clay

http://seattletimes.nwsourc.com/html/localnews/2003669052_websonicleg16.html (accessed November 2, 2010).

¹⁵⁵ Christina Siderius, "Sonics Minority Owner Says Team Destined For Oklahoma City," *Seattle Times*, August 13, 2007.

http://seattletimes.nwsourc.com/html/nba/2003834184_sonics13.html (accessed November 8, 2010).

¹⁵⁶ Percy Allen, "Sonics Co-Owner McClendon Fined \$250k," *Seattle Times*, August 23, 2007. http://seattletimes.nwsourc.com/html/nba/2003849240_soni23.html (accessed November 8, 2010).

Bennett told team employees during a meeting that Oklahoma City would pay the team's moving expenses should it relocate to the Sooner State."¹⁵⁷ Mayor Mick Cornett of Oklahoma City immediately came out on his own in the defense of Bennett by stating that, "We're not proactively pursuing any specific franchise right now and don't feel like it's appropriate to do so. We are poised and ready (and) if a franchise becomes available, we will pursue it vigorously."¹⁵⁸

During the same time period, not only was evidence of Bennett's less than truthful actions becoming public, but also Washington voters created a new roadblock in the creation of the basketball arena. As the *Seattle Times* reported, "Finding a solution in the city of Seattle became more difficult last week (November 10 2006), when voters approved an initiative that restricted public financing from the city of Seattle for a new arena without the city receiving a return on the investment."¹⁵⁹ It seemed that voters, who as a whole were always cautious about funding private stadiums for professional sport teams, were not going to fund a third sports arena using taxpayer money. The back and forth between government officials and voters not giving up an inch and news that the Sonics ownership group never had a desire to keep the team in Seattle continued back and forth.

¹⁵⁷ Murray Evans, "Oklahoma City Mayor Refutes Report On Sonics, Bennett," *Seattle Times*, August 29, 2007.

http://seattletimes.nwsourc.com/html/nba/2003859490_webokie29.html (accessed November 5, 2010).

¹⁵⁸ *ibid*

¹⁵⁹ Seattle Times Staff Evans, "Sonics Hire Development Firm to Examine Arena Complex," *Seattle Times*, November 17, 2006.

http://seattletimes.nwsourc.com/html/sports/2003436279_websonics17.html (accessed November 5, 2010).

The Sonics Decide to Leave Early and the City Sues

By September 2007 Clay Bennett shifted his focus from attempting to keep the Sonics in Seattle to finding a way out of the team's KeyArena lease. He did not want the team to have to play out its final seasons of the agreement in Seattle and looked into breaking the agreement by the end of the 2007-2008 season in order to begin the 2008-2009 season in Oklahoma City. Bennett filed for arbitration on the issue, while King County filed for the Superior Court to reject the arbitration and enforce the agreement between the Sonics and the city on the issue of the stadiums occupancy. A Superior Court judge denied the request stating that the language in the document was clear in terms of the length of the contract between the Sonics and the city of Seattle would continue until 2010.¹⁶⁰

On November 2, 2007, two days after Bennett's deadline for a solution on the arena funding passed, he contacted NBA commissioner David Stern to inform him that the Seattle SuperSonics would be moving to Oklahoma City as soon as possible. The announcement came days after the beginning of the NBA season and drew much criticism from the loyal fan base. Seattle Mayor Greg Nickels entered the picture at this point, after being notably absent from the situation by stating that he would, "...do everything in [his] power to enforce [the] lease and keep the Sonics and Storm (the city's WNBA team) where they belong – in Seattle through 2010 and beyond."¹⁶¹ While the NBA began to review Bennett's motion to relocate his team to a new city, the Sonics ownership group began to weigh its options in

¹⁶⁰ City of Seattle v. Professional Basketball Club, LLC. No. C07-1620, 2008 LEXIS 83139 (D. Wash. 2008).

¹⁶¹ Jim Brunner, "Sonics Owner Puts the Ball in Nba's Hands," *Seattle Times*, November 7, 2007. http://seattletimes.nwsourc.com/html/localnews/2003991350_sonics03m.html (accessed November 3, 2007).

order to break the lease with the city early and move the team following the end of the 2007-2008 season.

