

# *Economic, Environmental and Social Impact of the 35th America's Cup on Bermuda*

October 2017



# Introduction

## Purpose and approach

PricewaterhouseCoopers Advisory Limited (“PwC” or “us” or “our”) was engaged by the America’s Cup Bermuda Limited (“ACBDA”) to report on the economic, environmental and social impact of Bermuda hosting the 35th America’s Cup (“America’s Cup”) (the “Services”). The scope of the work and the methods by which data was collected were established by ACBDA.

Estimating the economic impact of the America’s Cup requires the use of models and assumptions which means that the results need to be interpreted with caution. The methodologies, assumptions and limitations are set out in Sections 3.0 and 4.0, along with Appendix C through F of this report.

The ACBDA established environmental and social objectives covering areas such as reducing consumption and waste, protecting Bermuda’s terrestrial and marine habitats, encouraging and enabling diverse participation and enhancing engagement within the Bermuda community. The ACBDA’s performance in achieving these stated objectives is assessed in Section 5.0 of this report and the assessment is inherently subjective, as it is predominantly based on observations or the results of inquiries with key stakeholders.

The impacts were assessed from the date that the successful hosting bid was announced through to August 2017, which included over 200 interviews with key stakeholders and an additional 75 interviews with residents and businesses who were positively impacted by the America’s Cup being hosted in Bermuda. Surveys were conducted across various groups such as international visitors and residents which had nearly 850 and 1,700 responses, respectively. Other surveys were conducted with the yachting community, volunteers, sponsors, hotels and local businesses.

This report provides an assessment of the economic, environmental and social impacts based on surveys, inquiries, observations, data gathering and extrapolation activities. At all times, PwC has endeavored to be transparent about data collection techniques and the assumptions made in arriving at conclusions.

## Important notice

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# 1. Executive summary

The forecast prepared during the bid process for the America's Cup assumed a budget expense of \$77.0 million and a total economic impact from the event of \$242.2 million. The actual expenditures totaled \$64.1 million, a saving of approximately \$12.9 million. The

total economic impact topped \$336.4 million, an increase of \$94.2 million over expected outcomes and representing a 525% return on the investment.

**\$336.4m**

**Total impact on GDP of \$336.4 million**, inclusive of a \$90.8 million estimated impact from legacy tourism

**Additional on-island historical spend of \$194.3 million** and \$76.3 million in estimated future legacy tourism spend

**\$64.1m**

**Cost of hosting the event** by Government of Bermuda was **\$64.1 million** compared to an original estimated cost of \$77.0 million

**20 tonnes of recyclable** material collected<sup>1</sup>



**250,000 500ml plastic bottles** avoided<sup>2</sup>

**94,600 spectator visits** of which **71% were residents** of Bermuda and 29% were international visitors<sup>3</sup>



**17,000 residents** visited the America's Cup Village on average 4 times<sup>4</sup>

Of the residents who attended the event, **64% were white, 15% black, 14% mixed and other**, and 7% declined to answer<sup>5</sup>

**62%** of resident attendees were **female**<sup>6</sup>



**452 million viewers across the world**, broadcast in 163 other countries by 31 broadcasters<sup>5</sup> and over 22,000 news articles were published in 76 countries<sup>7</sup>

**\$80.9 million** in **Advertising Equivalent Value** ("AEV") for Bermuda<sup>8</sup>

**Over 1,600 students** ages 9 to 12 years old were engaged with the **America's Cup Endeavour Programme**<sup>9</sup>

**545 volunteers** assisted at the event, **61% were residents**<sup>10</sup>

See pages 60 to 62 for endnote references.

## Economic impact

The approach adopted to assess the economic impact of the America's Cup on Bermuda considered the impact on Gross Domestic Product ("GDP"), which is a key measure of the economic health of a country. The economic impacts were estimated by first analyzing the actual spend that occurred in Bermuda that would not have otherwise occurred in the absence of Bermuda being the host of the America's Cup. The additional on-island expenditure was then analyzed using the input-output model to estimate the indirect and induced output. This output is then converted to overall impact on GDP.

**There were four spending groups responsible for the vast majority of additional on-island expenditure:**

- America's Cup participants and organizers
- Government of Bermuda
- America's Cup spectators
- Legacy visitors

Whilst historical economic impacts are more observable, there are estimated future economic impacts as a result of the America's Cup, for example from potential future visitors as a result of media coverage during the event. The historical economic impact, and the estimated future impact are reported separately in this analysis.

The overall impact on Bermuda's economy, measured by the increase in the island's GDP as a result of Bermuda hosting the America's Cup is estimated at \$336.4 million, inclusive of an estimated future legacy tourism impact of \$90.8 million. This reflects the effects of the historical

incremental on-island spend of \$194.3 million and the estimated future legacy tourism spend of \$76.3 million, as businesses provide goods and services and individuals earn wages and then spend some of their income. The historical spend is calculated for the period from 1 January 2015 to 31 August 2017, inclusive, which reflects the period from the announcement of Bermuda's successful bid to the conclusion of the event. The future estimated increase in visitor spending of \$76.3 million is calculated using a multiple of the AEV from the exposure that Bermuda received from hosting the event.<sup>11</sup>

A significant component of the impact on the island's GDP (\$138.6 million of the \$336.4 million) arose from the spending of America's Cup Event Authority ("ACEA"), the Defender, ORACLE TEAM USA, and the five challenger teams (the "America's Cup Teams"), other participating bodies such as the America's Cup Race Management ("ACRM") and the Red Bull Youth America's Cup ("RBYAC") teams. Another large component of the island's GDP was from international visitors that would not have visited Bermuda had the America's Cup not been hosted on the island (\$42.1 million of the \$336.4 million).

As the spending filters through the economy, the largest impact, (38% of the overall impact on GDP), is estimated to have been in the hotels and restaurants sector. The wholesale and retail sector is estimated to have experienced the next largest impact, at 14% and the real estate and renting activities sector had an impact of 10% on GDP.

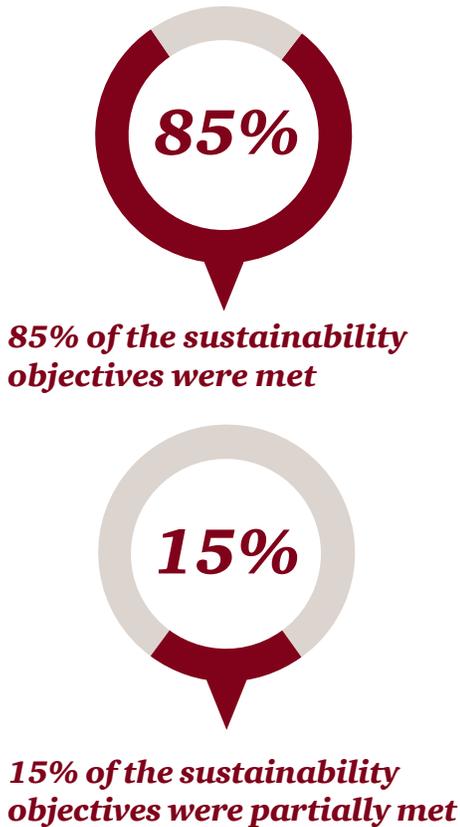
The total cost of staging the event to Bermuda was initially estimated at \$77.0 million, to be incurred between 2015 and 2017.<sup>12</sup> The actual amount of public

funds spent was \$64.1 million comprising of \$61.8 million spent by the ACBDA, the body established to satisfy the Government of Bermuda's ("Government") obligations under the Host Venue Agreement ("HVA") and approximately \$2.3 million by Government departments.<sup>13</sup> Of the ACBDA spend, approximately \$21.2 million was spent on-island. The ACBDA actual spend reflects a reduction in the sponsorship guarantee of \$5.7 million and other savings in capital and operating expenses of a further \$9.5 million. Government departments spent \$2.3 million, of which \$1.8 million was spent on-island and is further analyzed in Section 4.0. The significant areas of Government expenditure include the Department of Marine and Ports, Royal Bermuda Regiment and Department of Works and Engineering.

During the course of the America's Cup event, Bermuda saw 10,300 international air arrivals whose stated purpose of travel was specifically for the event.<sup>14</sup> Commercial air arrivals increased by 16% during May and June 2017 compared to prior year<sup>15</sup> and hotels saw an increase in occupancy rates by 8% compared to the prior year.<sup>16</sup> Bermuda had 134 superyachts visit the island in May and June, which is an increase of 135% compared to the same period in the prior year, when 57 superyachts berthed in Bermuda.<sup>17</sup>

ACEA commissioned an independent report to determine the value of broadcast media coverage of the America's Cup event to Bermuda. That report indicated that the exposure obtained had an Advertising Equivalent Value ("AEV") of \$80.9 million, which represents what Bermuda would have had to pay in order to achieve the same level of marketing exposure generated by the America's Cup.<sup>18</sup>

**Figure 1.0: Performance assessment on sustainability objectives**



Source: PwC performance assessment of sustainability objectives

## ***Environmental and social impact***

The America’s Cup Teams were significant proponents of a sustainable event, each of them signing the America’s Cup Sustainability Charter. They embarked on initiatives to minimize their carbon footprint such as encouraging a plastic-free environment, utilizing energy efficient lighting and electric vehicles.

Waste management in and around the America’s Cup Village was improved in advance of the event with additional recycling bins. The recycling collected from the America’s Cup Village was just over 20 tonnes over the 22 days of the event. For context, the entirety of Bermuda recycles about 2 tonnes per day.<sup>19</sup>

Single-use plastics were also eliminated in the America’s Cup Village, and replaced with the installation of free, refillable water stations. Through this initiative, a quarter of a million plastic bottles were estimated to have been eliminated.<sup>20</sup>

The ACBDA’s objectives were intentionally aimed at improving inclusion and representation from the broader community. The event was accessible to all, with minimal financial or physical barriers. 71% of attendees were residents, and 29% were visitors. Of those residents attending, 64% were white, 15% were black, 14% were mixed and other and 7% declined to answer. 62% of resident attendees were female. 40% had a combined household income of \$150,000 or more, 15% had income of between \$100,000 and \$150,000 and 21% had an income of less than \$100,000. 21% declined to answer the question and 3% were not sure.<sup>21</sup> The final week of the competition was more diverse with 48% of the attendees being white, 30% black, 16% mixed race or other and 6% declining to answer.<sup>22</sup>

With the support of the ACBDA’s Local Business Opportunities program – a partnership with the Bermuda Economic Development Corporation (“BEDC”) – the America’s Cup event provided a plethora of opportunities ranging from catering and transport business opportunities, volunteering and safety, to education and sporting opportunities. In addition the Local Business Opportunities Committee connected Entertainers, Street Vendors and Marine Service providers to opportunities. Surveys of local businesses indicated that 81% had been made aware of the opportunities available, with 29% pursuing or planning to pursue them, 12% chose not to pursue and 40% responded that the opportunities were not applicable to their business.

