

The Virginian-Pilot

Shinn Joins Arena Talks; Helps Close Fiscal Gap

Little Progress Made in Previous Meetings Without Him

December 19, 1996

By Harry Minium, Staff Writer

Progress was made Wednesday in the first negotiating session over a proposed 20,000-seat arena attended by George Shinn, sources close to the negotiations say. Shinn and a delegation of sports finance experts from NationsBank's Charlotte office met with representatives of the Hampton Roads Partnership in downtown Norfolk for 90 minutes to discuss an arena lease. Shinn, who owns the NBA's Charlotte Hornets, has bid to put an NHL expansion franchise in the arena, which would be built by the region's cities in downtown Norfolk.

Sources who asked not to be identified have said a significant gap between revenue available to the cities and what it will cost to construct the \$ 125 million arena existed prior to Wednesday's session. Partnership officials say privately that they can give no more in negotiations, and that Shinn must provide more revenue for negotiations to be successful.

Sources say Shinn agreed Wednesday "to buy into certain assumptions on the way we would do things." Officials won't say what those assumptions are, but say they could narrow or close the gap, depending on revenue projections.

Chris Dunlavy of the Washington accounting firm of Brailsford & Dunlavy, who works for the partnership, will produce new revenue and cost projections based on the assumptions discussed Wednesday to see if the gap is closed.

Shinn, through Hornets media relations director Harold Kaufman, said that "things are going well" in the talks and that he hopes a lease for the arena will be concluded by the end of the week.

Partnership officials say privately that Shinn's presence was needed. There have been more than a dozen negotiating sessions between Shinn's representatives and the partnership's representatives, and little progress has been made.

"There are certain decisions that only he could make," said a source familiar with the negotiations. "His presence was very productive."