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## Reinsdorf drops Coyotes bid as NHL seeks to buy team

by **Carrie Watters** - Aug. 26, 2009 12:00 AM  
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The National Hockey League has battled billionaire Jim Balsillie for months in U.S. Bankruptcy Court but now will do so more directly: bidder to bidder for the Phoenix Coyotes, deciding whether the team moves to Canada.

The NHL, which wants to keep the team in the Valley, filed a bid on deadline Tuesday as Chicago sports mogul Jerry Reinsdorf bowed out.

Reinsdorf's investor group, which was considered one of the best hopes to keep the team here, said in a statement that it could not finalize a new lease deal with Glendale, which owns [Jobing.com](#) Arena.

His group still could become the team's owner, however.

The NHL said that if its bid is successful at the Sept. 10 bankruptcy auction, it hopes to sell the team to a third party outside the bankruptcy process.

The league has endorsed Reinsdorf as an owner.

A third bidder is Ice Edge Holdings, a group of Canadian-American investors.

The bid from the league, which has sought to nix Balsillie's proposal to buy the team and move it to Canada, adds to the drama that began in May when Coyotes owner Jerry Moyes put the Coyotes into bankruptcy.

It doesn't offer a clear answer on the 4-month-old question of whether the Coyotes will stay or go.

"The bankruptcy judge is still going to have to look at what is best for creditors," said Roger Hall, a Valley bankruptcy attorney.

The NHL will be a bidder like anyone else, Hall said.

NHL Deputy Commissioner Bill Daly said the league filed its bid to increase the likelihood the team would be sold to an acceptable purchaser and remain in Glendale.

"The sooner the club can be extricated from the bankruptcy process, the sooner club personnel can begin to restore the team's vitality and local fan base," he said in a news release.

The league has criticized Balsillie's attempt to move a team against the league's wishes through the bankruptcy process.

On Sept. 2, the court is slated to hear arguments about whether Balsillie is an acceptable bidder. The NHL maintains he should be bounced from the auction because league owners unanimously rejected him as an owner in July.

A ruling by the judge that bankruptcy can trump a sports league's authority would prove precedent-setting.

Balsillie, a Canadian BlackBerry magnate, has offered \$212.5 million to move the franchise to Hamilton, Ontario.

The offers from Reinsdorf and Ice Edge Holdings each was believed to be about \$60 million less.

The NHL did not reveal the size of its bid Tuesday.

"This obviously comes as a surprise, but we look forward to seeing what the NHL's bid is," Balsillie spokesman Bill Walker said.

"All we've asked for since Day 1 . . . was a chance to get into an open auction on a level playing field with other bidders and let the best bid win. That's what the Bankruptcy Court process was designed to do: to maximize value for creditors."

Moyes has supported the Balsillie offer as the best hope for recouping at least a portion of the \$104 million he says he lent the franchise.

Reinsdorf's offer had the benefit of keeping the team in place, which avoids the damage claims from Glendale that Balsillie's offer faces should the

team break its 30-year lease to relocate.

Reinsdorf did seek to rework the team's lease with Glendale.

The Glendale City Council met behind closed doors Monday to discuss issues related to the team. Details of the executive session are confidential, but the announcement of Reinsdorf's withdrawal the following day indicates a lack of political support.

"Despite arduous efforts by the city of Glendale's administration and ourselves, we have been unable to reach an acceptable lease deal," Reinsdorf's statement said.

His group blamed Moyes for the tough negotiating environment, saying, "We have faced an organized publicity effort designed to provide negative and misleading information."

A Moyes spokesman denied the Coyotes owner did anything to chill bidding.

"We're sorry they have pulled out," Steve Roman said.

Daly said the NHL would "remain supportive of the other efforts that have been made and are being made to purchase and operate the Coyotes in Glendale."

Ice Edge, which came late to the auction, made headlines with its proposal to play five games each season in Saskatoon, Saskatchewan.

The group said it had reached agreements with the team's largest creditor, SOF Investments, and has plans to more effectively use Wayne Gretzky, the Coyotes' coach and hockey legend.

"We look forward to the results of the auction on September 10," Daryl Jones, chief operating officer of Ice Edge, said Tuesday.