PRO HOCKEY RETURNING TO PORTLAND IN FALL OF 2018 AFTER A 2-YEAR ABSENCE

The owner of an ECHL franchise in Alaska will move it to Maine, providing a primary tenant and needed revenue for the Cross Insurance Arena while facing a rebuilding of the fan base.

Professional hockey will return to downtown Portland for the 2018-19 season.

Comcast Spectacor, parent company of the NHL’s Philadelphia Flyers, announced Thursday that it had purchased an ECHL franchise in Alaska that will be relocated to Cross Insurance Arena.

Comcast Spectacor also is the parent company of Spectra, the management firm contracted to run the arena, which has been without a major tenant since the Portland Pirates of the American Hockey League were sold in May 2016 and moved to Springfield, Massachusetts.

Mitch Berkowitz, chairman of the arena’s board of trustees, said it was “exceptionally important” for the building to have a primary tenant.

“Without that, the expenses that go with a facility of this size become somewhat unbearable,” he said at a news conference at the arena. “We wanted to make sure that there was relief for the taxpayers who approved the bond for the renovations, which (Cumberland) County ultimately is responsible for.”

A $33 million renovation that began in 2014 and took 18 months to complete overhauled locker room and training facilities and upgraded other aspects of the arena, which was built in the mid-1970s.

Joe Gray, a former Portland city manager, chaired the strategic development committee that ultimately selected Comcast Spectacor from proposals submitted by four parties interested in bringing a pro hockey team to Portland.

“Without bringing hockey back,” Gray said, “we were being told that we could possibly see the loss of up to a half-million dollars in advertising revenue that’s right now here in the facility. We wanted to protect that. So that certainly was an important part of the reason for going out and working hard to bring in a team, just to make sure that our revenue base, as a facility, is maintained.”

The ECHL, formed in 1988 as the East Coast Hockey League, is considered the third tier of pro hockey in North America, with a talent level below that of the National Hockey League and the AHL. There are 27 franchises scheduled to play next winter. The Aces announced in late February that they would fold after the 2016-17 season because of years of declining revenue.

A spokesman for Comcast Spectacor declined to disclose terms of the deal to buy the ECHL franchise.

A HOCKEY TEAM WITHOUT A NAME

The ECHL season runs for 72 games, which means 36 home dates for the new team, plus potential playoff contests.
The team does not yet have a nickname. Comcast Spectator said it soon will begin hiring staff, establishing a team website for ticket information and taking other initial steps that include naming the team.

Danny Briere, a former Flyers player, will oversee day-to-day operations, and Paul Holmgren, president of the Flyers, will serve as the team’s governor.

“We’re excited about it,” Holmgren said by phone Thursday afternoon. “We want to get in and do this right.”

The Flyers were the parent club of Portland’s original pro hockey franchise, the Maine Mariners. The Mariners began play in the AHL in 1977 in the Cumberland County Civic Center, which retained that title until Cross Insurance bought naming rights in 2014.

Holmgren said he has met with many former Maine Mariners who retain ties to Greater Portland, including Frank Bathe, Terry Murray, Guy Delparte, Wayne Schaab and Steve Tsujiura.

“We picked their brains and asked them about dos and don’ts,” Holmgren said. “Everybody we’ve met with is excited about this.”

Gray, however, downplayed any involvement of Philadelphia’s NHL club.

“It’s not between us and the Flyers,” Gray said. “It’s between us and Comcast Spectator.”

HOW AFFILIATES BUILD TEAM ROSTERS

The Flyers already have an ECHL affiliate in Pennsylvania, the Reading Royals, so the team in Portland is likely to affiliate with a different NHL club.

New England has two other ECHL franchises, the Manchester Monarchs and expansion Worcester Railers. Like Portland, both cities lost AHL franchises before acquiring ECHL teams. The Monarchs are affiliated with the NHL’s Los Angeles Kings and the Railers with the New York Islanders.

The Boston Bruins’ AHL affiliate is in Providence – having moved to Rhode Island from Maine – and their ECHL affiliate is in Atlanta, under a two-year agreement that expires this month.

“That’s obviously something we need to follow up on,” Holmgren said. “A lot of times, geographically, it’s good to have someone close by.”

Unlike in the AHL, most rosters in the ECHL are put together by each team’s hockey operations staff. Holmgren said ECHL rosters include two to six contracted players from the NHL parent organization, “then maybe a player or two from other teams. You can have players from multiple organizations, but you’re only allowed to have one main affiliate.”

For the past four seasons, Comcast Spectator also has run business operations for the Hartford Wolf Pack, an AHL franchise affiliated with the New York Rangers. Spectra also runs Hartford’s XL Center, where the Wolf Pack is the primary tenant.

The lease between the Cross arena board of trustees and the new team runs for three years, with options to extend the agreement up to 15 years. Two significant changes from the final Pirates lease: The team will pay a flat rental fee of $4,750 per game instead of the $1,000 plus expenses paid by the Pirates, and concession revenue will be shared 57 percent (team) and 43 percent (arena) instead of 57.5 and 42.5.
PORTLAND TOO SMALL FOR AHL

Dale Olmstead, the board’s contract compliance manager, said having the arena take care of operating expenses such as security and concession staffing simplified the negotiating process.

“Frankly, our expenses will probably exceed $4,750 if attendance picks up,” he said. “Let’s say we’re lucky enough to have this new franchise average 3,000 a game. If that happens, we’re all going to benefit.”

In their final two seasons in Portland, the Pirates announced averages of 2,963 and 3,363, but the board pegged its negotiations on expectations of average crowds of 2,100.

“That’s one of the reasons they’re not coming here in 2017,” Gray said of the new franchise operators. “They understand they need to rebuild the market. Because the last few years of the Pirates, the market really disappeared.”

It also became clear to Gray that the AHL was moving into much larger markets.

“They moved out of Manchester, they moved out of Worcester,” he said. “They are moving into the Chicagos, the Philadelphias. This market can no longer sustain the American Hockey League.”

VENDOR SAVINGS, POTENTIAL CONFLICTS

Because Spectra services more than 300 public-assembly buildings in North America and Singapore, the company can negotiate better deals with vendors such as Ticketmaster. In fact, Olmstead said, Spectra will present to the board a new Ticketmaster contract that is “vastly improved” over the current one and shares savings equally with the arena.

“They bring multiple buildings to the table with Ticketmaster, so they were able to go out and negotiate a deal that we could only dream of, as a single building,” Olmstead said. “That went a long way to put this deal together.”

When both tenant and management are owned by the same company, conflicts of interest seem inevitable.

“The committee discussed the pros and cons of that numerous times,” Olmstead said. “You can argue that there will be inherent conflicts of interest. But the experience that we’ve had over the years was that there was a lot of conflict between management and the team. So we thought that conflict would probably go away if, in fact, the same group were managing the building and owning the team.”

Berkowitz said the new franchise operators indicated ticket prices would be lower than they were with the Pirates, on the “low side of the teens.”

Phil Willett, 27, a six-year Pirates season-ticket holder from Windsor, said he’s excited about the return of pro hockey to Portland, even if it’s the ECHL rather than the AHL.

“It’s really no different,” he said. “Just going to be more affordable, in my opinion.”