



Deflate-gate in Saint Louis: Air goes out of a plan for a new subsidized football stadium

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In stimulating tourism, trade, and economic growth, the Roman Coliseum may be the world's only sports stadium that has repaid the cost of its construction more than a thousand-fold, or even a million-fold.

The Edward Jones Dome in downtown Saint Louis is another story. Praised as state-of-the-art when it opened in 1995, the 100 percent publicly financed dome is on the verge of abandonment several months shy of its 21st birthday.

The future of the St. Louis Rams – the dome's current occupants – will be decided in the next couple of days as the NFL owners club considers two competing plans for new stadiums in the Los Angeles area – one of them put forward by Stan Kroenke, the owner of the Rams, who wants out of Saint Louis.

Whatever happens, the Saint Louis dome's playing days as a football stadium are probably over. It stands as a monument to wishful thinking – a telling example of the fallacy that public officials can accelerate a city's growth or reverse its decline by "investing" large sums of money in a giant sports complex.

When the dome was first proposed and developed, its backers – including two Saint Louis

mayors, business and civic leaders from the city and county, Missouri legislators, and the editorial board of the *St. Louis Post-Dispatch* – described the project as a much-needed shot in the arm for downtown Saint Louis. They claimed it would create thousands of jobs, generate hundreds of millions of dollars in new business activity, and more than pay for itself through the additional tax revenues it would create for St. Louis City and County and the state of Missouri.

In a 1993 editorial, the *Post* predicted a “downtown resurgence” and only worried that the riverfront might become “a gridlock of automobiles overlooked by a garish strip replete with pulsating electric signs and the amplified voices of barkers luring people aboard (casino) boats.”

Today the St. Louis riverfront is emptier than ever. Over the last two decades, the city has continued to lose both population and jobs, while St. Louis County and the state as a whole have also experienced subpar economic growth. There is no sign of any dome-centered economic growth.

The Edward Jones Dome was desperation’s child. In 1988, after the St. Louis Football Cardinals took flight for Phoenix, Arizona, leading figures in the city became serious about building the new stadium that the departing owner Bill Bidwill (not wanting to share space with the baseball Cardinals) had craved. Enlisting the help of Saint Louis County and the state of Missouri as partners, they gambled on building a stadium entirely on spec – not knowing when, or even if, they would be able to attract another NFL franchise to replace the Cardinals.

Surely, the thinking went, a metro area of our size (two and half million people) and with our willingness to open the public purse strings, should have no trouble attracting one of two NFL expansion franchises then coming up for grabs.

That was a big mistake. In late 1993, the NFL awarded the new franchises to Charlotte, North Carolina (with the now # 1 seeded Panthers in this year’s NFL playoff), and to Jacksonville, Florida.

Thus, there was great joy in Mudville when Georgia Frontiere, the widow of longtime L.A. Rams owner Carroll Rosenbloom, elected to move the Rams franchise from an aging stadium in Anaheim to a new one in her old hometown of St. Louis. As the dome was nearing completion, she saved political and civic leaders from the embarrassment of having a football stadium but no team.

Corralling the Rams was hailed as a great victory for the city and state – but was it a good deal for taxpayers?

Plainly it was not. The Rams shared no part of the cost of building the dome, yet they have paid an annual rent of \$250,000, or just 1 percent of the \$24 million that the city, county, and state have paid to service the debt on its construction . . . and will continue to pay (\$12 million from the state and \$6 million each from the city and county) for another five years. That means taxpayers are still on the hook for another \$120 million – money that would otherwise be available for public services ranging from fire and police protection to education, roads, and infrastructure.

In addition, the lease agreement allowed the freeloading tenant to demand major improvements at public expense, and gave the team the right to opt out of the lease ten years early – in 2015 –

if the city and state failed in their contractual duty to keep the dome in the top tier of NFL stadiums.

That is the option that Mr. Kroenke deployed at the beginning of last year when he announced his intention of moving to Los Angeles. For a while, the response from city and state officials was *déjà vu* all over again. St. Louis Mayor Francis Slay and Missouri Gov. Jay Nixon joined forces in trying to raise some \$400 million in public assistance to go toward the building of a new \$1 billion-plus riverfront stadium to keep the Rams in St. Louis.

But now it seems the air has gone out of that spheroid. There seems to be a growing realization (even in St. Louis) that if a team thinks it can make a whole lot more money in one city – with no subsidies – than it can in another – even with copious subsidies – it probably makes sense for all concerned to let the team go where it wants.

About the Author



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A former foreign correspondent who spent four years in the Middle East and served as Business Week's London bureau chief during Margaret Thatcher's first two terms as Britain's prime minister, Andrew is a regular contributor to leading national publications, including the American Spectator, the Weekly Standard, and the Wall Street Journal.

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