Title: METHOD AND SYSTEM FOR FINANCING AN EDIFICE

Abstract: A system and method for financing an edifice. The method includes selling a first instrument for consideration granting utility rights of a seat in the edifice. The first instrument may be a personal seat license. A second instrument associated with the personal seat license may be issued. The second instrument, which may be a financial redemption certificate, may be issued without cost to the purchaser and guaranteed by a non-government entity for at least the consideration of the first instrument. The edifice may be a sports stadium located within a sports venue.
METHOD AND SYSTEM FOR FINANCING AN EDIFICE

BACKGROUND OF THE PRESENT INVENTION

Field of the Invention
The principles of the present invention generally relate to financing of an edifice, and more specifically, but not by way of limitation, to a method and system for financing a sports stadium without involving public financial support.

Description of the Related Art
Sporting events have become increasingly popular over the last fifty years or more. Sports fans enjoy many levels of sporting events, from high school and college to the professional levels. The success of being able to attract fans to the sporting events has driven the need for owners or operators of the sporting event venues to increase the size and/or improve the appearance of the sporting event venues. One example of the sporting event venue is a stadium. Such a stadium may be utilized for football, soccer, basketball, hockey, motor sport racing, etc.

In order for the owners of the venues to build new stadiums, very large sums of money must be spent. A new venue building project that at one time may have cost $20 million now costs upwards of $250 million or more. A few reasons for such inflation of construction costs include sports fans desiring more aesthetically pleasing environments, providing additional luxury suites, utilizing better sound equipment, providing larger and more elaborate visual displays, and purchasing real estate having higher prices, to name a few.

A number of financial vehicles and strategies to finance the construction of new stadiums have been utilized in the past. Such financial vehicles and strategies have included: (i) soliciting building fund donations, (ii) selling of government backed bonds, (iii) selling of personal seat licenses (PSL), and (iv) selling of season tickets, for example.
Each of the financial vehicles and strategies (i)-(iv) are effective for generating revenue, but have problems with their application from a marketing and political viewpoint. The (i) soliciting of building fund donations is generally a request from universities for money to be donated to the building fund that may or may not be treated as a tax writeoff for the donating entity based on tax considerations. The (ii) selling of bonds is generally issued for a long payout period, such as twenty or thirty years, and is typically backed by municipal bonds or funds from a city or state (i.e., a governmental entity). Alternatively, the city or state may increase sales taxes to support the bonds. The (iii) selling of personal seat licenses are typically structured as a one-time sale without redemption for the right to purchase a season ticket in a specific location (e.g., seat) for a specified period of time. Additionally, it is not uncommon for a personal seat license to have a clause requiring the holder to purchase a season ticket, which potentially disenfranchises the owner of the entitlements associated with personal seat license ownership upon the season ticket not being purchased. Finally, the (iv) selling of season tickets does not guarantee or secure more than a single season in a particular seat.

Some financial programs have combined the different financial vehicles. For example, one financial program has incorporated a bond with a personal seat license. Again, the bond is guaranteed by a governmental entity by the sale of municipal bonds. And, because the two financial vehicles are merged, the sale of the personal seat license causes the loss of the bond for the seat holder. In other instances, the financial vehicles are separate and the bond survives the entitlements of the personal seat license.

While these financial vehicles have been effective, the enormous cost of the construction projects have inevitably led owners to partner with municipalities to assist in financing the construction projects. Most, if not all, of the above-identified financial vehicles and strategies have been guaranteed by the sale of municipal bonds or other governmental backed financial vehicles. Because of the governmental (i.e., public) financing of the stadiums, the partnerships between the owners of the stadiums and the municipalities have become problematic from a public relations and legislative standpoint for both the owners and politicians supporting the stadium.
financing. The public relations problems for the construction of stadiums relate to both professional sports teams and universities, both public and private as the financing and construction difficulties are similar.

A special situation arises for financing a sports stadium in a “destination” location, such as Las Vegas, NV, and Orlando, FL, not having a “base” sports team. As there is no base sports team (i.e., a local, popular sports team), it is not fiscally prudent to construct an expensive stadium as there is little hope of local fan support (i) to fill the stadium during home games, and (ii) to financially support construction of the stadium, for example. Other problematic public financing considerations exist for financing the sports stadiums of destination locations. Because of these financial hurdles, both public and private financial support is difficult to obtain for construction and/or renovation of a sports stadium in a destination location.

An alternative to a destination location is a location that is a regional hub that has regional or local sports teams, but not necessarily one in a certain league, such as the National Football League. For example, Oklahoma City, Oklahoma currently does not have a football team in the National Football League, but has many local and regional college football teams. If a stadium were constructed to meet the desires of the National Football League in terms of revenue potential, then it would be desirable for a professional football team to be started in the stadium during an expansion period of the league.

**SUMMARY OF THE INVENTION**

To overcome the financing and public relations problems with construction and/or renovation of a sports stadium, a method and system for financing a sports stadium, or any other edifice, without involving public financial support has been developed. By providing the ability for a developer of an edifice to finance construction and/or renovation of the edifice without public financial support, by issuing municipal bonds, for example, the developers may avoid exposing themselves and governmental legislatures to public scrutiny.

One embodiment for financing an edifice includes a system and method, where the method includes selling a first instrument for consideration granting utility
rights within the edifice. The first instrument may be a personal seat license. A second instrument associated with the personal seat license may be issued. The second instrument, which may be a financial redemption certificate, may be issued without additional cost to the purchaser (over and above the cost of the first instrument). The second instrument may be guaranteed by a non-governmental entity for at least the consideration of the first instrument. In the case of the edifice being a sports stadium, the utility rights may allow for purchasing a season ticket for a particular seat.

