

Fresno City Hall hires help to find buyer for Grizzlies

By George
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Chukchansi Park is the home of the Fresno Grizzlies in downtown Fresno. FRESNO BEE FILE

Fresno City Hall wants to bring in some big timber to help find a buyer for the Fresno Grizzlies.

The City Council on Thursday is slated to debate whether veteran sports consultant Dan Barrett can end the frustration that has come to surround the ownership of Fresno's Triple A baseball team.

The administration of Mayor Ashley Swearengin will ask the council to approve a deal that would pay Barrett an hourly fee to provide an array of advisory services, all of them tied to one goal -- get new blood in the Grizzlies' investor group.

City Manager Bruce Rudd said Barrett would serve the same role as a real estate broker: Marry buyer and seller, make both happy.

"This is a very complicated matter, and we know it will be scrutinized by the community," Rudd said. "Dan is well versed in this. The mayor and my office have nothing but the utmost respect for his ability to provide this service."

The Grizzlies are owned by Fresno Baseball Club LLC. Grizzlies President Chris Cummings in an email to The Bee said he would love to work with Barrett in finding a buyer.

"He's very well known and respected in the baseball world, and has contacts that I don't have access to," Cummings said.

Barrett, founder of Manhattan Beach-based Barrett Sports Group, was at the center of talks five years ago when City Hall and Cummings renegotiated the Grizzlies' lease at city-owned Chukchansi Park. Cummings was glad to see his annual rent effectively cut by about \$750,000. The city was reassured the Grizzlies wouldn't go belly up.

The diplomatic challenges for Barrett may be even more daunting this time.

Cummings has said several times that some of his investors want out of the Triple A baseball business in Fresno. Whether that means the solution is new ownership top to bottom or simply fresh money with Cummings remaining at the top of the heap is probably subject to future events.

City officials are clear that they want someone new calling the Grizzlies' shots.

Part of the reason is money. The Grizzlies seem to always owe back rent. The amount fluctuates during the year, but it's not rare for the tab to exceed \$1 million. It's always been just enough money to keep City Hall relatively pliant to the Grizzlies' wishes, but not enough to spur the city to court action.

City officials say they're running out of patience.

And part of the reason is marketing potential. The Grizzlies recently lost their player development contract with the San Francisco Giants. The Houston Astros have filled the void. City Hall thinks a change in Major League affiliation and a change of ownership might do wonders for the Grizzlies' 2015 advertising campaign.

One other detail adds difficulty to Barrett's task. A new owner almost certainly will want new lease terms at the stadium. Any break on rent means a bigger taxpayer subsidy for the stadium's construction bonds.

Rudd said Barrett has been given some guidance on what lease tweaks the administration could stomach for a new owner. Rudd declined to give details.

The proposed deal asks a lot of Barrett. He would, among other things, help develop a negotiating strategy that includes timing issues. That probably means: Which comes first, new owners or a new lease?

Barrett also would advise on a sale's structure, sit at the table during negotiations and evaluate the effect on city coffers of key deal points.

Barrett would be paid \$450 an hour, with smaller hourly fees for several of his associates if they get involved. Barrett began advising the city in July, so a contract would include his earlier work.

Barrett's fees would come from the city's general fund, most of which goes to public safety and parks. However, should Barrett find a buyer and the deal goes through, he would get 3.5% of the sale amount (gross) and would return all fees paid up to that time.

The city would be made whole on back rent and other bills before the sale is final.

City finances are improving, but city officials still watch every general fund dollar like a hawk. Rudd was asked if he's willing to risk \$450 an hour on Dan Barrett because something tells him a Grizzlies sale is likely, making the fees all but irrelevant.

"That's a solid assumption," Rudd said. "You have a motivated seller and a landlord who would like to have a new tenant. We all want to get this done."

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