

BEHIND THE BATTLES OVER BALTIMORE'S SPORTS FUTURE



With or without the Stars, the city's chances of rejoining the NFL—and keeping the Orioles—are in serious doubt. Here's the inside story of local big shots working to save our big-league sports status.

BY ERIC GARLAND

THE action is achingly familiar: finger pointing, dropped balls, poor execution, questionable strategies. Yet as the Colts now stumble about in the Hoosierdome, a similar drama unfolds off the field in Baltimore. A revenge tragedy, of sorts, with a large cast of rival factions, a skein of subplots and conspiracies, and bodies making quick entrances and quicker exits.

The latest characters to appear on stage are the Philadelphia Stars, champions of the two-year-old United States Football League. As of this writing the Stars appear set to move to Baltimore. Some powerful members of the local audience, including the mayor, see them as the answer to the city's immediate football needs, perhaps even its reentry into the National Football League. Others cast the Stars as troublemakers, whose presence will take the NFL off the hook on demands for an expansion franchise here. "If we get the USFL here, you can kiss the NFL goodbye," predicts Francis Knott, president of the Arundel Corporation and one of the last-minute bidders for the Colts. To Mayor Schaefer, the Stars will be

valuable campaign props if he runs for governor. An empty stadium in 1986 would remind too many voters of an empty promise to replace the Colts. Yet the Stars could bring with them the equally thorny problems of getting back into the NFL, dealing with outside ownership, and placating local football investors who also happen to be campaign contributors.

More important, pressures are increasing to deal with proposals for a new stadium. The Orioles' new short-term lease at Memorial Stadium is a warning signal that all is not well on Thirty-third Street. NFL owners are not in a hurry to return a team there. For now, Schaefer remains opposed to spending money on a new sports facility in Baltimore—or worse, having one placed outside the city. He may be gambling that the issue can wait until he reaches the governor's mansion.

In the past the city has overcome the more nervous moments in its franchise history—when Carroll Rosenbloom first put the Colts on the block, when Jerry Hoffberger offered the Orioles around to investors from Denver to Detroit. It has

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lost one professional team, the basketball Bullets, without much fanfare. But the next year is likely to be the most critical time since Baltimore first gained major-league status in the 1950s. (For a recap of past ownership sagas, see page 68.)

Three decades ago the city's sports franchises were assembled like papier-mâché: Civic fathers, benevolent business interests, and the country club set glued them together. In the 1960s control passed to individuals—a Hoffberger, a Rosenbloom—who guided each team. While a sense of public duty remained, the economics of running a pro team soon caught up with them. As TV revenues poured in, player salaries soared, and other cities produced gleaming stadiums and generous leases, club owners freebooted about the country.

"It's my goddamn team," Bob Irsay would rasp to the press. This crude reality, it seems, still has not sunk in here. Despite their obvious appeal, the Stars belong to Myles Tanenbaum, of Mount Airy, Pennsylvania. The Orioles are the property of Edward Bennett Williams, of the Hill Building in Washington—but Williams's tenure as owner, more than his address, is now the concern (see box, page 70). And although the city now has a solid roster of potential team owners, the modern politics of stadium construction and franchise auctions may frustrate them.

Making Baltimore's task even more difficult are the conflicting game plans drawn up to regain football. Mayor Schaefer has tried to develop a united front. He has appointed a civic committee to handle franchise negotiations, and put a clamp on its members to assure confidentiality. Yet the claims of the private sector—the ultimate team directors—keep bobbing noisily to the surface. And

Check, please: Mayor Schaefer and Governor Hughes were ready to pick up the tab for Bob Irsay's refinancing of the Colts last April. Now they face the prospect of finding two bankrolls—one for a new football team, another for the Orioles.



Four months after the Colts rumbled out of town in a Mayflower caravan, Philadelphia Stars owner Myles Tanenbaum headed into Baltimore with his championship team in the offing. "You've got to be nuts to bring the Colts back if you can get the Stars," he told the local press.



other interests, from sports columnists to politicians, press for their own advantages.