Bennett and his associates were desperately trying to leave Seattle as early as possible and could not afford to waste time. In order to begin the 2008-2009 season in Oklahoma City an agreement with Seattle had to be reached by Summer 2008 in order to prepare the team for the move. In January 2008, Seattle brought forth a lawsuit against the Sonics in order to force them to keep them in the city for the remainder of their contract. The Sonics in turn asked a federal judge for mediation on the matter so they would not have to draw out the situation in court. Seattle officials agreed to the mediation and the team's request for a March 14 trial date, but only if the team would be open to discussing the possibility of keeping the franchise in the city instead of relocating it.¹⁶² As the Seattle Times reported, "The city also took issue with the Sonics' request for a March 24, 2008 trial date, saying there's no way to prepare that quickly and instead proposed Oct. 27, 2008. Both sides agreed the issues should be heard by a judge, rather than a jury."¹⁶³

U.S. District Judge Marsha Pechman set a June 16 trial date for the six-day trial on January 29, 2008. Bennett and his associates protested the date of the trial because of the time sensitive nature of their request for relocation with the NBA, but the complaints fell on deaf ears.¹⁶⁴ A month later the SuperSonics offered Seattle \$26.5 million in order to buy out the remainder of the lease and gave the city a 24 hour time period to either accept or reject

¹⁶² The Associated Press, "Supersonics Ask For Mediation, March Trial Date in Keyarena Suit," *Seattle Times*, January 17, 2008. http://seattletimes.nwsourc.com/html/localnews/2004131090_websonics17m.html (accessed November 3, 2007).

¹⁶³ *ibid*

¹⁶⁴ Jim Brunner, "June 16 Trial Date For City of Seattle Vs. Sonics," *Seattle Times*, January 29, 2008. http://seattletimes.nwsourc.com/html/localnews/2004151895_websonics29m.html (accessed November 3, 2007).

the offer. Seattle officials quickly rejected the offer from the Sonics and promised to continue to pursue litigation.¹⁶⁵ Bennett and his associates began to demonstrate how desperate they were to leave Seattle. The notion that the city was suing the team in order to permanently keep the team in Seattle instead of just forcing it to stay put for two more seasons arose.

As Percy Allen, staff writer for the *Seattle Times* reported, “Former U.S. Senator Slade Gorton says the purpose of Seattle’s lawsuit against the Sonics is to force chairman Clay Bennett to sell the team to local ownership.”¹⁶⁶ The Senator went on to state that,

“If the lease is enforced, I think the chances are very very high somebody will come along and purchase the Sonics. Bennett claims that he would lose an awful lot of money under those circumstances, and I think there would be a high degree of willingness to sell. Theoretically, the lawsuit is about the next two seasons; in reality, it's about increasing the chances of keeping them here for good.”¹⁶⁷

The discussion of a settlement between the city and the team continued with neither side agreeing with the other leading up to the June court date. Depositions were taken by both parties in preparation for the trial, including notable figures such as Sonics co-owner Aubrey McClendon, Seattle Mayor Greg Nickels, Oklahoma City Manager James Couch, Clay Bennett, and former Sonics president Wally Walker.¹⁶⁸

¹⁶⁵ Percy Allen, “Seattle Rejected \$26m Offer to Let Sonics Go,” *Seattle Times*, February 17, 2008. http://seattletimes.nwsourc.com/html/nba/2004186901_offer17.html (accessed November 3, 2007).

¹⁶⁶ Percy Allen, Notebook | Lawsuit designed to keep Sonics here, Gorton says, *Seattle Times*, February 23, 2008. http://seattletimes.nwsourc.com/html/nba/2004196740_soniglance23.html (accessed November 3, 2007).

¹⁶⁷ *ibid*

¹⁶⁸ Seattle Times Staff, “Take a Closer Look at the Sonics Case,” *Seattle Times*, May 28, 2008. http://seattletimes.nwsourc.com/html/localnews/2004444149_webdepositions28m.html (accessed November 3, 2007).

The Six-Day Trial Begins

While Seattle's attorneys attempted to defend the agreement between the two parties, the attorneys for the Sonics put forward their "poisoned well" argument. The poison well argument stated that a scheme was made by Seattle officials to pressure Bennett and his associates to sell the team to a local interest or someone who would keep the team in the city. As Seattle Times staff reporter Jim Brunner wrote, "Seattle's lead attorney, Paul Lawrence, disputed the relevance of that scheme in his own closing argument. He said the main issue in the trial was the city's right to enforce the clear requirement of the lease -- which Bennett agreed to when he bought the team -- that the Sonics must play all home games at KeyArena through September 2010."¹⁶⁹ While this was all an argument, and could not actually be proven especially in a six-day trial, Judge Marsha Pechman did accept the prosecution's argument to continue.

