

St. Louis takes aim at NFL, Rams over team move

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CHICAGO — St. Louis, St. Louis County and the public agency that owns the Edward Jones Dome is seeking compensation from the National Football League over the city's loss of the Rams franchise last year.

A [lawsuit](#) filed Wednesday in St. Louis Circuit Court by the city, county, and Regional Convention and Sports Complex Authority accuses the NFL and its member teams and their owners of improperly approving the team's move to Los Angeles sought by Rams owner Stan Kroenke.

The league violated its own obligations and standards that govern team relocations by approving the move, breaching their contract with the city, the lawsuit alleges.

"In so doing, defendants have breached their contractual duties owed to plaintiffs," the complaint reads.

"Defendants also have made intentionally false representations to plaintiffs, have interfered with the valid business expectancies of plaintiffs, and have unjustly enriched themselves."

The lawsuit charges that Kroenke had long worked behind the scenes with the goal of moving the team and he never intended to "engage in good faith negotiations" with local authorities -- first over renovations to the dome and later on a new stadium financing.



St. Louis and other public bodies are suing the NFL and the Rams over the team's move from the Edward Jones Dome and rejection of a new stadium proposal in favor of a move to Southern California.

St. Louis Edward Jones Stadium

“The Rams and Mr. Kroenke made repeated statements that were intended to induce the plaintiffs into continuing to support and finance the Dome and to spend money to create a new stadium for the Rams,” the lawsuit reads.

The lawsuit alleges that the team violated league policy to “work diligently and in good faith to obtain and maintain suitable stadium facilities in their home territories, and to operate in a manner that maximizes fan support in their current home community.”

“Instead of working on that effort, the Rams franchise and its owner announced new plans for a stadium in Inglewood, California, moved Rams practices to California, and took other actions inconsistent with the club’s obligations to plaintiffs, the local community, and others,” the complaint reads.

The move “improperly” enriched the team as its market value doubled to nearly \$3 billion at the “expense of the plaintiffs” and the league was paid a \$550 million relocation fee from the Rams, reads the complaint.

The move has cost the city an estimated \$1.85 million to \$3.5 million in lost amusement and ticket tax collections and it’s lost approximately \$7.5 million in property tax and \$1.4 million in sales taxes as well as millions in earnings taxes.

“The city of St. Louis will have lost over \$100 million in net proceeds due to the improper conduct described above,” the complaint reads. The county has lost hotel and property tax revenue, as well as sales tax revenue.

Failure to approve the new stadium cost approximately 2,750 jobs in construction and more than 600 jobs per year. The average annual state revenue impact exceeds \$15 million, the complaint alleges, citing Missouri Department of Economic Development estimates.

The lawsuit's specific counts include breach of contract, unjust enrichment, fraudulent representation, and tortious interference with business expectancy. It seeks damages and the disgorgement of profits.

The NFL said in a statement: "There is no legitimate basis for this litigation. While we understand the disappointment of the St. Louis fans and the community, we worked diligently with local and state officials in a process that was honest and fair at all times." The Rams did not comment.

The dome was built in 1995 to lure the Rams from Anaheim, Calif., to St. Louis. It was financed with the help of \$256 million of 30-year appropriation backed bonds in 1991. The bonds are repaid under a complex agreement between the city, county, state with payments subject to an annual appropriation.

About \$144 million remained outstanding last year when the city lost the Rams and the state continues to make the appropriation needed to pay debt service. The bonds mature in 2021.

The Rams in 2015 shifted to a year-to-year as its lease agreement permitted after the managers of the dome rejected \$700 million in improvements required to keep the stadium in top shape as defined under the lease terms.

The city and state put together a \$400 million public financing package in an effort to keep the Rams in town with a more than \$1 billion stadium proposal. The plan called for a team contribution of \$250 million and NFL support of \$300 million with another \$160 million coming from the sale of seat licenses.

The NFL approved the team's relocation request in January 2016 citing the strength of the proposed stadium project in California.

The plaintiffs are represented by Blitz, Bardgett & Deutsch LC and Dowd Bennett LLP.

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