To overcome the problem of not having a local sports team at a destination location, such as Las Vegas or other location, a consortium of interested entities that utilize a stadium may be formed. In one embodiment, the consortium may be that of universities, whereby the consortium may sell personal seat licenses having associated financial redemption certificates to alumni of the universities to “manufacture” a fan base for the stadium. Revenue generated from the sale of the personal seat licenses with the associated financial redemption certificates may be utilized to finance construction of the stadium. And, because the financial redemption certificates may be backed by a non-governmental entity (i.e., a tax paying entity), financial support from the local taxpaying citizens is unnecessary, thereby substantially reducing the need to have legislative involvement.

One embodiment for forming a fan base at a destination location substantially void of a local sports team for a sports stadium may include a system and method. The method may include forming a consortium of universities having sports teams available to compete in the sports stadium. In one embodiment, the universities are members of the National College Athletic Association (NCAA) division I. Marketing of personal seat licenses and associated financial redemption certificates may be provided to alumni of the universities, where the financial redemption certificates specifying a redemption of at least full consideration for the personal seat license after a predetermined time duration. A guarantee for the full consideration may be provided for by a non-governmental entity. The personal seat license may be sold for the full consideration to a purchaser.
BRIEF DESCRIPTION OF THE DRAWINGS

A more complete understanding of the method and apparatus of the present invention may be obtained by reference to the following Detailed Description when taken in conjunction with the accompanying Drawings wherein:

FIGURE 1 is an exemplary block diagram representative of interrelationships between parties associated with a university for financing a sports stadium;

FIGURE 2 is an exemplary block diagram representative of interrelationships between parties for financing construction or improvements and/or renovation of an edifice;

FIGURE 3 is an exemplary block diagram representative of interrelationships between parties associated with a consortium of universities for financing a stadium in a destination location;

FIGURE 4 is an exemplary block diagram of a system for providing the parties of FIGURES 1-3 the ability to provide financing vehicles for stadiums and maintain information associated therewith;

FIGURE 5A is an exemplary personal seat license as may be utilized by the parties of FIGURES 1-3;

FIGURE 5B is an exemplary financial redemption certificate associated with the personal seat license of FIGURE 5A and as may be utilized by the parties of FIGURES 1-3;

FIGURE 6 is an exemplary sports stadium identifying seats associated with the personal seat license of FIGURE 5A as contemplated by the parties of FIGURES 1-3;

FIGURE 7 is an exemplary flow diagram describing a process for financing an edifice; and

FIGURE 8 is an exemplary flow diagram describing a process for forming a fan base at a destination location.
DETAILED DESCRIPTION OF THE PRESENTLY PREFERRED EXEMPLARY EMBODIMENTS

Financing construction of sports venues, including a sports stadium, has become cost prohibitive due to the enormous cost of construction and land. Construction costs of a stadium have risen from $20 million to $250 million or higher due to such factors as real estate prices, wage inflation, and stadium quality as a result of fan expectation and revenue desires by stadium ownership. Due to these and other factors, owners of stadiums have sought public or governmental financing, generally in the form of financial guarantees via issuing bonds, backed by or raising taxes. However, public financing for sports stadiums, both university and professional, has become a “hot button” for public interest groups and legislators. As a result, public supported financing has become extremely difficult and politically formidable for owners of the sports venues and politicians.

One embodiment for financing construction and/or renovation of a sports stadium according to the principals of the present invention includes marketing at least one instrument granting utility rights for occupancy in a predetermined seat of the sports stadium. The sports stadium may be owned by a university, city, or professional sports organization, for example. The instrument(s) maybe sold to a purchaser for consideration. At least one of the instrument(s) may be guaranteed by a non-governmental entity for at least full redemption of the consideration after a predetermined time duration. The instrument(s) may include a personal seat license, financial redemption certificate, or a combination thereof. The utility rights may include an option to purchase a season ticket.

At the end of the predetermined time duration, an issuer of the instrument(s) may receive the instrument(s) from a holder and provide the holder with a number of compensation options. The issuer may compensate the holder by (i) issuing at least full redemption of the consideration; or (ii) extending utility rights for relinquishment provided by the personal seat license of the financial redemption certificate. If the owner of the sports stadium is a university or non-profit organization tax credit may be provided for relinquishment of the financial redemption certificate in lieu of the consideration or utility rights.
There are several destination locations, such as Las Vegas and Orlando, that are attractive to tourists, but do not have a local sports team with enough local fan support to entice a developer to construct a sports stadium. One embodiment to "fabricate" a fan base at a destination location according to the principles of the present invention includes forming a consortium of interested entities having sports teams to travel and compete in a sports stadium in the destination location. In one embodiment, the interested entities are universities, whereby a personal seat license and an associated financial redemption certificate may be marketed to alumni and/or fans of the universities. The financial redemption certificate may specify at least full consideration (e.g., face value) for the personal seat license after a predetermined time duration. The consideration for the financial redemption certificate may be guaranteed by a non-governmental entity. The personal seat license may be sold to purchasing alumni of the universities by an alumni association of the universities or another organization contracted by the universities to market and sell the personal seat licenses.

FIGURE 1 is an exemplary block diagram 100 representative of the interrelationships between parties associated with a university 105 for financing a sports stadium 108. It should be understood that the sports stadium may be part of a sports venue that includes more than the stadium itself. For example, the sports venue may include parking lots, workout facilities, practice facilities, etc. It further should be understood that the financing may be for an edifice other than a sports stadium, such as a concert hall, museum, athletic facility, movie theater, dormitory, or classroom hall, for example.

The university 105 may have an alumni association 110 or other extension operating as an entity of the university that provides services and performs endowment requests to the alumni 115, for example. Alternatively, the functions of the alumni association 110 may be performed by an independent contractor not directly associated with the university 105.

