

How unique recipe delivered success for D.C. boxing event



JEFFREY S. FRIED

On Dec. 10, HBO broadcast a “World Championship Boxing” event from the Walter E. Washington Convention Center in Washington, D.C., its first event in the nation’s capital in 18 years. This unified super lightweight championship bout featured world champion Amir Khan unsuccessfully defending his title against mandatory challenger Lamont Peterson in what was considered a candidate for Fight of the Year. The fans, the media and the boxing industry are already discussing a marquee-level rematch as the bout created a buzz throughout Washington, D.C., and controversy in the sport.

The last HBO championship boxing event promoted in Washington, D.C., was on May 22, 1993, when Riddick Bowe knocked out Jesse Ferguson in defense of his world heavyweight title at RFK Stadium. I was fortunate to likewise be a part of that 1993 promotion. The principal reason for this 18-year void is the underlying economics attendant to hosting a championship boxing event and, principally, the elevated financial risks associated with staging a championship bout at a non-casino property.

What made this event unique?

1. The championship bout was fought in the challenger’s hometown.

The champion’s promoter customarily has the discretion where to host a championship-defense bout. Rarely does the champion defend his title in the challenger’s hometown because, in part, there is a perception that the partisan crowd can affect the judges’ scoring (i.e., cheers for punches thrown by the challenger whether they land or not). The outcome of this championship bout was not without controversy regarding the judges’ scoring and the actions of the referee (who deducted two points from the champion for “pushing/shoving”), the former champion’s accusations of a “hometown decision,” and protests filed with the sanctioning organizations. In any event, Khan deserves tremendous credit for defending his title in front of 9,800 fans, most of whom were supporting Peterson.



Amir Khan (left) fought Lamont Peterson in Peterson’s hometown of Washington, D.C., and outside the traditional resort casino setting. The result created buzz throughout the sport.

Circumstances can arise where the financial opportunities associated with promoting a championship bout in the challenger’s hometown outweigh these negative views. A popular challenger will draw a large crowd and garner substantial media attention for the event. The rise of Peterson and younger brother Anthony from homelessness to world champion contenders captured the attention of the region. A cooperative transaction between Golden Boy Promotions and Events DC — the convention and sports promotional arm of the Washington, D.C., government — maximized the event’s commercial potential, generated economic development benefits for Washington, D.C., and established a template for similar transactions in other cities.

2. It was staged outside of a traditional casino resort setting.

While exceptions exist (e.g., Madison Square Garden, Staples Center), the site fees guaranteed from casino properties in Las Vegas, Atlantic City and other gaming venues enable the boxer to receive larger purse guarantees and reduce the financial risk to the promoter since the championship bout creates a distinctive entertainment vehicle enhancing the core gaming business of the host casino property. The customary site transaction formula is straightforward

and equitable: The site pays a guarantee for the right to host the championship bout and recoups its guarantee and documented site expenses from the live gate revenue. Thereafter, any excess gate revenue is allocated between the promoter and the site on a predetermined formula (e.g., 80 percent promoter; 20 percent site). In addition, the hotel associated with the casino provides complimentary rooms, food per diems and other amenities that defray promotional costs.

The convention center model in most cities is to attract large conventions, fill hotel rooms and restaurants, and otherwise increase economic development for the city. Therefore, it was necessary to structure a transaction that blended the skill sets and resources of Events DC, Golden Boy and select D.C.-area consultants to create an elite-level operations framework associated with an internationally televised sporting event. With this financial backdrop, a transaction was consummated whereby the Events DC sales, marketing, box office, production and sponsorship departments provided the infrastructure for this championship boxing event while working in conjunction with Golden Boy. My commitment was to orchestrate the event in those areas enhancing the city’s economic development. Events DC is becoming actively involved in promoting sports and entertainment events at its

city-owned venues (convention center, RFK Stadium and the DC Armory). Our working relationship and respect for the USO’s initiatives in the area ensured that the men and women of our armed forces were strongly represented at the championship bout.

3. The nontraditional setting in the nation’s capital provided a diverse crowd for the fight and surrounding promotional events.

The differentiator in promoting a successful boxing event is to attract the general sports fan in addition to the core boxing fan. The commercial objective for this championship bout was to attract a diverse crowd representing a cross-section of this unique and somewhat untapped regional market. Washington, D.C., possesses an exclusive demographic of lobbyists, lawyers, large-scale employers and members of the legislative, executive and judiciary branches of government. The region ranks first in comparison to all other states in per capita disposable income. Mission accomplished, as this boxing event became the place to be that evening, capitalizing on the unique attributes of the city, including all ringside seats sold, a premier pre-fight reception attended by the “who’s who” of D.C. and gross live gate revenue in excess of \$800,000 (net of complimentary tickets).

The dramatic and compelling victory by Peterson and the transformation of convention center space into center stage for this championship bout broadcast created an extraordinary event. The animated crowd not only provided further motivation for Peterson within the ring, but the uniform support from such a diverse crowd also created something to build upon regarding social, economic and educational issues affecting D.C.’s communities and residents.

