



# Issue Update

Unified Government Public Relations  
701 N. 7<sup>th</sup> Street, Room 620  
Kansas City, Kansas 66101

Mike Taylor, Public Relations Director 913.573.5565

**FOR IMMEDIATE RELEASE**

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## **Kansas City T-Bones Management Agreement**

The Village West area is the Number One tourist attraction in Kansas, drawing millions of visitors a year for shopping, dining and sporting events. The Kansas City T-Bones have been an integral part of that tourism mix since Village West began.

The Kansas City T-Bones generate a direct and indirect economic impact of \$4.2-million a year for Wyandotte County. As new attractions have been added, attendance at the T-Bones games have declined over the past few years. In 2014, the Unified Government took over ownership of the Community America Ball Park, making the T-Bones a tenant.

The Unified Government has negotiated a new contract with the ownership of the T-Bones, changing the arrangement from the team leasing the stadium, to the team being a manager of the stadium.

This new contract restructures payments from the T-Bones to the Unified Government, taking into account the decreased attendance and revenues. It is anticipated this new contract arrangement will successfully assist the T-Bones in making timely payments for use of the stadium and repay outstanding debts.

The change in management structure is also anticipated to save the Unified Government \$240,000 a year in property taxes which the State of Kansas now requires to be paid on the stadium.

The Unified Government ordered an outside audit of the T-Bones which found the teams financial models and expenses were appropriate and demonstrated proper controls.

The Kansas City T-Bones will be required to pay \$20,000 each year over the next 4 years to cover past due bills. The T-Bones will also be required to post a surety bond of \$135,000 which can be cashed by the UG if the T-Bones again fall into default.

The new management agreement changes the term from 20 years (ending in 2034), to 6 years ending in 2022. If the UG decides to terminate the agreement early, the UG will pay a declining termination fee ranging from \$1-million for canceling the 2019 season, declining to \$500,000 for canceling the 2021 season. Any unpaid bills or expenses owed the UG will be subtracted from the termination fee.

BPU electric and water will be put in the name of the UG. The UG will be responsible for paying an estimated 55% of the bill with the T-Bones paying 45%. The UG offered to assist the BPU in collecting past due amounts owed by the T-Bones as part of the restructured agreement. The BPU declined the offer.

**CONTACT:** Mike Taylor, Public Relations Director Office: 913.573.5565 Cell: 913.449.4848

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