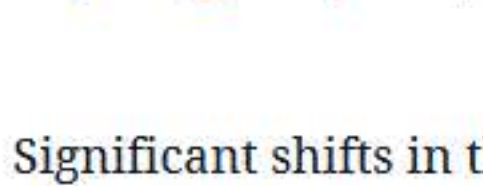


Demise, amid impending exits, financial distress

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BRIAN STRAUS · SEP 21, 2016



Significant shifts in the pro soccer landscape across the USA and Canada are underway that will result in the overhaul, or perhaps the eventual demise, of the North American Soccer League.

Sources have told SI.com that the NASL's Ottawa Fury will depart for the United Soccer League and that the Tampa Bay Rowdies likely will follow. With the Fort Lauderdale Strikers and Rayo OKC in financial distress—Raleigh, North Carolina's [WRAL reported Wednesday morning that Strikers' ownership has ceased funding the club](#)—and Minnesota United leaving for MLS, the six-year-old NASL faces a period of unprecedented adversity. And it will need to keep core clubs like the New York Cosmos, Jacksonville Armada, Miami FC and Indy Eleven on board, and then expand, if it's going to survive.

The NASL operates as the independent second tier of the pro game in the USA and Canada. The USL, which traces its roots back to the early 1990s, sits at the third tier and includes both independent clubs and MLS reserve teams. Both leagues have applied to the U.S. Soccer Federation for an upgrade in sanctioning (NASL to first division and USL to second) and the USSF board is expected to consider those requests at its meeting in New York City this Friday. However it's unlikely, according to sources, that U.S. Soccer will sanction two leagues at the same tier.

[MLS commissioner Don Garber opens up on the future of league expansion, more](#)

The NASL has more immediate concerns. League-wide average attendance has fallen more than 18 percent from 2015 and despite increased TV exposure on CBS Sports Network and BeIN Sports, it's trajectory has been troubling. Minnesota, which leads the league at 8,545 fans per game, pushed for entry into MLS in large part to fend off a charge from the NFL's Vikings. The Atlanta Silverbacks dropped into amateur soccer this season and the summer addition of [Carmelo Anthony's Puerto Rico FC](#) hasn't really moved the needle.

The Cosmos, the NASL's reigning champion and flagship club, have seen crowds at Hofstra University plunge to under 4,000 per game. As its Belmont Park stadium project seems increasingly unlikely to happen, New York faces an uncertain future. It may spend next season at a minor league baseball stadium in Coney Island.

The NASL has argued that being labeled 'second division' has hampered its ability to attract fans, sponsors and the political support required for venue upgrades. It threatened antitrust litigation last year, but in an interview this week NASL commissioner Bill Peterson told SI.com that the league no longer is considering legal action.

"We took a decision over the winter that we wanted to step back and try to re-engage with U.S. Soccer and discuss the [sanctioning] standards and where we fit in and our feelings about them ... in a more productive manner than pulling the trigger on any sort of legal activities. And that's what we've been doing," Peterson said. "It's incredibly important that the Federation and the NASL have a positive relationship because there are so many different aspects and facets to the game. It doesn't mean we have to agree on everything, but it does mean we have a partnership ... [A lawsuit is] not looming there as a threat, and it's not something we want to do."

[MLS Expansion: Latest on Minnesota, LAFC, Miami, St. Louis, Sacramento and beyond](#)