Of the businesses pursuing or planning to pursue an opportunity, 64% were owned by individuals describing themselves as white, 16% black, 8% mixed and other and 12% declined to answer. The intentions of the business owners who responded may not be indicative of those who actually pursued an opportunity, nor are the responses necessarily indicative of the demographics of those who are employed by those businesses.<sup>23</sup>

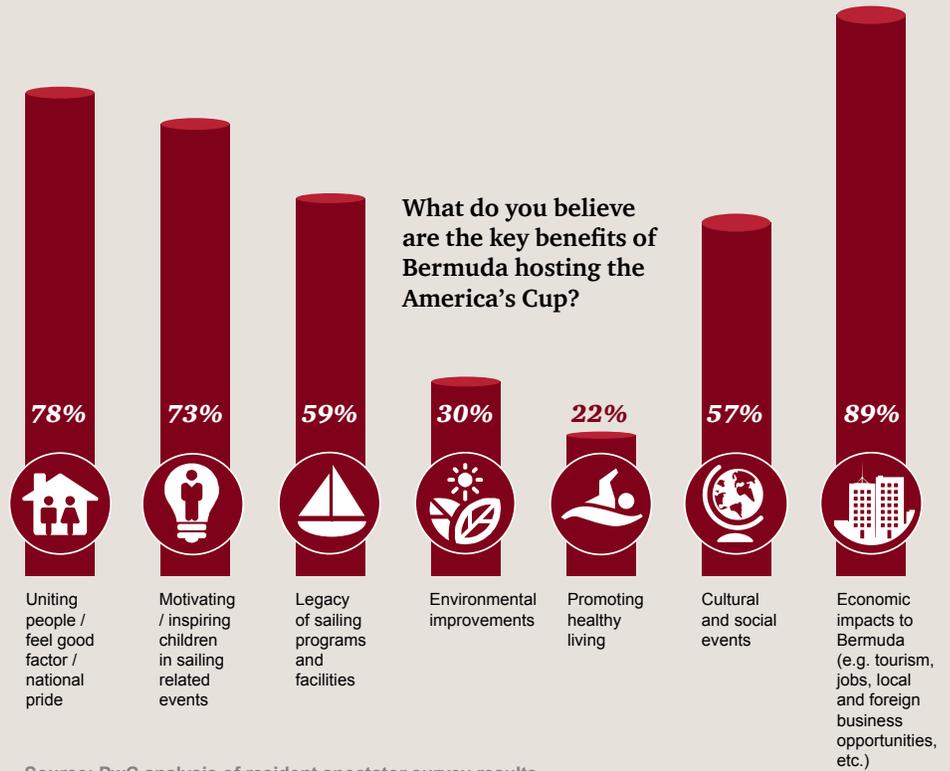
## Legacy opportunities

The America's Cup Endeavour Programme, which offers sailing opportunities for all school aged children, has received generous support from companies in Bermuda and ACEA over the past two years and has secured funding for the next two years. This will help Endeavour to sustain its impactful programs and continue delivering positive influences in Bermuda's community.

Bermuda's event delivery model can be used for future events and demonstrates Bermuda's ability to deliver a large-scale event to world class standards. The training delivered to residents in the areas of course marshalling, on-water operations, safety and security, event management as well as the many volunteering, internships and joint-agency collaboration training and experience will all have lasting benefit. Furthermore the implementation plans developed can be used as a model for future events, as can the Sustainable Event Guidelines.

Further information on the America's Cup legacy opportunities are detailed in the America's Cup Bermuda Legacy report which will be made available by the ACBDA.

Figure 2.0: Spectator survey results: Key benefits of the America's Cup



Source: PwC analysis of resident spectator survey results

## 2. America's Cup overview



### About the 35th America's Cup

From May 26th to June 26th, 2017, Bermuda was at the centre of the sailing world as the host of the 35th America's Cup, the oldest trophy in international sport. The America's Cup was first contested in 1851, 45 years before the modern day Olympic Games held in Athens, Greece. The first race took place around the Isle of Wight during the World's Fair in England. The schooner, representing the New York Yacht Club, America, secured victory and forever changed the name of the race to the America's Cup. After winning the trophy, the United States began a 132-year winning streak until finally in 1983

the Australian challenger managed to defeat the dominant American team. The America's Cup has been hosted around the world, from the United Kingdom to the United States, Australia, New Zealand and Spain. After successfully defending the 34th America's Cup in 2013 in San Francisco, ORACLE TEAM USA chose to host the America's Cup in Bermuda, the 6th country in the world to ever host the America's Cup.

There are a number of reasons which contributed to Bermuda's successful bid to host the America's Cup. In the ACBDA's discussions with ACEA Executives, these included:

- Excellent year-round training and sailing conditions, a natural amphitheater for

viewing the event and a strong maritime heritage;

- The financial support provided by the Bermuda Government, including taxation concessions to reduce the differential between Bermuda and other lower cost potential host venues;
- A proactive and committed government to work with and a dedicated HVA, including the establishment of the ACBDA to serve as a central body or "one stop shop" in coordinating Bermuda's deliverables;
- A dedicated site for ACEA and the America's Cup Teams in close proximity to the America's Cup Village and race course;



Photo by Blaire Simmons

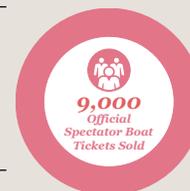
- Attractive time zone for maximizing television audience viewing; and
- The alignment of the interests of Bermuda and ACEA in creating a successful event.

In delivering the America's Cup event, there were several entities that were key to delivering a successful and sustainable event, including the ACBDA and ACEA. The ACBDA was a public body established by the Bermuda Government to deliver Bermuda's key America's Cup obligations under the HVA, led by a representative board of business and community leaders. The Ministry of Economic Development created a direct liaison within the Ministry to ensure effective communications between ACBDA and Government.

ACEA is a Bermuda incorporated private limited company with Sir Russell Coutts, a five-time winner of the America's Cup, the CEO. ACEA was created by and is a subsidiary of Oracle Racing Inc., as the defender of the America's Cup, to manage the commercial rights and benefits, sports-marketing and event operations for the 35th America's Cup, including the operation of the America's Cup Village and related infrastructure and the production and distribution of the America's Cup television broadcast as well as the preceding nine World Series events held worldwide.

For a full list and details of instrumental stakeholders of the America's Cup refer to Appendix A.

**Total Official Spectator Boat**  
Tickets sold for America's Cup race days.



Visits to the America's Cup Village by **accredited individuals**, including workforce, volunteers, contractors, family and friends over the course of the event.

**Private boat spectator flags** sold for the event and as the coverage showed, many were around the race course every day.



**Total attendance based on ticket scans** at the America's Cup Village (excluding visits by accredited individuals)

Source: PwC analysis of ticket sale data received from ACEA

ORACLE TEAM USA was the defending champion of the America's Cup, holding the rights to decide the host venue for the 35<sup>th</sup> America's Cup, the design of the yachts and the parameters of the race series. For the 35<sup>th</sup> America's Cup the defending champion chose the AC50, a 50-foot long catamaran, which is a smaller version of the AC72 foiling catamarans that were used in

the 34<sup>th</sup> America's Cup held in San Francisco. The design of the AC50 continued to provide a new and exciting element of sailing compared to the traditional sailboats allowing the use of hydrofoils, dagger boards and hydraulic control of the wing and appendages. The AC50 was proven to cruise at speeds up to 47 knots over the water.

## There were five Challenger Teams in the 35<sup>th</sup> America's Cup:



Artemis Racing



Emirates Team New Zealand



Groupama Team France



Land Rover BAR



SoftBank Team Japan



The **Louis Vuitton America's Cup World Series ("LVACWS")** was the first stage of competition in the lead up to the 35<sup>th</sup> America's Cup in Bermuda. The racing took place between July 2015 and November 2016 in seven different countries: Britain, Sweden, Bermuda, Oman, the United States, France and Japan. In 2015, on the 17<sup>th</sup> and 18<sup>th</sup> of October Bermuda experienced its first real taste of America's Cup racing, with the LVACWS event that took place in the Great Sound. A temporary event village was set up along Front Street in Hamilton, Bermuda, hosting thousands of residents and roughly 1,500 visitors who travelled to Bermuda to support the event. A separate economic impact assessment was conducted in 2016 for this particular

event, the results of which are included in Section 4.0 of this report.

### 35<sup>th</sup> America's Cup results

Emirates Team New Zealand secured their spot into the 35<sup>th</sup> America's Cup Match, defeating Artemis Racing in the Louis Vuitton America's Cup Challenger Playoffs. As ORACLE TEAM USA won the Louis Vuitton America's Cup Qualifiers, the Defender started the America's Cup final match leading by one point, in the best of a 13 race contest. Over the course of five days and nine races, Emirates Team New Zealand dominated the final stage of the 35<sup>th</sup> America's Cup, winning eight races to ORACLE TEAM USA's one race win, giving the New Zealanders a final winning score of 7-1.

### Other America's Cup related events

Refer to Appendix B for details on other America's Cup related events that took place in between high speed America's Cup racing, including:

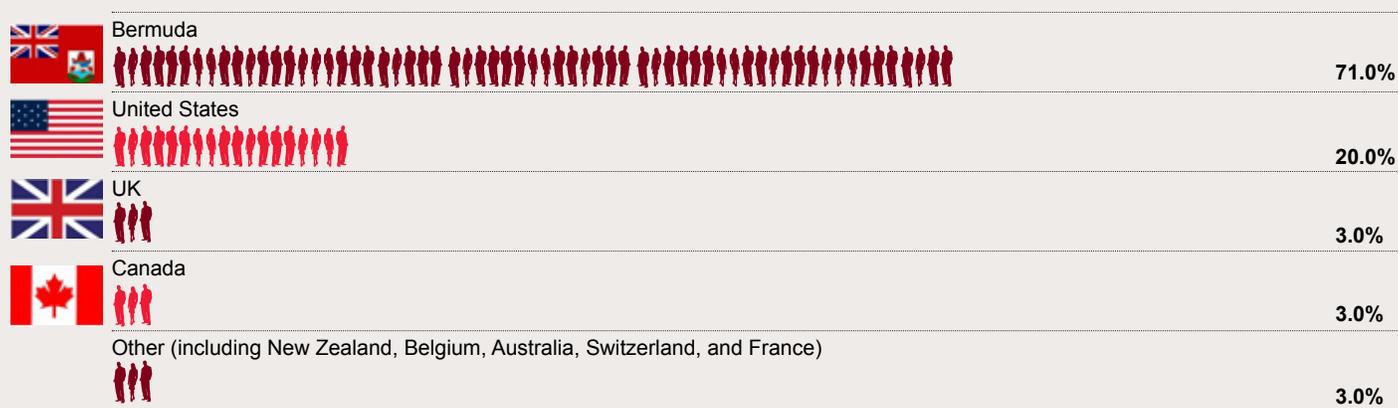
- America's Cup Superyacht Regatta
- America's Cup J Class Regatta
- Red Bull Youth America's Cup
- America's Cup Endeavour Junior Regattas

