

# Indianapolis and the Colts

## Focus: Deal That Changed the Landscape

By Rebecca Patrick

**W**hen Robert Irsay moved his Baltimore Colts to Indianapolis in late March 1984, it altered the economic climate and psyche of two states. Now it's hard to imagine what Indiana would be like without an NFL team, and many in Maryland, the Baltimore area specifically, still harbor some bad feelings – and getting the Ravens franchise 12 years later seems to have done little to erase that.

Three of the principal players involved in the deal that helped put Indianapolis in the national consciousness are still with us and took part in this recollection: former Indianapolis Mayor Bill Hudnut; David Frick, then deputy mayor and attorney working on behalf of the city; and Michael Chernoff, who handled the legal negotiations for the Colts.

### The Indianapolis groundwork

Beginning in the late '70s, one of the overriding goals of the Hudnut administration was to focus on the community, re-energize people and get the area growing again.

“One of the elements of that was using sports as a strategy to cause the redevelopment of Indianapolis – and that centered on amateur and professional sports,” explains Frick, who had been commissioned by the mayor to work on this.

Hudnut recalls, “A light bulb idea that a bunch of us had was to build an attachment to the convention center that would expand the convention center and its capacity for business, as well as hold a football team.”

With that decision agreed upon and in motion, the mayor turned to the city's movers and shakers about how to attract an NFL franchise during the next expansion. Frick served as the liaison between Hudnut's office and this group.

“Most people thought an expansion would occur in the early to mid '80s. I had started going out to the NFL and meeting with them,” Frick offers, “showing them our plans for the stadium and getting their input on how we could design what would later become known as the Hoosier Dome in a way that would be good for NFL football.”

“We were on a path that I really truly believe, that were the NFL to expand, we would be a legitimate contender to handle a franchise,” he asserts.

Unfortunately, any designs on expansion were dashed for the near term once NFL owner Al Davis moved the Raiders from Oakland to Los Angeles in 1982. The NFL was embroiled in “some pretty nasty litigation” surrounding that relocation, Frick says.

Adds Hudnut, “Secondly there was a strike, so they weren't going to expand, which certainly was sort of a blow to us, but we were pregnant with the thing (the Dome) ... we had to keep on building it as an expansion to the convention center.”

So that's what the city of Indianapolis did – and kept on its timetable.

“The construction was going well. We had arranged the financial elements (in such a way) essentially that it didn't need an NFL franchise to be successful financially,” Frick maintains.

“(The Dome) had a very significant percentage, a little less than a half, being paid through the corporate community and non-for-profit communities coming forward. The amount we (the city) really had to finance was not the total cost of the building at all, but a little over half of the cost.”

That may have been reality and how it was promoted to the public, but perception dictated the Dome needed a football team.



**Indianapolis Mayor Bill Hudnut and Colts owner Robert Irsay at the formal welcome ceremony on April 2, 1984** (*Indianapolis Star photo/Rob Goebel*).

Some 10,000 fans attended the welcome rally for the Colts. There were 250,000 applications for 62,000 season tickets that first year.



### An opportunity presents itself

As Indianapolis was entering the homestretch on its new facility, Colts owner Robert Irsay was contemplating what to do with his team.

Baltimore's Memorial Stadium was old and his contract for leasing it had expired. In fact, the team played the 1983-84 season there without a lease.

Hudnut emphasizes the condition of that home field: "Bart Starr, the famous quarterback, told me once that Memorial Stadium was called the 'ash can' of the NFL. So where they were playing was really a bad stadium, and there was no prospect of a new one on the horizon."

What's more, attendance at games had declined dramatically. Hudnut also feels that perhaps the unkind portrayal of Irsay in the Baltimore press was a factor in "why he just wanted to get out of there."

By early 1984, this possibility started making the rounds.

Local businessman Tom Shine, owner of Logo 7 (a sports apparel company), who was attending the Super Bowl, learned that Irsay was going to scope out options for a new home for his team. That information made its way to Hudnut, who decided to have Frick dig deeper.

