



What Ron Burkle's success, star power mean for Sacramento's Major League Soccer bid

By DALE KASLER

Ron Burkle usually gets what he wants: Control of some of America's leading supermarket chains, a career as a Hollywood producer, three Stanley Cup championships for his National Hockey League franchise and the ear of politicians like Bill Clinton.

Now the Beverly Hills billionaire has agreed to become lead investor in Sacramento Republic FC, with the goal of soon converting the club into a Major League Soccer expansion team.

His friend Lloyd Greif is convinced Burkle will get that, too.

"The truth of the matter is, he will get in," said Greif, a Los Angeles investment banker who's known Burkle for years. "None of this was done on speculation. Trust me, I know Ron; he wouldn't be doing this if there was any risk that Republic wasn't going to be an MLS team."

MLS officials took a more measured tone, acknowledging they've been talking to Burkle for months and calling Sacramento "a strong expansion candidate." But it's clear Burkle's involvement has rejuvenated Sacramento's sometimes demoralizing quest for



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an MLS franchise — and could represent the city's clinching argument to league officials.

Burkle doesn't always succeed in business, or sports. He stumbled in two attempts to buy the Sacramento Kings, he failed at reviving the troubled Fresh & Easy grocery chain and his deal to buy disgraced movie mogul Harvey Weinstein's company collapsed. But people who know him say he can make Republic FC a standout at the major league level.

"He's not a guy who just wants his name on the door," said former Pennsylvania Gov. Ed Rendell, who negotiated with Burkle years

ago over the financing of a new arena for Burkle's hockey team, the Pittsburgh Penguins. "He wants to win. That's the one thing the fans can be assured of. He's going to come in and want to do the best."

Burkle brings more to the table than just his estimated \$2 billion net worth. He's a big player in that rarefied world where sports, finance and entertainment intersect.

The Penguins are one of hockey's marquee franchises. Burkle owns a sports-management agency that represents star athletes like former Sacramento King DeMarcus Cousins and baseball's Justin

Verlander. He is a major investor in Soho House, a string of exclusive hotels and private clubs from West Hollywood to Barcelona, as well as a few other boutique hotel chains. He's done business deals with actor Ashton Kutcher and rap mogul Sean Combs.

Bottom line, he can navigate the often treacherous worlds of sports and show-biz — and has the acumen to build Republic FC's MLS stadium in the downtown railyard, along with the 14-acre entertainment district planned for the stadium site.

"Ron knows hospitality, Ron knows sports, Ron knows retail, Ron knows real estate, Ron knows entertainment," Greif said. "This is a hand-in-glove fit for him."

Burkle, 66, is comfortable with politicians, too, especially Democrats. That could come in handy if problems arise with the financing plan proposed by Mayor Darrell Steinberg to help Burkle build the streets and other infrastructure near the proposed 20,000-seat stadium (the stadium itself will be privately financed).

Greif said "a guy who's pro-labor, pro-unions, pro-Democratic politics" will probably get a warm welcome in Sacramento.

Burkle leads a high-profile life but is remarkably gun shy about publicity. He was absent when Steinberg, speaking to hundreds of business leaders, announced his investment in Republic FC. He couldn't be reached for comment for this story.

His career began at age 13, according to a profile in the New Yorker, when he began working as a box boy at a Stater Bros. grocery store managed by his father near

his hometown of Claremont, in eastern Los Angeles County. After dropping out of college, he went back to Stater and worked his way up to vice president at age 29 and had already amassed a \$5 million nest egg. Learning that Stater was for sale, he tried to buy the company; his bid was rejected and he got fired.

But a few years later, in 1986, Burkle was going after bigger fish, launching his own investment firm, Yucaipa Cos., and attempting major supermarket buyouts. Backed by the junk-bond firm Drexel Burnham Lambert, he began buying such chains as Ralphs.

He became a billionaire and bought a Beverly Hills mansion once owned by silent film star Harold Lloyd. But he maintained a common touch, too. He won plaudits in Los Angeles for refusing to close inner-city stores after the Rodney King riots in 1992.

He also became known as someone with sympathy for organized labor, said Ricardo Icaza, the former president of Local 770 of the United Food and Commercial Workers, or UFCW, the grocery workers union in Los Angeles.

"He's the type of person who doesn't give away the store but was reasonable, cared about employees," Icaza told The Sacramento Bee several years ago.

By the 1990s, Burkle was becoming a leading figure in Democratic politics. His Beverly Hills estate was a fund-raising site for Clinton, former California Gov. Gray Davis and other big names. He hosted a 2016 fundraiser for then-Attorney General Kamala Harris, who was running for U.S. Senate. When Los Angeles Mayor

Antonio Villaraigosa left office, he went to work for Yucaipa for two years in the early 2000s.