Does it really matter if Baltimore regains football? The sport does not offer the day-to-day cash flow of baseball. But its prestige factor is considerable. "Twenty-nine of the thirty largest television markets in the country have a pro football team," notes Robert Merrick Jr., an Alex. Brown & Sons stockbroker leading a football ticket-sales drive. "The only one without a team is Baltimore."

THE stakes are high on bringing football back to town. USFL franchises now sell for \$5 million to \$10 million; the starting price for an NFL team is \$50 million. A new stadium would cost at least \$100 million, with land acquisition and improvement costs wildly speculative variables. Given the dollars at risk, there have been harder hits leveled in this battle than were seen on past fall Sundays in Memorial Stadium. The key players line up this way:

• Mayor Schaefer and his task force, headed by J. Henry Butta, a C&P Telephone vice president. Other committee members include state economic development Secretary Frank DeFrancis, City Solicitor Benjamin Brown, and the deep pockets and corporate contacts of Crown Oil's Henry Rosenberg, Whiting-Turner contractor Willard Hackerman, and USF&G President Jack Moseley. Despite its credentials, "it's not the proper nego-

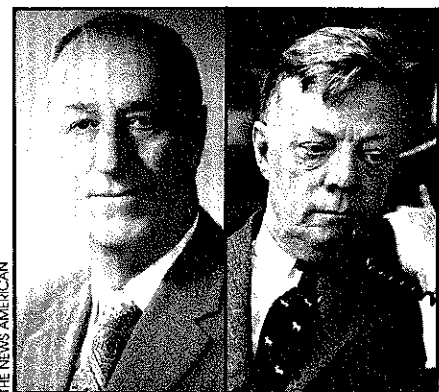
FALL ON THAT BOUNCING FRANCHISE!

The Scorecard on Local Team Ownership

Part comedy, part tragedy, the history of Baltimore's sports franchises is filled with capricious owners, stadiums languishing on the drawing board, and local investors left out in the cold. What follows are brief sketches of team transactions and the recent flurry of football activity.

July 1972. Carroll Rosenbloom, a City College grad who had gained full control of the Colts in 1964, sets his sights on acquiring the Los Angeles Rams. No local interests come forward with the the \$18 million Rosenbloom wants for the Colts. So Rosenbloom arranges to sell the team to Wisconsin developer Willard Keland and then assume ownership of the Rams. When Keland bails out, Chicago air-conditioning magnate Bob Irsay swoops in. Irsay pays \$20 million for the Rams—\$5 million in cash, the rest borrowed—and swaps them for the Colts.

April 1973. The Baltimore Bullets end their ten-year residence in the Civic Center, as Rockville developer Abe Pollin moves them down the parkway to his new Capital Centre playpen.



Two strikes: Ralph DeChiaro and Henry Knott Sr.

August 1979. Orioles owner Jerry Hoffberger, who had come close to selling the team first to baseball maverick Bill Veck, then to former Treasury Secretary William Simon, finally completes a \$12 million deal with Washington attorney Edward Bennett Williams. Left at the altar are local real estate and construction chiefs Henry Knott Sr. and Ralph DeChiaro. They cancel a press conference that would announce a too-late offer to Hoffberger.

April 1980. The General Assembly authorizes \$22 million for improvements to Memorial Stadium—but only if the tenants, the Colts and the Orioles, sign fifteen-year leases.

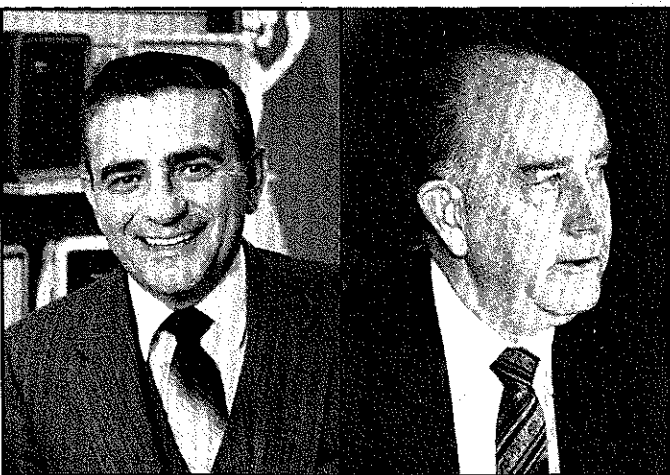


USFL suitor: Ted Venetoulis

1982. The organizers of the United States Football League discuss a Baltimore franchise with publisher Ted Venetoulis and Richard Hindin, owner of the D.C.-based Britches clothing chain. The Orioles, however, are unlikely to sacrifice Memorial Stadium to spring pounding, so the USFL looks south to Washington attorney Berl Bernhard for area representation.

