

WRITTEN TESTIMONY

June 17, 2024

TO: Chairwoman Renee Erickson, Chairman Sean Tarwater, and Members of the Senate Committee on Commerce and the House Committee on Commerce, Labor and Economic Development

FROM: David W. Frantze - Stinson, LLP

RE: STAR Bond Legislation

Members of the Senate Committee on Commerce and House Committee on Commerce, Labor and Economic Development:

For the Committee, I am David Frantze, partner with the law firm Stinson LLP. We serve as counsel for the Kansas City Royals Baseball Club, LLC. I am pleased to appear before you today and deliver these comments in support of this important legislation on behalf of the Kansas City Royals.

On behalf of the Kansas City Royals Baseball Club, LLC I am pleased to testify in support of the STAR Bond legislation that your committees are considering. The legislation would allow the State of Kansas to enter into agreements with one or more professional sports franchises to construct a professional sports complex – including an MLB ballpark. While the Kansas City Royals have been physically located in Missouri for decades, we know that many Kansans consider the Royals to be their hometown baseball team.

As most of you are aware, the Royals announced plans to construct a stadium in downtown Kansas City, Missouri last year contingent upon the voters of Jackson County approving the extension of a current sales tax. The failure of that vote on April 2nd has forced the Royals to explore other alternatives to finance and build a new stadium.

The Royals' lease at Kauffman Stadium expires following the 2030 season, so the Royals will need a place to play baseball in the near future. The proposed STAR bond legislation you are considering provides a path for the Royals to explore. We know that the vast majority of STAR bond projects in Kansas have been successful and have brought significant economic benefits to Kansas businesses and communities. Major League Baseball franchises host eighty-one (81) regular season home games per year. This season, the Royals expect over 1.6 million fans will visit Kauffman Stadium.

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The Royals' local ownership team, led by John Sherman, is committed to not only putting significant dollars into the stadium construction, but financing an integrated entertainment district adjacent to the stadium that will greatly enhance the experience for fans. In places like Washington D.C., Atlanta and San Diego, new stadiums, coupled with entertainment districts that include complementary uses like hotel, office, residential and commercial, have invigorated those areas in the communities.

Attached to my written testimony is information about the estimated economic impact of the Royals' stadium previously proposed in the Crossroads area of Kansas City, Missouri. This estimate was prepared by JLL, an internationally known real estate consultants. The information is not provided to estimate the economic impact of a similar facility in Kansas, but instead to show the potential order of magnitude of the benefits these types of projects can produce.

If the Legislature moves forward with the STAR bond legislation that you are considering in this special legislative session, the Royals look forward to exploring a possible partnership with the State of Kansas.



Royals™



The following economic impact information was developed in connection with a potential Royals Stadium in the Crossroads. We offer this information simply to show the order of magnitude possible from a Major League Baseball Stadium and integrated Entertainment District.

SIGNIFICANT INVESTMENT FOR GREATER KANSAS CITY

This \$2 billion+ investment will create an economic boost for the region.
One-time construction impacts of the new ballpark district will spur:

26,000

Est. jobs created

Total job-years created over the construction period across the region – including jobs created through ripple effects.

\$1.8B

Est. labor income

Total income generated over the construction period from these jobs.

\$3.8B

Est. total economic output

Total economic output generated from construction and labor income.

PERPETUAL ECONOMIC BENEFITS OF A NEW BALLPARK DISTRICT

The ballpark anchored district can spur meaningful development that drives investment to downtown and its adjacent neighborhoods. Total benefits due to the Royals include:

First Year of Operation

9,100

Jobs Supported by New
Development and its Ripple Effects

\$500M

Labor Income from
these New Jobs

\$1,350M

Economic Output from
District Operations

Annual Impact Over Time

12,000

Jobs Supported by New
Development and its Ripple Effects

\$650M

Labor Income from
these New Jobs

\$1.7B

Economic Output from
District Operations

Source: JLL

