

Dodgers Set to Announce \$6-\$7 Billion TV Deal on Thursday

Written by Maury Brown

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On Thursday, the Los Angeles Dodgers and Time Warner Cable will announce a new television contract that will have the team starting its own channel. While terms will not be officially released, it has been known for some time that the Los Angeles NL club would pull in \$6 billion to \$7 billion making it by far the most lucrative local broadcast deal that has ever been reached in baseball.

What makes the deal even more amazing is that TWC had already inked a \$4 billion broadcast deal that sees the Los Angeles Lakers at the heart of the programming. All told, TWC will be committing between \$10-\$11 billion to two Southern California franchises.

For the Dodgers, the effects are already being felt. While the club saw a 2012 end of year payroll of \$129,080,186, ranking them 8th out of the 30 clubs, they have already planned to go into "Yankee territory" for 2013. In interviewing Dodgers President Stan Kasten at the Winter Meetings he said that there was "a good chance" that they would break the Luxury Tax threshold adding, "We're not done yet."

What's interesting is how revenue-sharing could possibly be capped, something that MLB was very concerned about when the Dodgers were looking at the deal prior. [According to the LA Times](#), that issue opened the door for TWC:

The Dodgers' current contract with Fox Sports expires after the 2013 season. The team had

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discussed a new deal with Fox last fall, worth at least \$6 billion over 25 years. However, as MLB and the Dodgers debated how much of that money would have to be contributed to baseball's revenue-sharing program, the Fox exclusive negotiating window expired, enabling Time Warner to initiate negotiations with the team.

Fox was believed to be willing to restructure its offer but was not believed to be willing to significantly raise the amount. The Time Warner Cable deal is believed to be worth between \$6 billion and \$7 billion.

What has been on the lips of many sports fans is, will deals like this rain down like money from heaven? The answer is, no. Los Angeles is the nation's second-largest market. The Dodgers are a storied brand. Frank McCourt had depressed the potential of the club. The franchise was on the cusp of a new television deal. The new owners have exceptionally deep pockets and are doing everything to renovate not only Dodger Stadium but the roster, as well... it was a perfect storm for the largest deal in history to happen. Don't expect it to occur again.



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