## The 35th America's Cup spectators

The America's Cup spectators included both residents as well as spectators from around the world. Over 100,600 tickets were sold for the America's Cup Village,<sup>24</sup> which was open for 22 days over the course of the event. 71% of the tickets were sold to residents and 29% to international visitors mainly from the United States (20%), Canada (3%) and the UK (3%).<sup>25</sup> For context, the previous America's Cup event in San Francisco sold 700,000 tickets, but San Francisco has a population more than thirteen times larger in the immediate geographic area and the event period was significantly longer than in

Bermuda.<sup>26</sup> In addition, there were a total of approximately 9,000 Official Spectator Boat Tickets sold to those viewers who wished to watch the races on water. Approximately 2,200 spectator flags for private boats were purchased and registered for the America's Cup events which permitted viewing for all America's Cup races. There were nearly 50,600 visits to the America's Cup Village by 'accredited' individuals, including workforce, volunteers, contractors, family and friends over the course of the event.<sup>27</sup>

**Figure 3.0: Top 5 countries represented at the AC Village**



Source: PwC analysis of resident spectator survey and international spectator survey results

The total tickets sold and the average ticket price were as follows:<sup>28</sup>

**Table 1.0: America's Cup ticket sales**

	Total ticket sales	Average ticket price
America's Cup Village	79,800	\$25
Grandstand	11,500	\$78
Goslings Dark 'N Stormy Island Bar	6,700	\$175
Longtail Lounge	2,600	\$849
Official Spectator Boats	9,000	\$173
<b>Total ticket sales</b>	<b>109,600</b>	

*Additionally there were over 4,200 ticket scans for the Club AC hospitality suite for sponsors, although due to contractual commitments, tickets were not available for sale to the general public.<sup>29</sup>*

Source: PwC analysis of ticket sale data received from ACEA

### *3. Approach and methodology of economic impact*



Photo by Blaire Simmons

*Quantifying the economic impact of a large-scale event is a complex undertaking and involves capturing, analyzing and estimating the additional spending in Bermuda by various spending groups which would not have*

*occurred in the absence of Bermuda hosting the America's Cup. In determining the overall economic impact, there are a number of important assumptions that have been made.*

**Figure 4.0: Key spending groups**



To maintain confidentiality, the spending is aggregated into the above spending groups.

## Spending groups

Considerable effort was taken to ascertain and isolate the areas of spending and the origin of that spending. The economic impacts were estimated by analyzing the spending from four specific groups. These groups are responsible for the vast majority of additional on-island expenditure that arose in Bermuda as a result of hosting the America's Cup.

## Overall economic impact framework and approach

Economic impact analysis follows an established methodology to assess and value the impact of events such as the America’s Cup. The approach adopted for this analysis considers the impact of the America’s Cup on GDP, which is a key measure of the economic health of a country. Economic output, as measured by Gross Value Added (“GVA”), is a measure of the value generated by different sectors of the economy. It represents the difference between the value of goods and services sold and the goods and services used as inputs to their production. Hence, it is the sector-level equivalent of GDP; adding up the GVA of all sectors in the economy gives an estimate of a country’s GDP.

**The impact on GDP/GVA comprises three elements:**

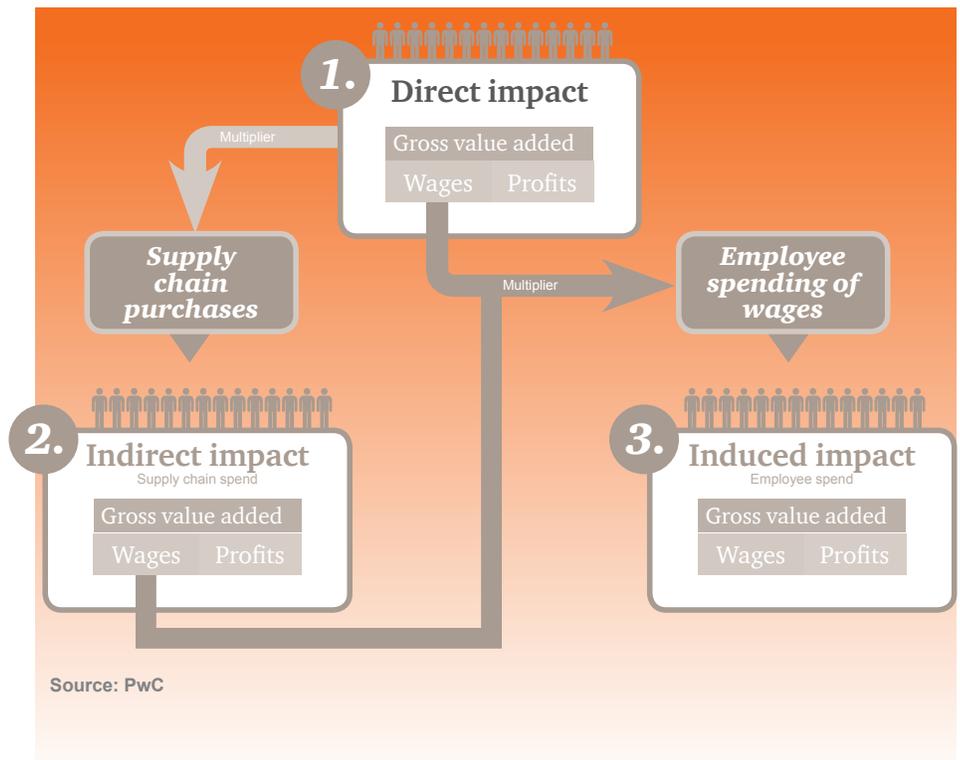
**Direct impact:** The increase generated in Bermuda as a result of additional on-island expenditure by each of the four spending groups directly attributable to Bermuda hosting the America’s Cup.

**Indirect impact (supply chain spend):** The increase generated by those businesses and other organizations which fulfill the needs of the different spending groups’ demand for goods and services and their suppliers. These support additional profits and wages (i.e. GVA) across the supply chain. This is often referred to as the ‘indirect impact’.

**Induced impact (employee spend):** The increase resulting from increased expenditure by the workforce employed directly as a result of the America’s Cup and indirectly as a result of the impacts on the supply chains as additional income earned by these employees is spent on various goods and services in Bermuda, leading to further economic activity in Bermuda. This is often referred to as the ‘induced impact’.

The total impact on GDP is represented by the sum of the direct, indirect and induced impacts. Figure 5.0 illustrates how multipliers are used to estimate the indirect and induced impacts which are explained in more detail in *Appendix C – Economic Impact Methodology and Approach*.

**Figure 5.0: The three elements of economic impact**



## Considerations

Care was taken during the assessment to determine each spending group's actual on-island spend that would not have otherwise occurred in the absence of Bermuda being the host for the America's Cup. This spending is referred to as additional on-island expenditure. Substitution and displacement effects have been considered, for example where spending on America's Cup occurred at the expense of spending on an alternative activity. The likelihood of spending being brought forward or delayed due to the America's Cup event has been taken into account. In instances where spending by one group represented income for other groups, the impact of this spending was captured only once, and reflected it in the analysis based on the initial spender, or have stated otherwise. For transparency these considerations are outlined throughout this report.

For all spending groups, the geographical scope of the expenditure is centered on Bermuda only, otherwise stated as on-island expenditure. Any expenditure overseas is excluded from the analysis. It should be noted that due to the size of the event relative to Bermuda's economy, it was easier to isolate the spending directly attributable to the America's Cup event compared to a major city or country which may have multiple large events occurring within the same period in the same location. The America's Cup was the only large-scale event taking place in Bermuda during the period.

The actual expenditure data was collected for the period from January 1, 2015 to August 31, 2017, inclusive. These dates reflect the period in which there were significant activities occurring in Bermuda which were part of the America's Cup that resulted in economic impacts to the Bermuda economy. The results of the LVACWS event in October 2015 have been reported separately in this analysis.

**Figure 6.0: Direct, indirect, and induced impact**



Whilst the historical economic impacts can be more easily observed, there are estimated future economic impacts as a result of the America's Cup, for example from future visitors as a result of media coverage of Bermuda during the event. The historical estimated economic impact, and the estimated future impact are reported separately in this analysis. As part of this analysis Bermuda's potential tourism benefit beyond the America's Cup is estimated by assessing the estimated number of additional future visitors and their corresponding economic impact. Given the subjectivity around this value, the estimated future impact is shown separately from the actual historical expenditures and their respective economic impacts. The input-output model was used to estimate the overall future GDP impact, in other words the estimated future direct, indirect and induced impacts. The future visitor impact estimated in this report is based on the media exposure element, known as AEV, which is further explained in Section 4.0.

As it is standard practice in economic impact analysis to convert the actual and estimated economic impacts that accrue at different points in time into present values, all expenditures that took place prior to or beyond 2017 have been converted into present values, using 2017 as the base year.

## Economic data collection

In order to estimate the economic impact, a multi-faceted approach to gathering evidence with which to estimate the additional on-island expenditure of each spending group was used. Given the variations and specificity of information available across the spending groups, a comprehensive assessment was completed for each. Where possible, primary data was collected directly from the source, either through receipt of actual financial data or through survey responses from various spending groups which were then extrapolated across the entire spending group population. This information was supplemented through various secondary sources such as interviews with stakeholders and anecdotal evidence including news articles and third party reports. Further details on methods of data collection are provided in *Appendix D and Appendix E* which outlines the survey methods and tools used as part of this analysis.

The assumptions used to determine the economic impact of the spending groups have been disclosed in their respective subsections in Section 4.0 – Economic impact and further outlined in *Appendix F – Key assumptions and exclusions*.

# 4. Economic impact

## Overview

The total impact on GDP is broken down by each of the key spending groups below in Table 2.0. The additional on-island historical spend was \$194.3 million and an anticipated future legacy tourism spend of \$76.3 million, translates into a \$336.4 million impact on GDP. Further commentary on each of the significant components of the key spending groups is included below. Refer to *Appendix F* for further details on assumptions used in this analysis. The breakdown of the three elements that comprise the overall impact on GDP, being the direct impact, indirect impact and induced impact is provided in *Appendix G*.

