

Interview - Lewis Wolff - Owner & General Partner - Athletics

Written by Maury Brown
Tuesday, 10 April 2007 17:00



Of all the clubs in MLB today, the Athletics may have the most ambitious vision. Not only have the A's been a consistent winner in terms of procuring player talent with limited revenues to work from, the club has seen a long term vision since John Fisher, and former VP of stadium development Lewis Wolff purchased the franchise in 2005. As Wolff's first order of business, he extended the contracts of team President Michael Crowley and Vice President and General Manager Billy Beane through the 2008 and 2012 seasons, respectively, and named both executives limited partners in the new ownership group.

Since that time, Wolff has worked to achieve a new baseball-only facility for the A's. Unable to reach a deal in Oakland, and unable to gain access to San Jose due to territorial rights by the Giants, Wolff partnered with Cisco Systems to build a stadium in Fremont.

If the move is consummated in full, it will be a master stroke on host of levels.

(Select [Read More](#) to read this interview)

For one, by placing the club in Fremont, the A's will be able to tap San Jose and the surrounding region without breaching the Giants territory. But beyond that, the concept of funding the facility may be one of the most unique concepts yet: design a massive housing and retail development with the stadium in the middle of it. This Ballpark Village concept has been touched on before, but never at the scale (143 or more acres) that Wolff will be attempting to do.

Given Wolff's background, he is arguably the best suited to pull off such an ambitious project. He is the founder of Wolff Urban Development and co-founder of Maritz-Wolff, entities that are involved in the development, acquisition and management of a wide range of commercial, office, parking and hotel properties in a number of California cities including San Jose, Los

Interview - Lewis Wolff - Owner & General Partner - Athletics

Written by Maury Brown
Tuesday, 10 April 2007 17:00

Angeles, Pasadena and Burbank to name a few.

Count *The Carlyle* in New York City; *Four Season Hotels* in Nevis, West Indies, Houston, Austin, Carlsbad; *The Ritz-Carlton* in St. Louis; *Fairmont Hotels* in San Jose, San Francisco, Santa Monica and New Orleans as just a handful of ownership interests Wolff has.

With this background, one might have found Wolff wholly unapproachable. That was refreshingly not the case. Wolff has an easy-going style that makes one feel comfortable, as this interview bears out.

Topics for the interview include the A's 2007 Opening Day payroll and why it increased; his thoughts on the A's as a consistently profitable club; the approach of the proposed ballpark design; the current state of developing Cisco Field, and much more. – *Maury Brown*

Maury Brown for The Biz of Baseball: You're now entering your third year as co-owner and managing partner of the A's. What is your expectation for the A's on the field this year?

Lewis Wolff: Well, on the field, if we could continue the progress that we made and the record the last two years, this year, I'd be very pleased. We got into the "Final Four", as I call it, last year, so if we can get there I think we have a chance on going for the big series. So I'm very comfortable. We have a very competitive team, we have a few injuries, everybody else does too so I assume, so I am very excited this year.

BizBall: And off the field?

Wolff: Off the field, we're traveling toward a new venue, which in California is very difficult. It's not going to happen overnight, but we're making a little bit of progress everyday so I'm comfortable that we're headed in the right direction.

Written by Maury Brown
Tuesday, 10 April 2007 17:00

BizBall: This year sees the A's with an Opening Day payroll that ranks them 16th out of the 30 clubs; a jump of 5 positions from 21st last season. When setting the player payroll this season, what was the deciding factor? Was it an increase in local revenues, the overall increase in centralized revenues from MLB, or some other factor?

Wolff: Well, first of all, I keep being told that we're #30 or so (laughter).

But, no, it was a conscious move started last year not to go crazy, but to have some back-up for some of our players. Billy [Beane] made some very good choices last year and I think this year, too. So we are edging up, but if you look at all of the other teams that have edged up in terms of their payroll, not so much the ladder they're sitting in, I'd say we're about in the middle.

BizBall: Was this a conscious effort based on just trying to move forward or was there some feeling that the overall health of the club and MLB in-total helped contribute to all of that?

"[W]e don't look at revenues and then decide how much we want to spend. We want to build up from a zero-based budgeting—then see if it fits in with the revenues that we're anticipating."

Wolff: I'd like it to be the latter. But, really, we don't look at revenues and then decide how much we want to spend. We want to build up from a zero-based budgeting—then see if it fits in with the revenues that we're anticipating. If it doesn't, then we have to pare down somewhere. But everything's been pretty consistent. We're somewhere 50-55% of revenues for salaries which is sort of the commissioner's rule of thumb. But there are incentives, and different things happen, that sometimes carry it a little further. But they're usually a reward for the cost or a cost benefit.