Financing of the sports stadium 108 according to the principals of the present invention may be performed by marketing and selling instrument(s). The instrument(s) may be marketed and sold by the alumni association 110 and may
include a personal seat license (PSL) 120 and a financial redemption certificate (FRC) 125. The financial redemption certificate may be considered a contract that guarantees investment by a guarantor. In one embodiment, the personal seat license 120 is sold to a purchaser, such as alumni 115, for a purchase fee 130 and an associated financial redemption certificate 125 may be provided without additional cost to the purchasing alumni 115 of the personal seat license 120. In an alternative embodiment, the personal seat license 120 and financial redemption certificate 125 are combined into a single instrument. It should be understood that more than the two instruments 120 and 125 may be provided and that the same or similar functionality is to be available to the purchasers of the instruments.

Referring to FIGURE 5A, an exemplary personal seat license 120 is provided. The personal seat license 120 may include a number of items, including (i) a serial number 505a indicative of the personal seat license 120, (ii) a date 510 indicative of the date that the personal seat license 120 is sold, (iii) a licensee name 515 who purchases the personal seat license 120, and (iv) terms of condition 520 for the personal seat license 120. As indicated, the terms of condition 520 include a number of “X” years that the licensee 515 has the first right to purchase a season ticket for a particular seat (not shown) within the sports stadium 108, and that an option for extension of the personal seat license 120 exists. The terms of condition 520 may be constructed as a lease that operate to provide for occupancy rights. It should be understood that the terms of condition 520 may include other and/or different terms. Finally, signature lines 525a and 525b are included for legal execution of the personal seat license 120.

Referring to FIGURE 5B, an exemplary financial redemption certificate 125, which may be a bearer instrument as understood in the art, may have a serial number 505b associated with the personal seat license 120. Further included on the financial redemption certificate 125 may be the date 510, purchase value 535 (e.g., “$B”), which may be based on the seat in the sports stadium 108 associated with the personal seat license 120), expiration date 540 (e.g., purchase date 510 plus a predetermined number of years 540), redemption value 545 being a function of the purchase value 535 and an optional percentage 550 (e.g., “$Y x Z%”).
Option terms 555 may additionally be included on the financial redemption certificate 125 to provide the holder of the financial redemption certificate 125 certain optional rights at the expiration date 540. For example, the option terms 555 may provide for the holder to tender the financial redemption certificate 125 for an extension of usage rights of the personal seat license 120 or, in the case of a university or non-profit organization being the owner of the sports stadium 108, for tax credit. Signature lines 560a and 560b are included for legal execution by the holder 560a and 560b. Additional signature lines 560a and 560b may be included to provide space for legal transfers and/or sales of the financial redemption certificate 125. It should be understood that the personal seat license 120 and financial redemption certificate 125 may have other and/or different information, terms, and/or conditions and be in accordance with the principles of the present invention.

By including both a personal seat license 120 and financial redemption certificate 125, the owner/licensee 525a of the personal seat license 120 may sell and/or transfer the financial redemption certificate 125, which is a bearer instrument, without forfeiting rights to purchasing a season ticket on a stadium seat. Conversely, the owner/licensee 525a may sell and/or transfer the personal seat license without forfeiting financial redemption entitlement provided by the financial redemption certificate 125. Additionally, the holder of the financial redemption certificate 125 may transfer the financial redemption certificate 125 to a non-profit organization or university 105, for example, before or at the expiration date 540 to receive tax credits.

the owner of the stadium 108 may also wish to license his or her own club seats and/or luxury suite(s) for personal financial gain rather than for financing purposes. The owner may utilize the personal seat license 120 and redemption certificate 125, thereby retaining ownership of the seat while gaining licensing fees from the sale of the personal seat license 120.

Referring again to FIGURE 1, a third-party program coordinator 135 may be contracted by the alumni association 110 to assist in the marketing and sales efforts of the instrument(s) 120 and 125. The third-party program coordinator 135 may assist by, for example, (i) producing marketing materials to be distributed to
alumni 115, (ii) produce the instrument(s) 120 and 125 to be sold, (iii) perform the actual marketing and sales efforts directly to the alumni 115, and (iv) process the information of the sales of the instrument(s) 120 and 125. Additionally, the third-party program coordinator 135 may handle processing of the instrument(s) 120 and 125 or other related activities throughout the term that the instrument(s) 120 and 125 are active. It should be understood that the third-party program coordinator 135 may perform all, none, or share in the marketing and sales efforts.

To avoid having to engage a governmental entity, such as a city or state legislature, the university 105 may form a financial relationship with a guarantor financial institution 140a. The guarantor financial institution 140a may guarantee the consideration for the instrument(s) 120 and 125 and, as the guarantor financial institution 140a is a non-governmental entity, the university 105 may substantially avoid public scrutiny for financing the sports stadium 108 as no public money is utilized to financially guarantee the consideration for the instrument(s) 120 and 125.

By guaranteeing the instrument(s), it is meant that the bearer of the instrument(s) 120 and 125 is assured full redemption of the consideration (e.g., purchase value 535) of the personal seat license 120 by the guarantor financial institution 140a.

Because the university 105 is able to raise a substantial amount of money or capital selling the instrument(s) 120 and 125, a loan financial institution 145a, such as a bank, may be willing to provide a standard loan to the university 105 to aid in financing the sports stadium 108. For example, if the university 105 raises $50 million for a $150 million sports stadium 108, the loan financial institution 145a may grant a $100 million loan with a 30-year mortgage. As with the guarantor financial institution 140a, the loan financial institution 145a may alternatively form the relationship with the alumni association 110, third-party program coordinator 135, or other entity involved with financing the construction of the sports stadium 108. While the university 105 may raise the money for directly financing the stadium 108, it should be understood that the money may alternatively be used for other purposes. Such purposes may include scholarships or debt relief.

A stadium construction contractor 150 may be contracted by the university 105 to construct the sports stadium 108. Alternatively, the stadium construction
contractor 150 may be contracted by whatever entity is charged with financing and/or overseeing the construction of the sports stadium 108. The relationship between the stadium construction contractor 150 and the university 105 may be a typical construction contract as known in the art.