**Table 2.0: Economic impact by key spending groups over the entirety of the period from the announcement of Bermuda's successful bid to the conclusion of the event.<sup>30</sup>**

	Additional on-island expenditure (\$ millions)	Total impact on GDP (\$ millions)
<b>America's Cup participants and organizers</b>		
Teams, ACEA and other participants	113.1	138.6
Sponsors	2.3	3.4
Volunteers	1.0	1.1
<b>Total America's Cup participants and organizers</b>	<b>116.4</b>	<b>143.1</b>
<b>Government of Bermuda</b>		
ACBDA and other Government	23.0	25.4
<b>America's Cup spectators</b>		
International visitors	28.7	42.1
Residents	6.1	7.9
Superyachts and other yachts	14.4	20.5
Media	0.4	0.6
<b>Total America's Cup Spectators</b>	<b>49.6</b>	<b>71.1</b>
<b>Total America's Cup</b>	<b>189.0</b>	<b>239.6</b>
LVACWS	5.3	6.0
<b>Total including LVACWS</b>	<b>194.3</b>	<b>245.6</b>
<b>Legacy visitors</b>		
Legacy visitors	76.3	90.8
<b>Total including legacy visitors</b>	<b>270.6</b>	<b>336.4</b>

**Table 3.0: Economic impact by sector**

	<b>Additional on-island expenditure (\$ millions)</b>	<b>Total impact on GDP (\$ millions)</b>
Electricity, gas and water supply	9.4	7.2
Construction	25.7	23.2
Wholesale and retail trade and repair services	33.1	47.4
Hotels and restaurants	106.0	126.8
Transport and communications	18.0	19.9
Financial intermediation	1.9	2.5
Real estate and renting activities	27.8	34.4
Business activities	16.9	25.9
Education, health and social work	10.5	17.7
Other community, social and personal services	21.3	31.4
<b>Total</b>	<b>270.6</b>	<b>336.4</b>

Table 3.0 provides a summary of the economic impacts by sector as the spending filters through the economy. Given the influx of tourists to Bermuda as a result of the America's Cup it is not a surprise that the hotels and restaurants sector experienced the largest impact. The increase in visitors and superyachts largely impacted the wholesale and retail trade and repair services sector. The America's Cup Teams and ACEA who relocated to Bermuda through 2015 to 2017, positively impacted the real estate sector.

In some instances the total impact on GDP is lower than the additional on-island expenditure, for example in the electricity, gas and water supply sector and construction sector. This is due to a combination of factors: the proportion of revenue/output that represents value added/GVA is relatively small and/or purchases of goods and services which are inputs to these sectors involve significant off-island spending (e.g. electricity requires the acquisition of oil from overseas).

## America's Cup participants and organizers

### America's Cup Teams, ACEA and Other

Between the America's Cup participants and organizers, nearly 450 team members and staff relocated to Bermuda between 2015 and the completion of the races, along with nearly 360 of their family members, of which 176 were children age of 18 or

younger. These individuals received a standard work permit which allowed them an extended stay over a period of 6 months or longer. In addition, over 725 short-term and periodic work permits were issued for persons that temporarily moved to Bermuda for a three to six month period, including the period leading up to and during the America's Cup, with the majority leaving immediately following the conclusion of the event. Each individual contributed to the

local economy, occupying house rentals and hotel rooms, enrolling children in schools on the island, and participating in local sport and community programs.<sup>31</sup>

Bermuda hosting the America's Cup was the catalyst for these organizations and individuals to relocate to the island. As such, the spending incurred by this particular spending group is treated as additional economic impact.

Spending by the America's Cup Teams, ACEA, ACRM and RBYAC teams, has been aggregated to protect the confidentiality of each.

Below are examples of the types of expenditures incurred which were used to map to the sectors used in the economic model:

- Salaries and wages
- Accommodation
- Event operation costs
- Public relations and communication costs
- Business support costs
- Base setup costs
- Base running costs
- Food and Beverage
- Insurance
- Repairs and maintenance
- Insurance including health insurance and medical expenses
- Education
- Local contractors
- Fuel
- Shipping and logistics

The America's Cup Teams, ACEA, ACRM and the other groups noted above were collectively the largest contributors to the Bermuda economy out of all other spending groups, generating a total of **\$113.1 million in additional on-island spend** and **\$138.6 million** in total impact on GDP.



Additional on-island expenditure:  
**\$113.1 million**



Total impact to GDP:  
**\$138.6 million**

## Sponsors

ACEA and the America’s Cup Teams had a number of commercial sponsors and partners who contributed to the local economy as many of these sponsors took the opportunity to visit and participate in Bermuda during the America’s Cup.

Surveys were used to understand spending by these sponsors. The surveys provided the average spend which included costs of branding and sponsor activation and corporate hospitality events. However, all other costs incurred by sponsors, such as accommodation and food and beverage have been omitted from the international spending by sponsors as this is captured as part of the spectator spending noted below. The sponsor group generated a total of **\$2.3 million in additional on-island spend and \$3.4 million in total impact on GDP.**

## Volunteers

Of the 545 volunteers, 215 were international visitors.<sup>32</sup> The spending patterns of the international volunteers was obtained through a targeted online survey. Based on the survey results and information collected from ACEA, the average length of stay of these international volunteers was approximately 40 days. The economic impact attributable to volunteers only comprises international visitors as it has been assumed that spending by local volunteers would have been spent in Bermuda in similar ways. Although all volunteers were provided food for the days that they were volunteering, the international volunteers contributed to the local economy through spending on accommodation, additional food and beverage costs, local attractions and leisure activities, retail purchases and

transportation. Based on the volunteer survey, the estimated average daily spend for each international volunteer was \$112 per day. This average daily spend is lower than the international visitors spend noted below as many of the international volunteers stayed with friends and relatives, with meals provided during volunteer shifts. Estimates show that international volunteers incurred **\$1.0 million in additional on-island spend** and a **\$1.1 million increase in the GDP** during the period of the America’s Cup.



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## Government of Bermuda

Table 4.0 provides a breakdown of the ACBDA and other Government expenditure and compares these to the original estimate of \$77.0 million as stated in the 35th America's Cup Bid Document.

**Table 4.0: Government expenditure**

	Original estimate <sup>33</sup> (\$ millions)	Actual amount <sup>34</sup> (\$ millions)	Variance overruns / (savings) (\$ millions)
<b>ACBDA Costs</b>			
Event operating expenses	12.0	7.5	(4.5)
Capital and operating expenses - America's Cup Village	25.0	20.0	(5.0)
Sponsorship Fee	15.0	15.0	-
Additional Sponsorship Fee	25.0	19.3	(5.7)
<b>Total ACBDA Costs</b>	<b>77.0</b>	<b>61.8</b>	<b>(15.2)</b>
Additional Government expenditure <sup>35</sup>	-	2.3	2.3
<b>Total Cost to Government</b>	<b>77.0</b>	<b>64.1</b>	<b>(12.9)</b>

## ACBDA

The ACBDA was funded by the Bermuda Government to deliver Bermuda's obligations under the HVA and to ensure effective delivery of all aspects of Bermuda's responsibilities. In 2014, the ACBDA's budget was forecast to be \$77.0 million for the period of 2015 to the end of 2017. Actual spending by the ACBDA was \$61.8 million.<sup>36</sup>

The capital expenditure included work on the South Basin dock (where ORACLE TEAM USA, Softbank Team Japan, Land Rover BAR, Groupama Team France and the ACRM had their bases) and other Dockyard facilities.

The \$15.0 million Sponsorship Fee was per the HVA with ACEA, which the Government committed to pay to ACEA over a three-year period, and where ACEA committed to spend the funds in Bermuda.

Under the HVA with ACEA, the Government of Bermuda provided a guarantee of sponsorship income of \$25.0 million. This amount was reduced by a proportion of the actual sponsorship received from other Bermudian organizations or introductions of sponsorship made to ACEA by the ACBDA as well as a portion of the event ticket sales and venue rentals. There were various formulae for calculating the reduction to Bermuda's ultimate actual cost of the Additional Sponsorship Fee based on the type of revenue or sponsorship secured, whether there was a minimum revenue guarantee and revenue share or where value-in-kind made up part of a sponsorship deal.

For purposes of the economic model and to avoid duplication of spending, amounts paid to ACEA for sponsorship fees in Bermuda dollars (\$34.3 million of the \$61.8 million) have been excluded as they are captured in ACEA's on-island spend. Of the remaining \$27.5 million spent by ACBDA, \$21.2 million related to on-island expenditure and only on-island expenditure was included in the economic model as spending overseas does not

impact Bermuda's GDP. This results in an **additional on island expenditure of \$21.2 million** and an **impact on GDP of \$23.2 million**.

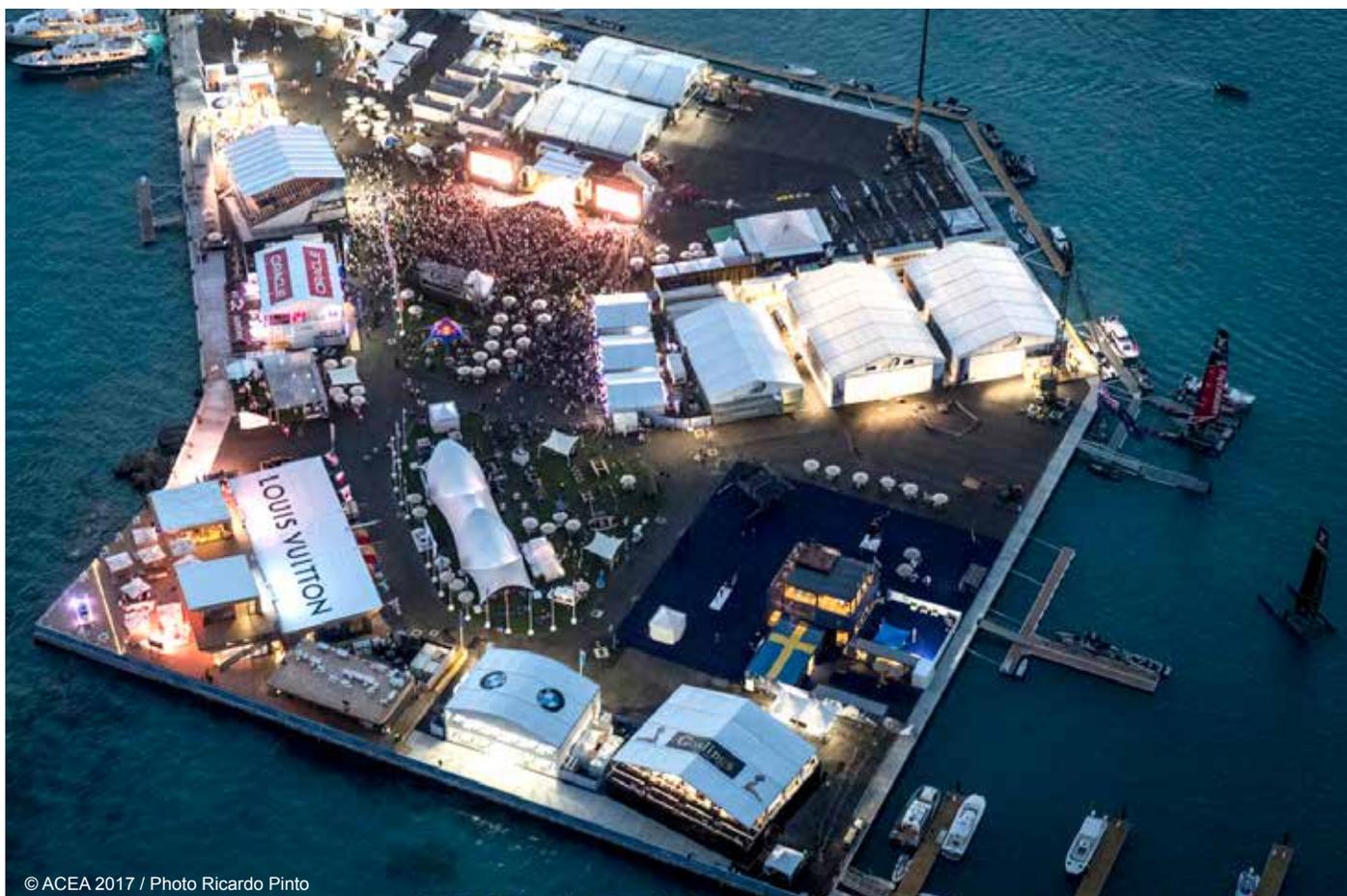
Following the conclusion of the America's Cup, ACBDA is attempting to sell certain capital assets to defray the initial cost outlay. At the time of writing, the majority of docks and to a lesser extent, the public restrooms, remain unsold. Remaining assets will be transferred to the Bermuda Government who will determine their future use, most likely within Government departments. For purposes of this analysis only the initial cost outlay is reflected in the economic impact.