May 1983. Seven head coaches, eight losing seasons (out of eleven), and overtures to three cities later, Bob Irsay pulls one of his greatest blunders: He panics into trading the league's top draft choice, John Elway, without telling his general manager or coach. Later, he reportedly has a handshake deal to sell the Colts to Crown Central head Henry Rosenberg. But Irsay ups his price to \$50 million, then reneges when Rosenberg meets it.

June 1983. Stung by Elway's disparaging comments about the Colts, some local business executives attempt to contact Irsay through an intermediary. Saying they can form a syndicate "within a week," they offer to buy the Colts if the



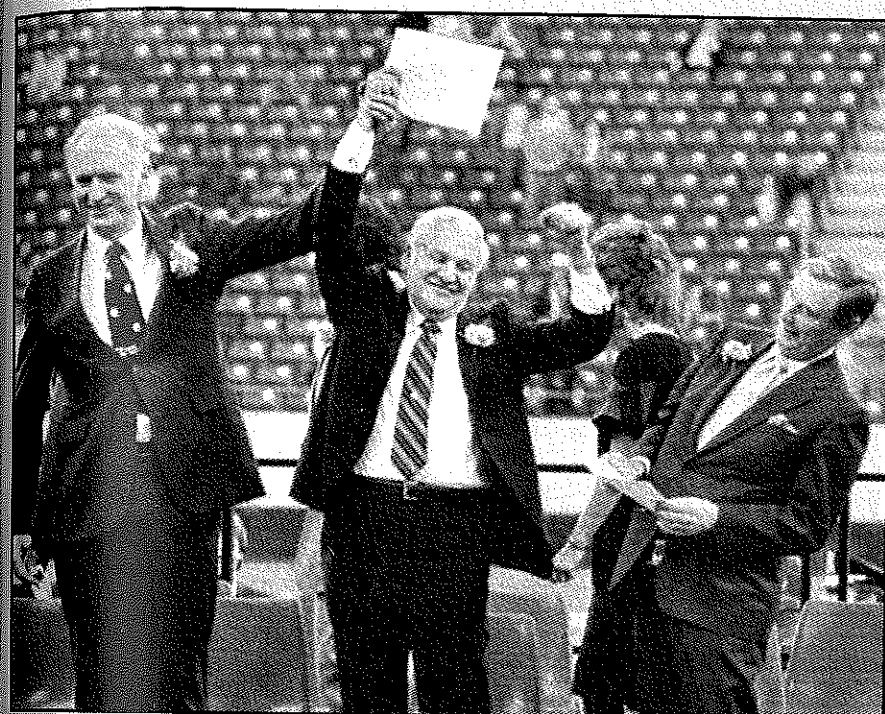
The civic doers: J. Henry Butta and Mayor Schaefer

price is anywhere "within reason." After futile attempts to reach Irsay, the intermediary, citing the treatment of the Rosenberg bids, concludes that the Colts owner is "beyond reason."

January 1984. With his Memorial Stadium lease expiring—and his bank loan for the Colts coming due—Irsay takes off on shopping sprees to Memphis and Phoenix. At least two local groups try to negotiate with him, including H&S bakery owner John Paterakis and the Knott/DeChiaro interests. Irsay, however, never intends to give up control of the Colts. "He just wanted money for the team," recalls one interested party. "Like you giving me \$15,000 for my Olds station wagon, but I get to drive it all the time." One evening the very tired and emotional Irsay flies into BWI for an impromptu press conference with Mayor Schaefer to deflect rumors of an imminent transfer to Phoenix. "I have not any intention to move the goddamn team," he says.

March. Irsay spurns the state's last-minute offer of a \$15 million loan at 6.5 percent interest, a guarantee of forty-three thousand tickets sold per game, and \$4.4 million for the Colts' Owings Mills training facility. Instead, he orders a convoy of Mayflower moving vans to carry the team to Indianapolis, where he has signed a twenty-year lease for the new Hoosierdome.