In terms of redemption of the consideration or monies originally paid for the personal seat license 120, the purchaser (e.g., alumni 115) or other holder of the financial redemption certificate 125 may return the financial redemption certificate 125 to the alumni association 110 after the predetermined time duration specified on the financial redemption certificate 125. To ensure that the consideration is available for redemption at the predetermined time duration, a portion of the original consideration may be applied to one or more financial instruments. The financial instruments may include interest bearing (e.g., bonds, money market accounts, etc.) or non-interest bearing (e.g., stocks, commodities, derivatives, etc.) financial instruments. The financial instruments may be underwritten by the guarantor financial institution 140a or other entity, including a governmental entity. The alumni association 110 may provide a number of options to the holder, including: (i) issuing at least full redemption of the consideration, (ii) extending utility rights provided by the personal seat license 120 for relinquishment of the financial redemption certificate 125, or, in the case of a university or non-profit organization being an owner of the sports stadium 108, (iii) providing tax credit for relinquishment of the financial redemption certificate 125.

In terms of issuing the full redemption of the consideration, the alumni association 110 may provide the original consideration or the original consideration plus interest or other fixed or variable amount. In terms of extending the utility rights of the personal seat license 120, the personal seat license 120 may have a fixed duration of time providing the purchaser the ability to utilize or optionally utilize the stadium 108 by purchasing a season ticket. Alternatively, the purchaser may simply own a seat in the stadium 108 without having to purchase a season ticket. By extending the utility rights, the purchaser or owner of the personal seat license 120 may have the utility rights extended beyond the original duration of time. For example, the utility rights provided by the personal seat license 120 may
be doubled. In terms of providing tax credits, based on the status of the issuer of
the personal seat license 120, the redemption of the financial redemption certificate
125 may allow the holder to take a tax writeoff for “donating” the compensation
due to the holder of the financial redemption certificate 125.

FIGURE 2 is an exemplary block diagram 200 representative of
interrelationships between parties for financing construction of an edifice 202.
While a university 105 may utilize the principles of the present invention to finance
the sports stadium 108, so too may an owner and/or developer 205 of an edifice
202. In one embodiment, the edifice 102 may be a concert hall. Alternatively, the
edifice 202 may be a museum, aquarium, gymnasium, office building, and/or other
edifice that consumers, patrons, and/or businesses utilize. In yet another
embodiment, the edifice 202 may be a sports stadium to be utilized by professional
sports teams or franchises. Further yet, the sports stadium may be utilized to
conduct non-team contests. For example, the contests may include racing (e.g.,
horse, automobile, or human racing), skill events (e.g., bowling, tennis, Jai-Alai), or
other individual related events. Additionally, an entire venue may be developed that
includes a primary location (e.g., theme park) and secondary structures (e.g., hotels,
shops, infrastructure).

An owner 205 who is a non-profit project developer (e.g., university),
however, may have the added benefit of providing a purchaser or holder of the
instrument(s) 120 and 125 at the end of a predetermined time duration (e.g.,
expiration date 540) the ability to forfeit the instrument(s) 120 and 125 for a tax
credit. It should be understood that an edifice 102 that is not a sports stadium 108
may utilize certificates that provide the same or similar functionality as the
certificates 120 and 125. For example, in the case of a concert hall, season tickets
may be offered; in the case of an office building, lease terms may be offered. The
utility rights being offered may vary widely, but the ability for the developer to
finance the edifice 202 or venue without governmental involvement allows the
developer a cost effective development effort.

The owner 205 or owner-to-be of the sports stadium 108 to be utilized by a
professional sports team may raise capital utilizing the principles of the present
invention. The owner 205 may form a business relationship with a marketing/sales organization 210 to market and sell the instrument(s) 120 and 125 to potential purchasers 215. While the university has a predefined list of potential purchasers in the form of alumni 120, the marketing/sales organization 210 may target current and past season ticket holders as potential purchasers 215. A guarantor financial institution 140b and loan financial institution 145b may be utilized in a manner similar to that described in accordance with FIGURE 1. The edifice construction contractor 220 may be contracted by the owner 205 to construct the sports stadium 108 or other edifice 202 as understood in the art.

FIGURE 3 is an exemplary block diagram 300 representative of interrelationships between parties associated with a consortium 305 for financing a stadium 108 in a destination location or venue. In the instant example, the consortium 305 is a university consortium 305 composed of a group of universities 105a-105n (collectively 105) interested in having their sports teams compete in a destination location, such as Las Vegas, Nevada, or Orlando, Florida. One incentive for a university 105a to be part of the consortium may be to increase goodwill and enthusiasm for team support by family of players and fans of the sports team as the destination location offers fun and excitement apart from the sporting event, which can be shared to help build comradery. Another motivation for the universities 105 to participate in the consortium may be financial as the principles of the present invention provide for revenue to be generated for the universities 105 by selling the personal seat licenses 120a-120n (collectively 120) with the associated financial redemption certificates 125a-125n (collectively 125). It should be understood that there are many incentives for the universities 105 to be part of the consortium and that the destination location benefits by having many “tourists” attend the sporting events.

Additionally, the developer, who may be the university consortium 310 and/or location organization 305, of the stadium 108 benefits by generating fan support to fill the stadium 108 for the sporting events conducted within the stadium 108. In one scenario, each university 105 of the university consortium 310 may compete in the stadium 108 substantially periodically (e.g., every other, every third,
or every fourth year), so that the novelty and excitement of playing in the
destination location remains high for the fans and is affordable for the teams.

As shown, the location organization 305 is associated with the stadium
construction contractor 150 and third party program coordinator 135. The location
organization 305 may be the organization that ultimately owns the stadium 108.
The location organization 305 may further be associated with a university
consortium 310 that organizes the universities 105 for using the stadium 108 for
their sports teams. The alumni associations 110a-110n (collectively 110) associated
with the respective universities 105 may market and sell personal seat licenses 120a-
120n (collectively 120) and financial redemption certificates 125a-125n (collectively
125) to the alumni 115a-115n (collectively 115) according to the principles of the
present invention.

