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cu football

Colorado Buffaloes wait to weigh Pac-12 TV windfall

By John Henderson
The Denver Post

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Colorado athletic director Mike Bohn has a message for giddy Buffs fans who have replaced the rose in their colored glasses with dollar signs: Cool your jets.

It's a wee bit early to ask about baseball season tickets. Or whether CU will add women's lacrosse.

Yes, Colorado is going to get about \$21 million a year from the Pac-12's new TV contracts, starting in two years. That's about 250 percent more than it made in the old Big 12.

However, Bohn doesn't have old HOK Sport architects on speed dial, planning to add a new baseball stadium. The increase in revenue will go toward many things but isn't likely to lead to adding new sports anytime soon.

"We want to be thorough and strategic about the best places to invest in," Bohn said. "That's why it'll take some time to work with external leadership and internal leadership to put the program in place."

Bohn will put a lot of money in places fans may not see. He must pay \$5.5 million left from an \$8 million loan in 2006 which paid off former football coach Gary Barnett's contract, paid Boise State for the hiring of football coach Dan Hawkins and settled the lawsuit from CU's

recruiting ordeal years ago. CU also owes the Big 12 a \$6 million exit fee for leaving the conference to join the Pac-12.

He must pay for scholarships that will rise 9 percent for in-state students and 4 to 5 percent for out-of-state students. The scholarship bill for 2011-12 will hit \$9 million.

If you think you're paying too much at the gas pump, imagine an athletic department's travel costs. Bohn said increased fuel costs will add around \$250,000 to the department's travel bill in the next fiscal year.

After those necessities come some game-experience improvements. Bohn wants to upgrade Folsom Field's Flatirons Club, the antiquated donor seating area below the press box.

"We're looking at all infrastructures," Bohn said. "Video boards, restrooms and concession stands. The full gamut."

Keep in mind the Pac-12's TV contracts don't kick in until the 2012-13 school year. Once Colorado becomes more financially solvent on a year-to-year basis, Bohn said adding a sport can be considered.



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Women's lacrosse has the inside edge when that happens. Colorado high schools are a hotbed for college women's lacrosse programs. Eight girls are expected to get Division I scholarships this spring, and Colorado would be a logical eighth conference member in the Mountain Pacific Sports Federation. The league includes the three current Pac-10 schools playing women's lacrosse — Stanford, Oregon and California — plus Denver, which would provide a natural rivalry.

Bringing back baseball is a long way off. No donor has stepped forward willing to foot the bill. Oregon built a college baseball stadium to restart its program in 2009 at a cost of \$19.5 million.

"It's just too early to tell what we're going to be doing," Bohn said.

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Pac-12 Contract Guarantees a Bright Future for Colorado Football

By **Stuart Whitehair**
(Analyst) on May 7, 2011 ³ comments

314 reads



Historic contract with ESPN and Fox Sports guarantees Pac-12 a bright future

Colorado and the Pac-10 agreed to join hands last June. This May, the University of Colorado is reaping the benefits of the marriage.

The Pac-12 contract with ESPN and Fox Sports will prove to be a landmark event in the history of Colorado athletics. While it will be some time before the athletic department pays off its debts, and some time after that before some ousted Olympic sports will return to Boulder ... But it is no longer just a dream.

The contract

Larry Scott and his cohorts from ESPN and Fox did not specify numbers at the press conference this morning. Still, it is being widely reported that the 12-year contract will be for approximately \$250 million per year. That number, though, is an **average** payout over the life of the contract. It was learned today that there is an escalator clause in the agreement. In year one of the agreement—2012-13—the payout will be around \$180 million, with the payout in year 12 to be considerably higher than \$250 million.

This is actually good news on two fronts. First, the payout, even in the early years, exceeds \$170 million, so UCLA and USC will not be receiving an extra \$2 million payout from the other 10 schools in the league. Second, while it would be nice to have all that extra money to spend upfront, having an escalator clause in the contract will allow conference teams to receive compensation well into the life of the contract which will be competitive with the rest of the BCS (when the other conferences have their current contracts expire, leading to even higher payouts for those schools).

Football broadcasts

The contract may be for all aspects of Pac-12 life, from academics to gymnastics, but the driving force, as everyone knows, is football (how's it goin' out there in Texas Network land, Jayhawk fans?). The details:

- 44 regular season football games televised annually on select ESPN and Fox broadcast or national cable networks, including ABC, ESPN, ESPN2, ESPNU, Fox and FX. Ten of those 44 games will be full national broadcasts, with most, if not all, in primetime. The other 34 regular season football games will be shown on national cable networks - FX, ESPN, ESPN2 and ESPNU.
- The remaining regular season football games, an average of three games per week, will be shown exclusively on the Pac-12 Network. As discussed at the press conference (below) the partners have agreed to a "draft-like" arrangement for choosing games during the season. It is interesting to note that, as part of the agreement, the Pac-12 Network will have the "first pick" in selection of football games during the season. This all but guarantees that the Pac-12 Network will attract an audience and distributors.
- Before you leave this numbers...please note that almost half of the Pac-12 football games will be shown on the Pac-12 Network. Let that sink in a little ... the \$3 billion contract with ESPN and Fox is mostly about football, and almost half the football games the league will be playing over the next 12 years are still out there to be packaged and sold ...
- The football championship game will be played on a Friday. Fox, which already has a contract for 2011, will also get the 2012 title game. After that, the game will alternate between Fox and ESPN.
- Four Thursday night and four Friday night football games will be played on Friday. As noted below, this was likely one of the main draws for ESPN, which already has a full slate of games to show on Saturday.