Additional  
on-island  
expenditure:  
**\$21.2 million**



Total impact to  
GDP:  
**\$23.2 million**



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## Other Government

Apart from the ACBDA expenditure, the Government of Bermuda undertook various capital and non-capital investments that were identified as directly attributable to the America's Cup. These included upgrades/repairs to the existing ferries in order to accommodate the increase in ferry capacity anticipated during the event, placement of additional channel and marker buoys, repairs to buses, roadwork enhancement, installation of fences, implementation of additional waste management services, and purchasing additional insurance protection. The total estimated expenditure by the Government of Bermuda directly attributable to the America's Cup, as provided by the Government of Bermuda, was \$2.3 million, of which \$1.8 million related to on-island expenditure.<sup>37</sup>

The Government of Bermuda made certain concessions to ACEA and the America's Cup Teams in respect to work permits and customs duty for items such as boats and cars that were brought on-island either for personal use or specifically for America's Cup. Notwithstanding this, there was incremental tax and other revenue to the Government as a result of Bermuda hosting the America's Cup, which is reflected in the overall impact on GDP. Examples of these revenue sources include superyacht mooring and berthing fees, visiting vessel Charter Fees and Cruising Permit

fees, incremental occupancy tax for hotels, incremental cabin and passenger tax for cruise ships, work permit revenue, payroll tax and social insurance for those individuals who relocated to Bermuda as a result of the America's Cup, duty for items that have subsequently been sold in Bermuda by groups such as ACEA, ACBDA and the America's Cup Teams and ticket revenue from the Park and Ride service. Whilst some amounts can be calculated, as detailed below, it is difficult to quantify the incremental customs duties and other taxes that would have been generated as insufficient information is available to enable a reliable estimate to be made. Government received approximately \$1.8 million in incremental hotel occupancy tax, \$1.6 million in incremental payroll tax and social insurance, \$0.3 million in visiting vessel charter fees and cruising permit fees, and \$0.3 million in licensing fees.<sup>38</sup>

For purposes of this economic study, the concessions made to ACEA and the America's Cup Teams are not reflected as foregone revenue, as if it was not for the America's Cup being held in Bermuda, the Government would not have otherwise generated this revenue from these specific groups.

Based on the above, the additional **on-island expenditure** by the Bermuda Government, excluding the ACBDA, is **\$1.8 million**, resulting in **\$2.2 million in overall impact on GDP**.

## West End Development Corporation (WEDCo)

The America's Cup Village was located at Cross Island, on land owned by WEDCo. WEDCo's plans to develop the infill date back to 2009, though the development was accelerated due to the awarding of the America's Cup event. While the project was coordinated by ACBDA on time and budget, the \$39.0 million project was financed entirely by WEDCo through a Bermuda bank. The Government provided a guarantee for the loan, and in the event of insufficient future revenues being generated by Cross Island, the government guaranteed to meet these loan payment obligations. The costs of developing the infill have not

been included in the cost of the event and neither have the economic impacts from that expenditure. The Cross Island Legacy committee was created by WEDCo to assess potential uses for the island to ensure the development has a lasting legacy and a sustainable long-term future.<sup>39</sup>

A number of other projects undertaken by WEDCo, including the redevelopment of Prince Alfred Terrace, Building 9, Sail Loft and the Bungalow Cottage, were already planned following damage sustained from two hurricanes in 2014. The renovation of Moresby House was considered by WEDCo to be necessary if the property was to be salvageable. The ability to utilize this building for the America's Cup

event provided a further impetus for the redevelopment. For this renovation, a capital loan of \$3.0 million was received from the Government of Bermuda to finance this project.

These buildings were leased for America's Cup related offices and to house the many operational groups required to organize and stage the event, including the event's Joint Agency Control Centre ("JACC"), volunteers, the medical team and other key stakeholders. The costs and economic benefits from these additional projects have been excluded from the cost and economic impact of the America's Cup event.

## America's Cup spectators

The economic impacts from international visitors and residents are reported separately below. While America's Cup visitors arrived via various means, including air, commercial cruises, superyachts, etc., and for a variety of purposes, such as visiting friends and relatives, business related endeavours or as spectators, the visitors identified here, under international visitors, exclude media personnel and volunteers, as the economic impact of those has been detailed separately within this section.

### Retail Sales Index in May 2017 compared to prior period:

#### May 2017 compared to prior period:



Due primarily to the 35th America's Cup, retail sales in May 2017 **increased 10%** above the \$97.2 million recorded in May 2016.

#### June 2017 compared to prior year:



Due primarily to the 35th America's Cup, retail sales in June 2017 **increased 9%** above the \$102.8 million recorded in June 2016.

The Government of Bermuda's Department of Statistics reported an increase in the Retail Sales Index for May and June 2017 by 10% and 9%, respectively, compared to the same period in 2016, which helps to validate the increased on-island spending during this period. To provide further context, the Retail Sales Index for the same period in 2016 compared to 2015 increased by only 2%.

Sources: <https://www.gov.bm/sites/default/files/May-2017-Retail-Sales-publication.pdf> and <https://www.gov.bm/sites/default/files/June-2017-Retail-Sales-publication.pdf>

## America's Cup village revenue



Total sales generated in the America's Cup Village and at America's Cup merchandise locations (including tickets, food and beverage and merchandise, etc.) was approximately **\$11.8 million**.<sup>40</sup>

## International visitors

Approximately 10,300 international air visitors arrived in Bermuda during May and June 2017, who stated that their purpose of travel was for the America's Cup.<sup>41</sup> These visitors represent three groups: (i) those visiting friends and relatives who were part of the America's Cup Teams or other participating bodies, (ii) those undertaking business with the America's Cup or because of it, and (iii) those on an America's Cup holiday.

In the period leading up to the America's Cup, January 2016 to April 2017, approximately 2,600 international visitors came to Bermuda who stated that their purpose of travel was for the America's Cup.<sup>42</sup> Arrivals during 2015 have been excluded as these visitors have been captured in the LVACWS event economic impact.

Based on data from the Bermuda Tourism Authority ("BTA"), air arrivals for the period

of May and June 2017 increased by 16% compared to same period in the prior year.

It is possible that some of these 10,300 air visitors to the America's Cup may have displaced other international visitors that would have otherwise come to Bermuda during this time or have decided to come to Bermuda at another time in 2017. Air arrivals in May and June had increased by an average of 3% between 2014 and 2016. This analysis assumes that the 3% growth rate would have continued into May and June 2017 without the America's Cup. After excluding the assumed growth in visitors, approximately 7,800 incremental visitors in May and June 2017 are considered to be directly attributable to the America's Cup.<sup>43</sup>

Based on the international spectator survey responses, the average spend per person was \$313 per day. Accommodation and food and beverage spend comprised

the two largest categories. Other spending was on local attractions and leisure activities, retail purchases for goods and services, such as gifts and souvenirs, and on travel around Bermuda, including public transport and taxi services. Spectators also purchased tickets to attend the America's Cup events. The average daily spend collected from the America's Cup attendees has been applied to those 7,800 incremental air visitors in May and June 2017. For purposes of the economic model, the spending on America's Cup tickets have been removed from spectator spending as this spending is captured through the economic impacts generated by the ACEA. With the spend on America's Cup tickets removed, the average spend per international spectator of \$262 per day is comparable to the average spend per person of a non-America's Cup visitor of \$237 per day from BTA tourism data.<sup>44</sup>

**Table 5.0: International visitor spend**

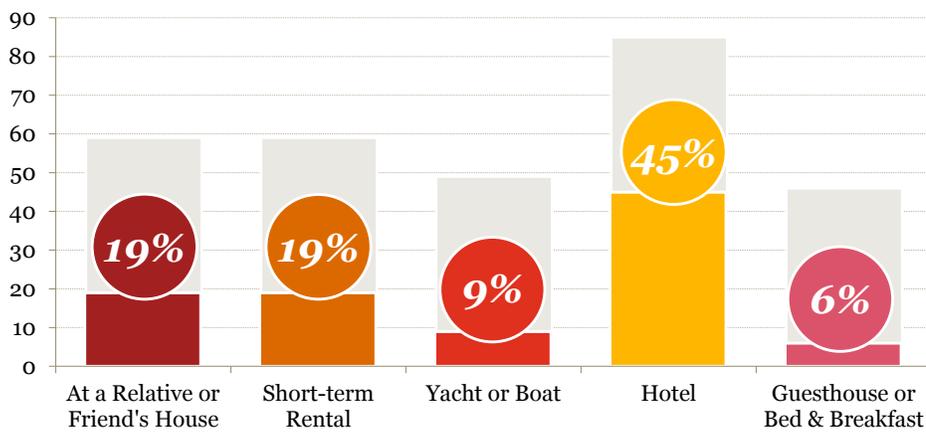
Type of expenditure	Spending amount (USD\$)
Accommodation	\$103
Food and beverage	\$76
Local attractions / leisure activities	\$28
Other retail purchases for goods and services, such as gifts and souvenirs	\$30
America's Cup Tickets	\$51
Other (including local transportation)	\$25
<b>Total average daily spend per person</b>	<b>\$313 per day</b>

Source: Information provided by ACEA



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**Figure 7.0 Economic Impact**



Source: PwC analysis of international spectator survey results

On the Government of Bermuda Department of Immigration Passenger Arrival Forms, America's Cup visitors indicated where they were staying while on the island, with 45% staying at hotels, 19% with a relative or friend, 19% in a short-term rental, 9% on a yacht or boat and 6% in a guesthouse or bed and breakfast.<sup>45</sup>

The economic impact arising from spending by international visitors includes the impact of the increase in the average daily rate ("ADR") for all hotel accommodation during the America's Cup, which increased by 23% in May and June 2017 compared to same period in the prior year.<sup>46</sup>

**The America's Cup impact on Bermuda tourism is reflected below (for the period of May and June 2017 compared to May and June 2016)**

Increase in **private jet** passenger arrivals of **70%**



Increase in **commercial air arrivals (international visitors)** of **15%**

Of the 64,000 commercial air visitors, approximately **10,300 visitors** stated their **purpose of travel was for the America's Cup**, either on vacation, visiting friends and relatives or for business



Decrease in the **Bermuda resident arrival** by **13%\***

Increase in **home vacation rentals** of **12%**

**Average length of stay** per America's Cup visitor was **8.6 days** compared to 6.1 days for non-America's Cup visitors<sup>48</sup>

**Increase in cruise ship passengers** of **14%<sup>49</sup>**

**2,300 visitors** arrived via **cruise ship** specifically for the America's Cup, according to international spectator survey



During the period of the America's Cup the hotel occupancy increased to 79%, an **increase of 8%** compared to same period in 2016



Average daily rate for hotels during the America's Cup was **\$477** compared to \$387 in 2016, an **increase of 23%**<sup>47</sup>

\*Commercial air only. The 13% decrease reflects May and June, however when looking at June 2017 only compared to June 2016, Bermuda resident arrival decreased by a larger amount, at 18%.

