

TYPES NOT MAPPED YET December 02, 2016 | TTR not mapped yet | Robert E. Wallace Jr.

# What the League giveth: St. Louis' key role in the history of NFL relocation

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If you have lived in St. Louis for 55 years or longer, you have enjoyed a front row seat to the history of NFL team relocation. Actually, considering the vitriolic opinions of Rams fans that have flown across local newspaper pages, web sites, radio stations and television networks over the last year, "enjoyed" may not be the best description.

Indeed, it is an understatement to say St. Louisans have experienced a slightly fraught relationship with the NFL. They have witnessed a team arriving – at the NFL's behest. And they have witnessed a team leaving– with the NFL's blessing.

But setting aside the controversies and extreme fan reaction that accompanied these moves, it is fascinating to dive into the history of NFL relocation and revisit the considerable political, financial, and business machinations that gave professional football to St. Louis and, a half century later, took it away.

## St. Louis doubles up on Cardinals

The modern history of NFL team relocation may have started in 1960 when the Chicago Cardinals moved to St. Louis and became the St. Louis Football Cardinals <sup>1</sup>. The Football Cardinals were owned by the Charles W. Bidwill family and, in 1960, controlled by his widowed wife Violet Bidwill Wolfner.

At the time, Chicago was home to two football teams, the Bears and the Cardinals. The NFL concluded that St. Louis could support an NFL team and that such a relocation would help the Chicago Bears and the NFL's future television plans. Additionally, St. Louis was planning on building a new stadium to replace its aging baseball stadium, Sportsman's Park, and this new stadium was part of the lure to bring a football team to the city. Progress in building the stadium, however, was very slow, and despite the 1960 promise, which was critical to the NFL and the Cardinals, as of 1964 the new stadium in St. Louis was still only a concept.

Meanwhile, Atlanta was also hatching plans for a new stadium and trying to attract a football team to play in it. As is often the case in negotiations, once the Football Cardinals expressed some interest in the Atlanta proposal, St. Louis swiftly fulfilled its promise of a new stadium. Busch Memorial Stadium was completed in 1966 in time for the NFL season.

Busch Memorial was contoured primarily for baseball and was the centerpiece of a downtown redevelopment project under the auspices of the Civic Center Redevelopment Corporation (CCRC), a not-for-profit entity established to oversee and manage the downtown renovation. To fund the project, Anheuser Busch (AB), the baseball team's owner, kicked in \$5 million dollars and the Football Cardinals agreed to forego any revenue from parking or concessions. With that, the perfectly circular 50,000 seat stadium project, which included nearby parking garages, a hotel, and other property, joined the St. Louis skyline, just west of the equally curvy St. Louis Arch, completed the prior year.

## Trouble on the field

For the next 15 years, the baseball and football teams shared Busch Memorial Stadium, with each team enjoying some limited on-field success. In 1981, after a nasty court fight, AB acquired the CCRC. The deal gave them control over the stadium – and the ability to drop "Memorial" from its name – along with the lucrative parking and concession businesses. The deal relegated the Football Cardinals to a subordinate position; they were now a tenant in a privately owned stadium of another sports franchise.

Further complicating the issue was the growing size of NFL stadiums across the country. Despite the fact that the Football Cardinals averaged 47,000 people per game (90% of capacity at Busch Memorial), they were about 13,000 below the average NFL stadium capacity, which was only growing larger. Football Cardinals owner William V. "Bill" Bidwill, who became the sole owner in 1973, became very concerned about this growing gap, as well as the limited streams of revenue that his team could tap into. In 1984, he began publicly discussing the need for a new stadium for his team.

After much discussion, St. Louis City Mayor Vincent C. Schoemehl and St. Louis County Executive Gene McNary held a joint press conference in April 1985 to announce that the City and County would cooperate in their efforts to keep the Football Cardinals in St. Louis. Both Schoemehl and McNary acknowledged that a new stadium was necessary as Busch Stadium had become inadequate for NFL football.

### Phoenix rising

Once again, progress on a new stadium moved slowly. Despite Schoemehl's pledge of cooperation, he vacillated between supporting, opposing and obstructing the building of any stadium for the Football Cardinals. McNary, on the other hand, remained steadfast in his desire to build a new home to retain the football team in the St. Louis area. McNary even secured land to build a stadium in St. Louis County for the Football Cardinals. Bill Bidwill was so impressed with the County's plan that he purchased approximately 125 acres of land adjacent to the county site and signed a letter of intent to play in a new dome stadium to be built in St. Louis County by private investors.

