

NATIONAL SPORTS LAW NEGOTIATION COMPETITION 2015

Judges' Instructions for The Final Round

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BACKGROUND

Round 3 – *Deuces Wild*

MLB/MiLB PLAYER DEVELOPMENT CONTRACTS

- **As per Rule 56 of the MLB Rules, the exclusive contractual relationship between major league (MLB) and minor league (MiLB) baseball clubs**
 - MLB provides a standard form letter that both parties sign to establish this relationship
- What is the purpose of a MLB/MiLB Club Relationship?
 - Allows for the establishment of a “farm system” to develop players before they are ready for the major leagues
 - MLB has the most comprehensive minor league system in all of sports, with five levels of leagues (AAA, AA, A, Short-Season A, Rookie)

BACKGROUND

Round 3 – *Deuces Wild*

MLB/MiLB PLAYER DEVELOPMENT CONTRACTS

- **PDC relationships are *heavily restricted* by MLB to avoid corruption**
 - Clubs can only sign two or four year PDCs, and can only form/disband relationships in even-numbered years (2014, 2016 etc.)
- **MLB clubs cannot offer (and MiLB clubs cannot solicit) economic benefits in connection to a PDC**
 - No money can change hands except for the limited player development purposes defined in Rule 56
 - This includes the playing of exhibition games in the MiLB club's city
 - Breaking this rule subjects the MLB club to a \$500,000 fine, and the MiLB club to a \$100,000 fine

BACKGROUND

The Parties

- **Minnesota Twins**

- Major League Baseball club located in Minnesota
- Currently AAA affiliate is the Rochester (NY) Red Wings
- For this fact pattern, the Red Wings have notified the Twins that they will start a relationship with the New York Mets starting in 2017

- **Las Vegas 51s**

- Minor League Baseball club located in Las Vegas
- Current AAA affiliate of the New York Mets
- Have had significant trouble keeping a MLB affiliate for more than a few years; they have had 3 different affiliates in the past 15 years
- Why? Their ballpark (Cashman Field) is now over 30 years old and is considered one of the worst ballparks in baseball

Issues to be Negotiated

The clubs have received permission from MLB/MiLB to discuss a PDC relationship to begin in October 2016

1. Will the 51s remain in Cashman Field (or if not, will they stay in Las Vegas or move to Edmonton?)
2. If the 51s stay in Las Vegas, how will they allocate their \$2 million budget for improvements?
 - Needs include: Moving back outfield walls, constructing a humidior, new weight room facilities, indoor batting cages, water features for fans and additional security\
3. Will the Twins give the 51s special accommodations for player development and on-field coaches?

SPECIFIC ISSUES AND INSTRUCTIONS

Issues	Twins	51s	Zone of Possible Agreement
<p>Will the 51s stay in Cashman Field?</p>	<p>Cashman is a drawback to signing with the 51s due to its lack of important player development facilities like weight rooms and indoor batting cages, plus the heat and the fact that it is in a bad area. If a new stadium cannot be secured, would like to see the 51s move to Edmonton, where weather conditions are more like Minnesota.</p>	<p>Sees a strong future in Las Vegas, but a new stadium is not on the horizon due to political issues. Knows that Cashman Field is inadequate and has budgeted \$2 million for improvements.</p>	<p>With the \$2 million budget for improvements, the 51s and Twins can agree to changes that will make Cashman a better location for Twins' prospects.</p>

SPECIFIC ISSUES AND INSTRUCTIONS

Issues	Twins	51s	Zone of Possible Agreement
<p>Priority of Improvements</p>	<p>Focus should be on making the park play more like Target Field, including adding a humidifier to counter the dry air and expanding the outfield fences to mimic or exceed Target. Also wants to see new weight room and indoor batting cages.</p>	<p>Focus should be on making the park better for fans, including adding water features, more security and misters in dugouts and stands. Would like to use the balance to accommodate the Twins' needs.</p>	<p>Allocating the \$2 million budget to accommodate both clubs' needs.</p>