Sources: Tourism data provided by the BTA, private jet data provided by Cedar Aviation Services Ltd., and data collected by hotel survey conducted by BTA



Additional on-island expenditure: **\$28.7 million**



Total impact to GDP: **\$42.1 million**

.....  
 An estimated **\$28.7 million additional on-island expenditure was generated through spending by visitors to Bermuda for the event resulting in an impact on GDP of \$42.1 million.**  
 .....

## Residents

Of the total attendees at the America's Cup Village, 71% were residents of Bermuda.<sup>50</sup> Based on the resident spectator survey responses, residents attended on average four times over the 22 day period, which resulted in an estimated 17,000 residents visiting the America's Cup Village.

Similar to international visitors, residents spent money on tickets, food and beverage, merchandise, and transportation all generating an economic benefit in Bermuda. It was assumed that a portion of the spending by residents on the America's Cup occurred at the expense of spending on an alternative activity. To understand the effects of displacement of spending and the additional spending by residents, survey respondents were asked if they had forgone overseas travel in 2017 to attend

the America's Cup in Bermuda. 25% of respondents stated they had forgone overseas travel in 2017 to attend the event. This is supported by a decrease of 18% in commercial air arrivals by residents in June 2017 compared to June 2016 according to the BTA tourism data.<sup>51</sup> Care was taken to analyze the impacts of displacement which is further outlined in *Appendix F*. Assuming that the money would otherwise have been spent in Bermuda rather than on an overseas vacation, there is a corresponding impact on on-island spending, resulting in an estimated **additional on-island expenditure of \$6.1 million**, resulting in an **impact on GDP of \$7.9 million**. This reflects the total expenditure over and above what would have been spent in Bermuda had the event not been hosted on the island.



Additional on-island expenditure: **\$6.1 million**



Total impact to GDP: **\$7.9 million**

## Media

Of the 345 accredited media personnel who attended the America's Cup, 270 were from overseas. The media personnel attending the America's Cup Village are viewed as incremental due to the fact that without the America's Cup they would not have otherwise travelled to Bermuda. As such, there is a direct economic impact on the local economy through their spending on food and beverage, accommodations, retail purchases, local attractions and transportation. The **additional on-island expenditure** incurred by international media personnel attending the America's Cup Village is estimated as **\$0.4 million**, with an overall **impact on GDP of \$0.6 million**.



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# Superyachts and other yachts

An influx of yachts visited Bermuda during the period of the America’s Cup. In anticipation of this various enhancements were made to ensure appropriate facilities were available. These included minor works in the Hamilton waterfront area, the new docks located at Cross Island and the completion of various private projects such as the development of the Caroline Bay Marina and the Hamilton Princess Marina.

**During May and June 2017, 134 superyachts and 611 cruising yachts visited Bermuda, which is an increase of 135% and 21%, respectively, compared to the same period in 2016.**<sup>52</sup>

It is not reasonable to assume that the total incremental yachts which visited Bermuda during this period of time were all directly attributable to the America’s Cup. There are various reasons to support this, given the natural growth in superyacht and cruising yacht visitors’ year over year and the probability that a certain number of these yachts accelerated or delayed their visit to coincide with the event, or registered for the event as they planned to be in Bermuda anyway. In order to consider this displacement effect, an estimated number of yachts were projected for this period had the America’s Cup not been held in Bermuda. This results in an estimated 74 superyachts and 223 cruising yachts that are identified as directly attributable to the America’s Cup. The economic impact relating only to the incremental 74 superyachts and 223 cruising yachts has been included. These superyachts capture those that were part

**Table 6.0: Superyacht & other yacht expenditure breakdown**

	Total (\$ millions)
Accommodation	4.2
Food and beverage	2.5
Local attractions / leisure activities	0.6
Retail purchases	1.8
Mooring / berthing	1.9
Fuel	1.8
Other boat specific costs (e.g. repairs / maintenance)	0.7
Other costs (including transportation) <i>*excluding any airfare to Bermuda</i>	0.9
<b>Total yacht expenditure</b>	<b>14.4</b>

of the America’s Cup Superyacht Program and the J Class Regatta.

These yachts generated on-island spending through berthing and mooring fees, fuel charges, maintenance costs, food and beverage, entertainment, as well as spending by owners, guests, and crew. To understand the additional spending by superyachts and cruising yachts which visited during the America’s Cup, surveys were conducted across the superyacht and cruising yacht community. Based on the yacht survey responses, the estimated expenditures made by the superyacht community during the period of the America’s Cup are outlined in Table 6.0

The average length of stay for superyachts in May and June 2017 was 28 nights compared to 11 nights in 2016, for cruising yachts it was 18 nights in May and June 2017 compared to 10 nights in 2016.<sup>53</sup>

Based on yacht survey responses, 58% of respondents stated they were very satisfied with the America’s Cup activities, 35% stated they were satisfied and 7% were neither satisfied nor dissatisfied.

An example of how the increase in superyachts and cruising yachts have impacted Bermuda’s economy is evidenced through the increased fuel sales with retail and industry fuel sales increasing by 22% and 17% respectively in June 2017 compared to the prior year.<sup>54</sup>

The visiting superyachts to Bermuda during America’s Cup generated an **additional on island expenditure of \$14.4 million** resulting in an **impact on GDP of \$20.5 million**.



Additional on-island expenditure: **\$14.4 million**



Total impact to GDP: **\$20.5 million**

## Louis Vuitton America's Cup World Series

Bermuda hosted the LVACWS event in October 2015 which saw nearly 1,500 international visitors to Bermuda, including spectators, teams, sponsors and media. The ACBDA conducted an economic impact study to capture the additional on-island expenditure attributable to the event which indicated that the event generated an estimated additional on-island spending of \$8.6 million.<sup>55</sup>

Of the \$8.6 million, \$2.9 million has been removed in this economic impact

study to avoid any double counting as this spending is captured under ACEA's and the America's Cup Teams' on-island expenditure. Similarly, the Government of Bermuda incurred a net cost of \$0.6M for hosting of this event which was removed in this economic impact as it is captured in the overall cost of the America's Cup described in the Government of Bermuda section of this report under the ACBDA section.

It should be noted that this impact only captures the impact of the LVACWS itself. It does not take into account any other America's Cup related economic impacts on Bermuda in 2015. These are captured elsewhere in this report.

As this spending occurred in 2015 it has been converted into present value resulting in **additional on-island expenditure of \$5.3 million**<sup>56</sup> resulting in an **impact on GDP of \$6.0 million**.



Additional on-island expenditure: **\$5.3 million**



Total impact to GDP: **\$6.0 million**

## Legacy visitors

During the America's Cup Finals the international media exposure on Bermuda was unparalleled with 452 million race viewers across the world.<sup>57</sup> The America's Cup Finals were broadcast in 163 countries by 31 broadcasters with 880 hours of live broadcast and over 430 million media impressions generated through social media channels.<sup>58</sup> This exposure to such a large global audience boosts awareness of the island's tourism product and international business potential. ACEA commissioned an independent report on the media impact of the America's Cup on Bermuda, which indicates the media coverage on Bermuda had an AEV of \$80.9 million.<sup>59</sup> The AEV represents the value that Bermuda would have had to pay in order to achieve the same level of marketing exposure generated by the America's Cup.

For purposes of this study, the potential

economic benefit of future visitors to Bermuda has been assessed by applying a multiple to the AEV. Multiples of up to 11 times the AEV could be used to predict future tourist spending. The original America's Cup bid document used a ratio of 3:1 indicating that \$3 of future tourism spending would occur for every \$1 of media exposure. For the purposes of this economic study, ratios of 1:1 and 3:1 have been used to provide a range of possible outcomes. The anticipated economic impact of future tourism has been calculated over a period of five years with the majority (60%) of estimated benefits to be realized in the first two years post event.

Applying the multiples of 1:1 and 3:1 to the AEV suggests that Bermuda could obtain future tourism spending (after the impact of discounting) over the five years following the America's Cup event of between \$76.3 million and \$228.9 million. Recognizing that Bermuda has a limited hotel capacity and already has

occupancy rates of approximately 70% or higher for the peak period (June - September),<sup>60</sup> the more conservative multiple of 1:1 has been used in this analysis.

For context, in 2016, Bermuda's air leisure and cruise spending was approximately \$266.6 million.<sup>61</sup> When considering the **estimated incremental tourism** on-island spend over a 5 year period of **\$76.3 million**, this would represent an annual increase of up to 10% in air leisure and cruise spending. This does not take into account the potential increase in superyachts, cruising yachts, business visitors and visiting friends and relatives and thus could understate the future impact.

The anticipated **overall impact on GDP** by future tourism is **\$90.8 million**.



Additional on-island expenditure: **\$76.3 million**



Total impact to GDP: **\$90.8 million**

## Overall Media Coverage of the America’s Cup

Coverage of the America’s Cup was broadcast in the US on NBC, NBC Sports Network and the NBC Sports App, and in the UK on BT Sport with highlights on BBC 2 and the ‘BBC Red Button’. Further broadcasters in key markets included Canal Plus in France, Sky Deutschland in Germany, TVE in Spain, Mediaset in Italy, Sky in New Zealand, Fox in Australia, CCTV in China, Gaora in Japan and ESPN in the Caribbean and South America.<sup>62</sup>

51 million people watched dedicated coverage of the America’s Cup Finals in Bermuda across the Qualifiers, Challenger Series and America’s Cup Match, including live broadcast and highlights or full recorded coverage. Of the total dedicated viewers, 5.2 million viewers were in the UK, 4.8 million in France, 4.2 million in Germany, 3.9 million in Italy, 3.7 million in the USA 2.3 million in China and 1.8 million in New Zealand.<sup>63</sup>

By comparison, 24 million viewers tuned into the previous America’s Cup Finals in San Francisco in 2013, which demonstrates that dedicated viewership of the Finals in Bermuda represented an increase of over 100% on the previous campaign.<sup>64</sup>

Combining dedicated coverage with secondary coverage, which is news and sports magazine programming, a total of 452 million viewers were reached globally for the Qualifiers, Challenger Series and America’s Cup Match. The total viewership included 328 million viewers across Europe with 72 million in Germany, 60 million viewers in the UK, and 55 million in France as well as 45 million viewers across Chinese and Japanese markets and a total of 18 million viewers in the USA.<sup>65</sup>

Through Facebook, Twitter, YouTube and Instagram, there were over 812,000 followers/ fans/ subscribers to America’s Cup channels.<sup>66</sup>

**411 million impressions**, or views of posts and tweets, on Facebook, Instagram and Twitter.<sup>67</sup>

**48 million views** of Facebook and YouTube videos.<sup>68</sup>

Over **380,000 users** of the **America’s Cup AC+ App**.<sup>69</sup>

Over **22.3 million page views** on ACEA website with **5.4 million users** of the **website**.<sup>70</sup>

Over **22,000 news articles** were published across **76 countries**.<sup>71</sup>

Figure 8.0: International spectator survey results

In the international spectator survey participants were asked what their likelihood of visiting Bermuda again in the future was and whether or not they would recommend Bermuda to others as a place to visit in the future. Of the respondents, 80% indicated they would definitely recommend Bermuda as a place to visit and 86% were very likely or likely to visit Bermuda again in the future.



