

Colts costs could jump \$10 million annually

State help, higher taxes could be part of the mix to keep the team, mayor says.

By Matthew Tully

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The cost of keeping the Indianapolis Colts in town could jump by more than \$10 million annually as early as 2004, Mayor Bart Peterson said Wednesday.

That, he insists, is not too high a price to pay to keep the local National Football League franchise.

Peterson, who is hoping the price tag will end up being lower, refused to rule out the possibility of asking the state for help or seeking a tax increase to keep the Colts.

"I wouldn't put anything off the table."

The new payments would tie the Colts to Indianapolis at least through the 2007 season. Under the RCA Dome lease the city and the Colts renegotiated in 1998, future payments could guarantee the team would stay here through the 2013 season.

Without the extra money, conditions of the lease could let the team start the 2007 season in another city.

The money would be on top of substantial payments Indianapolis already makes to the Colts. The city's Capital Improvement Board expects to spend \$12.5 million on the team next year -- on top of nearly \$37 million in payments handed over since 2000. Additionally, the city agreed in 1998 to make the payments on a \$22 million loan the team received and to fund \$20 million in stadium upgrades the team requested.

Talk of the Colts leaving town has picked up since ESPN reported last weekend that the team is planning a move to Los Angeles. The Colts have denied the report, and Peterson pointed out that the station inaccurately reported that he discussed the issue with NFL Commissioner Paul Tagliabue in New York last week. Peterson said he talked to the commissioner for the first time in months Monday -- after the report aired.

"From what he'd heard, conversations were going well between (Indianapolis) and the Colts, and nobody within the NFL was talking about moving the Colts to Los Angeles," Peterson said.

NFL spokesman Greg Aiello said Tagliabue told the mayor, "Our focus is on (Colts owner) Jim Irsay's negotiations with the city and making the Colts a successful franchise for the fans in Indianapolis."

Irsay was not available Wednesday for comment, a team spokeswoman said.

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The two sides are in what mayoral spokesman Steve Campbell called informal discussions about ways to boost the Colts' bottom line. Options include the construction of a new stadium and cash payments to the team.

The team has complained that its revenues lag behind much of the league and is asking the city for a new deal.

The lease provides an incentive for the sides to talk because the early opt-out lets the Colts leave Indianapolis after the 2006 season, or seasons after that, if its revenues are below the league median in at least two of the three previous seasons.

The city can block such a move by making payments to the Colts starting as early as 2004 to bridge the funding gap, essentially writing a check to boost the team's finances.

The size of that check is the X-factor, as the Colts do not have to reveal how their revenue numbers compare with the league until late 2003. But Peterson said Wednesday it will likely take in excess of \$10 million a year to bring the team up to the league median.

"We have to find that revenue," he said. "It doesn't necessarily mean that's tax revenue. It doesn't necessarily mean that's the taxpayers paying (it)."

The public money the Colts get now comes in large part from hotel and restaurant taxes.

The Colts have played in the Dome since moving from Baltimore in 1984. The 56,127-seat stadium (reconfigured from its original capacity of about 60,000) includes 104 suites and 4,228 club seats. Such premium tickets are a major source of revenue for teams, along with money from stadium advertising and parking. But Colts officials say they bring in less than many other teams.

It's not clear that a new and bigger stadium would solve the problem. The Colts don't believe there is a demand for more suites, and season ticket sales have dropped from a high of 57,000 when the team arrived to 39,000 this year.

Peterson said much can change by 2004, before the Capital Improvement Board, which owns and operates the dome, could begin writing additional checks to the Colts.

The board -- made up of mayoral, City-County Council and County Commissioners appointees -- has proposed a 2003 budget that would pay the Colts about \$7.2 million in suite payments, about \$4 million in inducements and \$1.2 million for game-day expenses.

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Peterson said the city has acted responsibly to keep the Colts.

"The NFL is, in many ways, a definer of big-league city status."