Schoemehl, with the backing of certain downtown interests, in July 1987 filed a lawsuit against the Football Cardinals to force them to remain at Busch Stadium and also raised several environmental challenges about the county site and plan. As a result, McNary abandoned his plans for a multi-purpose dome stadium and replaced it with proposed plans for an outdoor county stadium. In exchange for the Mayor's support for the outdoor stadium, McNary agreed to support the expansion of the downtown convention center. The Football Cardinals and its financial consultants after studying McNary's new plan, concluded that an outdoor stadium under the terms now proposed was "unworkable" for the franchise.

Bill Bidwill then announced that the Cardinals would look for a permanent solution to its stadium challenges and in January 1988 filed "A Statement of Reasons" with Commissioner Pete Rozelle and the other member clubs to relocate the Football Cardinals to the Phoenix area. The Raiders' rocky transition during their initial move to Los Angeles from Oakland – and the resulting litigation – prompted the NFL to establish guidelines for moving a franchise. The Football Cardinals' application was the first such relocation application filed by a team <sup>2</sup>.

In its application, the Cardinals set forth the struggles it had encountered in trying to build a new stadium more consistent with the size of its NFL team brethren. The Football Cardinals' application did not criticize its fans or negatively characterize the St. Louis market. Instead, it focused on the lack of any civic plan to address its needs and the potential of the Phoenix area as an NFL market. In March 1988, the NFL owners overwhelmingly approved the Cardinals relocation from St. Louis to the Phoenix area <sup>3</sup>.

### Attracting the L.A. Rams

Meanwhile in Southern California, the saga of the Rams in the Los Angeles area had gone on for almost a quarter of a century. L.A. Rams owner Carroll Rosenbloom had moved his team from the L.A. Coliseum to Orange County and a stadium in Anaheim. Part of this move was a real estate play and a chance to develop the areas surrounding the stadium. When Carroll Rosenbloom died in 1979, his wife, Georgia, inherited the team from him but was never able to get the real estate development off the ground. This inability and the fact that a team in Orange County did not have the same appeal as an L.A.-proper team dampened the Rams' long term prospects in Anaheim. The team began looking for alternative playing sites, but after encountering a limited appetite in Southern California for a new stadium, the team initiated a broader search in 1994 for place to move its operations.

Back in St. Louis, there was a stadium-sized hole in the hearts and minds of St. Louisans after the departure of the Football Cardinals. The public began a real push to bring NFL football back to the city. Jerry Clinton, a prominent AB distributor, Fran Murray, a Philadelphia businessman, and Hall of Fame football player Walter Payton decided to pursue an expansion team for St. Louis.

As part of the expansion pitch, Murray, Clinton and Payton developed plans for a new stadium and convinced St. Louis leaders that a dome stadium should be built as part of the expansion of the St. Louis Convention Center. Construction began before the NFL had chosen its expansion cities. Still, the Clinton-Murray-Payton group had some significant financial challenges. Even after recruiting Columbia, Mo., billionaire E. Stanley Kroenke to its cause, St. Louis was not chosen for expansion by the NFL, which instead opted for Charlotte, N.C., and Jacksonville, Florida. St. Louis was devastated by their omission – it was a blow not only to civic pride but to civic pocketbooks: The city now had an in-construction \$300 million dollar stadium with no football tenant to occupy it.

### At the negotiating table

The Rams' desire to move and St. Louis' need to find a tenant made the two parties perfect negotiating partners. A highly influential group of backers, under the auspices of FANS, Inc., formed the St. Louis side of the deal. It included U.S. Congressman Dick Gephardt, retired U.S. Sen. Thomas Eagleton, the city's mayor, the county executive, and several of the area's top business leaders.

