

SPORT: Port Commissioner Optimistic Over S.D.'s Offer

By **MIKE ALLEN**

Friday, October 31, 2014

America's Cup Backers Look to Land the Event

With the choice for the next America's Cup yachting race down to two sites, San Diego and Bermuda, the local agency leading the effort to attract the 2017 event submitted a revised proposal to organizers.

Bob Nelson, chairman of the board of Port Commissioners, the board overseeing the Port of San Diego, said while he couldn't reveal what's in the bid, it contained some discounts on lease terms for infrastructure, such as piers, that the port controls.

The port offered race organizers an attractive package whose details will be revealed once negotiations are completed, he said.

Nelson said he's optimistic about the city's chances to win the event, especially considering all the things San Diego can offer compared with Bermuda.

"Other than snorkeling and lying on the beach, I'm not sure what you're going to do there when you're not racing," Nelson said.

In addition to San Diego's more developed infrastructure to host the yacht races, it has hosted three previous America's Cup events, in 1988, 1992, and 1995.

John Laun, president and chief executive officer of the Sailing Events Association San Diego, said the economic benefits from the event could exceed that of a Super Bowl, and be more lasting.

The fact that the challenging races and finals will occur over a month's time, rather than three days, is reason enough to convince the port and the city to support the effort to attract the event, Laun said.

Past America's Cup events held here also included some financial support from the port district. In the most recent event, in 1995, organizers actually returned nearly \$1 million from a \$3.5 million budget provided by the port, said Chuck Nichols, chairman of SEA San Diego, and president of the group that oversaw the 1995 Cup. That event produced an overall profit of \$100,000, Nichols said.

For the last America's Cup held in San Francisco in September, one report found the economic impact was about \$364 million and drew some 700,000 visitors. That was considerably less than what organizers originally promised, an overall economic impact of \$1.4 billion, and 2.7 million visitors.

The reduced impacts were mainly due to fewer challenger teams, four, competing against the eventual winner, Oracle Team USA, backed by billionaire Larry Ellison, instead of the dozen challengers originally planned for, Laun said.

Six teams have committed to the race so far, but that could grow, Nelson said.

While the near-term tourism and spending resulting from the event is evident, the more significant impacts are connected to televising the races to international markets, Nelson said.

A World Stage

“The global reach of this event is far greater than anything happening in sports in the United States,” he said. While many foreign viewers are familiar with Los Angeles and San Francisco, this city is not as well-known globally. “This will put us squarely in their eye,” Nelson said.

Bermuda’s closer proximity to Europe, where yachting is much more popular, is one of the few advantages the island nation has, but it’s not the biggest one, Nelson said. “They may be offering more financial resources that we can’t,” he said.

Bermuda is reportedly offering tax-free expenses, and other monetary incentives to attract the event.

Beyond those items, San Diego has a clear edge in terms of experience in handling major sporting events, having hosted three Super Bowls, a couple of World Series and the U.S. Open.

“We have a strong hand to play in this city’s dealing with major sporting events and entertainment events on the waterfront,” Nelson said. “We’re experienced in handling hundreds of thousands of people at our waterfront. We do it every July 4.”

Not Too Deep Pockets

While America’s Cup could generate lots of benefits for the region, the port district isn’t about to give away the store to win it, Nelson said. “What we’re not going to do is invest so much money in this event that we forgo other events we do in this region,” Nelson said.

Earlier this year, there were reports that America’s Cup organizers were seeking 10,000 free hotel room nights and discounts on an additional 7,500 rooms from local hotels as part of the port’s bid package. But at least one source familiar with the negotiations said that the organizers were presenting a wish list, and that request wasn’t included in the port’s proposal.

Scott Minto, program director for the sports MBA program at San Diego State University, said the America’s Cup has the potential to generate more economic benefits than a Super Bowl, and appeared to work out well for San Francisco last year.

While visiting San Francisco during the preliminary rounds, Minto witnessed a lot of tourists viewing races, as well as other promotional activities by sponsors that drew crowds.

The advanced cameras placed on all boats and around the bay helped to create exciting television viewing, and that could definitely help induce more international tourism down the road, he said.

“This lends itself to televising some of the best views, the most scenic views of the bay ... It could be very good advertising for the city,” Minto said.

While yacht competition on the level of an America's Cup would seem to have little broad appeal, those who've seen it argue it's compelling competition.

The yacht races and the boats have changed dramatically in the past 20 years. Instead of single-hulled boats racing off Point Loma on the Pacific Ocean, the prescribed racing course is on the bay, just off San Diego's Embarcadero, and runs from the San Diego-Coronado Bridge to Harbor Island, making viewing far more accessible.

'Stadium Sailing'

Because of the tremendous speeds the America's Cup catamarans can generate and their proximity to spectators, the races are sometimes called "stadium sailing."

"I call it NASCAR on the water," says Nelson. "These are fast-moving boats that are cruising at incredible speeds and are only about 100 yards from spectators."