"We heard from a pretty reliable source that he was starting to look at Phoenix, Jacksonville and Memphis. We wanted him to come here and look too. We communicated back and we invited him to come look at Indianapolis also," Frick states.

The initial meeting between the city of Indianapolis and the Colts organization took place here on February 11, 1984, and was between the two attorneys: Frick and the Chicago-based Chernoff.

The Colts representative made it "crystal clear that the team was not (definitely) leaving Baltimore, but rather they were exploring other options. They were looking for a market that was a good market for NFL football, a fair lease to both sides and they were looking for a long-term relationship," Frick shares.

"I reiterated what I thought Indianapolis' interest was. We were looking for an NFL franchise that would be willing to be a community asset, which would be a long-term relationship, a favorable deal for the franchise, but a fair deal for our community.

"This all culminated in the Colts moving to Indianapolis six weeks later. For a deal that has meant so much to our community, it's kind of ironic that it was done so quickly," Frick remarks.

Two things precipitated the fast pace.

At the beginning of March, the NFL announced it would not try to block Irsay's decision to move the team if he so chose; the league had enough on its hands due to lingering legal ramifications from Davis' relocation case. Separately, three weeks later, tactics taken by government officials in Maryland served as the jumping point.

A bill was passed in the Maryland Senate that would have allowed the city of Baltimore to exercise eminent domain – a practice typically reserved to secure needed property – on the Colts. The Maryland House was ready to take up the bill and the governor was on board to sign it.

"We couldn't afford to have that bill signed by the governor. They would have then immediately condemned the Colts and taken it over and we would be out. We had no choice," Chernoff asserts. "That morning, I talked to Mr. Irsay and he made the decision that we were going to move. And by that night we were moving.

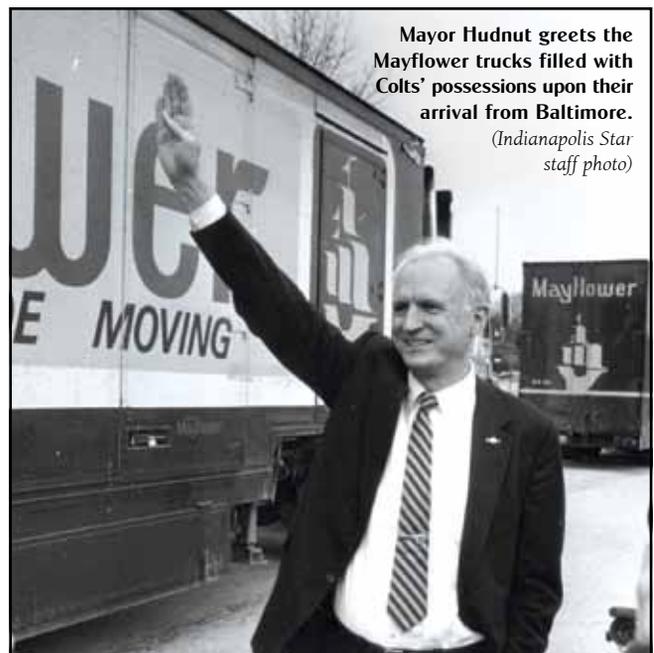
"You are not going to turn over something that you worked your life for – that you put your blood and money into; you prevent that from happening. We had been negotiating with the city of Baltimore toward trying to get some reasonable resolution of the problems, but now it was wrecked. They demolished it," Chernoff declares.

### The move

When Irsay decided to pull the plug, substantial progress already had been made with the Indianapolis offer.