Basketball and Olympic sports

- Every men's basketball game will be shown on either ESPN, Fox or the Pac-12 Network.

- 68 regular season men's basketball games will appear on ESPN, ESPN2, ESPNU and Fox Sports Net. 46 games for ESPN with as many as 28 on ESPNU, with the remaining 22 games on FSN. Games will be scheduled for Wednesdays, Thursdays, Saturdays and Sundays. Most of the ESPN games will begin at 11:00 p.m. ET.

- The remaining 120 regular season games will be featured exclusively on either the Pac-12 Network or the Pac-12 Digital Network.

- The conference men's basketball tournament will be shown on ESPN/ESPN2 or Fox Sports/FX. The first Pac-12 tournament of the agreement (2012-13) will be on ESPN and then rotate between the networks (Fox Sports Net will broadcast the 2011-12 tournament).

- Five women's basketball games, including the Championship game of the Pac-12 women's basketball tournament, plus 10 more Olympic sports events, will be shown on ESPN.

- The Pac-12 Network will exclusively feature approximately another 200 live Olympic sports telecasts across 30 men's and women's sports annually. The Pac-12 Digital Networks will feature several hundred other live Pac-12 athletic events.

Pac-12 Network

Larry Scott stated that there will be a "major announcement" in about 60 days concerning the Pac-12 Network, as many of the details are still be considered. The Pac-12 has not yet determined where the Pac-12 Network will be located, nor who will manage it (the same goes for management of the Pac-12 Media Enterprises). Both matters are contingent upon the production/distribution partners. Having great games on the Pac-12 Network "will minimize distribution fights," said Larry Scott. "We have structured things in a very-distributor friendly" manner.

There are several options for the Network. One is to start from scratch, which is estimated to have a pricetag of about \$100 million. Another option is to take over an existing network (Fox College Sports is an example, though the network being assimilated doesn't necessarily have to come from a Fox-owned channel).

Reactions

Pac-12/ESPN/Fox Press Conference: Pac-12 television contracts considered a "landmark agreement"

The Pac-12 media contracts with ESPN and Fox Sports were introduced at a press conference in Phoenix this morning. Present were Pac-12 commissioner Larry Scott, Burke Magnus from ESPN, and Randy Freer, President of Fox Sports.

While the three did not discuss specifics of the contract, some general themes were discussed. Larry Scott introduced "**Pac-12 Media Enterprises**", which will consist of: 1) the Pac-12 Network; 2) a Pac-12 digital network; and 3) Pac-12 Properties. The Pac-12 network will show football games and men's basketball games which are not picked up by ESPN or Fox, as well as women's basketball games and Olympic sports.

There are approximately 80 football games per year, Larry Scott explained. ESPN and Fox to show 44 of those games, with the Pac-12 Network to show the other 36 games. How those games will be divided up will be determined each season once the schedules are finalized. Larry Scott indicated that the partners will have "our own version of the draft" each season when it comes to deciding which network will show which games, with a "certain hierarchy of picks". Scott did state that ESPN will have a number of games in primetime, either on ESPN or ABC, and that some games will be shown at primetime (at least on the east coast) on one of the Fox networks.

Scott discussed how the league had three goals going into the negotiations: 1) to increase revenues for the Pac-12 schools; 2) improve national exposure for the teams in the conference; and 3) launch a Pac-12 Network - and that all three goals had been met.

With the increased revenues, Scott expressed hope that there would be "less stress" on the institutions and their athletic departments, and that he hoped that some schools would be able to "add back" other sports which had previously been cut.

As to an increased national presence, Scott indicated that he was pleased that the Pac-12 had held true to its promise to have televised every football game and every men's basketball game, to go with "a significant increase in national exposure". ESPN's Burke Magnus echoed Scott's statement, stating that ESPN was excited to "extend and enhance our partnership with the conference". For ESPN, a "significant part of the deal" was that the network would be able to televise men's basketball games.

Pac-12 Media Enterprises, as noted above, will consist of the Pac-12 Network as well as the Pac-12 Digital Network and Pac-12 Properties. Scott spoke of the Pac-12 being part of the "land of innovation" when it came to advancing technologies, and so the Pac-12 Digital Network would be on the cutting edge of getting exposure of the Pac-12 out to the nation (Pac-12 "App", anyone?). The Pac-12 Digital Network would also focus on promoting academics, with well-known speakers being "well showcased".

Pac-12 Properties, meanwhile, will be responsible for dealing with promotion of conference tournaments, as well as extending sponsorship rights and other conference promotions.