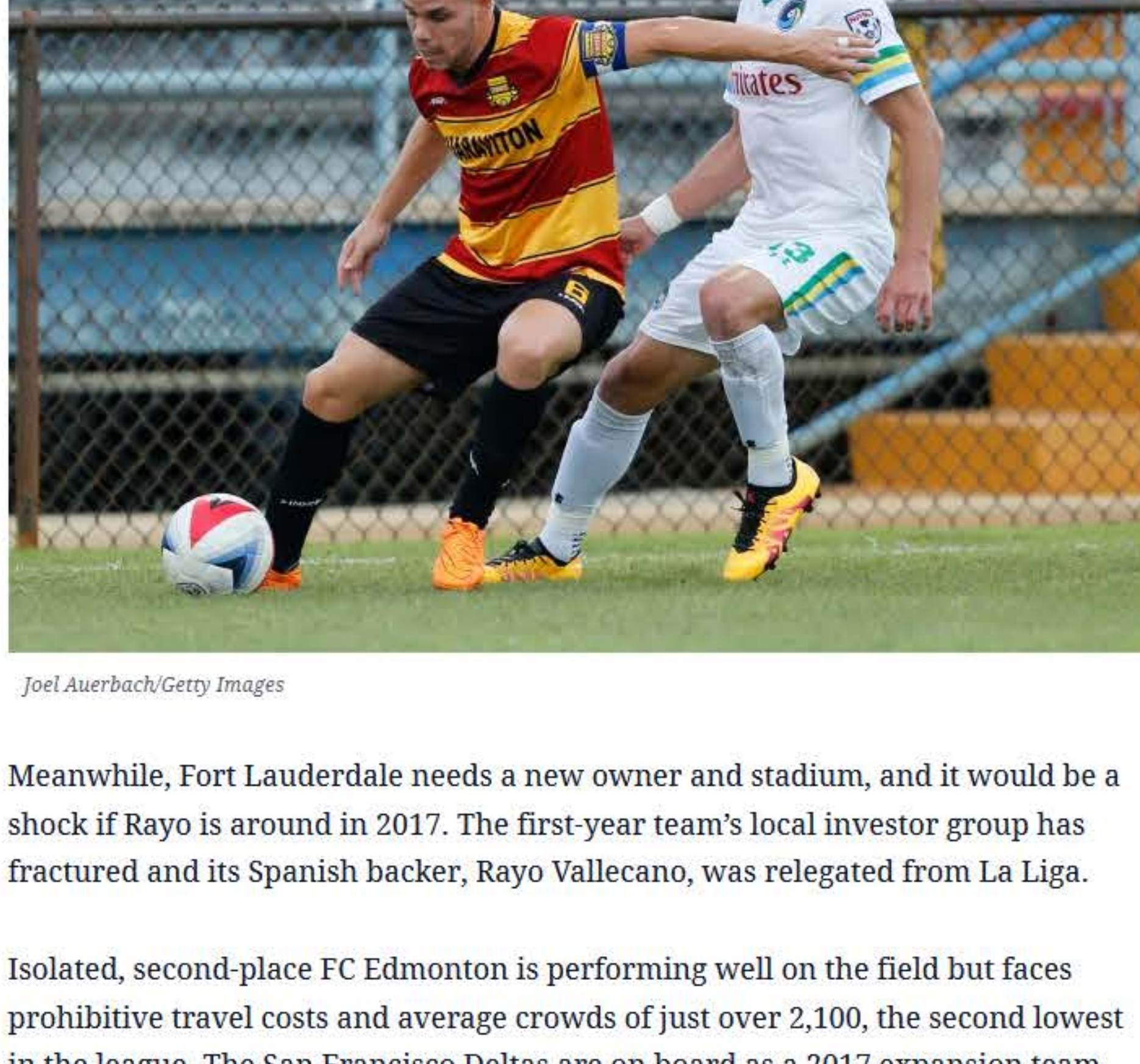
U.S. Soccer doesn't benefit if a league struggles or folds. It doesn't reflect well on the sport. That being said, USL certainly won't complain if the second tier opens up. The three pro leagues are both colleagues and rivals, and Major League Soccer's entry into Minnesota and Atlanta, along with the USL's rapid expansion (from 14 teams in 2014 to 29 this season) certainly left many wondering if the two were trying to squeeze out the NASL.

Peterson said he did not think there was a focused effort to undercut NASL, but he did say that American soccer's fractured and evolving structure fostered counterproductive competition.

