Field of Schemes



November 18, 2019 • 13 Comments

MLB's Minor League Hit List Would Kill 42 Teams That Cities Spent Hundreds Of Millions On Stadiums For

Neil DeMause

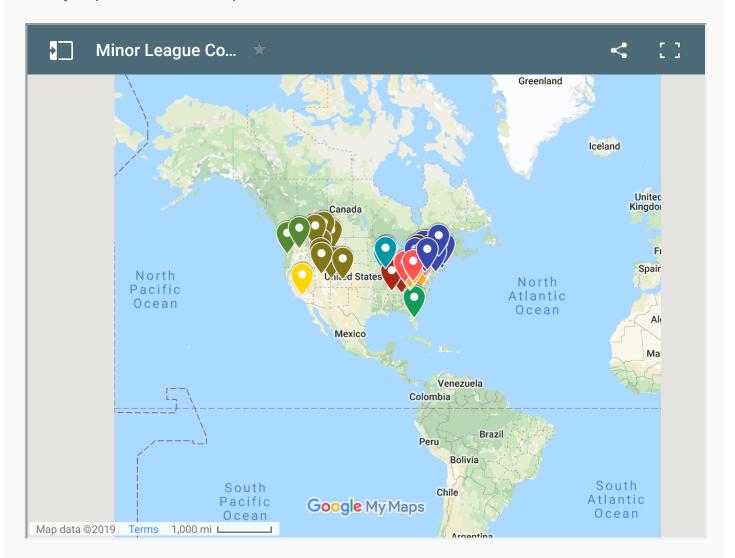
The <u>list of 42 minor league baseball teams targeted for elimination</u> by Major League Baseball has leaked, and let's get right to the names marked for death:

- Appalachian League (advanced Rookie): Bluefield Blue Jays, Bristol Pirates,
 Burlington Royals, Danville Braves, Elizabethton Twins, Greeneville Reds,
 Johnson City Cardinals, Kingsport Mets, Princeton Rays
- California League (advanced A): Lancaster Jethawks
- o Carolina League (advanced A): Frederick Keys
- Eastern League (Double-A): Binghamton Rumble Ponies, Erie SeaWolves
- Florida State League (advanced A): Daytona Tortugas, Florida Fire Frogs
- Midwest League (full-season A): Burlington Bees, Clinton LumberKings,
 Ouad Cities River Bandits
- New York-Penn League (short-season A): Auburn Doubledays, Batavia Muckdogs, Connecticut Tigers, Lowell Spinners, Mahoning Valley Scrappers, State College Spikes, Staten Island Yankees, Vermont Lake Monsters, Williamsport Crosscutters
- Northwest League (short-season A): Salem-Keizer Volcanoes, Tri-City Dust
 Devils
- o Pioneer League (advanced Rookie): Billings Mustangs, Grand Junction

Rockies, Great Falls Voyagers, Idaho Falls Chukars, Missoula PaddleHeads, Ogden Raptors, Orem Owlz, Rocky Mountain Vibes

- Southern League (Double-A): Chattanooga Lookouts, Jackson Generals
- South Atlantic League (full-season A): Hagerstown Suns, Lexington
 Legends, West Virginia Power

Or, if you prefer, here's a map:



In addition, many surviving teams would need to switch leagues: The **Brooklyn Cyclones** will <u>reportedly</u> make the leap all the way to Double-A to replace Binghamton, while other survivors of the NY-Penn League would join with join with remnants of the South Atlantic League in a new mid-Atlantic league. (I haven't seen reporting yet on who'd shift levels to replace Erie or the two Southern League teams.) The Pioneer League would be eliminated

entirely, while only the **Pulaski Yankees** would escape the flaming ruins of the Appalachian League.

If all this looks like a mish-mash of teams in smaller cities, teams in not-as-brand-new stadiums, and teams far from major league affiliates, that's apparently exactly what it is. According to both published reports and sources I've spoken to, the downsizing plan was first concocted in the front office of the **Houston Astros**, the franchise most dedicated to using advanced techniques to gain a competitive edge, even if it means breaking the rules. As the Astros execs' thinking went, advanced analytics (i.e., grading players based on such things as using high-speed cameras to measure body mechanics) could replace watching young players play actual baseball, saving the trouble of having to pay so many of them to do so. (Not that this is a huge expense — an entire single-A roster can be had for about \$600,000 a year — but again, the Astros are all about exploiting every advantage.) And while Houston execs could and did reduce their minor-league affiliates on their own, from nine teams to seven, why should they have to compete against teams like the **New York Yankees** whose owners were willing to keep minor league teams stacked up like cordwood?