Similar to the organizational structure of FIGURE 1, the universities 105 are
associated with the loan financial institutions 145a-145n (collectively 145) and
guarantor financial institutions 140a-140n (collectively 140). It should be
understood that the loan 145 and guarantor 140 financial institutions may be the
same institutions or that all or some of the universities 105 may utilize different
financial institutions 140 and 145. As indicated, there may be different
configurations for the financial institutions 140 and 145 for financing the universities
105 and affiliated associations (e.g., alumni associations 110) based on the financing
structure desired by the universities 105. It should be understood that the loan and
guarantor financial institutions 140 and 145 may be the same financial institution.
Alternatively, the university consortium 310 may be directly associated with a
financial institutions to provide financial assistance with the universities 105 of the
university consortium 310.

The same or similar principles provided by FIGURE 3 may be applied to a
non-university association formed as a syndicate or consortium. For example, a
professional sports association may provide the same or similar financial structure
and instrument(s) 120 and 125 in financing the sports stadium(s) 108. For example,
the professional sports association may be the National Football League, Major
League Baseball, National Basketball Association, National Hockey League,
NASCAR, or any other sports organization. Alternatively, there may be a joint
venture between the National Football League and regional universities (e.g.,
University of California at Los Angeles (UCLA)) to finance a stadium to be jointly
utilized. Similarly, international organizations, such as the International Olympic
Committee, may utilize the principles of the present invention to assist in financing
one or more edifice by allowing purchasers to have utility rights at different Olympic
sites. Still yet, franchised organizations that are not sports related may follow the
same or similar principles. For example, hotel chains, transportation companies,
restaurants, etc., may utilize the principles of the present invention to build an
edifice, infrastructure or other capital. For such examples, rather than providing
utility rights to an edifice 202, the owner may provide discount tickets, meals,
airline tickets, etc., for a minimum time period.

FIGURE 4 is an exemplary block diagram 400 of a system for operating in
conjunction with the exemplary block diagrams of FIGURES 1-3. An owner server
405 may be coupled to a network 410 to communicate with a marketing/sales server
415. In one embodiment, the network 410 is the Internet. The owner 405 and/or
marketing/sales server(s) 415 may further communicate with purchaser computing
systems 420a-420n (collectively 420), such as alumni, fans, and/or patrons, who
purchase the personal seat licenses 120a and associated financial redemption
certificate 125a over the network 410 via a website or other interface, for example.

The owner server 405 may include a processor 425 coupled to a memory
430 for storing information during operation, input/output (I/O) unit 435 for
communicating information internally or via the network 410, and storage device
440. For purposes of the discussion at-hand, it should be understood that being
coupled may include being directly or indirectly coupled to or in communication
with, either directly or indirectly. A database 445 may be stored on the storage
device 440 and utilized to maintain records of purchasers of the personal seat
licenses 120 and holders of the financial redemption certificates 125. Control
devices 450a-450b (collectively 450), such as a computer mouse, and monitor 455
may be utilized to maintain and control operation of the database 445. Additionally,
a software program 460 executed by the processor 425 may be utilized to maintain
and operate the database 445. The software program 460 may be a database management software program as understood in the art. Additionally, the software program 460 may be operable to interface with the marketing/sales server 415 or purchaser computing systems 420.

The marketing/sales server 415 may be utilized to perform marketing/sales functions to sell the personal seat licenses 120 and associated financial redemption certificates 125. Multiple networked terminals 465a-465n (collectively 465) may be utilized by marketing/sales personnel to enter orders from customers 215 (e.g., alumni 115) for the personal seat licenses 120 and financial redemption certificates 125. It should be understood that the marketing/sales server 415 may include the same or similar structure and functionality as the owner server 405 and that the group (e.g., third-party program coordinator 135) performing marketing/sales for the owner 205 may generate and maintain the information in the database 445. As understood in the art, the purchasers 420 who purchase the personal seat licenses and financial redemption certificates from a website may communicate the purchases via data packets 470 over the network 410 to either or both of the servers 405 and 415.

FIGURE 6 is an exemplary edifice 600 as contemplated by the parties of FIGURES 1-3. The edifice 600 may be an indoor stadium or arena (e.g., basketball court, skating rink, and football) or outdoor stadium (e.g., football field, baseball field, and race track). Alternatively, the edifice 600 may not be a sports stadium, but rather a performance hall, such as an opera house or music hall. In the case of a stadium, as shown, there are three identified seating areas (i.e., A, B, and C) that the personal seat licenses 120 may be associated. Each of the seating areas A-C may have seats priced at different values (e.g., low end: $500, $1,000, and $1,500; high end $50,000, $60,000, and $75,000) depending on a variety of factors for purchasers of the personal seat licenses 120. The factors may include the particular sports venue, sporting event, demand, stadium size, etc. Additionally and/or alternatively, luxury suites having enclosures and/or a certain number of seats (e.g., twelve), or otherwise, may be offered and be priced at higher values (e.g., $1,000,000). By having a limited number of seats, possibly being the best seating
locations (e.g., close and centered relative to the field of play), apportioned to be
associated with the personal seat licenses 120, a natural supply and demand
marketplace may be created for the personal seat licenses 120 to generate intrinsic
value for the purchasers 215 thereof. And, because a supply and demand
marketplace is created, the holders of the financial redemption certificates 125 may
have a marketplace in which to re-sell the personal seat license 120 for profit, with
and/or without the financial redemption certificates 125, thereby providing
additional value for the holders of the personal seat licenses 120 financial
redemption certificates 125.

