

SENATOR ELLEN R. ANDERSON

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Senate

State of Minnesota

January 15, 2004

Commissioner Dan McElroy
Chair, Stadium Screening Committee
400 Centennial Building
658 Cedar Street
St. Paul, MN 55155

Dear Commissioner McElroy:

I am attaching materials on the Community Ownership legislation that I have authored since 1997 and ask that you provide it to members of the Stadium Screening Committee. This proposal, though not a stadium plan, is integral to obtaining support from legislators like myself, who have serious concerns regarding the investment of public dollars in a private business operating in a very unstable industry. It is a true market test as to whether citizens, fans and the corporate community view the Twins as a Minnesota asset.

The Community Ownership legislation:

- Meets Major League Baseball ownership requirements – no government ownership and day-to-day management controlled by one person (managing partner).
- Allows managing partner to direct more resources to team operations and ballpark as equity requirement is lessened
- ‘Takes the wheels off’ the TWINS
- Ensures that the community, not a single owner, benefits from a new ballpark

As you know, the stadium debate has been very divisive both at the legislature and in the public domain. Community Ownership has garnered support from legislators who span the stadium spectrum because it is designed to build community support -- not divide citizens and fans.

I truly believe that once the team is controlled by Minnesota fans, the stadium issue will be resolved with minimal controversy.

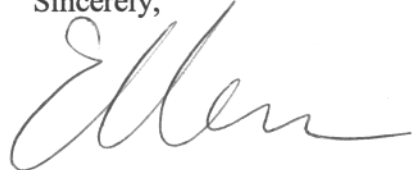
The legislation has continued to gather support since it was first introduced. The Twins included a modified plan in one of their earlier proposals and in 2002 the Senate included it in its stadium legislation. We intend to move it forward again this session.



I am confident that once members of your committee review the outline of our proposal that they will agree that Community Ownership is an integral part of any stadium solution. We have stated for many years that it provides a 'market solution to a private sector problem'. We will be available to provide a brief presentation to your committee during its deliberations next week.

I appreciate you forwarding this information and should you need additional materials please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Ellen".

Ellen Anderson
State Senator

P.S. Good luck in the new job!



**2004 Community
Ownership Legislation**
A plan to keep the Twins in Minnesota



MINNESOTA TWINS You Can Own 'Em

Legislation Summary

- Requires the Governor and the Metropolitan Sports Facilities Commission (MSFC) to attempt to work with the Minnesota Twins and a community foundation or nonprofit corporation to transfer ownership of the Twins to the foundation or nonprofit corporation.
- **75% of the Minnesota Twins publicly owned.**
 - **Class 'A' Stock provides full voting rights.**
At least 50% of Class A Stock must be sold so no person or entity owns more than 1%.
Up to 25% of Stock can be sold in 5% increments to individuals or corporations.
*(each share *could* be valued at approximately \$1,000/share)
 - **'B' Stock allows fans & citizens to show support for THEIR team.**
Fans and public would be purchasing a "certificate of ownership" not tradeable stock and holders would have limited voting rights i.e. relocation of the team. *(Class 'B' stock certificates *could* cost owners approximately \$100/share).
- **25% of Twins owned by private management group, i.e. Pohlads or another group of investors.**
 - Private managing partner would be responsible for all team operations, expenses and interactions with Major League Baseball.
- Allows the owners/foundation/nonprofit to sell the franchise if within one year less than 75% of non-managing partner Class A shares are not sold.
- **Highlights of legislation:**
 - Ownership structure meets Major League Baseball ownership requirements -- no government ownership and day-to-day management controlled by one person (managing partner).
 - Structure allows managing partner to direct more resources to team operations and ballpark as equity requirement is lessened

