



UNITED STATES SENATE
OFFICE OF THE REPUBLICAN LEADER
WASHINGTON, D. C.

BOB DOLE
KANSAS

July 23, 1993

Dear Mr. Chairman,

I am writing in hopes that you will be able to address an issue important to Kansas in Reconciliation.

As you know from your own Chicago Bears, Chicago White Sox and Chicago Cubs professional sports teams provide communities with a sense of good fellowship, and community spirit not to mention the economic importance to the area. A sport franchise often becomes so closely associated with their community that its loss would cause serious economic and other problems.

The Kansas City Royals have a long standing community relationship with Kansas, Missouri and other neighboring states. Allowing communities to develop and participate in the preservation of a civic asset such as a professional sports franchise would help alleviate some of the economic problems facing many cities today.

I appreciate your support and wish you well in the budget reconciliation process.

Sincerely,

A handwritten signature of Bob Dole in dark ink, appearing as a stylized 'B' followed by a flourish.

BOB DOLE

The Honorable Dan Rostenkowski
Chairman, Committee on Ways and Means
1102 Longworth H.O.B.
Washington, D.C. 20515



Kansas City Royals®

News Release



1985 WORLD CHAMPIONS • 1980-85 AMERICAN LEAGUE CHAMPIONS • 1976-77-78-80-84-85 WESTERN DIVISION CHAMPIONS

BOX 419969, KANSAS CITY, MISSOURI 64141, (816) 921-2200

Every city has a personality ... a personality shaped by its history, culture and institutions ... a personality which defines that city to its citizens, region and the world.

Kansas City's personality is Midwestern. We are friendly, we are barbecue and jazz; the Plaza and American Royal; the Missouri River and beautiful neighborhoods ... we are Harry Truman ... we are families, and to millions we are baseball.

Yes, baseball! The American pastime which is centered in 28 cities, but watched by the world. That unique American institution which can unite a community, and bring worldwide attention to a city.

To almost a million people a year, baseball is the Kansas City destination. To millions of others, their view of Kansas City is shaped by the eye of the camera in the "Finest facility of its kind in the world."

Baseball is a part of our history. Words create images that remind us of our past ... the Monarchs and the Blues, Buck O'Neil and "suitcase" Harry Simpson, Satchel Paige and Steve Busby, Charlie O, Yankee Haters, All-Star Game, "Bo", Dick Howser, .400 and 3,000, pine tar, George ... World Champions.

How we feel about ourselves, our city, and how others view us is greatly affected by baseball. For one half the year every major newspaper lists Kansas City in its major league standings. Television carries our image throughout the world. We are a major city, we are major league!

For 25 years Ewing and Muriel Kauffman have carried our baseball banner. With encouragement from civic leaders and politicians, they agreed baseball must return to Kansas City. At great financial cost they have given us baseball. We have all benefitted -- not just those thousands whose jobs depend upon the team or the million visitors it brings, and not just the publicity which reaches around the world, but as individuals and a community we are proud of our team. And well we should be, The Kansas City Star recently wrote "When it comes to the bottom line, there is one overriding theme as the Royals begin their 25th season. Just call it success."

But baseball in Kansas City could be in jeopardy. Efforts to find a buyer committed to Kansas City have been unsuccessful, and tax laws limit Mr. Kauffman's succession options. In baseball's

smallest market we must find a creative way to assure the future of the Royals in Kansas City. The Royals are an asset we cannot afford to lose, one we would probably never regain.

At moments like this Kansas City has found a spirit to meet such challenges. A spirit where the city draws together. We have just such an opportunity today.

Mr. and Mrs. Kauffman have indicated they will give the Royals to our community, minimize financial losses for an interim period, and contribute to the intermediate term ownership plan. Clearly this is one of the most charitable offers in our city's and in sports history. Consider recent sale prices of teams, or expansion fees paid this year, and this generosity is placed in context.

Yet appropriately Mr. Kauffman has said Kansas City must also show its spirit by raising \$50 million to assure successful operation of the team during an interim period. The Kauffman Foundation has agreed to advance this effort with a gift of \$10 million, and the Hall Family Foundation has agreed to a gift of a like amount. Securing the remainder of the funds is our challenge, our testing of the Kansas City spirit.

The plan is complex. It requires cooperation from the federal government, major league baseball, support from civic leaders, and generosity by many. It is not without risk, but it must be done. We must again demonstrate Kansas City values its personality, its history and its economic base.

Mr. Kauffman has challenged us ... now we must respond.

Briefly stated, the plan for the succession of ownership of the Kansas City Royals Baseball Corporation, the entity which holds the Royals franchise, is as follows:

- The Royals will continue to be owned and operated by Mr. Kauffman during his lifetime.
- Thereafter, the succession plan will be effectuated by the transfer of total voting control of the Corporation (Class A Stock) to a limited partnership composed of civic leaders selected by Mr. Kauffman.
- A donor advisory fund previously created by Mr. and Mrs. Kauffman under the Greater Kansas City Community Foundation and Affiliated Trusts will receive certain Class B Stock of the Corporation and cash. The amount of cash contributed will be determined by projecting aggregate Corporation losses

for three years and subtracting \$9 million. The cash will be used to purchase additional Class B Stock from the Corporation.

- Various individuals, foundations and corporations will establish separate donor advisory funds under the Greater Kansas City Community Foundation, to which they will contribute cash. The cash will be used to purchase Class C Stock from the Corporation.
- All cash received by the Corporation from the sale of Class B Stock and Class C Stock will be available to fund operating losses of the Corporation.
- The Corporation will seek a buyer for the Royals. Any buyer must be a resident of Kansas City and agree to keep the Royals here. However, if a resident buyer does not emerge within eight years after the succession plan is effectuated, a non-resident buyer may be selected.
- The proceeds of any sale of the Royals will be distributed to:
 1. The donor advisory funds holding Class C Stock, each of which shall receive the amount paid for the Class C Stock.
 2. The limited partnership, which shall receive the amount paid for the Class A Stock.
 3. Of the remaining proceeds, (a) an aggregate of 5% shall go to the donor advisory funds which own the Class C Stock, (b) a maximum of a 15% return on its investment shall go to the limited partnership as owner of the Class A Stock, and (c) the remainder shall go to Mr. and Mrs. Kauffman's donor advisory fund as owner of the Class B Stock.
- All aspects of the succession plan are subject to the approval of Major League Baseball and to the receipt of certain rulings from the Internal Revenue Service.

THE GREATER KANSAS CITY COMMUNITY FOUNDATION AND AFFILIATED TRUSTS

The Greater Kansas City Community Foundation and Affiliated Trusts is a public foundation receiving contributions from individuals, corporations, foundations and not-for-profit organizations into named funds and making grants to a wide range of charitable recipients in keeping with the philanthropic purpose of each fund.

In addition to funds established for specific purposes, donors also help the Community Foundation create a permanent endowment to meet changing needs in the community.

The Foundation was established in 1978 with \$10,000 in contributions. Since then thousands of donors from the five-county area have used services of the Community Foundation to help them participate in charitable giving. Current Foundation assets, when combined with those of its Affiliated Trusts, stand in excess of \$130 million. Last year the Community Foundation made over \$18 million in grants to area charitable organizations.

The Foundation is a community resource that provides a simple flexible and convenient way for individuals and businesses to meet their charitable objectives.



Completed Ewing M. Kauffman Succession Plan

