

June 30, 2004

Brockton officials want role in stadium loan
Jennifer Kovalich, Enterprise staff writer

BROCKTON — If future changes need to be made to the \$8 million loan agreement between the city and the 21st Century Corp. for the construction of Campanelli Stadium, one city councilor and the mayor want the full City Council to be part of that decision-making process.

Mayor John T. Yunits Jr. and Councilor-at-large Thomas Brophy have filed an order seeking to amend the Sept. 17, 2001, City Council order that allowed the city to borrow \$8 million toward the construction of Campanelli Stadium. That money is to be paid back to the city by the 21st Century Corp.

"It doesn't affect any amendments that have been made prior to this order," Brophy said Tuesday. "We cannot negate any contractual orders that the city has entered into with the 21st Century Corp. That includes the credit with the hotel-motel tax."

Brophy said the purpose of the amendment to the 2001 City Council order is to avoid future surprises like learning the mayor in December forgave \$600,000 in debt the 21st Century Corp. owed the city on its first repayment of the \$8 million loan. Two years of hotel-motel tax was applied toward that \$842,320 debt instead. The corporation made its first payment earlier this month of \$12,473 to the city.

"We found out about the \$600,000 credit during the Finance Committee meeting. We are hopeful that will not happen again," Brophy said.

A renegotiated deal between the 21st Century Corp. and the Brockton Rox was reached last week for operation of the Shaw's Center. The new contract basically ensures a revenue stream for the corporation, with payments coming from the Rox both on the Shaw's Center and Campanelli Stadium. Those revenues are expected to be applied to future loan payments the corporation will make to the city.

The original City Council order set out the authority for the city to borrow \$8 million for the baseball stadium, as part of a stadium-conference center facility.

It also authorized Yunits to enter into agreements with the 21st Century Corp. to fund the project. And the original order gives great leeway toward that end of the deal, stating in part that "the mayor is authorized to take any other action necessary to carry out this project" in addition to providing a loan or grant to the corporation or using federal or state aid for the project.

Yunits on Tuesday said he has no problem with sharing the responsibilities with the council.

"I don't need or want all that authority. I want the council to be engaged," Yunits said.

In a letter to the council, Yunits stated that, "I believe the original order passed by the City Council recognized the need to have the ability to be flexible in accomplishing such a complicated project as the stadium-conference center project. I agree that at this time more council involvement is important for any further modifications."

The City Council president is a member of the board of directors of the 21st Century Corp. Because of a councilor being in that position, Yunits, who is also a member of the 21st Century Corp. board, said the financial dealings with the stadium should not have come as a surprise to the council.

"The council was aware of what was going on," Yunits said.

City Council President Donna Daley is on the board and last year Ward 7 Councilor Charles Logan filled that seat. An attempt to reach the pair Tuesday evening was not successful.

The mayor said because of the nature of some council presidents' job responsibilities, some have had more time to spend on the board issues than others.

The order filed by Brophy and the mayor is expected to be taken up at a future Finance Committee meeting. Brophy said he is hopeful fellow councilors will sign onto the amendment.

"I was pleased that the mayor was willing to sit down and talk about this," Brophy said. "I think we came up with something that will allow for public discussion."