



Ron Burkle's history of backing underdog causes defines Sacramento Kings bid

By Jonathan Santiago

March 2, 2013—Ron Burkle doesn't seek the spotlight. For someone who rubs shoulders with Hollywood A-Listers like Leonardo DiCaprio or Kate Hudson, he tries to draw as little attention to himself as possible.

It's his preference to stay in the background.

"He's more comfortable just operating in the shadows," said Lloyd Greif, a Los Angeles investment banker and close friend of Burkle's for almost three decades.

His unassuming approach has led him to become somewhat of a mythical figure to Sacramento Kings fans. Before Thursday's whale announcement by mayor Kevin Johnson, they had never heard directly from Burkle himself.

When he first emerged as a suitor for the team during the Anaheim chapter of the Kings' relocation saga, he acknowledged his interest indirectly. He let business partner Darius Anderson speak of his involvement on his behalf.

But now the billionaire businessman is all in for Sacramento. Burkle is hoping to save the day just as he did 14 years ago when he helped rescue the NHL's Pittsburgh Penguins from bankruptcy.

"He's always been strongly identified with democratic causes and democratic causes are usually pro-labor causes, pro-little man causes," Greif said of Burkle. "So potentially being here where he would be helping out the blue collar city of Sacramento and staving off their loss of a basketball franchise would make him smile."

Even though Burkle is now publicly committed to Sacramento's effort to keep the Kings, it's not likely he'll step out of the shadows completely anytime soon. Unlike Mark Mastrov, who openly voiced his interest in the team back in January and even attended a Kings home game against the Miami Heat, Burkle will probably remain in the background.

His understated personality makes the joint bid with Mastrov a perfect match. As Johnson shared on Thursday, Burkle is heading the charge on the arena while letting Mastrov run point on the team. Though the two are incredibly wealthy in their own right, egos don't appear to be getting in the way of making a successful run at the Kings.



“The fact that these guys would be able to speak the same language is not at all surprising,” said Greif, who noted that both men’s vast experience in the retail industry is likely one factor that’s helped them connect.

Burkle has done this before. Partnering with fellow wealthy investors like Mastrov is nothing new for the 60-year-old billionaire. Right now, Burkle is reportedly part of an investment group headed by Lakers minority owner Patrick Soon-Shiong that is seeking to buy AEG, the potential operator of a new downtown arena.

Burkle may carry himself in an understated fashion, but he certainly doesn’t approach business that way. He is tough and he is shrewd. You don’t make most of your fortune in the supermarket business – a low-profit and highly-unionized industry – without some savvy and opportunistic instincts.

“It’s a very tough way to make a buck and he figured out how to be quite profitable, be quite successful in that space,” said Greif, who also described Burkle as incredibly collaborative. “And (Ron) has leveraged the fortune he built off of being a supermarket magnate to finance involvement in hospitality, real estate, entertainment, apparel, sports. You name it.”

Burkle may be a disciplined negotiator, but he isn’t a penny pincher. From 1986 to 1999, Burkle’s Yucaipa Company managed and acquired several grocery chains in the Southern California region affiliated with the Los Angeles County chapter of the United Food and Commercial Workers Union. During its tenure, Burkle negotiated three collective bargaining agreements that included wage increases and/or improved health and wellness and pension benefits.

His concessions shocked experts, but the investments paid off. By keeping employees happy, he created a stronger work environment, which likely led to better service than many of his competitors.

Rick Icaza, president of UFCW Local 770, remembers the last time he worked with Burkle on a new labor contract. The supermarket magnate invited the union to his home in Beverly Hills, where he personally negotiated a new agreement.

“It’s very rare for an owner basically of a company to sit down and negotiate, but he did,” said Icaza, who’s held his current position with the union since 1981. “We actually went to his house (the Harold Lloyd/Green Acres Estate)...and the table that we were negotiating on was probably worth more than my house at the time.”

Despite the financial divide between them, Icaza and union representatives were able to find common ground with Burkle. Icaza described the billionaire as “honorable”, “reasonable” and “very down to earth”. There was never an air of condescension during their dealings.

“If you saw him walking down the street, he never wears a tie,” Icaza said. “If you see him with a tie on, it’s like an act of god. He’s just like any ordinary citizen, yet he has quite a bit of assets.”

It’s not often you hear a union leader regard someone in Burkle’s position so highly. But that’s how Icaza felt, who had nothing but good things to say about the prospective Sacramento arena developer.

If Burkle and Mastrov’s plan to build an arena and keep the Kings is successful, he believes the region would be fortunate to have him.

“Ron was a pleasure to deal with,” Icaza said, who noted that his union’s best contracts came under Burkle’s tenure. “He really was. He wouldn’t bend over to give you everything, but he was reasonable and would listen to whatever your problems were and usually came up with a solution.”