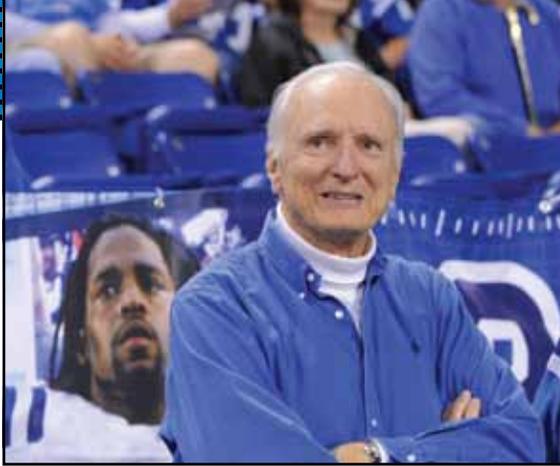
"We had gotten a lease and the deal was essentially done except for some technical cleanup," Frick notes. "Mr. Irsay had a debt in Baltimore that he needed to have replaced when he moved to Indianapolis because there was no question that loan was going to get called.

"So we had to have standby financing in Indianapolis. CEO Nick Frenzel of Merchants Bank stepped forward and said the bank would make the \$12.5 million loan. We were ready."



Mayor Hudnut greets the Mayflower trucks filled with Colts' possessions upon their arrival from Baltimore.

(Indianapolis Star staff photo)



**Hudnut returns to watch the Colts face the New England Patriots at Lucas Oil Stadium in 2008** (*Indianapolis Star photo/Matt Detrich*). **Colts owner Jim Irsay congratulates quarterback Peyton Manning after a game** (*Indianapolis Colts photo*).

That included also having moving trucks on call to descend on the Colts complex in Owings Mills, a Baltimore suburb. Conveniently, Hudnut's next door neighbor at the time was John B. Smith, CEO of Mayflower. He had offered to move the team to Indianapolis for free – which he did.

The entire day “was extraordinarily hectic, but with emotions running high and the adrenaline pumping like crazy,” Chernoff describes.

“Mr. Irsay had a little private jet and I was able to fly from Chicago down to Indianapolis to finalize the lease (on the Dome), finalize our financing with the bank, and then flew from there to Baltimore and supervised the relocation.”

As for the Mayflower convoy infamously moving out under the cover of darkness – as portrayed by the media – chalk that up to timing.

“It didn't have anything to do with being sneaky,” Frick insists. “It was just the sequence of events that day. He (Chernoff) didn't leave here until late afternoon, early evening.”

And as Chernoff emphasizes, that idea was perpetuated by the press. “There was no darkness. The lights were on and all the media there. Nothing was secret.”

In fact, media dogged Chernoff from the time the Colts private plane landed at the Baltimore airport. He tried to lose them by checking into a hotel down the road from the complex. That didn't work, but he quickly learned after he phoned the Colts organization that it didn't matter: Reporters and TV crews were already swarming around the team headquarters.

For Hudnut, the Monday that followed still stands out. “Frick and I met (Irsay) at the airport and drove him down to the stadium, which had not yet been finished and walked him in across the field from one end to the other.

“Lo and behold there were about 10,000 people there on a Monday morning to welcome him and say, ‘We're so glad you're here.’ I think he felt a genuinely warm reception from Indianapolis, which he had not felt in Baltimore,” Hudnut surmises.

## Why Indy

All three participants felt there were multiple factors that made Indianapolis the destination of choice.

The most obvious one was having a brand new state-of-the-art facility nearing completion. The other contenders had only temporary solutions.

Frick says he will never forget when Irsay first toured the facility early in the process.

“He became silent and all of a sudden said (looking all

around), ‘You know, these are the colors of the Colts.’ The seats were deep blue, the upper level had silver bench seats and it had a white Teflon roof. It was just fortuitous; I had chosen the deep blue seats because I liked the color. But right then I knew we had a real chance of convincing him on the merits of Indianapolis.”

Chernoff singles out the “the people and the feeling that we got from the representatives of the people in Indianapolis” as vital in the deal happening.

“I'm not saying this in a disparaging way toward any of the other cities that made offers or that we had conversations with, but it was clear that the city of Indianapolis and its representatives were dependable and we could look to them to keep their word. That's very important, particularly when you pull up stakes and move half way or a third of the way across the United States.”