The Rams, led by its President John Shaw, proved to be tough negotiators and agreed to a very favorable lease for the team with the St. Louis Convention and Visitors Commission ("CVC"), the future landlord of the about-to-be-completed domed stadium. In the Lease, the Rams agreed to pay the CVC \$25,000 in rent per game, plus half of

game day expenses. In return, the Rams would receive all of the ticket revenue from its games, 75% of the first \$6 million in advertising revenue and 90% of the remainder, 100% of the profit from the concessions at Rams games and a portion of the concession profits from other events. St. Louis also agreed to a number of other obligations, including promises to pay \$28 million to fulfill bond obligations owed by the Rams on the Anaheim Stadium and pay the team's moving costs, as well as agreeing to build a \$9.9 million training facility.

The Rams' Lease with St. Louis at that time became the gold standard and the envy of the rest of the NFL teams. Although the financial terms were lauded, the Lease also included a clause that the St. Louis stadium had to be maintained as to be in the top 25% of NFL stadiums at specific measuring dates using listed and specific components at the stadium. If St. Louis failed to meet these "First-Tier" standards, the Rams had the right to convert the Lease to a year-to-year lease and could pursue an alternate venue, either within or without the St. Louis area.

The Lease was generally regarded as a windfall for the Rams, a fact CVC acknowledged when in 1997 it sued the NFL on antitrust grounds alleging that the NFL rules on franchise relocation were anti-competitive, putting them at a severe disadvantage in negotiating with the team and resulting in the inclusion of favorable team terms. The case was dismissed by U.S. District Court Judge Jean Hamilton and the Lease remained in effect <sup>4</sup>.

### 'First-Tier' expectations

The Rams played in the Dome<sup>5</sup> for the next 20 years, snagging a Super Bowl victory in 1999 (and falling just short of another in 2001, much to the chagrin of St. Louis fans, who have maintained a smoldering disdain for Tom Brady ever since).

The measuring dates for determining "First-Tier" status were at 10 and 20 years into the 30-year term; the first date was reached in 2005. As was provided for in the Lease, the Rams and CVC began meeting and discussing what needed to be done in order for the CVC to meet the first-tier status. Interestingly, and perhaps unfortunately for St. Louis, there were at that point 20-plus new or substantially renovated NFL stadiums that would be relevant to the determination. However, after much discussion, the Rams agreed with the CVC to amend the Lease and forgo the 2005 measuring date in exchange for \$30 million in Rams-directed upgrades to the Dome, which included new video boards and revenue-generating hospitality areas. This amendment also set forth a specific procedure to address the next first-tier measuring date. The procedure, including arbitration, allowed for an exchange of each side's ideas of what would be needed at the Dome to satisfy the first-tier requirement, and a time frame for a decision<sup>6</sup>.

After Rams owner Georgia Frontiere passed away, her children shortly thereafter sold the team to Stan Kroenke<sup>7</sup>. He and the CVC went to arbitration in 2012 to determine whose vision of "first tier" the arbitrators would accept. The Rams presented a \$700 million renovation. The CVC countered with \$120 million in upgrades. The arbitrators came down on the side of the Rams. The CVC and the Regional Sports Authority sponsors – the City of St. Louis, St. Louis County, and the State of Missouri – unanimously agreed that they could not finance the Rams' proposal, which was required without any additional time added to the Lease, and so informed the Rams. Consequently, the Rams became free to negotiate or find another place to play, and after the 2014 season were free to exercise their option to turn the Lease into a year-to-year term lease. The Rams in January 2015 informed the CVC of that intention.

It soon became evident that Kroenke had great interest in the Los Angeles area as the place to relocate his team. He purchased the Hollywood Park racetrack in Inglewood and after first denying that he did so for the Rams, eventually unveiled plans to build a stadium along with substantial real estate development plans. Missouri Governor Jay Nixon responded to Kroenke's California intentions by appointing a two-person task force to develop a plan to keep the Rams in St. Louis.

The task force developed a plan for a \$1 billion open air stadium on the Mississippi River, which included substantial public dollars, and submitted their plans to NFL ownership. Kroenke showed no interest in the St. Louis plan and on January 6, 2016, submitted an application, as did the San Diego Chargers and Oakland Raiders, to relocate the team to Los Angeles. Kroenke's application and the accompanying Statement of Reasons, unlike the Cardinals' application in 1988, were highly critical of the St. Louis fan support and the region's long-term ability to support an NFL franchise. The NFL found that the Rams had satisfied the League's relocation guidelines, as did the Chargers and the Raiders. The League, however, made it clear that all three teams would not be allowed to relocate to LA and by a vote of 30-2 gave the Rams the right to develop its Inglewood site and relocate back to Los Angeles starting in 2016.

