



Chairing the Wealth

By Brad Nelson
November 5, 2007

EVERYBODY LOVES A GLITZY NEW STADIUM. Problem is, not everybody is keen on paying for one. Local pols figure the money could be better spent elsewhere, team owners don't want to sink more funds into their hobby, and fans resent having to buy personal seat licenses just so they can then pony up for season tix once the stadium is built. Stadium Capital Financing Group has a solution. The Chicago firm has devised a way to finance our fields of play without imposing on...anyone, really. The concept is called Equity Seat Rights, and here's how it works: Fans sign a contract with a team entitling them to seats in the new house at a fixed price for a predetermined number of years; they can sit in the (primo) seats themselves or sell 'em on the open market. Meanwhile, Wall Street giant Morgan Stanley, which owns a piece of SCFG, uses the guaranteed revenue stream to raise money from investors, which it funnels to teams so they can pay for their new digs. "We can provide a team with the entire value of its franchise for a small percentage of seats," says SCFG boss Lou Weisbach. He's already getting interest from pro teams and universities around the world - and accolades from peers. "This could revolutionize the way stadiums are financed," says sports-business expert Rick Horrow. Shouldn't \$13 beers be doing the same thing?