

January 27, 1970

Hoffberger

MEMORANDUM OF PROPOSAL FOR
COMMUNITY OWNED BASEBALL TEAM

OBJECTIVE -- To provide for community ownership of the Seattle Pilots Baseball Team as a public service institution, and to assure the American League of a strong, soundly financed baseball franchise in Seattle.

The taxpayers of King County at the Forward Thrust Election, February 13, 1968, made a commitment of \$40 million to build a Multi-Purpose Stadium based in part on the assurance by League and Team spokesmen the stadium would have an American League baseball team as a prime tenant. In order to fulfill this commitment to the people, we believe the team should be held in public trust. Under this proposal, any funds that would normally be treated as profits will be distributed to other cultural and community service institutions. Any motive of private gain through ownership would be eliminated. Baseball would be treated as a sport, not a business.

ACTION PLAN -- In order to achieve the objective of a community owned baseball team, it is recommended that the following steps be taken:

1. Establish a non-profit corporation to own the Seattle Pilots.
2. Provide for a 13-member Board of Trustees to be composed of James Bender, Thomas E. Bolger, Edward E. Carlson, A. H. Clise, Frederic H. Danz, James B. Douglas, Lloyd W. Nordstrom, William Olwell, James M. Ryan, D. E. Skinner, James A. Walsh, Arnie Weinmeister, and Howard S. Wright.
3. Purchase the Seattle Pilots from Pacific Northwest Sports, Inc.
4. Designate a qualified Managing Director to carry out policy established

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by the Board of Trustees as stewards of the community interest, and to speak with full authority as the Team's representative to the American League.

5. Assure American League of ability to maintain the team, cover operating costs, and make interest payments on the Bank of California loan to Pacific Northwest Sports, Inc.
6. Demonstrate ability to perform on the commitments made by providing an initial line of credit in the amount of \$2 million.
7. Provide, after operating costs and interest payments on the Bank of California loan, for the discharge of existing obligations from cash flow on an as-earned basis in the following sequence:
 - a. Interest payments on the Daley-Soriano equity (including notes) in Pacific Northwest Sports, Inc.
 - b. Interest payments on the operating capital.
 - c. Principal payments on the Bank of California loan to Pacific Northwest Sports, Inc.
 - d. Principal payments on the Daley-Soriano equity (including notes) in Pacific Northwest Sports, Inc.
 - e. Principal payments on the operating capital.
8. Distribute, after obligations have been discharged, all surplus funds to other cultural, educational, and community service institutions including United Good Neighbors, United Arts Council, organizations serving youth such as the Children's Orthopedic Hospital, educational organizations such as the Pacific Science Center Foundation, and amateur sports groups.

9. Request American League to assure that the franchise will be kept in Seattle indefinitely on the following conditions:

- a. The City provides temporary quarters at Sick's Stadium.
- b. The County builds the Multi-Purpose Stadium for the 1973 season.
- c. The non-profit corporation pays the operating costs necessary to field a Major League baseball team.

CONCLUSION -- If this proposal is accepted, Major League baseball will take its place as one of Seattle's community service institutions. The non-profit corporation will be dedicated to public enjoyment of baseball as a sport. Public ownership of the stadium will be matched by public ownership of the team. All financial gains will be reinvested in other cultural and community organizations.