April. The football wars start on at least three fronts. Berl Bernhard, whose Washington Federals are plagued by the league's worst record and attendance, looks dreamily on Baltimore as a new home. Mayor Schaefer appoints a task force to return an NFL team to Baltimore by 1985. Committee head J. Henry Butta, vice president of C&P Telephone, says the first strike will be a lawsuit to bring



The knockout punch: Bob Irsay greets Indianapolis officials.

the Colts back under eminent domain. And Alex. Brown & Sons stockbroker Robert Merrick Jr. forms Baltimore Football Associates, selling \$120 season tickets for a prospective franchise.

July. The city signs a new three-year Memorial Stadium lease with the Orioles, ending eight months of touchy negotiations. Butta and Frank DeFrancis, state economic development secretary, meet privately with NFL Commissioner Pete Rozelle.

August. On a radio talk show Schaefer declares that "we're going to have a team." The Philadelphia Stars, champions of the USFL, have been orphaned by a league vote to start fall play in 1986. Owner Myles Tanenbaum huddles with Butta's group in Baltimore. "Our initial task by the mayor was to get an NFL franchise," says Butta. "We're not going to give up on it. The USFL franchise is an interesting proposition, but we need to know more." Richard Sammis, owner of Town & Country Datsun, claims the Federals are ready to jump to Baltimore. Investors start to line up for their share of any number of USFL franchises looking for a new home.

September. Tanenbaum gives Philadelphia Mayor Wilson Goode a month to work out fall playing dates for the Stars in Veterans Stadium, already claimed by the NFL Eagles and baseball's Phillies. Mean-

while, he explores using the fields at College Park and the Naval Academy for next spring. The Washington Federals relinquish territorial rights to Baltimore, break off talks with Sammis's group, and plan to move to Orlando.



The big-money players: John Paterakis and Henry Rosenberg

October. The Schaefer committee continues negotiations with Tanenbaum—and the USFL starts to get cold feet on its switch to the fall. Some of the large-money syndicates (Paterakis, Knott) have moved to the sidelines, waiting for a go-ahead from the NFL on expansion and quietly throwing darts at the USFL presence. Governor Hughes announces a task force to begin study of a new stadium. —E.G.

tiating team," warns a local attorney privy to past franchise deals. "The whole thing has been mishandled," he says, including court cases, legislative action, and the stadium question.

• Alex. Brown's Merrick, who heads the Baltimore Football Associates' push to sell \$120 season tickets for a prospective team. This is the group producing the "Don't get mad, get football" advertisements. But BFA angers a member of the mayor's task force. "A pure ego trip," he calls it, suggesting that weak results only will make Baltimore a less attractive NFL property.

• Stars owner Tanenbaum and the various area investors who have pursued a USFL franchise. They have come closest to bringing a football team back to Baltimore. And if the USFL merged with the NFL, Baltimore would have a team considerably stronger than the club that left.

The city has both old-line and newly created wealth eager to buy into a ball club. "The money's here; it just has to be channeled properly."

Still, a number of local factions are unwilling to roll out the red carpet. "It's only a matter of time before they [the USFL] blow," says one business executive. The springtime rival of the NFL lost a reported \$80 million in its second season.

• Loyalists of the NFL. Knott, *The News American* sports editor John Steadman, and others are advising the city to wait patiently for its return. But Baltimore "doesn't have a lock" on a new franchise, cautions Pittsburgh Steelers President Dan Rooney, who oversaw the league's expansion in 1976. "Baltimore and Oakland can't just say to the NFL, 'You owe us a team.'"

• Attorney General and gubernatorial candidate Steve Sachs and other proponents of a new stadium. "We've already lost the Colts, and how do you ensure retaining the Orioles?" asks Sachs. He favors study of the New Jersey Meadowlands model, combining football, baseball, and racing facilities. It might be beyond the city line, but the Orioles—and a football team—would be in it, he says.