Despite his relentless fundraising, Burkle primarily "sees himself as a businessman," Villaraigosa said.

Burkle's political connections sometimes overlapped with his business dealings. Davis told the New Yorker that Burkle once asked him to sign a bill to curtail the growth of big-box stores in California. Davis refused. Burkle denied making the request, and Davis vetoed the bill.

Similarly, Burkle's labor connections may have helped him in the investment world.

The Bee reported in 2009 that Burkle donated \$36,000 in the early 2000s to a political action fund controlled by labor leader Sean Harrigan, who became president of the CalPERS board, at about the time the giant California public employee pension fund was investing tens of millions of dollars with Yucaipa. Separately, the Associated Press reported that Burkle donated thousands of campaign dollars to three other CalPERS board members in the early 2000s: former San Francisco Mayor Willie Brown, former State Treasurer Phil Angelides and former State Controller Kathleen Connell.

CalPERS officials at the time defended the investments and said there was no quid pro quo between the Yucaipa deals and the donations. The California Public Employees' Retirement System has poured a total of more than \$1.2 billion into four separate Yucaipa investment funds since 2001, the pension fund's records show. Two of the funds have been profitable,

and two have lost money. CalPERS' investments with Yucaipa were worth \$1.5 billion as of June 30, the most recent data available.

Arguably Burkle's most famous — and controversial — connection has been his friendship with Clinton.

He made Clinton an adviser to Yucaipa after the president left office, an arrangement that earned Clinton a reported \$15 million. The two men frequently flew around the world on Burkle's private jet, taking meetings with world leaders such as Nelson Mandela. But the relationship appeared to sour in the wake of tabloid reports about the two men sharing air travels with attractive young women; several reports said the jet was nicknamed "Air F--- One."

Burkle, in a 2016 interview with the Los Angeles Times, denied that the two men cavorted with women and said the business relationship dissolved because Clinton didn't do much work for Yucaipa. When Hillary Clinton ran for president in 2016, Burkle stood on the sidelines and said the Clintons "never asked me for a penny."

By that point, Burkle had moved into other fields. He'd drastically scaled back his supermarket investments, reportedly due in part to his wariness about having to compete with low-cost, nonunion stores operated by Walmart.

He took another stab at the grocery business in 2013. He took over British food conglomerate Tesco's struggling Fresh & Easy stores in the United States for a song; he put no cash in and Tesco lent him \$120 million to take the business off its hands. Burkle

wound up closing Fresh & Easy two years later, but at minimal cost to himself.

Now, according to Yucaipa spokesman Frank Quintero, his only connection to the grocery business is a major investment in Americold, a company that operates refrigerated warehouses.

"We've really been more focused over the last 20 years on hospitality, and some retail," Quintero said.

Burkle jumped into sports in 1999, when he and hockey legend Mario Lemieux bought the Penguins at a bankruptcy sale. Burkle has kept a characteristically low profile around the Penguins, rarely attending games, but he took center stage when the Penguins approached city and state officials for help in developing a new arena in 2007.

The negotiations took months and involved a fair amount of brinksmanship. Hinting they'd move the team, Lemieux and Burkle made well-publicized visits to Kansas City and Las Vegas before Pennsylvania officials agreed to an arena deal that relied heavily on public financing in the form of state revenue from casinos.

"He can be a real S.O.B. during negotiations, but fair," Rendell said. "He'll be demanding, he'll be hard-nosed, but he'll be fair."

In 2011, at the urging of former Mayor Kevin Johnson, Burkle tried to buy the Kings to prevent the Maloof family from moving the team to Anaheim. The Maloofs angrily rejected the offer.

In 2013, he was poised to make a second bid for the Kings — to keep them from being sold to investors from Seattle — but then

withdrew because of a conflict of interest with his athlete management agency, Independent Sports & Entertainment. The team eventually was purchased by a group led by Silicon Valley tycoon Vivek Ranadive. Johnson briefly worked for Independent Sports after leaving office.

Burkle is free and clear to pursue an MLS team — Independent Sports doesn't represent soccer players — and his friends say they aren't surprised he's angling for a spot in the league. Soccer isn't as big as basketball, but its popularity is growing.

"Buying a sports franchise is like buying a major work of art," Greif said. "It's a trophy acquisition ... with MLS being one of the hotter properties these days.

"He stands to make a lot of money, and have a lot of fun, and get a lot of visibility—whether he wants it or not."