BizBall: Are the A's a consistently profitable venture at this stage?

Written by Maury Brown
Tuesday, 10 April 2007 17:00

Wolff: Well, the word “profitable”, you know, is in the eye of the beholder. We have been profitable all three years. Is the profit related to the investment and meets the “Harvard Business School criteria”? I don’t think so. I’m sure that’s true with other clubs. So we do need a new venue in order to accomplish two things: one, to have enough revenue that we can give the fans a much better experience than we’re able to do here physically. And two, to perhaps retain certain players that we are otherwise unable to retain because we don’t have the engine that will generate the kind of revenue that we need.

BizBall: Let’s shift to Cisco Field and the proposed site in Fremont. How does it compare to other development projects you’ve been involved in? (**NOTE:** see [renderings of the proposed design](#))

“I have a theory in California these days that, if you have a cure for cancer, somebody is going to be against it.”

Wolff: I have to admit that it’s more complex than any single project that I’ve been involved with. On the one hand having a baseball team, we’re one of thirty. That’s a nice and positive thing for a community. It also attracts detractors as you well know in the press world. I have a theory in California these days that, if you have a cure for cancer, somebody is going to be against it. So we have to battle through a whole series of procedural issues. But, at the end of the day, it is more complex than anything I’ve worked on or remember working on. Sometimes when you finish a complex project, you don’t remember how complex it was.

BizBall: In your opinion, is the Ballpark Village concept a unique, large market opportunity, or do you think that this represents the future of stadium construction (and how to fund it), regardless of market size? Or, is it specific to a particular market and situation?

Wolff: Well, that’s a very astute question. I have to say that if a ballpark can be accommodated in the core of a community—in the urban area—I think that has lots of pluses. Like San Francisco, San Diego, some of those parks. In our case we had to sort of create an urban center for two reasons: one, to make it esthetically interesting. We don’t want the ballpark surrounded by parking. We want it to be, as we call it, ‘a sculpture within a project.’ And

Interview - Lewis Wolff - Owner & General Partner - Athletics

Written by Maury Brown
Tuesday, 10 April 2007 17:00

secondly, since we are not getting the traditional public assistance, we need to have ancillary development to help support the cost of the facility.

BizBall: The design is reminiscent of Fenway Park and Wrigley Field in many respects. How much input did you have on the design?



Wolff: Well, actually my son, Keith, is handling most of that. Like everyone else, the first thing you do is travel around and look at all the ball parks. The intimacy of Wrigley and Boston are very dominant in our thinking. And then it's a series of neighborhoods within, inside our park. Based on the studies we've done, we'll have the closest [seating] to home plate of any ballpark that's ever been built. We think that intimacy is very important and we think that most recent parks may have built a little too big. After the first five years we would like to have the attendance looking like it's filling the ballpark. You get a big rush in attendance the first five years of most of the new parks. We think we're thoughtful about it. If we make a mistake, we're only talking about 32,000 seats. We're comfortable that's a good size for the market we serve.

BizBall: One interesting aspect is the seating that crosses over an access street next to left field. Given the space involved (143 acres), you could have easily designed something more expansive. Was the idea to design an intimate stadium that harkens back to the tight spaces of the older neighborhood ballpark designs?

Wolff: What we wanted to do is two things: one, when my group of geniuses that are helping, when we analyze the attendance and the displacement of major league parks, you'd be surprised to find the number that can easily live with 32 or 35 Thousand seats. Number one, we are in the smallest two team market in Major League Baseball. And two, we have a lot of distractions in our area beside professional sports. So our economics have worked backwards to a point. And we also want to maintain a reasonable profile, so we don't make it such a park

Interview - Lewis Wolff - Owner & General Partner - Athletics

Written by Maury Brown
Tuesday, 10 April 2007 17:00

that is totally elitist, and I don't think there are any, but we are not trying to satisfy a totally different market. We are trying to satisfy the market we have. So we feel that what we have come up with, we are comfortable is the right size for us.

BizBall: By partnering with Cisco Systems, the ballpark should be technologically like no other. Tell us a bit about what's in store for it in that regard, and are there any plans to break with the current broadcast model with any new technologies?