The argument was that the city was attempting to bleed Bennett and his associates into selling the team, until there would be no other option. The Sonics also argued that the relationship between the Professional Basketball Club LLC and the city of Seattle was so strained that a compromise could not be found. The Sonics ownership also argued that being forced to stay in KeyArena for the remainder of their obligation would be detrimental to the team for many reasons. The first being that they would lose millions of dollars every year they were forced to stay in Seattle. Bennett claimed that, "The Sonics will lose \$60 million in Seattle if required to play two more seasons here. The team predicts a profit of \$17 million

¹⁶⁹ Jim Brunner, "Sonics' closing arguments harp on city's "Poisoned Well" scheme," *Seattle Times*, June 27, 2008.
http://seattletimes.nwsourc.com/html/nba/2008020215_sonics27m.html (accessed November 4, 2007).

over that period if it's playing in Oklahoma City.”¹⁷⁰ The second being that the team would be forced to play what they called lame duck seasons, in the sense that the public was apathetic to the team itself and would not bother to support them, which again would affect them financially and morally.

Interim president and CEO of the SuperSonics, Danny Barth described the situation within his organization as bleak because of the strategies he claimed the city was using against them. “He said 23 of 125 employees have left the team in the past six months. He expects more resignations and said it would be difficult to fill those jobs during "lame-duck" seasons if Judge Marsha Pechman forces the team to honor the remaining two years of its KeyArena lease.”¹⁷¹ He was quoted as saying, “The fan apathy and our brand recognition, it has been very difficult.” Even when it comes to looking at our ticket sales, we have had an indication where we have had no interest. For example, after the Board of Governors voted to relocate for Oklahoma, we received no phone calls, either positive or negative.”¹⁷² He also noted that after the NBA draft lottery announcement that they would receive the fourth pick, not a single customer called to purchase season tickets.¹⁷³

An Agreement is Reached

Both sides vigorously argued their points, each painting an extreme injustice perpetrated by the other. In the end though, a settlement was reached, that would allow the SuperSonics to break their contract early in exchange for two monetary payments. Clay

¹⁷⁰ Bennett says Sonics could lose \$60 million if forced to stay in Seattle 2 more years http://seattletimes.nwsourc.com/html/nba/2008005569_sonics19m.html.

¹⁷¹ Percy Allen, “Sonics Ceo: Fans Are Apathetic,” *Seattle Times*, June 19, 2008. http://seattletimes.nwsourc.com/html/localnews/2008005572_sonictrialsid19.html (accessed November 4, 2007).

¹⁷² *ibid*

¹⁷³ *ibid*

Bennett and his company agreed to pay Seattle a total of \$75 million in exchange for the termination of the lease agreement. \$45 million would be paid up front in order for the city to allow the team to relocate with an additional \$30 million that would be paid to Seattle in 2013 if the state Legislature agreed to provide at least \$75 million in public funds to the renovation of KeyArena by the end of 2009 and another NBA team was not obtained within five years.¹⁷⁴

What was described as an apathetic fan base erupted and came to life following the settlement reached by Seattle officials and the SuperSonics ownership group. Public officials were branded as traitors for letting their 41-year-old franchise leave so easily. During the final home game played in KeyArena by the SuperSonics franchise, fans displayed their displeasure for both Clay Bennett and his associates and the Seattle officials that seemed to have caved in so quickly. Mayor Greg Nickels in fact seemed to have received the most backlash from the event. A 2008 poll in Seattle demonstrated the high level of distaste for the mayor with a 31% approval rating. His popularity continued to wade until August 2009 when he was defeated in the primary election. The two-term mayor left Seattle politics thanking the citizens of Seattle by stating, “Twice they gave me the honor of doing this. They want a new generation of leadership.”¹⁷⁵ The handling of the SuperSonics situation and events leading up to the settlement remained present in the voter’s minds, and they expressed their displeasure with Nickels in the voting booth.

¹⁷⁴ The Associated Press, “Deal Allows the Sonics to Leave Seattle For Oklahoma City,” *New York Times*, July 3, 2008. http://www.nytimes.com/2008/07/03/sports/basketball/03sonics.html?_r=1&scp=4&sq=seattle%20supersonics%20settlement&st=cse (accessed November 4, 2007).