"I think you have a unique relationship here. You have soccer companies that aren't necessarily all aligned for the same reasons under the [U.S. Soccer] Federation," Peterson said. "If you look at the federation and the pro game in another country, everyone basically has aligned themselves to focus on the same type of development, success, things like that. Here, you've got three soccer companies that are making decisions for the best interests of the company. And that's a unique situation."

There have been no claims, accusations or indications that the USL is pursuing or poaching NASL clubs, but the third-tier circuit obviously is aware that its growth and relative stability could be attractive to NASL teams anxious about the future. The USL's "third division" designation doesn't seem to be a hindrance at the moment. Rather, it would be a safe place to land. Ottawa eventually may target a proposed Canadian league, but it prefers USL for the time being.

Tampa Bay may be eyeing MLS, so a USL entry would make sense. Carolina's new owner, medical software entrepreneur Stephen Malik, has put money into the club and seen attendance grow. If the NASL isn't growing along with him, he then may have a choice to make about his team's future. And he'd have natural USL rivals in Charlotte and Richmond. Carolina's long-term future in NASL is far from guaranteed.



Joel Auerbach/Getty Images

Meanwhile, Fort Lauderdale needs a new owner and stadium, and it would be a shock if Rayo is around in 2017. The first-year team's local investor group has fractured and its Spanish backer, Rayo Vallecano, was relegated from La Liga.

Isolated, second-place FC Edmonton is performing well on the field but faces prohibitive travel costs and average crowds of just over 2,100, the second lowest in the league. The San Francisco Deltas are on board as a 2017 expansion team and will play at venerable Kezar Stadium. But there's so much volatility elsewhere in the NASL that it's tough to imagine the new club strengthening the circuit significantly in 2017.

One source told SI.com that as of last week, at least four NASL clubs (including Ottawa) had yet to post their bond to ensure participation next season. If four or five teams depart, Peterson and the remaining owners will have to attract new investors to survive past 2017. It's believed that the NASL's expansion fee is under \$5 million.

"We've never had more serious conversations happening than we do right now, in more cities than we do right now," Peterson said regarding expansion. "We've probably been in a process with maybe 40 groups. These are all people that have the wherewithal to do it. You start down through the process, depending on the group, depending on the city, can take as little as three to four months or as long as 18 months to complete."

He continued, "We're talking to potential owners on the west coast—three different cities. Some are more advanced than others. All of them have a chance of getting admitted. We still have two conversations on the East Coast—they're not in Florida—which if they make sense you would want to do it."

[FC Dallas's investments in youth, playmaker Diaz pay off with U.S. Open Cup title](#)

Chicago, led by former MLS and NASL executive Peter Wilt, and Baltimore are among the markets pursuing an NASL team.

"We had three new teams start this year. I don't know if we'll have new teams [beyond San Francisco] start next year, and the clock's ticking. But we'll have ownership groups added to the league. I'm very confident of that. And it could be three or four," Peterson said. "I think our league, I hope it's beyond the point of anybody doubting if it's going to be in existence. I think the model's demonstrated that it can be successful if you work hard at it, passionate and in the right cities."

MLS's model certainly took time to gain traction. At the end of its sixth season, the Tampa Bay Mutiny and Miami Fusion folded and the league likely would have died if not for Phil Anschutz and Lamar Hunt. In 2005, its 10th season, MLS finally returned to 12 teams with the additions of Real Salt Lake and Chivas USA, each of which paid all of \$7.5 million to get in. Next year, it'll add Atlanta (team No. 21) and Minnesota (No. 22), who each paid an expansion fee of more than \$100 million. The NASL can only hope that it weathers its seventh-season storm in similar fashion.

The Fury didn't respond to an email from SI.com requesting comment and the Rowdies declined to comment. Peterson was unavailable Wednesday to respond directly to the situations in Ottawa and Tampa Bay. USL president Jake Edwards