80% of international spectators that stated they would “Definitely” recommend Bermuda as a place to travel



86%: “Very likely” or “Likely” to visit Bermuda again in the future

Source: PwC analysis of international spectator survey results



## ***Businesses***

As explained in Section 3.0, businesses in Bermuda benefited from the America's Cup due to an increase in visitors who spent money in local restaurants, on accommodation, retail purchases, and local transportation services, as well as residents who spent additional funds in Bermuda that they would have otherwise spent off-island. Additionally, local businesses were suppliers to the event, including food vendors, security firms, boat charters, hospitality providers and local construction and maritime services companies.

As a way of understanding how increased spending by visitors, residents, teams, event organizers and the Government of Bermuda impacted the economy, pre-event and post-event surveys were conducted with local and international businesses based in Bermuda. These surveys captured how the America's Cup impacted a sample of business operations leading up to the event, during the event and their expectations on the longer-term impacts. A total of 86 responses were received for the pre-event survey and 77 for the post-event survey.

Leading up to the event, 47% of the respondents expected an increase in sales due to the America's Cup, of which 32% expected an increase between 1 and 10% and 15% expected an increase between 11% and 20%. 37% of respondents expected no change, which was largely by those respondents in the international business community. 14% of respondents were unsure and 2% expected sales to decrease.

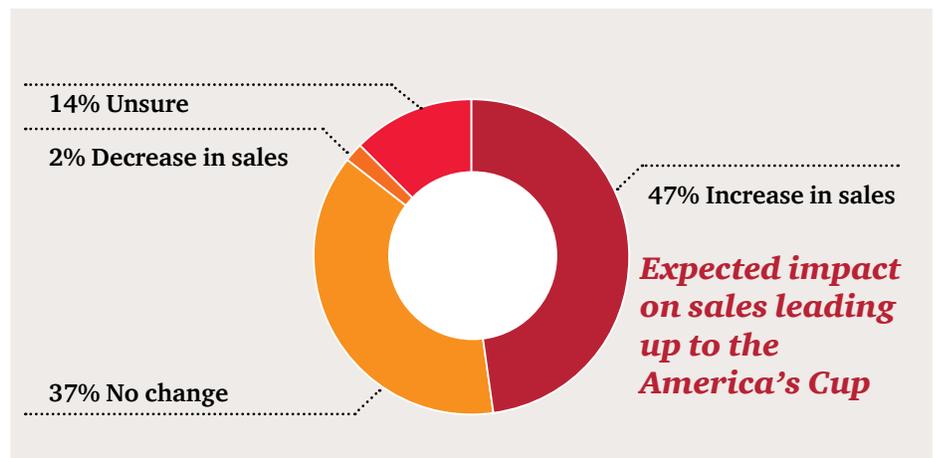
During the event, 56% of respondents indicated that they had seen an increase in sales, with 16% experiencing increases of more than 20% and 18% seeing increases between 11% and 20%. 33% of respondents saw no change in their sales and, consistent with the pre-event survey, this was largely comprised of international businesses. Even so, based on survey responses, many international companies utilized the America's Cup events to showcase Bermuda to existing and future clients. 10% of respondents saw a decrease in sales with 1% unsure.

Based on the pre-event survey, as a result of Bermuda hosting the America's Cup, **24% of businesses increased investment in the period from June 2016 to June 2017**. These were investments that businesses would not have undertaken had the America's Cup event not occurred. In addition, **22% of businesses increased the number of temporary and /or permanent staff** for the America's Cup period.

The post-event survey showed that as a result of Bermuda hosting the America's Cup, **34% of the businesses saw an increase in overtime hours** from the period June 2016 to June 2017, compared to the prior period. In the post event survey it was noted that the businesses with the most expected overtime hours were in the wholesale, retail and repairs sector and the hotels and restaurants sector.

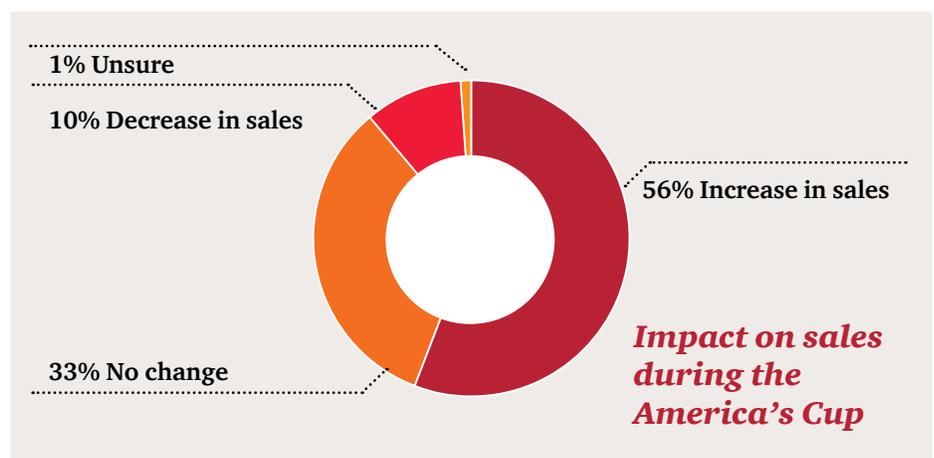
The data collected from the business surveys is not captured directly in the economic model as these businesses are essentially conduits through which the economic impacts arise from the other key spending groups captured earlier in Section 4.0. It was assumed that those businesses which reported that they increased investment, including employment and overtime, are most likely those that were meeting the demand from the increased spending analyzed elsewhere.

**Figure 9.0: Business survey results (pre-event)**



Source: PwC analysis of business survey (pre-event) results

**Figure 10.0: Business survey results (post-event)**



Source: PwC analysis of business survey (post-event) results

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## ***5. Environmental and social impact***



### ***America's Cup sustainability commitment***

The ACBDA assumed the responsibility of ensuring that the America's Cup was a sustainable event and adopted the Definition and Principles for Sustainable Events from the United Nations Environment Programme ("UNEP") Sustainable Events Guide ("SEG") 2012 to assist with that objective. These underlying principles were used to guide the approach to delivering a sustainable event. These principles embody the pillars of sustainability by giving consideration to social, environmental and economic matters. The purpose of the UNEP SEG is "to provide a tool to help event planners to maximize the positive impacts and minimize the potential negative ones in the course of planning and delivering an event." The tool was adapted to fit the context of what is applicable for Bermuda and the America's Cup event with the anticipation that this tool will form the basis of sustainability checklists for future events in Bermuda. The adoption of sustainability guidelines for an event in Bermuda is a first. There are no legislative or statutory requirements for embedding sustainability objectives and actions into event delivery and no precedents for sustainability compliance of this scale.



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**The ACBDA's fundamental principles of sustainability were focused on:**

- 
  - Minimizing the impact on the environment (including consideration of waste, water, energy, transportation, other materials, etc.);
- 
  - Encouraging and enabling diverse participation and benefit in an intentionally, socially meaningful way; and
- 
  - Enhancing engagement with the community (including physical accessibility, inclusion, and well-being, increasing awareness and involving relevant stakeholders).

Sustainability objectives were established based on these fundamental principles. The objectives were compiled into a Sustainability Checklist which embedded concrete actionable items under the following categories:

- Reduce consumption
- Reduce waste
- Protect habitats
- Ensure accessibility and inclusion
- Promote engagement through communications
- Maintain safety and security
- Provide efficient public transportation
- Sustainable visiting yachts
- Sustainable caterers and food vendors

The Sustainability Checklist included a number of desirable actions in addition to the measurable objectives assessed here. The desirable actions were encouraged but not measured primarily due to limitations in observing implementation and compliance.



“A sustainable event is one designed, organised and implemented in a way that minimizes potential negative impacts and leaves a beneficial legacy for the host community.”  
 - UNEP Sustainable Events Guide 2012

## Approach and methodology

The approach to evaluating the attainment of these measurable objectives included conducting stakeholder interviews and surveys, in addition to “on the ground” observations during the event. The measurable objectives lend themselves to a binary assessment (i.e. the objective was either met or it was not).

Performance against each objective has been rated using the following scale, based on the evidence captured through the mechanisms noted above. Objectives were considered to be “met” when sufficient evidence collected suggested that the objective was fully achieved. For “partially met” objectives evidence obtained demonstrated that part of the objective was achieved or was achieved for a period of time; where an objective had more than one criterion, a partially met rating could signify that one criterion was achieved in full and another partially or not achieved. The determination of whether an objective was partially met has

an inherent subjectivity. A rating of “not met” means that evidence was unable to be obtained to demonstrate that an objective was achieved. While an assessment has been performed on whether the objectives were met, or otherwise implemented, the impact or outcome of the actions taken has not been assessed. Performance ratings are depicted as follows:



The narratives provided throughout the following sub-sections outline key highlights and successes of each category, however do not necessarily capture or highlight all the measurable objectives assessed in this report.

For the first time in the event’s history, the America’s Cup Teams were signatories to the 35th America’s Cup Sustainability Charter which outlined ten sustainability objectives aligned to the event’s sustainability objectives evaluated in this report. Although ACEA

is not a signatory, it also committed to implement the sustainability efforts across its business. “The ten-point plan addresses some of the biggest threats to the world’s oceans and has seen the teams commit to eliminating single-use plastics, avoiding water pollution, reducing their carbon footprint and protecting marine habitats. The 35th America’s Cup Sustainability Charter also included social and economic pledges including supporting the local economy, educating and communicating the environmental message to fans and appointing a Sustainability Champion within each team to ensure all participants are working together to achieve the aims of the charter.”<sup>72</sup> The sustainability objectives assessed in this report were the responsibility of the ACBDA and their respective committees. Even though these objectives were recommended to the America’s Cup Teams and ACEA, they were not obligated to comply. Some of the key sustainability achievements of the ACBDA, America’s Cup Teams and ACEA are included in the sustainability assessment Table 7.0.