According to the New York Daily News' Bill Madden, Astros GM Jeff Luhnow quickly found support from two other team GMs, David Stearns of the Brewers and Mike Elias of the Orioles, who had previously worked for him in Houston. And other team execs quickly realized that eliminating minor league teams could have other benefits as well: It could allow MLB to force realignments so that their affiliates would be closer geographically, enable the elimination of teams whose stadiums weren't seen as up to par, and potentially provide increased franchise fees from teams whose owners wished to survive. Plus, if minor leaguers are going to insist in court on being paid minimum wage, that would go down a lot more smoothly if each franchise only had four minor league payrolls to cover. The contraction proposal, reports Madden, passed 30-0 in a vote of MLB teams earlier this year.

The eliminated franchise owners wouldn't be entirely SOL: They could apply to join a newly formed "Dream League," an ill-formed proposal that would involve wannabe proplayers somehow being allocated to nearby leagues — "we can fill rosters with players

from local markets," Morgan Sword, MLB senior vice president of league economics and operations, enthused to the New York Times — that would receive cash subsidies from MLB, but would otherwise be on the hook for paying their own player payrolls. Minor league officials are doubtful many franchises could afford to operate on such a basis, with one unnamed source telling the Times a Dream League would be a "death sentence" for clubs, and another speculating that at best 10 of the 42 teams could survive.

And what would all of this mean for the cities that have supported minor league baseball by erecting stadiums, partly or entirely at public cost, to ensure the presence of a team? Just as a small sampling: New York City spent \$71 million to build a ballpark for the Staten Island Yankees in 2001; Jackson spent \$8 million on a stadium for the Generals in 1998, and has additionally chipped in \$500,000 a year in operating subsidies since then; the SeaWolves just got \$12 million in state money and the Rumble Ponies just received \$5 million in state and city funds for upgrades to their ballparks. Chattanooga, meanwhile, has been discussing a new stadium to replace the Lookouts' current one, which will turn an ancient 20 years old next year; that'll presumably be off the agenda if there's no team, but who's to say that MLB won't allow new applicants to the slimmed-down minor league register, if they come with snazzy enough stadium plans and a lucrative enough fee? Madden reports that "for over a year now, MLB has been asking Minor League teams to lobby their state governors and legislatures to enact legislation allotting 'integrity fees' a percentage of the baseball gambling revenue in their states — that would generate hundreds of millions of dollars in revenue for MLB," and suggests that local officials won't take too kindly to that if teams are being eliminated, but who's to say if they'll consider them if it would remove their teams from the hit list?

What is certain, if this plan reaches fruition, is lawsuits, and plenty of them: Teams, cities, and concessionaires alike could all sue MLB, since wiping out teams would mean abrogating tons of long-term leases and contracts that are in place. ("My God, we'll be sued all over the place from these cities that have built or refurbished ballparks with taxpayer money, and this will really put our anti-trust exemption in jeopardy," Madden reports an unnamed MLB official as saying. "It's crazy.") The Yankees could technically sue as well, given that they only granted permission for the Cyclones' existence in their territory in exchange for being granted a Staten Island club in the same league, though if

they voted for the plan, presumably that's not in the cards.

This is all still just a preliminary negotiating proposal, mind you, and there is a ton still to hash out before the MLB-MiLB operating agreement is rewritten sometime next year. (The Winter Meetings from December 8–12 are bound to be hopping with plans and counterplans; anyone feel like crowdfunding me a trip to San Diego?) But by establishing its intentions and sending out the message that all that's left is to haggle over the details, MLB is clearly in a position to get minor league team owners thinking about how they can buy their way off that list; I can't fathom a guess as to how this all will end, except that it will almost certainly be really, really ugly and benefit those with the most cash to burn, because that's how monopoly capitalism always functions.





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13 responses

Chaz

November 18, 2019

This isn't the first time I say it. Teams should be owned by whatever city wants to organize a team and bargain nationally for talent. Leagues should be ranked like English football: league winners rising to a higher level of play; lowest ranked teams demoted. Ownership should either be municipal assets, or shares owned by residents (a la Green Bay). If facilities become outdated, voters should have a say in whether and how they should be replaced. The business of sports is too important to be left to egotistical rich people.

Reply

Chuchundra

November 18, 2019

The Rumble Ponies (sigh) just got five million dollars in upgrades from NY State and the city of Binghamton in exchange for a lease extension to 2026.

Reply

Neil deMause

November 18, 2019

Yeah, I just wrote that above!

Reply

Ave

November 18, 2019

This combined with the rampant cheating (with no consequences) makes me think the commissioners office of Rob Manfred in completely naive and incompetent.

I'm pretty sure coroporations will stop "investing" in MLB when they realize there's no audience.

