



## **Organizational Report**

In a continuation of [The Biz of Baseball's Organizational Reports](#) , we are now featuring the franchise that most clubs are envious of, and all strive to defeat:

### **The New York Yankees**

The 2009 New York Yankees are looking like the team that will pull out all of the stops to win another championship. This is not the team that won 3 out of 4 Championships in the late 90's to 2000; this is the Yankee team, which will spend as much as it can, to get what it wants. The Yankees are playing "Moneyball", but their own version.

### **Sabathia, Teixeira, Burnett**

The team began its rebuilding stage for only one reason: 89 wins, and zero playoff games last season. How do you solve a problem like that? Spend \$423.5 million dollars, on two starters, C.C. Sabathia, A.J. Burnett, and a first baseman that could have possibly created the best 1st and 3rd corners in the game, Mark Teixeira. [As A.J. Burnett put it](#) , "Whether you want to admit it or you love them or you hate them everybody wants to be a Yankee." A.J. Burnett has been at best, a number two starter up until last year, making 34 starts, but in the previous four years, his starts go something like this.....25, 21, 32 and 19. Those figures, however, still landed him with a 5 year, \$82.5 million deal with the

#### *Bronx Bombers*

. Will Burnett be able to handle the high profile of New York? Possibly, but when the pressure was on in Toronto, apologies were made to the Blue Jays fans after a sarcastic wave of the hat to the crowd after of string of bad starts. Are we looking at legit number two or "Black Jack"

McDowell?

The Yankees have also added C.C. Sabathia, the plum of this year's free agency crop, signing the eight year veteran to a staggering 7-year, \$161 million dollar deal. The Yankees will hold their collective breaths this year, hoping Sabathia is healthy and holds up under the pressure of the New York media market. You never know how a player will perform under the glare of being a Yankee, but here are a couple stats, both good and bad for the organization. Burnett is 6-3 lifetime against the Yankees and 5-0 vs. the Boston Red Sox. Sabathia, however, owns a 1-8 lifetime record against the Yankees, while going 2-4 against the Red Sox. Teixeira on the other hand solves a nasty problem that has been plaguing the Yankees for a few years: hitting against left-handed pitching. Last year they were 10-15 while facing lefties on the road, and Teixeira brings a lifetime .309 average against lefties replacing Jason Giambi's 2008 average of .231.

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### **The Value of the Yankees via Forbes**

Moreover, in business news, the Yankees remain the most valuable team in all of baseball. In the past nine years, the Yankees value as an organization has more than tripled from \$491 million in 1999, to \$1 billion 306 million in 2008. Let us compare that to, say the 30th rank team in baseball, the Florida Marlins. If you break down the numbers, the Marlins are a team that profits with less, a case of cutting their margins. In most cases, you have to spend money to make money, but with Florida, they post the largest operating income by slashing player salaries. The Marlins who have a payroll hovering around \$20 million made a profit of approximately \$35 million, largely due to revenue sharing. On the other hand, "The Evil Empire" posted an operating loss of \$47.3 million, largely due to their player payroll and \$100 million paid out in revenue sharing. Seems like polar opposites, and that is the case, the Yankees are a brand and the Marlins are a team in the National League East. For a more detailed outline and summary of each teams value, click on the link to [Inside the numbers: A six year Look at the Forbes Valuations](#) posted on the Biz of Baseball.

### **New Yankee Stadium**

## The Biz of Baseball Organizational Report - The New York Yankees

Written by Devon Teeple

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New Yankee Stadium will bring the baseball world to its feet in a number of ways in 2009. The baseball world will be witness to an amazing new structure, amazing new technologies and best of all; the fans of New York will be witness to new memories. In my opinion, I do not know what can top Game 4 of the 2001 World Series. According to the [city Economic Development Corporation](#), after its cost benefit analysis was completed, it determined that the new stadium will net the city of New York \$60 million. If you look closer at the financials, Yankee Stadium is costing even more than anyone can imagine. According to the [Neil deMause](#), the cost of the construction of Yankee stadium is staggering.