TABLES 1A and 1B are exemplary databases operable to maintain
information of the personal seat licenses 120 and financial redemption certificates
125 of FIGURE 5 optionally utilizing the system 400 of FIGURE 4. Referring to
TABLE 1A, the PSL database is operable to maintain information for the personal
seat license 500, including: PSL number, date sold, term years, licensee, licensor,
associated financial redemption certificate (FRC), purchase value, and seat. For
example, as indicated by the record having PSL Number “08328PSL”, personal seat
license 08328PSL was licensed or sold to Bob Smith by the University of ABC for
$1,500, and has a term of fifteen years. Other terms, such as 30 years, could also be
utilized. Furthermore, the personal seat license 08328PSL has an associated
financial redemption certificate 08328FRC, and the personal seat license 08328PSL
provides utility rights to purchase a season ticket for seat 18, row D of section A in
the stadium 600. It should be understood that the information stored in database
445a may include additional and/or different information according to the terms of
condition 520 and other related information as understood in the art.

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<td>Licensee</td>
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<tr>
<td>Licensor</td>
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</table>
TABLE 1A - PERSONAL SEAT LICENSE (PSL) DATABASE

Referring to TABLE 1B, the FRC database is utilized to maintain information for the financial redemption certificate 125, including: FRC number, PSL number, date issued, expiration date, value, interest rate (if applicable), option plan, holder, issuer, and transfer date. For example, as indicated by record 710, the financial redemption certificate 08328FRC was issued on January 9, 2002, with an expiration date of January 9, 2017, and has a value of $1,500. An annual interest rate of 1.7% is included with the bearer instrument. Although an interest rate is optional according to the principles of the present invention, the issuer may elect to provide an interest rate to entice the purchaser 215 to purchase the personal seat license 120.

The present holder of the financial redemption certificate 125 is Bob Smith and issued by the University of ABC on January 9, 2002. It should be understood that the financial redemption certificate 125 is a bearer instrument and may be transferred in a transaction to another bearer prior to the expiration date 540. The transaction may be recorded both on the instrument (i.e., financial redemption certificate) itself, and may be recorded with the issuer (e.g., University of ABC) and stored in the database 445b. It further should be understood that information associated with the licensee, purchaser and/or current holder may additionally be maintained in the database 445 or other related databases.

<table>
<thead>
<tr>
<th>DATA ELEMENT</th>
<th>DATA</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRC Number</td>
<td>08327FRC</td>
</tr>
<tr>
<td>Associated PSL</td>
<td>08327PSL</td>
</tr>
<tr>
<td>Date Issued</td>
<td>1/6/02</td>
</tr>
<tr>
<td>Expiration Date</td>
<td>1/6/17</td>
</tr>
</tbody>
</table>
TABLE 1B - FINANCIAL REDEMPTION CERTIFICATE (FRC) DATABASE

<table>
<thead>
<tr>
<th>Value</th>
<th>$500</th>
<th>$1,500</th>
<th>$1,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Rate</td>
<td>1.5%</td>
<td>1.7%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Option Plan</td>
<td>C</td>
<td>A</td>
<td>B</td>
</tr>
<tr>
<td>Holder</td>
<td>Phil Jones</td>
<td>Bob Smith</td>
<td>Susan Doe</td>
</tr>
<tr>
<td>Issuer</td>
<td>University of ABC</td>
<td>University of ABC</td>
<td>University of ABC</td>
</tr>
<tr>
<td>Transfer Date</td>
<td>1/6/02</td>
<td>1/9/02</td>
<td>1/10/02</td>
</tr>
</tbody>
</table>

It should be understood that the specific data provided in TABLES 1A and 1B are exemplary and that data associated with the sale of personal seat licenses 120 and financial redemption certificates 125 for non-university and/or non-stadium purposes may be maintained. For example, rather than “University of ABC,” information associated with a National Football League franchise (e.g., “New England Patriots”) may be maintained. Alternatively, information associated with a casino (e.g., “Trump Plaza”) may be maintained. And, as the relevant information and terms may be different based on the particular business transactions or practices, so too is the data stored in the databases.

FIGURE 7 is an exemplary flow diagram 700 describing a process for financing construction or improvement of an edifice. The process starts at step 702. At step 704, a first instrument granting utility rights may be sold for consideration to a purchaser. A second instrument associated with the first instrument may be issued at step 706. In one embodiment, and if deemed appropriate, the second instrument may be issued to the purchaser at no additional cost. Alternatively, the second instrument may be issued for additional consideration. At step 708, the second instrument is guaranteed for consideration of at least the consideration of the first instrument. The first instrument may be a personal seat license 120 and the second instrument may be a financial redemption certificate 125. Alternatively, the first instrument may be a license allowing for entry into the edifice. Alternatively, the first instrument may grant the owner or holder the first right to purchase tickets, parking, etc. or to have priority booking, seating, time slots, etc. on an annual or other basis. In any case, the license may be valid for a minimum and/or maximum duration. The process ends at step 708.

FIGURE 8 is an exemplary flow diagram 800 describing a process for forming
a fan base at a destination location. The destination location may or may not have a
team with a large enough local following to adequately justify financing a sports
stadium. The process starts at step 802. At step 804, a consortium of members having
sports teams available to compete in the stadium 108 is formed. Marketing of personal
seat licenses 120 and associated financial redemption certificates 125 to potential
purchasers is provided for at step 806. In one embodiment, the members are
universities 105 that provide alumni information to the university consortium 310,
alumni associations 110, or other marketing entity. In another embodiment, the
members are professional sports teams. At step 808, a guarantee for redemption of
consideration for the personal seat licenses 120 is provided. In one embodiment, the
university consortium 310 establishes a relationship with a guarantor financial
institution 140a to provide for the guarantee. Alternatively, the individual universities
105 establish the relationship with the guarantor financial institution 140a. The
personal seat licenses 120 are sold to purchasers for the compensation. Revenue
generated by the sales of the personal seat licenses 120 may be utilized directly or
indirectly (e.g., collateral) to finance the stadium 120. The process ends at step 812.