For its part, the Colorado athletic department is very excited about its future as a member of the Pac-12. "I believe any time that you're a part of significant progress and on the leading edge of your industry that certainly bodes well not only for our program but our student-athletes and our fans and the entire institution," CU athletic director Mike Bohn told the Boulder Daily *Camera*. "That is one of the reasons we were so excited to be able to join the Pac-12 is because of their leadership across many spectrums. Larry Scott is delivering in a big way.

"It's just the beginning of some major opportunities for us at the University of Colorado and the entire league."

Bohn called the deal "a landmark agreement" that will utilize "multiple platforms and the newest and most modern technology." He emphasized that it could still be months before he and his staff know for sure how much money the department will be able to count on in the future from the Pac-12. He said how the department uses the increased revenue will be decided over time and only after knowing with more certainty what the actual budget impact will be.

"There are many aspects that are yet to be revealed and developed, but the innovation and the leadership of Larry Scott is recognized by our entire campus as exemplary," Bohn said.

"Commissioner Scott has done an exceptional job in seeing the negotiations through and providing significantly greater exposure for the athletic teams at all of our Pac-12 universities, as well as greatly enhancing the revenue from the media to support those programs," Washington interim president Phyllis Wise said in a statement. "It's a good day for the conference and the great universities that comprise it."

Amen.

actions to Pac-12 contracts - almost all positive

The response to the Pac-12's \$3 billion, 12-year contract with ESPN and Fox Sports has been almost universally upbeat.

Pac-12 coaches and administrators

- Colorado athletic director Mike Bohn: "It's a great day for our fans, alumni, student-athletes, coaches and staff, as this represents the premier stage to enhance our national audience, utilizing more broadcast platforms and the newest technology ... In addition to providing a much-needed injection of funds, the exposure for the entire conference, and thus each institution should enhance recruiting, not only student-athletes, but for all students."

- California athletic director Sandy Barbour: "It's fantastic news", noting what Pac-12 commissioner Larry Scott accomplished was "exactly what he was hired to do". As to the financial status of the Cal athletic department, which had to cut some programs (only to have some reinstated with an influx of private money): "We have not had the opportunity to put away reserves for facilities needs and long-term maintenance ... This isn't a silver bullet that's going to solve all of our problems, but it's an infusion of revenue that will be helpful."

- Stanford coach David Shaw: "We're still unlocking doors about the possibilities of what we can do, but from a recruiting standpoint, telling these recruits we are going to be able to televise every single game that they are going to play in their whole career is significant ... For us, as a national recruiter, recruits won't have to find us on different packages. They'll find us on network TV".

- Oregon State head coach Mike Riley: "It's amazing. What Larry Scott and his team have done over a short period of time is absolutely phenomenal".

- Washington athletic director Scott Woodward: "[The deal] exceeds my expectations but not overly so. I've been very bullish on how good our product is and how competitive we are."

- Stanford athletic director Bob Bowlsby: "It's uncharted territory from what we expected. It's truly transformational for us."

- UCLA head coach Rick Neuheisel - termed it "a monumental day".

- USC athletic director Pat Haden: "Overall, this contract is terrific. It's great for all the institutions; good for USC."

Others

Chris Bevilacqua, a consultant with Evolution Media Capital, an affiliate of Creative Artists Agency: "Larry (Scott) was smart in consolidating all rights and getting the unanimous support of all 12 teams for equal revenue sharing, and also in creating premium content".

Bryan Fischer, from CBSSports.com, in an article entitled "**Scott bold to take Pac-12 where no conference has gone before**" - "The SEC is still king on the field, winning the past five BCS national championships. Off the field though, the tables have been turned and the new Pac-12 deal gives the league a chance to become *the conference everyone is talking about*".

David Carter, head of USC's Sports Business Institute: "Commissioner Scott made sure they expanded so that the league delivered the biggest footprint of any conference in the country. You also have big media markets like L.A. and the Bay Area so that when you start to go through that check list, you pretty quickly recognize the opportunity at hand. Some have said the Pac-10 isn't the SEC or the Big Ten but now I think everybody has to understand that it has the reach and the stature that advertisers and others have been looking for."

Brian Floyd, writer for CougarCenter: "While the sheer volume of revenue secured in the Pac-12 TV deal is astounding, there's an underrated aspect of the contract that's just as big a coup. The Pac-12 Network was not only a negotiating tactic, it was also an integral part in the record contract. And it may just be the biggest win of all. The Pac-12 Network will be far more than an afterthought meant to house non-revenue sports and a few minor games. In fact, it's a cornerstone in the deal and has been carefully designed to maximize exposure and profits."

With one naysayer

A.J. Maestas, President of Navigate Marketing, a Chicago-based firm, who believes that USC could have done much better than to agree to an equal revenue sharing plan. "If my client was USC, I would have asked for more money," said Maestas. "The conference could not possibly get this kind of deal without USC as part of it. If you, as a school, are trying to maximize your revenue, UCLA and USC left a lot of money on the table with flat revenue sharing."

More on the Pac-12 contracts, and all things Colorado football, at www.cuatthegame.com



Colorado Buffaloes Football: Like this team?