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Rendell's 'preference': Make baseball franchise private, build new stadium

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Selling ownership of the local Triple-A baseball franchise to private investors would be Gov. Ed Rendell's "preference," his press secretary said Friday afternoon. In discussing the governor's willingness to commit \$20 million to renovate PNC

Field or build a new stadium, press secretary Gary Tuma said Thursday that local officials need ed to "work something out with the Yankees."



Mr. Tuma reiterated those commitments Friday when asked if the money could be committed to buy the

team," Mr. Tuma explained. State Sen. Robert J. Melow, D-22, Peckville, originally included the stadium work earmark on a list for the Redevelopment Assistance Capital Program in 2008. That program relies on borrowed money the state can use for economic projects, and it has been used for other major projects including Commonwealth Medical College. But being on the wish list doesn't assure a project funding, a local match of 50

percent of the funding is necessary, as well as the governor's support.

The support is there, but with a private-sector caveat. "It's very doable to structure it in a way that the local tax dollars are not necessary" for a new stadium or renovated one, Mr. Tuma said.

"His preference is that. As has been demonstrated, it's a win-win if you can bring private investors in to own the team. It's worked out very well in Harrisburg."

The state's capital city sold its double-A franchise, the Harrisburg Senators, to private investors for \$13.25 million in 2007 — \$250,000 more than Lackawanna County will get if it sells its more lucrative Triple-A franchise this year.

But the governor's commitment creates a \$20 million dilemma for Lackawanna County. Allow the sale of the Scranton/Wilkes-Barre Yankees to go through and

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remake PNC Field; or, fight SWB Yankees' right to buy the franchise and find another funding source to renovate the baseball stadium.

In either scenario, observers argue, Northeast Pennsylvania could lose the coveted Triple-A franchise officials worked to secure in the 1980s.

Safeguards questioned

The 2007 purchase option allows Mandalay to buy the baseball franchise for between \$13 million and \$16 million, depending on when the purchase is made.

Critics of the option, such as former Multi-Purpose Stadium Authority member and solicitor John McGee, fear the deal hammered out by the previous county administration three years ago doesn't adequately safeguard the franchise from being moved by SWB Yankees.

Some argue that if SWB Yankees purchases the team, it could leave after the player development contract expires in four years.

Former Commissioner Robert C. Cordaro, father of the 2007 agreement, often thundered at critics that the team will be here "in perpetuity," thanks to a lease provision that requires Mandalay to sign a 20-year lease at the local stadium if the option is exercised. At the end of the 20-year lease, the county could buy back the franchise at market rates.

In addition to doubting whether the county could afford such a costly repurchase, critics continue to debate whether that deal even requires Triple-A ball actually be played at the local stadium during the life of the lease.

A risky challenge?

If the stadium authority challenges the purchase option in court — and wins, which would not be assured

— then the authority and Lackawanna County would need to find another way to make major renovations to the 21-year-old PNC Field.

If the stadium falls into disrepair, or the authority cannot pay its bills, the International League could possibly take the franchise from the authority.

Majority Commissioners Mike Washo and Corey O'Brien refused to comment or speculate on whether they support challenging the sale option.

At a public meeting Wednesday, Mr. O'Brien said what imperils the franchise most is not the purchase option, but the dire need of funding to repair and renovate the stadium.

"My fear is that we lose baseball forever whether we have a management agreement with Mandalay and the Yankees or we don't," Mr. O'Brien said. "My fear is we will not be able to fund the necessary repairs."

And the commissioners said at the meeting they would not commit county taxpayer dollars to fund more significant renovations to the stadium.

Sale power shared

A sale would certainly fit the operating strategy of the majority commissioners, who spent the last two-and-a-half years axing the size of county government. During the sale of the former Lackawanna County Health Care Center, Mr. Washo argued: "Government has no business running businesses."

But the majority commissioners are not the only ones with a say in the matter.

The Luzerne County commissioners have previously threatened to sue if the franchise was sold under the agreement Mr. Cordaro signed. Luzerne and Lackawanna counties put up \$1 million each

two decades ago to buy the franchise in an agreement that potentially entitles each county to half the share if the franchise is ever sold.

Asked if Luzerne County would challenge the sale, Commissioner Steve Urban said, "All these items still have to be discussed." But, he said "of course" Luzerne County would be expecting half its share of the proceeds, if sold.

The independent stadium authority, which owns the franchise rights and PNC Field, also could potentially fight to keep the franchise from being sold. While typically reliant on Lackawanna County for funding, Mr. McGee offered to raise money for a legal fund if the authority commits to challenging the purchase option.

Mr. McGee, who helped bring professional baseball back to the region two decades ago, said he believes county commissioners intend to allow the sale to go through.

There are, he believes, better options than the sale of the franchise to renovate the stadium. For instance, Mr. McGee said the sale of the franchise's managing rights

to SWB Yankees, or another private investor, would ensure the team remains in Lackawanna County forever while providing revenue to fund renovations.

"But the purchase option has to be taken off the table before that discussion can happen," Mr. McGee said.

He was discouraged upon hearing the governor supported the sale of the franchise to SWB Yankees.

"The governor must not be fully aware of all the circumstances surrounding the option agreement as the validity of that option agreement is certainly in question," Mr. McGee said.

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