The previous description is of a preferred embodiment for implementing the
invention, and the scope of the invention should not necessarily be limited by this
description. The scope of the present invention is instead defined by the following
claims.
WHAT IS CLAIMED IS:

1. A method for financing a sports venue, said method comprising:
   selling for consideration a first instrument granting utility rights at a
   sports stadium within the sports venue;
   issuing a second instrument associated with the sale of the first
   instrument, the second instrument having a monetary value associated with the
   consideration; and
   guaranteeing the monetary value of the second instrument, by a non-
   governmental entity, for at least the consideration of the first instrument.

2. The method according to claim 1, wherein the utility rights are
   associated with a particular seat within the sports stadium.

3. The method according to claim 1, wherein the monetary value of the
   second instrument is guaranteed over a predetermined period of time.

4. The method according to claim 3, further comprising:
   receiving the second instrument at the end of the predetermined period
   of time; and
   compensating the holder of the second instrument with at least the
   consideration of the instrument.

5. The method according to claim 3, further comprising:
   receiving the second instrument at the end of the predetermined period
   of time; and
   extended utility rights for relinquishing the second instrument.

6. The method according to claim 3, further comprising:
   receiving the second instrument at the end of the predetermined period
   of time; and
   tax credit for relinquishing the second instrument.
7. The method according to claim 1, further comprising financing the sports venue utilizing at least a portion of the consideration of the first instrument.

8. The method according to claim 7, wherein said financing is applied to either construction or renovation of the sports venue.

9. The method according to claim 1, further comprising marketing the first and second instruments to fans of a team to compete in the sports stadium.

10. The method according to claim 9, wherein the fans are alumni of a university.

11. The method according to claim 9, wherein the fans are of a professional sports team.

12. The method according to claim 1, wherein said issuing of the second instrument is performed without further consideration beyond that paid in the sale of the first instrument.

13. The method according to claim 1, wherein the second instrument is a bearer instrument.

14. The method according to claim 1, wherein the second instrument is a financial redemption certificate.

15. The method according to claim 1, wherein the first instrument is a personal seat license.

16. The method according to claim 1, further comprising applying a portion of the consideration to an interest bearing financial vehicle, the principle and interest to be utilized for redemption of the monetary value.
17. A system for aiding financing of a sports venue, said system comprising:
a computing system including a processor;
a storage device electrically coupled to the processor; and
a database stored on said storage device, and operable to maintain
information associated with at least one instrument issued to license a seat in a sports
stadium at the sports venue for a fee and to provide for redemption of the fee, the
information further including data associated with a non-governmental guarantor of the
at least one instrument.

18. The system according to claim 17, wherein said computing system is
connected to a network.

19. The system according to claim 17, wherein the network is the Internet.

20. The system according to claim 17, wherein the information includes data
associated with a licensor and licensee, the licensor being responsible for making
available a season ticket associated with the at least one instrument in the sports
stadium.

21. The system according to claim 17, wherein the information includes a
term data element associated with the at least one instrument, the term data element
indicative of a date at which time the at least one instrument may be surrendered for
redemption of the fee.

22. The system according to claim 21, wherein the information further
includes data associated with a holder of the at least one instrument, the holder data
being operable to provide an issuer of the at least one instrument with contact
information for the holder to notify the holder of the term expiration date.

23. The system according to claim 17, wherein the at least one instrument
includes a personal seat license.
24. The system according to claim 17, wherein the at least one instrument includes a financial redemption certificate.

25. The system according to claim 24, wherein the financial redemption certificate is a bearer instrument.

26. The system according to claim 17, wherein the processor is operable to provide notice of expiration to a holder of the at least one instrument.

27. A system for financing a sports venue, said system comprising:
means for granting utility rights to a seat in a sports stadium at the sports venue for consideration; and
means for guaranteeing the consideration by a non-governmental entity.

28. A method for financing an edifice, said method comprising:
marketing an instrument granting utility rights for occupancy in the edifice;
selling the instrument to a purchaser for consideration; and
guaranteeing, by a non-governmental entity, the purchaser at least full redemption of the consideration for the instrument over a predetermined period of time.

29. The method according to claim 28, wherein the non-governmental entity is a tax-paying entity.

30. The method according to claim 28, wherein the consideration is financial.

31. The method according to claim 28, wherein the instrument is a personal seat license.

32. The method according to claim 28, further comprising providing an
option to purchase a season ticket for an event conducted in the edifice to an owner of the instrument.

33. The method according to claim 32, wherein the event is at least one of the following: sporting event, musical event, and theatrical event.

34. The method according to claim 28, further comprising issuing a financial redemption certificate associated with the instrument.

35. The method according to claim 34, wherein said issuing of the financial redemption certificate is performed without cost to the purchaser of the instrument.

36. The method according to claim 34, wherein the financial redemption certificate is a bearer instrument.

37. The method according to claim 34, further comprising: receiving the financial redemption certificate at the predetermined period of time from a holder of the financial redemption certificate; and compensating the holder of the financial redemption certificate for the at least full redemption of the consideration for the instrument.

38. The method according to claim 34, further comprising: receiving the financial redemption certificate at the predetermined period of time from a holder of the financial redemption certificate; and compensating the holder of the financial redemption certificate for extended utility rights for relinquishing the financial redemption certificate.

39. The method according to claim 34, further comprising: receiving the financial redemption certificate at the predetermined period of time from a holder of the financial redemption certificate; and compensating the holder of the financial redemption certificate for tax
credit for relinquishing the financial redemption certificate.

40. The method according to claim 28, wherein the edifice is a sports stadium.

41. The method according to claim 28, wherein the edifice is at least one of the following: museum, music hall, sports facility, dormitory, classroom hall, movie theater, and office building.