Future marquee-level boxing events involving the new world champion will have an even further reach for the general sports fan and an extended entertainment audience based upon the action within the ring, the human-interest aspects outside the ring and the fan experience at this championship event.

Jeffrey S. Fried (jfried@friedco.com) is an attorney and entrepreneur based in Washington, D.C.

STREET & SMITH'S SportsBusiness JOURNAL

120 West Morehead Street, Suite 310
Charlotte, NC 28202
Tel: 704-973-1400 | Fax: 704-973-1401
www.sportsbusinessjournal.com
Subscription Information: 1-800-829-9839

President/CEO Whitney Shaw
Publisher..... Richard Weiss
Chairman..... Ray Shaw (1989 to 2009)

NEWS

Abraham Madkour Executive Editor
Ross Nethery Managing Editor
Rob Knapp Assistant Managing Editor/News
Tom Stinson Assistant Managing Editor
Mark Mensheha Assistant Managing Editor/National
David Bourne Special Reports Editor

Betty Gomes, Jake Kyler Copy Editors
Tiffin Warnock Photo Coordinator
Wes Schueneman, Jacob Parks Editorial Graphic Designers

REPORTERS:

CHARLOTTE (Phone 704-973-1400)
Bill King Senior Writer
Tripp Mickle, Don Muret,
Michael Smith Staff Writers
David Broughton Research Director
Brandon McClung Research Associate

NEW YORK (Phone 212-500-0700)

Daniel Kaplan Finance Editor
Terry Lefton Editor-at-Large
Eric Fisher Staff Writer
John Ourand Staff Writer

CHICAGO (Phone 312-873-2217)

John Lombardo Staff Writer

LOS ANGELES (Phone 310-322-8711)
Liz Mullen Bureau Chief

CONTRIBUTING COLUMNISTS:

Rick Burton, John Genzale, Clark C. Griffith, Richard Lapchick, Rich Luker, Norm O'Reilly, Marc Pollick, Bill Sutton, Andrew Zimbalist
Joe Hoffercker Cartoonist

CONTRIBUTING REPORTERS:

Albany – Adam Sichko; Atlanta – Mark Meltzer; Baltimore – Ryan Sharrow; Buffalo – Rick Maloney; Charlotte – Erik Spanberg; Cincinnati – Steve Watkins; Columbus – Jeff Bell; Dallas – Candace Carlisle; Dayton – Jacob Dirr; Denver – Wayne Hicks; Honolulu – Jim George; Houston – Greg Barr; Jacksonville – Kimberly Morrison; Kansas City – James Dornbrook; Louisville – John Karman; Memphis – Michael Sheffield; Milwaukee – Mark Kass; Nashville – Scott Takac; Orlando – Richard Bilbao; Philadelphia – John George; Portland – Andy Giegerich; Raleigh – Chris Baysden; Sacramento – Kelly Johnson; San Antonio – W. Scott Bailey;

San Francisco – Eric Young; Seattle – Greg Lamm; South Florida – Kevin Gale; Wichita – Pat Sangimino

ADVERTISING

NEW YORK: (N.Y. FAX 212-500-0701)

Julie Tuttle Director of Advertising Sales (Phone 212-500-0711)
Burt Cobe Northeast Advertising Manager (Phone 212-500-0702)
Hunter Millington Northeast Advertising Manager (Phone 212-500-0725)
Heather Taylor Classified Sales Manager (Phone 212-500-0707)
Jackie Bartolomeo Sales Assistant (Phone 212-500-0705)

CHICAGO:

Judi Bowe Midwest Advertising Manager (Phone 312-873-2216)

JACKSONVILLE:

Chris Hixenbaugh Southeast Advertising

Manager (Phone 904-265-2215)

LOS ANGELES:

Mark B. Schwartz Western Region Advertising Sales Manager (Phone 310-322-8711, Ext. 11)

CIRCULATION/

ADMINISTRATION

Beverly Padgett Director of Circulation
Courtney Knowling College & University Program Manager
Ashley Swecker, T.J. McCullough Circulation Sales Representatives
Manatha Young Circulation Marketing Representative/Administrative Coordinator
Jay Lenihan Circulation Marketing Representative

MARKETING

Misty Berry Creative Director

STREET & SMITH'S

CONFERENCE GROUP:

James Sullivan Managing Director
Donna Johnson Senior Conference Director
Laura Case Conference Director
Natalie Sharp Sales Director
Allison Brush Sales Director
Lorianna Lamonica Conference & Events Coordinator

STREET & SMITH'S SPORTS GROUP:

Kirk Shaw Executive Vice President and Chief Financial Officer
MaryLou Millhauser Director of Human Resources, Martin Bounds V.P. Marketing, Renee Maldonado Accounts Receivable Administrator, Debbie Harley Accounts Receivable Administrator

Email all SportsBusiness Journal staff and contributing columnists at: first initial last name@sportsbusinessjournal.com

Please visit our website at sportsbusinessjournal.com for editorial staff telephone numbers