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The Enterprise

New Rox stadium deal designed to end deficits

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BROCKTON — A renegotiated deal that will allow the Brockton Rox to operate the Shaw's Center will be presented to the Brockton 21st Century Corp. board of directors at its next meeting, Mayor John T. Yunits Jr. told the City Council Monday night.

Yunits announced at a budget hearing that a new financial deal had been struck that day, but did not reveal any specifics. The 21st Century Corp. board is expected to review it before signing the new contract.

The deal is expected to allow the Rox to take over operations at the conference center in an arrangement similar to the way the team operates the adjacent Campanelli Stadium. The Rox currently run the Shaw's Center under a management agreement with the 21st Century Corp., which owns both the stadium and the conference center

Yunits brought up the new deal during a discussion of a \$250,000 appropriation for the 21st Century Corp. in his proposed 2005 budget.

"For right now, under the new deal, the city is not exposed to any more losses," Yunits said.

Just weeks after the Rox began their third season at Campanelli Stadium, the city received its first check from the 21st Century Corp. in repayment of an \$8 million loan the city made toward construction of the \$11 million stadium on Lexington Avenue.

Arthur Markos, president of the Brockton 21st Century Corp., delivered a check for \$12,473 to Yunits and Chief Financial Officer John A. Condon on Wednesday.

The payment came after The Enterprise learned from the city auditor's office that no payments had been made on the loan. The first payment of \$920,573 was due in December, but the city either forgave or deferred at least half of that.

On Monday night, Councilor-at-large James Harrington said he has been a strong supporter of the 21st Century Corp. and said perhaps a "disservice" had been done to the corporation, which is the city's nonprofit economic development arm, with the stadium financing deal.

"Nobody's really seen the numbers," Harrington said.

He asked whether the \$250,000 appropriation Yunits requested was to pay money the 21st Century Corp. owed on obligations at the Shaw's Center. City officials have said the corporation owes the Rox for expenses incurred managing the conference center.

Yunits said the money, which all comes from the city, is to operate the agency. The \$250,000 appropriation is guaranteed in the contract under which the city made the \$8 million loan.

Yunits also came to the defense of the corporation.

"The 21st Century (Corp.) unjustifiably takes a huge black eye on something they didn't deserve," Yunits said.

Despite questions about corporation's repayment of the loan, Yunits reaffirmed his belief the stadium and conference center will become profitable. He said it was the first such combined facility outside of Texas.

"It will work," he said. "I don't think the 21st Century (Corp.) should take it on the chin for this. It will make money."

But Harrington said he wants a better accounting on the finances.

"I still don't understand whether you forgave it or if it was a grant. I want to make sure I understand it," he said.

And he laid some of the blame for the financial troubles on the Rox.

"I don't think they did everything they could to promote the conference center," Harrington said. "Let's put all the cards on the table and get it going."

He also asked to see the revenue stream from the Shaw's Center to see why it did not turn a profit.

Councilor-at-large Thomas Brophy questioned why the 21st Century Corp.'s overall budget is \$310,500 if the city is contributing \$250,000 toward operations.

The difference, Markos said, is raised through membership drives and fund-raising. In the past eight years, he said, the 21st Century Corp. has helped create 6,000 new jobs, but it is no longer eligible for some economic development grants.

Councilor-at-large Todd Petti asked what became of the money the corporation got from the sale of its building at 221 North Main St. in April 2003.

Markos said the corporation sold the building for \$175,000 and in November moved into a new headquarters at 144 North Main St. The money from the sale was used to cover operational expenses at the Shaw's Center, Markos said.

"Is it gone?" Petti asked.

"Yes," Markos said.

Ward 5 Councilor Dennis DeNapoli said they let the building go for too little.

"I've been in the building. It was a gorgeous building and you sold it too cheap," DeNapoli said.

Further discussion on the new Rox contract could come Monday night. The issue will be before the Finance Committee in a follow-up to a discussion on the new deal and the relationship between the Rox and the 21st Century Corp. and corporation and the city.