42. The method according to claim 28, further comprising applying a portion of the consideration to an interest bearing financial vehicle, the principle and interest to be utilized for the at least full redemption to the purchaser.

43. A system for financing an edifice, said system comprising:

   a database having stored therein information related to at least one instrument, guaranteed by a non-governmental entity, the information identifying (i) a purchase value by a purchaser for the instrument, (ii) terms associated with a granting utility rights for occupancy in the edifice associated with the instrument, and (iii) an expiration date for at least one of the at least one instrument; and

   a processor coupled to said database, said processor operating to monitor the expiration date for the at least one instrument, and to determine compensation for a holder of the at least one instrument based on the purchase value at the expiration date.

44. The system according to claim 43, wherein the non-governmental entity is a tax-paying entity.

45. The system according to claim 43, wherein the instrument is at least one of a personal seat license and a financial redemption certificate.

46. The system according to claim 43, wherein the non-governmental entity
is a financial institution.

47. The system according to claim 43, wherein the utility rights include an option to purchase a season ticket.

48. The system according to claim 43, wherein the event includes at least one of the following: sporting, musical, and theatrical.

49. The system according to claim 43, wherein the processor is in communication with a network.

50. The system according to claim 49, wherein the network is the Internet.

51. A method for forming a fan base at a destination location for a sports venue, said method comprising:

   forming a consortium of entities having sports teams available to compete in a sports stadium at the sports venue;

   providing for marketing of personal seat licenses and associated financial redemption certificates to individuals associated with the entities, the financial redemption certificates specifying a redemption of at least full consideration for the personal seat license after a predetermined time duration;

   providing for a guarantee, by a non-governmental entity, for redemption of the at least full consideration, and

   selling the personal seat license for the at least full consideration to a purchaser.

52. The method according to claim 51, wherein the entities are universities.

53. The method according to claim 52, wherein the individuals are alumni of the universities.
54. The method according to claim 51, wherein the entities are professional sports teams.

55. The method according to claim 52, further comprising selling a ticket to a sporting event associated with the personal seat license.

56. The method according to claim 51, further comprising conducting the sporting event at least once per year.

57. The method according to claim 51, wherein the sports teams includes football teams.

58. The method according to claim 51, wherein said marketing includes at least one of the following advertising techniques, print, radio, direct mail, television, Internet, and e-mail.

59. The method according to claim 51, wherein said marketing is performed by a single marketing group.

60. The method according to claim 51, wherein said marketing is performed by a plurality of marketing groups.

60. The method according to claim 60, wherein each group is associated with a university.

62. The method according to claim 51, further comprising providing the value of the at least full consideration after the predetermined time duration.

63. The method according to claim 51, further comprising providing an extension of the personal seat license after the predetermined time duration.
64. The method according to claim 51, further comprising providing a tax credit for relinquishing the financial redemption certificate after the predetermined time duration.

65. The method according to claim 51, wherein the financial redemption certificates are bearer instruments.

66. The method according to claim 51, wherein the personal seat licenses and financial redemption certificates are separate instruments.

67. The method according to claim 51, wherein a financial redemption certificate is provided without cost to an individual of a personal seat license.

68. The method according to claim 51, wherein the destination location is substantially void of a fan base to financially support a large stadium.

69. The method according to claim 51, further comprising applying a portion of the consideration to an interest bearing financial vehicle, the principle and interest being utilized for the redemption of the at least full consideration to the purchaser.

70. A utility rights instrument and a financial instrument associated therewith, the instruments having terms of condition applied thereon, and, when applied by an owner of an edifice and a non-governmental entity guarantor of the financial instrument, operate to:

   enable a purchaser to be granted utility rights in the edifice;
   indicate financial consideration tendered by the purchaser to a seller for the utility rights instrument;
   guarantee, by the non-governmental entity guarantor, the financial consideration over a minimum time duration; and
   provide redemption of the financial consideration after the minimum
71. A method for financing commercial infrastructure, said method comprising:

marketing an instrument granting financial benefit for utilization of the commercial infrastructure;

selling the instrument to a purchaser for financial consideration; and

guaranteeing, by a non-governmental entity, the purchaser at least full redemption of the financial consideration for the instrument over a given time interval.

72. The method according to claim 71, wherein the commercial infrastructure is a transportation vehicle.

73. The method according to claim 71, wherein the commercial infrastructure is a sports stadium.

74. The method according to claim 71, wherein the commercial infrastructure is a movie theater.

75. The method according to claim 71, wherein the commercial infrastructure is a retail establishment.

76. The method according to claim 75, wherein the retail establishment is a restaurant.

77. The method according to claim 75, wherein the retail establishment is a store.

78. The method according to claim 71, wherein the commercial infrastructure is a hotel.
79. The method according to claim 71, wherein the commercial infrastructure is an amusement park.

80. The method according to claim 71, wherein the financial benefit is a discount for services provided at or by utilization of the commercial infrastructure.

81. The method according to claim 71, wherein the discount is over the given time interval.

82. The method according to claim 71, wherein the guaranteeing includes providing a second instrument operable to identify the financial consideration being guaranteed.

83. The method according to claim 71, further comprising applying at least a portion of the financial consideration to construction or renovation of the commercial infrastructure.

84. The method according to claim 71, further comprising applying at least a portion of the financial consideration to something other than construction or renovation of the commercial infrastructure.
FIG. 7
START

FORM CONSORTIUM HAVING SPORTS TEAMS AVAILABLE TO COMPLETE IN STADIUM

PROVIDE FOR MARKETING OF PERSONAL SEAT LICENSES AND ASSOCIATED REDEMPTION CERTIFICATES TO POTENTIAL PURCHASERS

PROVIDE FOR A GUARANTEE FOR REDEMPTION OF CONSIDERATION FOR THE PERSONAL SEAT LICENSES

SELL THE PERSONAL SEAT LICENSE TO A PURCHASER

END

FIG. 8