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Bear Down on the Blockchain: A Tokenized Funding Strategy for the Chicago Bears' Stadium Development

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Prepared for: The Chicago Bears Organization & The McCaskey Family

Subject: Utilizing Security Token Offerings (STOs) to Bridge the Infrastructure Funding Gap and Resolve the Arlington Heights vs. Northwest Indiana Deadlock

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1. Executive Summary

The Chicago Bears stand at a franchise-defining crossroads. As of late January 2026, the organization is caught in a high-stakes standoff: the Indiana Senate has passed **SB 27** to create a stadium authority, aggressively courting the team, while Illinois state leadership has declared the project a "non-priority" for the 2026 legislative session, refusing to fund the **$855 million infrastructure gap** for the Arlington Heights site.

This white paper proposes a third path that bypasses the need for controversial taxpayer funding and neutralizes the political deadlock: **Asset Tokenization**.

By issuing a **Security Token Offering (STO)**—effectively a digital, liquid form of the "Green Bay Packers stock sale" model—the Bears can raise the necessary capital directly from their global fanbase and institutional investors. This approach respects NFL ownership bylaws by structuring the investment as a revenue-share agreement or digital bond rather than equity, securing the Arlington Heights dream without relying on Springfield.

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2. The Current Landscape: A Crisis of Capital

The Illinois Deadlock

The Bears purchased the 326-acre Arlington Park site for **$197.2 million**, envisioning a multi-billion dollar mixed-use district. However, the project is stalled due to two primary factors:

- **The Funding Gap:** The team has pledged to pay for the stadium construction (~$2B+) privately but requires **$855 million** in public money for infrastructure (roads, sewers, utilities). Governor J.B. Pritzker has labeled this a "nonstarter."
- **Tax Uncertainty:** Disputes with local school districts over property tax assessments remain unresolved, creating long-term financial risk.

The Indiana Threat

On **January 28, 2026**, the Indiana Senate passed **SB 27** by a vote of 46-2. This legislation creates the **Northwest Indiana Stadium Authority**, empowered to issue bonds and own a new stadium in Gary or Hammond. This offers the Bears a clear, state-backed financial path but would require abandoning the "Chicago" identity and the prime real estate already purchased in Arlington Heights.

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3. The Solution: Tokenization Explained

Tokenization is the process of converting rights to an asset into a digital token on a blockchain. Unlike volatile cryptocurrencies (like Bitcoin) or simple "fan tokens" (like those used by European soccer teams for voting on jersey colors), a **Security Token** is a regulated investment contract backed by real-world assets.

The Proposal: " The Midway District Token"

The Bears should issue a Security Token backed not by team equity (which violates NFL rules), but by **revenue generated from the Arlington Heights Mixed-Use District**.

- **Structure:** A digital revenue-participation note.
- **The Asset:** The hotels, residential units, retail spaces, and sportsbook betting lounges surrounding the stadium.
- **The Return:** Token holders receive a percentage of the *lease income* and *concessions revenue* from the district, paid out automatically via smart contracts.

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4. Strategic Implementation & Feasibility

A. Compliance with NFL Bylaws

The NFL prohibits public ownership of teams (with the grandfathered exception of the Green Bay Packers). However, the league has recently softened its stance on capital,

allowing **Private Equity (PE) funds** to own up to 10% of a franchise as of late 2024/2025.

The Loophole: The "Midway District Token" does not offer ownership in the *Chicago Bears Football Club*. It offers a stake in the *Arlington Heights Development Corporation* (the real estate entity). This separates football operations from real estate funding, keeping the McCaskey family in total control of the team while crowdfunding the real estate infrastructure.

B. The Numbers: Bridging the $855M Gap

- **Target Raise:** $900 Million.
- **Token Pricing:** $1,000 per token (accessible to average fans, unlike PE buy-ins).
- **Volume:** 900,000 tokens available.
- **The "Packers" Factor:** The Green Bay Packers have raised over $67 million in recent "stock sales" that offer *zero* financial return—only a piece of paper and voting rights. The Bears have a larger market (Chicago MSA vs. Green Bay). A token that offers *actual financial yield* plus fan utility would likely see massive oversubscription.

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5. Benefits of Tokenization

For the Bears Organization

1. **Cost of Capital:** Raising funds via an STO is often cheaper than high-interest construction loans or private equity, which demands a significant return.
2. **Liquidity:** Unlike traditional loans, tokens can be traded on secondary markets (ATS), creating a liquid market for the stadium's value.
3. **Fan Loyalty (The "Sticky" Factor):** A fan who owns a $1,000 token in the stadium district is a fan for life. They are financially incentivized to visit the district, stay at the hotels, and eat at the restaurants to increase their own "dividend."

For the State of Illinois

1. **Political Win:** Governor Pritzker can claim victory by not using taxpayer funds.

2. **Economic Development:** The project proceeds, creating the promised thousands of union construction jobs and permanent service jobs, generating tax revenue without the initial subsidy.

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6. Case Studies & Precedents

Project	Type	Mechanism	Relevance to Bears
St. Regis Aspen	Real Estate	**Security Token Offering (STO)**	Raised **$18M** by selling tokenized shares in a luxury resort. Proves that real estate revenue can be fractionalized and sold to investors to raise capital efficiently.
Green Bay Packers	Sports	**Common Stock Sale**	Regularly raises tens of millions from fans. Proves the *demand* for fan "ownership" exists, even without financial return. The Bears' model would improve on this by adding actual yield.
Manchester City / Socios	Sports	**Utility Tokens**	Generates millions in revenue for "engagement" (voting, perks). Shows fans are comfortable with digital wallets and blockchain interfaces.
Denver Broncos (DAO)	Sports	**Decentralized Org Bid**	A crypto-group attempted to buy the Broncos for $4B+. While rejected, it proved there are billions of dollars in liquid crypto-capital looking for sports exposure.

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7. The Roadmap: Next Steps for The Bears

1. **Legal Structuring (Feb 2026):** Engage legal counsel to structure the *Arlington Heights Development Corp* as a separate entity from the Bears franchise to ensure NFL compliance.
2. **Platform Partnership:** Partner with an institutional-grade tokenization platform (e.g., Securitize, tZERO) to handle KYC (Know Your Customer) and AML (Anti-Money Laundering) compliance.

3. **The "Bear Down" Offering:** Launch the STO marketing campaign, positioning it as a way for fans to "Build the Den" and keep the team in Illinois.
4. **Construction Greenlight:** Use the $900M raised to self-fund the infrastructure, rendering the Illinois legislative deadlock irrelevant and ending the flirtation with Indiana.

Conclusion

The Chicago Bears do not need to choose between a hostile Illinois legislature and a move to Indiana. By embracing tokenization, the organization can unlock the dormant capital of its massive fanbase, funding the Arlington Heights dream independently. This is not just a funding mechanism; it is a way to cement the bond between the team and its city for the next century.

For additional information;

John Fichera

COO

Prime Ledger LLC

john@primeledger.io

847-902-7846