The Rams held a press conference on January 14, 2016, trumpeting their excitement to begin a new chapter in Los Angeles. Banners bearing the 1999 "World Champions" title were removed from the Edward Jones Dome and plans to move the Rams operation to Los Angeles began to formulate. St. Louis reacted angrily to the news, expressing dissatisfaction with the NFL and its process. A lawsuit alleging deceptive advertising was filed against the Rams and its owner as well as a challenge to the St. Louis PSL agreements that potential ticket buyers signed allowing them to buy season tickets.

### Epilogue

As former St. Louis Football Cardinals and Hall of Fame Player Dan Dierdorf said in an interview after the relocation approval, St. Louis will survive without the NFL. It did so for the seven years after the Football Cardinals moved and it will do so now. St. Louis provided a plan that included between \$350 and \$500 million in public money only 20 years after constructing a \$264 million stadium. The NFL revised its application process twice since

the Raiders first move to Los Angeles but acknowledged that the rules were subjective guidelines to be applied by the 32 NFL owners.

San Diego and Oakland remain in limbo. The Chargers now have less than one year to make a deal with Kroenke to share the Inglewood Stadium, and are feverishly working to remain in San Diego. If the Chargers choose not to go to L.A., the Raiders can decide to move there, although the Raiders have strongly stated that their preference is now to relocate to Las Vegas.

The NFL returns to a lucrative Los Angeles market and gets a planned state-of-the-art stadium, including NFL-themed developments and attractions. During the 2016 preseason and early season games, the Rams have drawn very well in its temporary L.A. Coliseum home. St. Louis spent several million dollars in its efforts to keep the Rams but is back to having a stadium with no football tenant. On September 21, 2016, District Court Judge Stephen Limbaugh found that certain PSL agreement provided some rights to the PSL owners to tickets or refunds despite the relocation.<sup>8</sup> The Rams have asked the court to reconsider its decision.

As you can tell, there have been fits and twists to St. Louis' odyssey with professional football. During the last 50-plus years, it enjoyed both the "Cardiac Cardinals" of the 1970s and the "Greatest Show on Turf" of 1999-2004. It hosted a Super Bowl Champion team and enjoyed a large parade celebrating its first and perhaps only NFL Championship. It enjoyed great Hall of Fame players Larry Wilson, Dierdorf, Jackie Smith, Roger Wehrli, Marshall Faulk, Aeneas Williams, and Orlando Pace, as well as fan favorites Jim Hart, Roy Green, Isaac Bruce, Kurt Warner, and Torry Holt.

It has been a fun and interesting journey and who knows whether the curtain has come down on the final act of NFL football in St. Louis. Only time will tell.

1. The team was specifically called the "Football Cardinals" because, as everyone knows, St. Louis was home to a baseball team called the St. Louis Cardinals. The NFL's entry into the city spurred the media to start referring to the occupants of Sportsman's Park as the "Baseball Cardinals." ↩
2. Section 4.3 of the NFL Constitution required three-fourths of the then existing NFL franchises to vote for a team to relocate. After the Oakland Raiders moved from Oakland to Los Angeles in 1980 the NFL attempted to enforce Section 4.3. The NFL, as a result of this case, promulgated guidelines for teams to move and a procedure for doing so. ↩
3. The author served as outside counsel to the Football Cardinals and helped write the application to relocate. ↩
4. See *St. Louis Convention and Visitors Commission v. National Football League*. United States Court of Appeals, Eighth Circuit (1998), which affirmed the District Court ruling. ↩
5. The dome stadium was first named the TWA Dome. After the airline's bankruptcy, the naming rights were resold in 2001 to financial consulting firm Edward Jones and the facility was renamed the Edward Jones Dome. ↩
6. The author also participated in the discussions regarding the first tier process. ↩
7. Stan Kroenke became a minority partner of the Rams in 1995 and helped moved the team from Los Angeles. He originally held a 30% interest which he increased to 40%. He had the right of first refusal to buy the team, and after Shah Khan made an offer to Ms. Frontiere's children, Kroenke exercised his right and became the majority owner. ↩
8. *McAllister v. St. Louis*, No.4: 16-CV-172 SNLJ (E.D.MO.) ↩

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