

File: Adv/Mkt

Kingdome: Debts were written off as uncollectible

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Kingdome, "I don't feel it's fair to expect this client to pay these fees."

Others disagree.

Astrid Berg, director of the American Lung Association of Washington and a foe of the tobacco industry, said: "Philip Morris is not a poor lessee.... If fairness rules, then we all pay our leases, don't we?"

County Council Chairwoman Louise Miller, who heard of the debt write-offs for the first time yesterday, said, "Both the contracting entities - whether Ackerley or Philip Morris - certainly could have found the revenue to pay."

And County Councilwoman Maggi Finia, a critic of the county's dealings with sports teams, was angry.

"They (sports owners) want government to be more like business - except when it costs them money," she said.

"Then government is supposed to be a charity."

Asked to explain the non-payment, Philip Morris spokesman Brendan McCormick said yesterday: "It's the first I've heard of that. It's something we're looking into."

The Ackerley Group released a statement saying after three years of paying for the luxury box, the company "made the difficult decision to not continue with the suite because of the failure of the Kingdome to perform the services due a suite-holder."

Wagner said fighting Philip Morris or Ackerley "would have cost us more money than we would have benefited from."

He acknowledged that at the same time he wrote off Ackerley's \$2,000 luxury-box debt he also sent some smaller debts to collection, including a \$900 parking fee that CBS-TV Sports refused to pay and a \$499 settlement owed by sponsors of the 1995 Low Rider Car Show.

But he said those debts were different because "we still felt they were collectible" and because sports teams weren't involved.

The Seahawks and Mariners together receive 85 percent of the revenues from the Kingdome luxury

box leases, with the county taking 5 percent.

As the marketing agent for the boxes, the Seahawks had considerable influence.

Asked why the Seahawks chose not to pursue their own share of the Ackerley and Philip Morris debts, Seahawks spokesman Gary Wright said he could not answer because the decision was made under previous owner Ken Behring's reign.

But he added: "That is not our normal business practice. To our knowledge, those were the only two (luxury-box leases) that went unpaid in all these years."

Wagner was under pressure to straighten out the stadium's books after a 1996 state audit criticized his failure to either write off longstanding debts or send them to a collection agency.

The latest audit of King County, recently released to the public, found the problem resolved.

By law, the auditor's role is limited to ensuring compliance with accounting procedures and laws, so Sonntag's staff did not question the propriety of writing off the Ackerley and Philip Morris debts, said Karen Stromme, a supervisor in the auditor's Seattle office.

Of the 12 debts written off by the Kingdome, four involved individuals who wrote bad checks for parking or game tickets, all under \$50.

In two other cases involving individuals, a 14-year-old girl failed to pay \$746 in security costs incurred when she allegedly threatened a player's life as part of a computer hoax.

And a man failed to pay \$230 in court-ordered restitution for stealing Kingdome seats.

Also, the sponsor of a Kingdome car sale who owed \$4,096 went bankrupt; a collection agency failed to recover \$17,485 from a financially troubled boxing promoter; and the county "nullified" a \$46,785 debt involving disputed advertising fees in settling a 1996 lawsuit by the Mariners, according to Wagner's 1997 memo.

■ P-I reporter Kathy George can be reached at 206-448-8027 or kathygeorge@seattle-pi.com

Philip Morris, Ackerley leave Dome debts

Luxury-box leases were violated

By KATHY GEORGE
PI REPORTER

The Ackerley Group is wealthy enough to bankroll the Seattle SuperSonics, but King County officials won't ask the company to pay the \$2,000 debt that it owed after walking away from a Kingdome luxury-box lease in 1991.

And Ackerley isn't the only deep-pocketed debtor to escape collection efforts by the county-owned Kingdome, according to newly released state audit records.

The Philip Morris tobacco company also walked away from its luxury-box lease in 1993 after the County Council voted to snuff out tobacco ads in the Kingdome, including the company's once-prominent Marlboro Man sign.

The county wrote off both debts as "uncollectible" last spring, satisfying the state auditor's request to straighten up the Kingdome's books.

Ten other debts that totaled \$93,800 and dated to 1988 were written off at the same time, but in those cases the county tried to collect the money first, according to a May 1997 memo written by Kingdome Director Vern Wagner and obtained by State Auditor Brian Sonntag.

Wagner said yesterday he wrote off Ackerley's debt because the Seattle Seahawks football team, which markets the luxury boxes and splits the revenues with the county "didn't want to get into a confrontation with another pro team in the same city."

As for the \$415 owed by Philip Morris, Wagner wrote in his May 1997 memo that because the tobacco advertising ban broke the company's longstanding ties to the

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Weather

Sunbreaks after a morning of wind and scattered showers. Highs 50 to 55. Lows around 40. Details on Page B4.



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TO: Media Affairs, Paula Desel, Jacques Gilbert,
Ellen Mark, Virginia Murphy, Mike Pfeil,
Gary Capree, Tracey Scott, Renee Simon
FROM: Nicole Dawson