AT this writing, the most progress has been made by the Stars and owner Tanenbaum. Originally a tax attorney, Tanenbaum made his fortune as a partner in Kravco, one of the country's largest shopping mall developers. Other than visits to his Hunt Valley Mall, Tanenbaum had no particular interest in Baltimore. Until August,

BEYOND FOOTBALL: Will the Birds Fly South?

With the Colts gone, can the Orioles be far behind? "The Orioles won't be the Baltimore Orioles unless something is done soon," warns one person close to team management. "A three-year lease is a short time. And if the owner wanted to break it, damages would be minimal."

No one expects the Orioles to migrate to far-off climes—as long as the team draws two million fans here and Edward Bennett Williams remains owner. Coming off this year's disappointing season, however, the club must be nervous about fan support for a fifth-place team. And Williams, who at age 64 has had three cancer operations to remove malignancies within the last seven years, is known to be concerned about his line of succession.

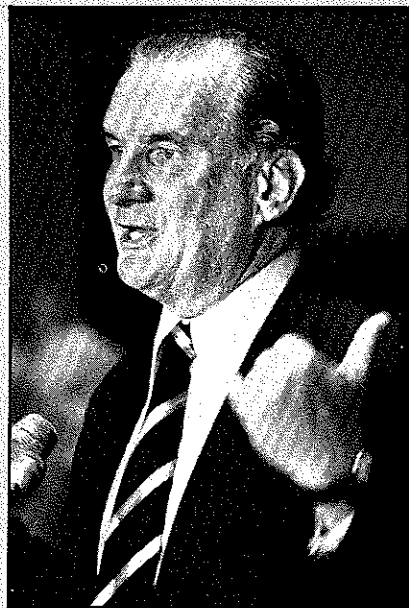
The Orioles' future already seems to be slipping out of the city's control. With the Colts' departure, the Orioles had much the upper hand in the drawn-out stadium lease negotiations this year. The deal completed in June runs for only three years, half what the mayor wanted. The Orioles also kept a profit-sharing formula in lieu of going for straight rental of the stadium, netting the city less money in most seasons.

Although some improvements will be made to the stadium, including new offices and ticket windows, Orioles officials privately are unhappy with their location on Thirty-third Street. Traffic and parking remain major headaches, even with the proposed paving-over of Eastern High School. The number of box seats cannot be increased. And the latest trendy money-maker in sports—luxury "sky boxes" for corporations and wealthy individuals—seems an unlikely facelift for a thirty-one-year-old ballpark.

Most important, Williams is likely

Williams would love dearly to play in a new stadium between the two beltways.

to sell the club to reduce his estate taxes. Having bought the team for a bargain \$12 million in 1979, Williams now has a club worth three to four times that amount, given the recent market prices of baseball franchises peddled in Detroit and Minnesota. None of his children are candidates for ownership.



Speculation has grown that Washington attorney Edward Bennett Williams is considering a sale of the Orioles.

Williams has assured the Designated Hitters, the local season-ticket sales crew, that his first choice would be to deal with Baltimore investors. Already some of the forces lined up for a new football franchise are edging toward the Orioles instead. Konstantine Prevas, who represents H&S Bakery's John Paterakis, speculates that "John could well end up with the Orioles."

In the meantime, Williams wants to protect his investment. The Orioles' asset value would be greatly diminished if, as some reports have suggested, the National League places an expansion team in Washington. To head that off, Williams would love dearly to play in a new stadium between the two beltways. By locking the Orioles in as a regional franchise, he could offer a new owner the country's fourth-largest television market instead of its twenty-first. The prospects for increased cable and local television revenues would jump accordingly.

A foil, ironically, could be Washington Redskins owner Jack Kent Cooke (Williams is a minority owner and team president). Cooke covets a National League team for Washington. If Williams thinks his football partner may beat him to the punch in the baseball business, that would be one more reason to sell the Orioles soon. —E.G.

that is, when a renegade band of USFL owners, led by New York developer Donald Trump, lobbied for a switch to a fall season. Tanenbaum and Michigan Panthers owner Alfred Taubman were the last holdouts against the move. "I got into this [the USFL] because I wanted to see year-round football," Tanenbaum says. But a marketing study apparently convinced the rest of the league that a spring season would never fully tap television revenues.