¹⁷⁵ William Yardley, “Incumbent Loses 3rd Term Bid as Seattle’s Mayor,” *New York Times*, August 21, 2009. <http://www.nytimes.com/2009/08/22/us/22seattle.html> (accessed November 4, 2007).

CHAPTER V

CONCLUSION

Professional sports have become interwoven into the everyday life of most Americans. From the game scores that individuals check on their cell phones, to the live events that some attend; professional sports in the United States are unavoidable. Although it may seem like a harmless form of entertainment, pro sports can affect an individual's everyday life. Local governments and the officials are becoming increasingly affected by these sport franchises, and will continue to do so in the future.

The Dallas Cowboys, like many other sport franchises, sought a large amount of money from the taxpayers in order to fund their new home in Arlington. Not only did Jerry Jones demand a large portion of his new palace funded by taxpayer funds, but the eccentric billionaire demonstrated how a billionaire owners will not hesitate to demand public assistance, even if they are able to afford the construction costs themselves. Jones not only successfully pitted neighboring cities in Texas against each other, he used up a large amount of resources from the local governments of these cities in the form of not only money, but also man hours, which is a very limited commodity.

The Anaheim Angels' owner Arte Moreno decided to change the name of his franchise, while simultaneously following the language specified in the contract that was agreed upon by the city and the teams' previous owners. Instead of quietly accepting the

addition to Los Angeles to the baseball club, the city of Anaheim decided to pursue legal action with the backbone of their argument being what the intent of the contract was, and not the language used. The city went on to spend millions of dollars fighting Moreno and his ownership group in an attempt to have the name change reversed with no avail. In this situation, limited public funds were used in a situation that could have been avoided by a simple acceptance of change. The stubbornness and ego's of Anaheim Officials played a strong role in these events, with limited public funds being greatly affected.

The Seattle SuperSonics were the oldest professional sports franchise in Seattle, but became the third organization in the city to request public funds for the construction of a new stadium. Unfortunately for the team, and the enigmatic owner Howard Schultz, the citizens of Seattle were not interested in funding a third stadium in less than ten years. With city and state officials not willing to fight for the team's wants, Schultz found no other option but to sell the team to outside investors. It was obvious to some that the group of investors from Oklahoma City were looking to relocate a basketball franchise to their native city, and not put in the effort to fight an already apathetic voter base. The city then in turn decided to sue the team using public funds rather than taking the more rational approach and finding a settlement that would allow the team to move, since that was ultimately the goal of Bennett and his associates.

These types of situations will continue to arise with professional sports becoming mainstream. Local and state governments will have to evolve and adjust to this new trend. They will have to learn how to balance their responsibilities as servants of the people with the demands of sport franchises.

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<http://pqasb.pqarchiver.com/latimes/access/1044261571.html?FMT=ABS&FMTS=ABS:FT&type=current&date=May+31%2C+2006&author=Bill+Shaikin&pub=Los+Angeles+Times&edition=&startpage=D.5&desc=Anaheim+Decides+to+Appeal+Court+Loss%3B+Mayor+cites+Angels%27+push+to+be+> (accessed June 13, 2010).
- Bill Shaikin, "Anaheim Trying to Get Out Front of Name Issue; In opening arguments of lawsuit against Angels, city says name change cost it millions, and team says it didn't violate lease," *Los Angeles Times*, January 14, 2006.
<http://pqasb.pqarchiver.com/latimes/access/969310981.html?FMT=ABS&FMTS=ABS:FT&type=current&date=Jan+14%2C+2006&author=Bill+Shaikin&pub=Los+Angeles+Times&edition=&startpage=D.1&desc=Anaheim+Trying+to+Get+Out+Front+of+Name+Issue%3B+In+opening+arguments+of+1> (accessed June 13, 2010).
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<http://pqasb.pqarchiver.com/latimes/access/732358611.html?FMT=ABS&FMTS=ABS:FT&type=current&date=Nov+9%2C+2004&author=Bill+Shaikin&pub=Los+Angeles+Times&edition=&startpage=D.3&desc=Anaheim+Will+Fight+Angels%27+Name+Change%3B+City+council+will+discuss+legal> (accessed June 3, 2010).
- Bill Shaikin, "Angels Accuse Anaheim of Plot; Club argues in a court filing that the city tried to redo its stadium lease deal with the Disney Co. after agreeing to terms," *Los Angeles Times*, January 19, 2005.
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