NUMBERS THAT THE TEAMS HAVE TO WORK WITH

Category	Item	Cost
Outfield Walls	Adjusting all outfield walls beyond Target Field specifications	\$1,500,000
	Adjusting all outfield walls to Target Field specifications	\$1,250,000
	Adjusting LF and RF walls beyond Target Field specifications	\$750,000
	Adjusting LF and RF walls to Target Field specifications	\$500,000
Baseball Operations	Construction of a humidior room in Cashman Field	\$750,000
	State of the Art Weight Room Facilities	\$500,000
	Indoor Batting Cage (each)	\$250,000
Stadium Improvements	Construction of a kids park beyond the outfield fences	\$1,000,000
	Adding additional seating and a pool beyond the outfield fences	\$750,000
	Additional security for 72 home games	\$250,000
	Misters in the stands and dugouts for 72 home games	\$250,000

SOME NECESSARY MATH

So You Don't Need a Calculator

Possible Combinations (EXAMPLES)

Item	Cost
Adjusting LF and RF walls beyond Target Field specifications	\$750,000
Construction of a humidor	\$750,000
Weight Rooms	\$500,000
TOTAL	\$2,000,000

Item	Cost
Adjusting all OF walls to Target Field specifications	\$1,250,000
Indoor Batting Cages (2)	\$500,000
Additional Security	\$250,000
TOTAL	\$2,000,000

Item	Cost
Adjusting LF and RF walls to Target Field specifications	\$500,000
Weight Rooms	\$500,000
Additional Seating + Pool	\$750,000
Additional Security	\$250,000
TOTAL	\$2,000,000

Item	Cost
Adjusting LF and RF walls to Target Field specifications	\$250,000
Indoor Batting Cages (2)	\$500,000
Construction of a kids' park	\$1,000,000
Misters in the stands & dugouts	\$250,000
TOTAL	\$2,000,000

SPECIFIC ISSUES AND INSTRUCTIONS

Issues	Twins	51s	Zone of Possible Agreement
On-Field Personnel (Players)	Has exclusive control under Rules. Very conservative with player development and will always put MLB needs first.	Would like to see the Twins ensure top prospects and rehabbing stars play in Las Vegas.	None; one team will have to compromise.
On-Filed Personnel (Coaching Staff)	Willing to be flexible to give 51s some input, but wants to ensure that the coaching staff fits with the “Twins Way” of player development	Would like the Twins to hire Las Vegas-native Jason Giambi to coach the team starting in 2017	Giambi, as an admitted steroid user and non-Twin, will be a tough sell for the Twins. One team will have to compromise.

LEVERAGE POINTS

- **Best Alternative to a Negotiated Agreement (BATNA)**
 - **Minnesota Twins**
Another AAA affiliate closer to home with a better ballpark opens up (very unlikely as per facts).
 - **Las Vegas 51s**
Another MLB affiliate with a more consistent philosophy opens up (very unlikely as per facts).
- **Worst Alternative to a Negotiated Agreement (WATNA)**
 - **Minnesota Twins**
The Twins are forced into a standard 2-year PDC next October with the 51s anyway, but under current conditions.
 - **Las Vegas 51s**
The 51s are forced into a standard 2-year PDC next October with the Twins anyway, but under current conditions.

POTENTIAL OUTCOMES

How WE Envision It

This is a problem designed to allow the parties to reach a deal, *but only if they want to.*

Plenty of potential outcomes, but plenty of hurdles that must be passed in order to reach them.

The parties need to cross a few bridges before any deal can happen.

- How much will the Twins force Edmonton relocation on the 51s, who likely will not want to move?
- How flexible will the 51s be with giving the Twins a say with their stadium budget, for what may just be a two-year relationship?
- How flexible will the Twins be with the player development?

WHAT DEFINES A GOOD TEAM?

- Teams must be able to give up strong positions quickly in order to reach an area where a deal is actually possible.
 - Twins: Trying to convince the 51s to move to Edmonton if they cannot get a new stadium
 - 51s: Giving up on player development concerns
- **Keep in mind: the teams have only had this problem since about 6:00pm *last night***
 - The 51s have no facts leading them to the Edmonton issue, which the Twins' facts stress is fairly important
 - Lots of numbers and budgets in play – how well can they adapt to unexpected facts and positions?

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Thank you!

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