With the change set for 1986, Tanenbaum, Taubman, and several other USFL

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owners faced ejection from stadiums used by NFL teams. Baltimore, where the Orioles' claim on Memorial Stadium in the spring had frustrated USFL interests, suddenly became the promised land. The Detroit-based Panthers made inquiries through Robert Embry, whose federal housing and development work had put him in touch with Taubman's shopping center empire. USFL teams from Pittsburgh and at least one other city also contacted the mayor's task force.

Tanenbaum displayed the strongest moves. Two days after the USFL vote to go to a fall schedule, Tanenbaum, along with his coach, his general manager, and his local attorney Arnold Weiner, huddled in Baltimore with Butta and DeFrancis. The mayor did not hesitate to show his preference for capturing the USFL's best team—especially compared to the other serious franchise bid, mounted by the lame Washington Federals.

Once described by owner Berl Bernhard as playing like "a group of untrained gerbils," the Federals usually drew fewer than ten thousand fans to RFK Stadium; the team won only seven of thirty-six games in its first two years. Bernhard and other team investors figured the club could be nursed back to health in Baltimore, where it held territorial rights. Fresh money would be supplied by local interests. Or an outright sale would take place: A syndicate headed by Town & Country Datsun owner Richard Sammis ("Mr. Nobody" to the TV audience) spent the summer trying to buy the team for approximately \$5 million.

But Sammis was blocked by Schaefer. "It's up to him to say, 'I support your group,' and we'd have a team here tomorrow," Sammis complained. Instead the Federals headed to Florida—first dallying with Miami, then finally landing in Orlando—and ceded their territorial control over Baltimore.

Tanenbaum gained the inside track. His negotiations with the city ran into a possible snag last month, when the USFL was rumored to be rethinking the switch to the fall schedule. But "I'd be very surprised if we went back to the spring," Tanenbaum tells BALTIMORE Magazine.

The talks with the Stars also have run into grumblings that another owner hailing from a different city would cause trouble in the long run. The Stars, in fact, wear the red and gold colors of Central High School in Philadelphia, which Tanenbaum attended. Aware of Baltimore's nervousness about absentee owners, Tanenbaum insists an understanding could be reached. "We don't want to be considered carpetbaggers," he says. "I've said to the city administration that if a local identity in ownership were a factor considered important or relevant, we'd be happy to bring it in."

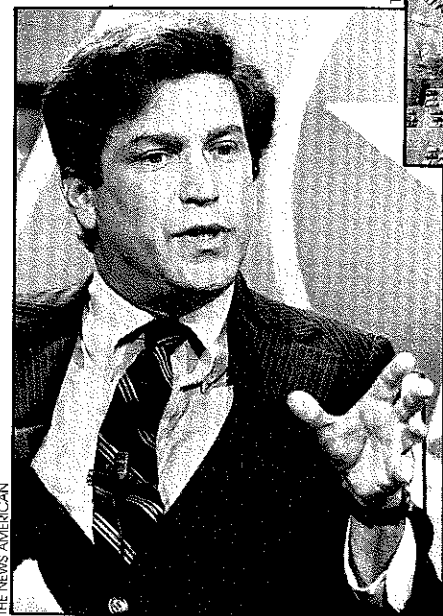
Currently Tanenbaum and his two Kravco partners own 50 percent of the team. General Manager Carl Peterson has a small share; the rest is held by six limited partners, including Pikesville insurance agent Ben Rosenberg (whose son Sandy is a member of the House of Delegates). Rosenberg notes that most of the other limited partners are New Yorkers, who may find Baltimore too distant to maintain their interest. "I could name a dozen fellows in town who have called and would love to own part of the team," Rosenberg says.

Tanenbaum is ready to pledge allegiance to the city. "My intention is to stay in Baltimore forever," he proclaims. He'd even like to rechristen the team the Colts and has his attorneys checking the proprietary rights to the name (the horseshoe logo is out of reach, trademarked by the NFL). "I wouldn't use 'Colts' if that were an affront to the community, but I think it's a neat name," he says.

IF Tanenbaum does cement a deal with the city, he still has to find a home for next spring. Rather than play a lame-duck season in Philadelphia, the Stars would prefer playing somewhere in Maryland in 1985. To date, overtures to College Park and the Naval Academy have fallen flat. But once in Memorial Stadium, Tanenbaum expects, his team would draw well—forty thousand per game is his first-year projection.

