



At least two, and as many as four, MLB franchises are "in play" this offseason.

The sale of the Chicago Cubs and Wrigley Field by Tribune Co. is expected to be complete "*before spring training*"

according to a recent report by

[Maury Brown](#)

. Last week, San Diego Padres owner John Moores confirmed that his club is for sale.

According to

[MLB.com](#)

, Mr. Moores,

"..has hired Goldman Sachs to identify potential buyers for the ballclub."

Neither impending sale is a recent development. Tribune Co.'s intention to sell the Cubs has been well publicized since Sam Zell took the company private last December. Mr. Moore's impending divorce has fuelled months of public speculation that the Padres would be sold. More recently, there has been media speculation that another two franchises could soon be in play.

Mets' ownership reportedly suffered losses of \$300 million in Bernard Madoff's widely publicized \$50 billion "Ponzi scheme". This has led to much talk that the Mets, the new CitiField and RSN – SNY - could be impacted. [The Wilpon family has categorically refuted the speculation](#) .

On December 02, Ted Rogers, the President and CEO of Rogers Communications Inc. passed away. Rogers Communications has owned the Toronto Blue Jays since September, 2000. At least two Toronto baseball writers have subsequently questioned if Rogers Communications will remain owner of the Jays. At the winter meetings, [Bob Elliott](#) quoted a "*former Blue Jays employee*" , "...the

Toronto club looks to me like a team getting ready to be sold."

[Jeff Blair](#)

wrote;

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Written by Pete Toms

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.....it suggests the Blue Jays will be put up for sale, quietly or otherwise, at some point in 2009.

"We are not selling the club," Rogers spokesperson Jan Innes wrote Friday in a text message response.

You'll note that the words "at this time" did not appear. But feel free to add them on your own, knowing the sentiment is shared by many people in this city and around baseball. The guess here is the new CEO — whoever it is — is already well-aware of it.

Nonetheless, Rogers ownership of an RSN and stadium cast doubt on the likelihood of a sale. [Stephen Brunt](#)

'The Jays....still provide many, many hours of valuable content for Rogers Sportsnet, and draw a more-than-respectable 2.5 million fans a season into the Rogers Centre. One of these days, if there is a movement to bring the city's major sports franchises under one corporate tent, perhaps the Jays' ownership might change, but it's hard to imagine it happening in other circumstances.'

No doubt Mr. Brunt is referencing the rumoured merger of MLSE (owner of Raptors, Leafs, FC and the ACC arena) with Rogers.

What is the Market for the Cubs and Padres?

The value of the Cubs deal (which includes Wrigley and a 25% stake in a Comcast RSN) has been consistently estimated in the range of \$1 – \$1.3 billion since Zell took control of Tribune Co. Those estimates were evidently too high. [Bloomberg](#) reported that bids have come in well under the \$1 billion mark.

"The bids Tribune Co. received for the Chicago Cubs baseball team ranged from \$850 million to \$950 million and should decline now that the parent company is in bankruptcy, a person with knowledge of the process said."

AND.

"...the team over-estimated the potential for ticket price increases, on-site real estate development and baseball's willingness to approve an owner who borrowed huge sums to purchase the franchise."

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predicts,

"The Cubs, Wrigley Field, and a 25 percent ownership stake in Comcast SportsNet Chicago will go for between \$850-\$930 million."

The value of the Padres is more difficult to determine. [Forbes](#) valued the Padres at \$385 million in April.

thinks,

"...an ultimate sales price somewhere in the neighborhood of \$600 million for the Padres isn't out of the question."

Complicating any estimated valuation of the Padres deal is whether Mr. Moore's investments in condo and hotel development near Petco Park will be included. Padres debt and a difficult credit environment will also impact on the value of the deal. From

[The San Diego Union-Tribune](#)

"Prospective owners will be studying a Padres franchise that has \$225 million in debt, roughly half of which is locked in at an 8 percent interest rate that cannot be pre-paid."

And from the aforementioned Forbes valuation of the Padres,

"The San Diego Padres are being squeezed by their debt service on Petco Park. The team financed \$173 million of Petco Park's \$285 million cost and owns 30% of the stadium."

[Bloomberg](#)

reported on the Padres sale,

"This is a very, very tough market to be selling the team in, and the primary reason is the banks are not in the banking business right now, they are in the bunkers,"

said Marc Ganis of Sportscorp Ltd. a sports-advisory firm in Chicago.

"But there would be a lot of interest."

The sale of the Cubs and Padres will indicate if the robust growth of MLB franchise values has perhaps peaked. According to Forbes, "...the average baseball team is now worth \$472 million, 143 percent more than when Forbes first calculated team values 10 years ago." Last month from [Bloomberg](#) ;

Billionaire [Julian Robertson](#) , who founded hedge fund Tiger Management LLC, said North American sports franchises are overvalued.

"There is a lot of interesting business involved in these things, but they've been bid up to pretty ridiculous levels,"

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We should know more accurately soon.

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