

SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION

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May 6, 2010

TO: Commissioners and Alternates
FROM: Will Travis, Executive Director (415/352-3653 travis@bcdc.ca.gov)
SUBJECT: **Staff Report and Recommendation on America's Cup Resolution**
(For Commission consideration on May 20, 2010)

Summary and Recommendation

The staff recommends that the Commission adopt the attached resolution of support for holding the next America's Cup races in San Francisco Bay.

Staff Report

Background. In 1848, Queen Victoria of England authorized the creation of a "One Hundred Guinea Cup" of solid silver (134 oz.), 27" tall for a yacht race "open to all nations. In 1851, the New York Yacht Club schooner *America* defeated 16 English ships in the first race, which was hosted by the Royal Yacht Squadron of Cowes, England. For 132 years the New York Yacht Club defended the title—the longest record in sports history—and what was originally called the Royal Yacht Squadron Cup became known as the "America's Cup" in honor of the schooner *America*.

On Sunday, February 14, 2010, off the waters of Valencia, Spain, the challenger BMW/ORACLE Racing team, owned by Silicon Valley entrepreneur Larry Ellison, beat the defender *Alinghi* of Switzerland 2-0 and won the 33rd America's Cup for the San Francisco Golden Gate Yacht Club, becoming the first American challenger to win the America's Cup since 1995.

Under rules set forth in the Deed of Gift, created in the late 1800s to govern the terms of the race, the ownership of the America's Cup and the responsibility of staging the event go to the winning team. The BMW/ORACLE Racing team has announced it intends to institute an independent management of all competitive aspects of the 34th America's Cup regatta to make the race fair and equal for all competitors, and Larry Ellison has expressed a desire to consider holding the next America's Cup on the San Francisco Bay. The San Francisco Golden Gate Yacht Club has confirmed Club Nautico di Roma as the challenger of record for the 34th America's Cup.

A number of regions around the world are preparing proposals to host the next America's Cup. Holding the America's Cup Race on the San Francisco Bay would bring significant major sporting event income into the local economy from teams' operating expenditures and increased private and corporate tourism to watch races on the same order of magnitude as the Olympic Games, Super Bowl or World Cup. Based on estimates in the sailing industry, the America's Cup accounts for nearly \$3 billion during each race cycle spent on building boats and money generated from hospitality, sponsorship, television and merchandise. However, unlike the Super Bowl or Olympic Games, the distinct possibility exists for the America's Cup to be held twice in a row at the same venue.



Making San Francisco Bay Better

San Francisco Bay has long been a world class sailing destination due to its natural beauty and strong, consistent winds. The Bay forms a natural amphitheater that would provide a uniquely spectator-friendly setting for the America's Cup with countless viewing possibilities from the Bay Area's shorelines, buildings, bridges, and islands. Any facilities needed to accommodate the participants in America's Cup races, if in BCDC's jurisdiction and requiring permits from the Commission, would be constructed and operated in full compliance with state law.

In recognition of the benefits to the San Francisco Bay region, including the direct impact to the hospitality, tourism, and maritime industries, as well as sporting and sailing communities, that would be generated by the America's Cup races, the San Francisco Board of Supervisors and the Board of the Port of San Francisco have expressed their support for holding the 34th America's Cup races in San Francisco Bay. Beyond their economic benefits, the races would draw the world's attention to the magnificence of San Francisco Bay. Therefore, the staff recommends that the Commission adopt the attached resolution expressing BCDC's support for holding the next America's Cup races in the San Francisco Bay.

SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION OF SUPPORT FOR

America's Cup Races in San Francisco Bay

May 20, 2010

Whereas, the America's Cup, with a colorful heritage and tradition dating back to 1851, is considered the oldest international trophy in sport and sailing's biggest prize; and

Whereas, the challenger BMW/ORACLE Racing team won the Cup for the San Francisco Golden Gate Yacht Club in February 2010 in Valencia, Spain and it returned to the United States for the first time since 1995; and

Whereas, a number of regions around the world have expressed interest in hosting the next America's Cup races; and

Whereas, San Francisco Bay has long been a world class sailing destination due to its natural beauty and strong, consistent winds; and

Whereas, San Francisco Bay forms a natural amphitheater that would provide a uniquely spectator-friendly setting for the America's Cup with countless public viewing possibilities from the Bay Area's shorelines, buildings, bridges, and islands; and

Whereas, hosting the America's Cup would offer a host of benefits to the San Francisco Bay region, including as much as \$3 billion in income to the hospitality, tourism, and maritime industries, as well as sporting and sailing communities, sponsorship, television and merchandise; and

Whereas, any facilities in the Bay or along the shoreline needed for the America's Cup races would require permits from the San Francisco Bay Conservation and Development Commission, which would assure that the facilities would cause no damage to the Bay's natural resources and would provide maximum feasible public access;

Now Therefore Be It Resolved, That the San Francisco Bay Conservation and Development Commission expresses its support for bringing the next America's Cup races to San Francisco Bay.

R. SEAN RANDOLPH
Chair