Wolff: I'm going to refer you to them. But you're right: it'll have a high degree of technology. But, as others have said, we don't want to lose the smell of the hot dogs. So everybody won't be sitting with a laptop in front of them. But a lot of the features we'll have will be related to the operation of the park such as security and directing people automatically to the best exits and entrances and so forth. But just one hypothetical which you could actually go to Cisco and see the display—by the time we open —you'll actually be able to order your ticket on your cell phone. And that cell phone will have a bar code just like at the supermarket. When you walk in, you just swipe your cell phone. And as you walk past the digital Pepsi Cola sign, it'll disappear and ask you if you'd like to upgrade your seats today

—
things like that.

BizBall: Let's talk the process of getting the ballpark built. How close are the A's to submitting a development application to the City of Fremont at this time?

Wolff: Where we are today—and this changes daily—is that the particular large piece of property we've been buying, some properties in the area has a number of complications that I have never run into in my activities, that have nothing to do with the processing through the City of Fremont and the County of Alameda. I think we are coming to the conclusion of those, but it's taking longer than I anticipated. So once that's done, and I'm hoping that will be done with less than 30 days, we will submit the proper application to the City of Fremont and that starts the whole process of environmental impact studies, and traffic studies and things of that nature.

BizBall: There seem to be two high visibility hurdles for the Fremont site to get over at this time: One is Scott Specialty Gases, which is a toxic concern, and the other is public transportation to the ballpark via BART. How are you approaching these two aspects of the proposed site?

Interview - Lewis Wolff - Owner & General Partner - Athletics

Written by Maury Brown
Tuesday, 10 April 2007 17:00

Wolff: Those are both good questions. One of the things I've made very clear: our constituency is the City of Fremont, its citizens and their key people. So to give you specific answers to those two items—there's others—before I tell them would not be consistent with the way we're trying to be transparent.

The Scott Gas issue is one of relocation and not of a soil problem. And we think we have a balanced program which will explain it in more detail to our first constituent, the City, on the "traffic side". Nobody wants any more traffic anywhere. This particular project is zoned for 3.5 million sq. ft. of office space; Cisco at one time was going to do a campus there. So today, if we wanted to do that, we'd probably produce more traffic, which has already been approved....that we'll be doing with the ballpark.

BizBall: Is this tied to re-zoning issues?

Wolff: No. It's a re-entitlement or re-zoning, is a good word. But it's actually at a lesser impact than what's approved there today. So we're hoping that that will be of some interest to the approval process.

BizBall: With where you are at today, do you have a realistic timeline can you foresee for opening of the new facility?

Wolff: If everything worked our way, which we think it should, but it never does, it would be 36 months. The longest would probably 60 (months).

Both those assumptions assume that we don't run into any kind of issue that doesn't prevent us from moving ahead. Some governmental issue, or a negative vote, or something like that. But in terms of the physical processing of the E.I.R, (Environment Impact Report), and all the things attended to that, the best case 36 months, the worst case 60 months.

BizBall: Finally, how have you adjusted to the extra exposure that comes with being managing partner, and has it affected your ability shag flies at Spring Training?

Written by Maury Brown
Tuesday, 10 April 2007 17:00

"On the field if we can continue the progress we've made the last two years this year, I'd be very pleased."

Wolff: I find it sort of fun. We're not building a waste plant. So most people are very kind and very nice. I'm enjoying that part of it. I didn't really shag flies; I did some batting practice a year or so ago. I actually like Spring Training where I can hide out a little bit. It's been fun - it's an interesting business experience. And I'm fortunate to have a top-notch general manager, president and staff. And I can't many things to worry about.

On the field if we can continue the progress we've made the last two years this year, I'd be very pleased. We made it to the Final Four as I call it last year, so if we can get there, I think we have a chance of going to the big series. So, I'm very comfortable we have a very competitive team, we've got a few injuries. But everybody else does, too, I assume. I'm excited about this year.

Off the field, we've traveling toward a new venue which, in CA, is very difficult. I'm not going to say that it's going to happen over night, but we're making a little bit of progress every day, so I'm comfortable. We're heading in the right direction.

Interview conducted by Maury Brown on 4/9/07

Transcribed by Donna Guillaume and Mark Allen

Edited by Maury Brown

Interview - Lewis Wolff - Owner & General Partner - Athletics

Written by Maury Brown
Tuesday, 10 April 2007 17:00

Brown gives extra special thanks to Guillaume & Allen for rapidly turning around the transcription. Allen is a free lance sports writer that can be reached at marksfive@comcast.net