Hudnut agrees. “We did not negotiate with the Colts in the newspapers; we did not have a lot of publicity surrounding our negotiations. And we made no premature announcements. Irsay got upset with the governor of Arizona, for example, because he said that the Colts were coming to Phoenix.

“They were also impressed by our readiness to receive them and by the quality of the city.”

Furthermore, as Frick puts it, “Both parties felt very comfortable with each other. Neither side sought to maximize its own advantage at the expense of the other. This just seemed to be a fit that worked.”

He later learned that Indianapolis didn't have the best financial offer, but rather the most overall appealing one.

Current Colts owner Jim Irsay, who became general manager shortly after the move, summed up why his father chose Indianapolis.

“It was a brand new stadium in a town hungry for NFL football.” He also credits what he terms the “get it done mentality” of Indianapolis for enabling things to move swiftly and properly at crunch time.

## Ironic ties

When the deal took place, Frick had a brother and sister who lived in Baltimore. “Somehow the media got hold of my sister and they asked if she was related to me. She denied knowing me. And I've never let her forget that,” Frick chuckles.

Soon after the Colts relocation, however, it was no laughing matter. The city of Baltimore sued Hudnut, Frick and Smith (of Mayflower) for their roles in enabling the Colts to leave the

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city. This was despite Hudnut's call to the Baltimore mayor before any deal ever took place, letting him know Indianapolis was throwing its hat into the ring.

"(The mayor) said, 'That's fine, go ahead.' I don't think he thought he'd ever lose (the team), and then when he lost them, he interpreted it as stealing them at midnight. He sued us as conspirators for taking away his property.

"It was ultimately settled out of court and we didn't have to pay any money or anything like that. It was a trivial lawsuit," he notes.

Ironically, the former Indianapolis mayor now resides in Chevy Chase, Maryland. He says the Colts move hasn't come up too much lately – not since the Colts played the Ravens in Baltimore on the way to the Super Bowl in January 2007.

"The media swarmed around me on that particular occasion. I said, 'Come on now, it's been 25 years. Let's let bygones be bygones.' I had that kind of an attitude," Hudnut states.

"The thing that really burned them (Baltimore fans) was that (Robert) Irsay took the Colts name. I had no control over that, but I've heard many times that the thing that really irritated Baltimore fans was not being able to keep the Colts name. Irsay made that call all by himself."

### Impact on the city and beyond

In a few short months, the eyes of the nation and many parts of the world will be trained on Indianapolis for Super Bowl XLVI.

To say the Colts presence here is a game-changer is no exaggeration.

"The impact has been a terrific boost to downtown. Go back to 1984, when they came and then come forward 27 years and it's amazing: the new hotels, the new restaurants and the eateries that have opened up in Indianapolis," Hudnut stresses.

"Indianapolis is no longer a morgue, or as *Time* magazine said when they had a little story on the Colts move, 'IndiaNOplace is no more.'

"It put our name in all the newspapers, it sent out the impression that Indianapolis can compete on a major league level. It created new jobs, not only with the concessions and parking and so forth, but indirectly. It triggered new hotel space going on around it. It led to the development of a really fine convention center complex," he deduces.

Frick focuses on the broad economic impact. "While it was clearly a leading cause of the redevelopment of Indianapolis, I think the most important effect was the affirmation of a strategy to move the economic engine that drove Central Indiana's economy from manufacturing to more of a service focus. One component of that strategy was sports and tourism to drive the economy of Central Indiana."

Hudnut tells the story of finding a purchaser for the Western Electric plant that was abandoned when the company left town in 1983. Hudnut asked the New York buyer why he chose Indianapolis as a place to make a rather sizeable investment. The answer: He read about Indianapolis in the sports pages.

"That is illustrative of how economic development opportunities came our way because of what we had done with the Colts, as well as the Pacers," Hudnut claims. "It's called leveraging amenity infrastructure, where you take the amenities and turn them into something that's an inducement to more economic development."

Concludes Chernoff, "I think both sides came out well on this and to get a Super Bowl title (on top of it). From what I know, it's been a mutually rewarding and beneficial relationship."