- The Yankees' new stadium is now the most expensive ever even imagined, coming in at a staggering \$2.3 billion. That includes its attendant parking garages and replacement parkland, but even the stadium construction budget alone is incredible, now standing at \$1.56 billion.
- Of that, the public - city, state, and federal taxpayers - are now covering just shy of \$1.2 billion, by far the largest stadium subsidy ever. In fact, even discounting the \$417 million in property-tax breaks (if you're inclined to agree with Lieber), it's still the largest stadium subsidy ever. The Yankees, meanwhile, would be on the hook for just \$670 million, after counting property-tax breaks.

The numbers are extreme, and so is the technology at the new stadium. [Cisco](#) will work with the New York Yankees to enhance the way fans enjoy Yankees games and other events by making the experience more interactive, personalized and immersive. Below is a listing, provided by Cisco, as they look to enhance the way fans will enjoy events at New Yankee Stadium.

**Yankees Fan Amenities:** For all Yankees fans who don't want to miss a moment of on-field action, Cisco will provide the live game broadcast on HD video monitors displayed throughout the stadium, including concession areas, the Great Hall, the Yankees Museum and other in-stadium restaurant and bar locations. Along with the live game broadcast, monitors will be capable of simultaneously providing up-to-date sports scores, Yankees trivia, news and weather from a single viewing screen. At the conclusions of games, these monitors will allow the Yankees the ability to direct patrons to the nearest exits and provide up-to-the-moment traffic information. In the event of an emergency, all stadium monitors can be immediately and uniformly mobilized to display evacuation instructions. On non-game days, these same monitors can be used to display customized content and information for special events such as conferences, weddings and other group activities.

**Premium Luxury Fan:** Premium luxury suites will be outfitted with touch screen Internet

Protocol (IP) phones that will allow fans to order concessions and Yankees merchandise for delivery to the suite.

**Fans of the Future:** Cisco and the New York Yankees have also kept an eye toward the future to ensure that the stadium remains state-of-the-art for years to come. For example, the new stadium is equipped to support future fan use of mobile devices for ordering concessions from their seat, viewing instant replays or chatting in real time with friends inside and outside the stadium. In addition, the stadium has the capability to allow fans to communicate with players before or after the game using interactive video-based technology.

### **New players, a New Stadium and New problems**

You cannot leave this report without mentioning one of the biggest clouds hanging over the head of not only the Yankees, but also that of Major League Baseball: Alex Rodriguez and his admitted steroid use from 2001-2003. It seems that throughout the following months A-Rod will be the topic of every discussion that concerns the Yankees, but there has been one constant in the Yankees organization throughout the last 13 years that has the capacity to possibly replace those negatives: Brian Cashman. Cashman started his career as a 19 year-old intern in 1986. He is now the Senior Vice President and General Manager of what is possibly the most widely known sports franchise in the world today. Throughout all the in fighting, arguments with George Steinbrenner and the public scrutiny of every single move, Cashman has strived to put a winning team on the field, even as there has been divergent philosophies within the Yankee organization as to how to reach those goals. Cashman has an impressive record of accomplishment: 10 Consecutive playoff appearances, 3 World Series Championships, 5 American League Championships, all achievements that proves that he and the Yankees will strive under pressure to do whatever it takes to win. 2008 ended with the Phillies winning the World Series, 2009 could end with baseball's most storied franchise on top, one more time.

### **OTHER ARTICLE RESOURCES:**

[Burnett, Teixeira & Sabathia will prove to be Smart Money](#) - *NY Post*

[South Bronx Overall Economic Development Corporation](#)

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[A home run for New York: Yankee president says everyone wins with new stadium deal](#) - NY Daily News

[Cashman to Retain Command of Yanks](#) - The New York Times

### BUSINESS OF SPORTS NETWORK FOCUS ARTICLE:

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**Devon Teeple** is a staff member of the [Business of Sports Network](#) , which includes [The Biz of Baseball](#)

,  
[The Biz of Football](#)

,  
[The Biz of Basketball](#)

and

[The Biz of Hockey](#)

.. He can be contacted through the

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