Ballpark Issue

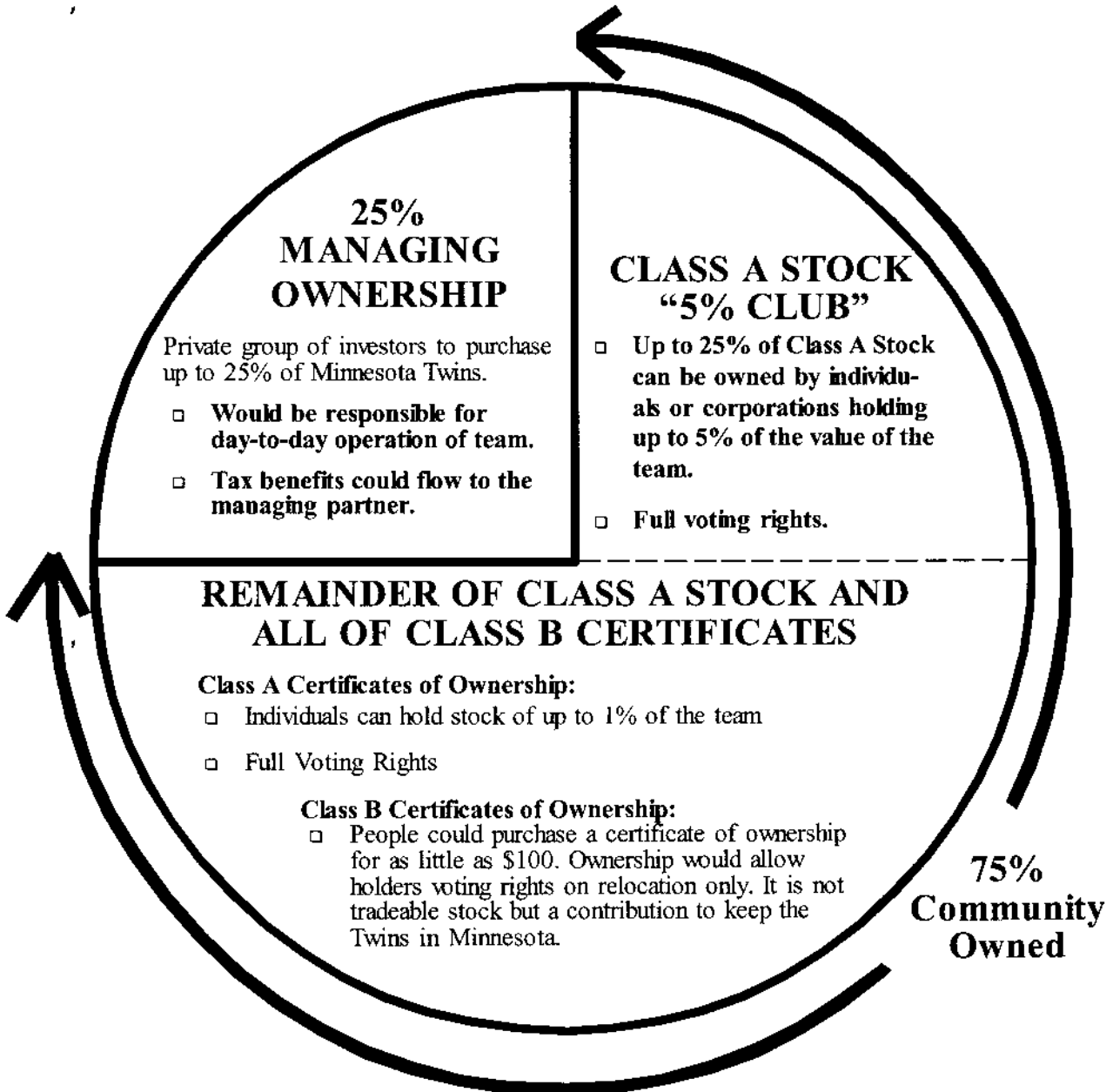
- **Once the public - fans, corporations & taxpayers 'step to the plate' to prove the Twins are a valuable community asset, we can have a rational and open discussion about the type of ballpark needed and the appropriate funding mix.**

** Actual purchase prices of stock values have not been determined.*



MINNESOTA TWINS

Just Who Would Own 'Em?





MINNESOTA TWINS

Community Ownership

A Market Approach to a Private Sector Problem

- **Community ownership gives shareholders the opportunity to own the Minnesota Twins.** Fans, taxpayers, businesses and others can purchase either stock or certificates of ownership in the team.
- **Ensures the Minnesota Twins do not leave the state -- takes the wheels off the team.** The franchise could not move outside of the state without approval of 80% of the shareholders of Class A stock and 80% of the shareholders of Class B stock.
- **Allows a true market test as to whether the Twins are a community asset.** It will require the public to show support *before* ball park plans are finalized.
- **Creates a true public/private partnership model of professional sports ownership and management.** It gives Minnesota the opportunity to use professional sports as a community building catalyst.
- **Creates a broad-based ownership structure that ensures the community benefits from the added value of the baseball franchise, as opposed to a single owner.**
- **Community ownership model is similar to the existing Green Bay Packer arrangement.** It provides a market test in that fans, taxpayers, business and corporations will have to purchase the team and proves it is a true community asset.
- **Community Ownership builds support for/can justify some public investment in that TWINS are truly a broad-based public entity.**
- **Community Ownership is similar in structure to a number of current baseball ownership arrangements** that include a managing partner, limited partners and common stock.
- **Community ownership allows the corporate community to participate as partners.** It allows business to invest in Minnesota Twins baseball.
- **Community ownership provides the current owners with an opportunity to profit** from their investment or the opportunity to hold 25% of the team allowing 75% of the equity to be purchased by the public.