The ace up his sleeve for winning fan and city support is the chance of joining the NFL in a merger. Arguing the loyalist line, Tanenbaum says that the USFL can compete and survive against the older league. "It's not our mission to be in the NFL," he says. "I think we can do very well in the fall." But he allows that a reprise of the AFL-NFL death struggle could force a settlement. Like the upstart American Football League in the 1960s, the USFL is tormenting the NFL with salary wars, raids on key players and

Steve Sachs, the attorney general with his eye on the governor's office, argues that a modern sports complex must be built for Baltimore to retain—and recapture—its sports teams. Talk about improvements to Memorial Stadium, he says, "is the Dark Ages."

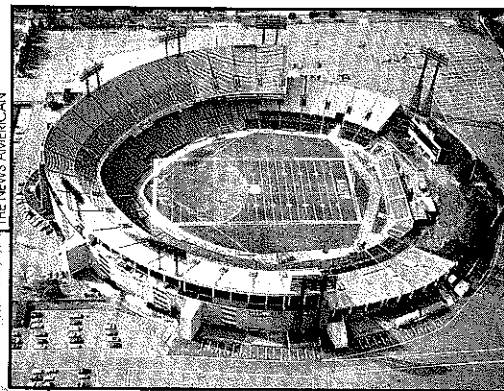


college draftees, and bites into critical TV ratings and revenues.

"There are some real problems for the NFL," Tanenbaum says. "The play on the field is not as crisp as it used to be. There are increasing financial pressures. So it wouldn't surprise me to see some sort of accommodation. And those cities already with the USFL will be in a good position."

So will the USFL owners invited into the NFL. The Stars' limited partners bought their one-twelfth shares for \$300,000 each. The most recent NFL franchise sales, in Denver and Dallas, brought gushers of \$60 million and \$80 million, respectively. Of course, the NFL would charge a steep entrance fee to any new clubs: The last expansion teams had to ante \$16 million apiece. "Everybody's asking himself, 'What's it worth? Should I sell now or wait and hang on?'" Rosenberg says of the shares in the Stars.

In the NFL's view, the USFL owners can wait forever. "Merger talk is overblown," says league spokesperson Joe Browne. "All of it is coming from one side." The Steelers Dan Rooney says the NFL wants to choose its own cities and ownership, "not take the USFL and its mistakes." He discounts the AFL analogy—noting that only eleven cities were represented by the NFL when that rival league began—and substitutes the example of the short-lived World Football League, which died after two financially ruinous fall seasons in the mid-1970s. In addition, the NFL would welcome a USFL move to the fall, figuring the new league would quickly flounder in TV ratings.



Tanenbaum responds that the USFL is fortifying itself for head-to-head competition. The league plans to reduce the number of franchises from the current eighteen to twelve, perhaps fewer, by its fall start. "The number-one consideration is that the product seen alongside the NFL will measure up," he explains. "The talent now spread across eighteen teams will make the remaining clubs stronger. Plus, per-team TV income will go up and the potential for poor stadium revenues will go down." The NFL ultimately could decide to merge rather than fight. And with one of the best-financed and, if in Baltimore, best-positioned teams, Tanenbaum would seem to have his NFL passport stamped and ready.

But beyond the NFL, two other powerful merger opponents lie ahead. A congressional exemption would be required to avoid antitrust suits, and the Senate, in

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particular, is wary of pro sports legislation these days. The football players unions, enjoying sharp wage increases in a free market, would not sign any truce. "The players want a bargaining tool," says former Colt Tom Matte. "They'll oppose a merger tooth and nail."

Given these obstacles, many local interests say the USFL is not Baltimore's ticket to the NFL but its walking papers. As *The News American's* John Steadman—who saw every Colts game played in their thirty-one years here—wrote after the USFL decision to play in the fall, "If the NFL sees that Schaefer is willing to settle on the USFL, then Commissioner Pete Rozelle has no reason to restore a team to Baltimore. It takes him off the hook."

This argument apparently swayed H&S Bakery owner John Paterakis, who was

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