Reply

Joe

November 18, 2019

I may be too optimistic, but I really think this is too huge of a change to pass. It's either a bluff or so hubristic that it's going to blow up in MLB's face. As you note, there's so many affected local parties that are either being shaken down, simultaneously, or would just be vaporized at once, for it not to be bogged down in endless lawsuits and legislative threats. And as much as more involvement from congress isn't usually a solution to fixing anything, this will be fishin-a-barrel easy for them to grandstand about the antitrust exemption being eliminated.

Reply

JC

November 18, 2019

You may be right, Joe. This reminds me a bit of efforts to streamline the military in nearly every administration I can remember (except the current one so far) by closing bases and consolidating. Makes sense on the broad level and congressmen are all on board on the theory, but when it's my town or city on the chopping block, those same congressmen scream and all comes to a screeching halt.

Reply

David J Brown

November 18, 2019

One key element to this is the cutting of the Draft to 20 rounds (from 40) something the Players Association wants. I suspect this will be part of the next agreement. With that the need for as many minor league affiliates is lessened.

Reply

Neil deMause

November 18, 2019

Or to put it another way, with fewer affiliates, you don't need to draft for as long to fill all those spots.

I also notice that the draft will move to July, after which players will "undergo analytics indoctrination" for the rest of the summer instead of playing games. No details on whether the players would be paid for that, or if it would be treated as unpaid practice time, like spring training.

Reply

JC

November 18, 2019

I have known college players over the years and have good friends with talented seniors right now. I've actually listened in on the draft. It is painful to hear the later rounds. God knows how these teams know about these kids except on paper. To hear the kids talk about their prospects, get bused around and sleeping in strangers homes for two months in the summer just sounds awful. All for the sliver of a chance to get to the show.

So while it's a money grab for the MLB, I feel bad for my buddies' kids, and I think getting the reality sooner rather than later—and not slogging your way through the minors—is the best thing for them too.

Reply

brad Moore

November 18, 2019

Not surprised that my now turned evil franchise, the formerly Houston "Dis-" or "L-" Astros are behind this nefarious plan. Good grief.

Reply

Larry Anderson

November 18, 2019

MLB is greedy but the current system is outdated and needs to go just like in 1963 and the contractions in the early 1950s. Cities not in MLB affiliated leagues have a solution. It's Independent Baseball. Players not drafted, cut or simply holding out for a better deal could perform there. Those with the abilities could then be sold to MLB teams and the teams/leagues could run their own operations, just like it was done for the most part before 1963. This would give these teams/leagues more freedom from MLB. Why should the many places with <1,000 average attendance be subsidized? This is not the U.S. Mail. MLB should give financial aid on a one time basis or for a few years. This is Not as one ridiculous over the top article put it an – "Assault on Hometown Baseball". As for lawsuits, just more of what we Don't Need.

Reply

SM

November 18, 2019

Sadly, I have to agree with you. The Hagerstown Suns pulled just over 900 fans per game this year. That's a farm team of the world champions, it's a full-season team, and it had several top prospects suiting up for it this year, including first-rounder Jackson Rutledge. The economics of a team in Hagerstown in the 2020s don't seem to make much sense to me.

What I can see happening is, whether by paying up or putting public pressure on MLB, some of these 42 teams getting a reprieve. Staten Island, Frederick, Erie, Chattanooga, and a few others have pretty good cases and seem likely to have advocates for them. But the likes of Hagerstown and most of the NYP, Pioneer, and Appalachian leagues...it's just time. Tons of minor league teams and even entire leagues folded in the '40s and '50s, and the institution of baseball survived. Some minor league franchises are thriving. Some are relics. That's just the way it is. Nothing is guaranteed forever.

The other side of this that I haven't seen discussed is that I believe initial reports were that some independent teams could sign affiliation agreements. MLB already has a partnership of sorts with the Atlantic League. South of the border, LMB is also an as-yet unaffiliated minor league, and Manfred has made no secret of his desire to start growing MLB in Mexico. So the misfortune of the likes of the Elizabethton Twins and the

	Reply
	Ulysses F November 18, 2019
	Wouldn't this sort of help keep these smaller cities from buying in to these deals which are almost universally bad?
r a y e	That article about the Jackson shows what I'm talking about: the team paid rent of \$2500 a month which was then reimbursed along with another \$500,000 or more. Then the city paid another \$500k+ in other subsidies to the team and stadium. So it has paid over a million a year to keep the team, while a study commissioned by the team states: "The study also estimated that \$206,818 was generated in local tax revenue" in 2010. Doesn't quite seem like a good deal.
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Burlington Bees could be to the benefit of the Long Island Ducks and the Tijuana Toros. Maybe you can say it's wrong for MLB to pick winners and losers, but that's nothing new.

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