# Sustainability assessment

The performance assessment of the ACBDA’s measurable sustainability objectives is as follows:

**Table 7.0: Sustainability assessment**

Measurable sustainability objectives	Performance
<b>Reduce consumption</b>	
<b>Employ water conservation and efficiencies:</b>	
a) use water-saving appliances in kitchens and toilets and	
b) connect to a grey-water re-use system (WEDCo).	
<b>Reduce waste</b>	
<b>Waste produced at the venue should be separated at source according to Bermuda standards (e.g., TAG (tin, aluminium, glass), regular and special waste). This will require:</b>	
a) numerous, well-located bins for the separate waste items with clear signs/instructions in both spectator and staff areas, public wharfs, etc., and	
b) regular monitoring and removal of litter.	
<b>Protect habitats</b>	
While protecting habitats was an important element, there were no measurable actions in this category. Nonetheless actions such as developing and distributing green guidelines, identification of designated mooring sites for visiting boats, securing turtles from the race waters as mentioned below and a policy of 'no single-use plastics' in the America's Cup Village, all contributed to minimizing negative impacts on the environment.	
<b>Ensure accessibility and inclusion</b>	
<b>Ensure physical accessibility:</b>	
a) at the event and in Dockyard,	
b) of toilets along with signage, and	
c) by providing seating at or near the food vendors.	
Provide an area where staff & volunteers can relax during the day.	
Ensure RFPs, invitation to tender and notice of other business opportunities are made publicly available and accessible to business owners representing diverse socio-economic groups, based on key demographic categories and business size. Vendor selection criteria should give priority to locally crafted or sourced items.	
<b>Promote local businesses to benefit the local economy through:</b>	
a) encouraging attendance at local attractions and use of local amenities,	
b) choosing local entertainers and	
c) encouraging residents to attend the event.	
Partner with Non-Government Organizations (social and environmental), and identify and develop plans for participation where relevant.	
<b>Promote engagement through communications</b>	
Capture demographic information. Demographic categories are gender, age, race, ethnicity.	
Set up an electronic registration system (for boaters, volunteers, etc.) that allows registration as well as submission of forms.	
Provide attendees with a stable internet connection for access to information online (as per HVA)	
Ensure there is representation of social diversity in event literature to invite participation by the full spectrum of socio-economic groups by demographic categories. Printed materials with images should display social diversity.	
Develop a plan for outreach to diverse social groups, in particular underrepresented group(s) in the community. Printed materials with images should be disseminated where a range of socio-economic groups will have access to them.	
Develop a "sustainable participant" guide/ factsheet and post it on the website and other social media, and include it in distributed material.	
Develop a communications campaign to engage stakeholders, participants, volunteers and the community in the sustainability of the event, utilizing multimedia, and indicating how they can contribute.	
Involve the media before, during and after the event.	
Inform the media about the sustainability messaging for the event.	

**Table 7.0: Sustainability assessment (cont)**

Measurable Sustainability Objectives	Performance
<b>Maintain safety and security</b>	
<b>Ensure a safe and secure event. This includes:</b>	
a) having an established programme for reporting and addressing health and safety issues at the event on land and on water;	●
b) ensuring safety and security plans are in place to enhance the existing border control, to provide security services for the Dockyard and America’s Cup event village, and to ensure the health and safety of participants, spectators, volunteers and staff on site;	●
c) developing a child protection policy;	●
d) ensuring volunteers and staff undergo training to know who to call under what circumstances; and	●
e) ensuring preventative mechanisms are in place to deter or mitigate potential accidents or adverse acts and minimise impact on the event as a whole.	●
<b>Provide efficient public transportation</b>	
Share with spectators the list of preferable means of transport to get to the event. Provide links to public transport websites and, if possible, real-time information links suitable for mobile devices.	●
Before the event, provide spectators, staff, volunteers with clear instructions and maps on appropriate public transport and/or walking arrangements from point of arrival/ departure to the designated viewing areas and activity sites. These can be displayed in the venue, and posted on social media.	◐
Provide instructions and maps on options for spectator boats.	●
Work with the Department of Public Transportation and Marine and Ports to coordinate bus and ferry schedules with event timetabling.	●
Organize a shuttle service for travel between the event and parking areas.	●
Ensure that secure parking facilities are provided at the venue.	●
<b>Sustainable visiting yachts</b>	
Develop and distribute ‘guidelines’ for visiting yachtsmen to inform and enable appropriate participation. (Bermuda Tourism Authority (BTA) Guidelines include: marine navigation, anchorage and berthing facilities, Immigration and Customs clearance, and a variety of services and amenities across the island. Waste management and habitat protective mechanisms should be included).	●
Provide access to potable water sources and sewage pump out systems or require discharge according to Bermuda standards. Ensure waste is treated according to health and safety regulations. (As per HVA)	●
Advertise emergency contact numbers in the event of oil spills.	●
<b>Sustainable caterers and food vendors</b>	
<b>Waste produced at the venue should be separated at source according to Bermuda standards (e.g., TAG, regular and special waste). This will require:</b>	
a) numerous, well-located bins for the separate waste items with clear signs/instructions in both spectator and staff areas,	●
b) regular monitoring and removal of litter and	◐
c) for vendors, oil and fat collected separately and disposed of according to Bermuda standards.	●
Within food and beverage options, there should be a minimum of at least one healthy and one vegetarian option.	●

## Examples of America's Cup environmental and social sustainability initiatives

Minimizing the impact on the environment was a key principle for the ACBDA. Along with other important stakeholders, including participating America's Cup Teams and ACEA, the ACBDA undertook a number of green initiatives throughout the preparation and implementation stages of the event. These initiatives were focused on reducing water consumption, reducing generation of waste and protecting habitats. Given that the America's Cup is a competition which relies on the natural and marine environments, the importance of marine protection was recognized. With these groups leading by example and providing various educational programs amongst the Bermuda community, there was every intention to leave a legacy of increased awareness and continuation of practicing environmentally friendly measures.

### Reduce consumption

Bermuda has one of the highest carbon footprints per capita in the world.<sup>73</sup> "ACBDA's efforts to reduce the carbon footprint will signal care for the environment and our willingness to lessen our impact on climate change."<sup>74</sup> Below are a few examples of how the ACBDA and other key stakeholders identified opportunities and took action to conserve water and reduce energy and carbon impact:

- As water is a scarce resource in Bermuda, WEDCo teamed up with ROCON Services (Bermuda) Ltd., a local Bermuda company that provides a wide range of engineering services within Water, Waste-Water and Process Engineering sectors, in a public-private partnership to create a new reverse osmosis plant. This resulted in WEDCo increasing capability to produce 500,000 gallons of water per day, an increase from 200,000 gallons per day on the existing facility and sufficient to address the needs of the America's Cup event and creating a lasting legacy for the West End of Bermuda.
- Low Carbon, the UK-based renewable energy investment company, and official renewable energy partner to Land Rover BAR, helped to fund installation of solar panels at the National Museum of Bermuda in the Royal Naval Dockyard. This is expected to generate more than 93,600kWh of clean energy per year. The solar panels will provide a significant portion of the museum's energy need. Approximately 43 tonnes of CO2 will be saved per year as a result of this initiative.<sup>75</sup>
- ORACLE TEAM USA used hi-tech all-electric BMW i3 cars on the island to reduce their carbon footprint. In conjunction with BELCO, BMW set up two BMW iSolar Carports in Bermuda, each capable of charging eight electric vehicles, one at the ORACLE TEAM USA base and one in the city centre of Hamilton.
- Groupama Team France was the first to bring the zero-emission Renault Twizy electric vehicle to Bermuda.



Bernews

Groupama Team France was the first to bring the zero-emission Renault Twizy to Bermuda

## Reduce waste

The ACBDA identified reducing and minimizing the impact of waste as an important objective for a successful America's Cup event. Reducing the amount of waste that is incinerated is especially important for a small island such as Bermuda. Some of the initiatives undertaken by the ACBDA, ACEA and the America's Cup Teams included:

- The America's Cup provided the impetus for sustainability initiatives focusing on reducing waste in Bermuda. As such, WEDCo, along with ACBDA, developed a waste management plan which precipitated a recycling program for the America's Cup Village and the surrounding areas, including the Royal Naval Dockyard. Prior to the America's Cup, the Royal Naval Dockyard was not part of a recycling program to enable separation of waste at source according to Bermuda standards (e.g. tin, aluminum, glass ("TAG"), regular and special waste). As a result of the America's Cup, WEDCo now has a recycling program and to date forty recycle bins have been set up around the Dockyard area, with the intention for this to continue going forward leaving a legacy in Bermuda.
- As Bermuda is unable to recycle plastics due to cost, plastics are generally incinerated for energy. In order to minimize any increase in plastic waste, in the America's Cup Village, ACEA and the ACBDA banned single-use plastics such as straws, coffee cup lids and single-use plastic bottles and placed six free water refill stations for people to refill their own water bottles.
- As a result of all the America's Cup waste management initiatives, the America's Cup Village generated just over 20 tonnes of recyclables during the 22 day event, resulting in an average of nearly 1 tonne per day. By comparison, the whole of Bermuda recycles on average 63 tonnes per month or just over 2 tonnes per day. Without these waste management initiatives, the 20 tonnes of recyclables generated would have been treated as regular waste.<sup>76</sup>

- As a result of the amount of water consumed at the hydration stations located in the America's Cup Village and other hydration stations located at the volunteer area and AC TV area, nearly 250,000 plastic bottles (500ml or 16.9 fl ozs) were estimated to have been diverted from landfill and eliminated from the event village.<sup>77</sup>



“The America's Cup Village eliminated the use of almost one quarter of a million single-use plastic bottles.”

**Land Rover BAR and 11th Hour Racing teamed up to create the 11th Hour Racing Exploration Zone, located at the team's base in the America's Cup Village. 1,800 local students and 6,200 other visitors were given the opportunity to learn more about the technology behind sailing and the marine environment.<sup>78</sup> This program delivered a series of educational activities focused on team work, sustainability and ocean health. Visitors learned how to make a tangible and positive impact on reducing ocean plastics, about the power of the sun as a source of renewable energy, and learned about the devastating effects of invasive species, particularly the lionfish that infests Bermudian waters.<sup>79</sup>**

## Protect habitats

The ACBDA's aim was to avoid, to the greatest extent possible, damage to the terrestrial and marine environments and ensure protection of threatened habitats, for example the sea grass beds and reefs. They noted: *"Bermuda's terrestrial and marine environments are very fragile; some habitats are threatened. They have taken a long time to form and, because of their interactive nature, damage to one part may result in damage to the whole. This can influence the availability of local fish and lobster, resilience to storm damage, the protection of unique local species and the beauty of our island."*<sup>80</sup>

Leading up to the America's Cup, the ACBDA and ACEA, together with the Bermuda Government's Department of Environment and Natural Resources, funded and assisted in the temporary relocation of Bermuda's green turtle population from the Great Sound to Harrington Sound. The turtles were released healthy back into the wild after 6 weeks of care. Regular weight and health checks on the turtles were performed and at the conclusion of the event, the turtles were released. This initiative adds a long term benefit to Bermuda's turtle conservation efforts, resulting in an increased understanding of turtle health since the turtles were all tagged during the relocation process. This will help marine biologists to monitor turtle populations in the future.<sup>81</sup>

## Ensure accessibility and inclusion

A high level of community buy-in and support was viewed by the ACBDA as essential to the successful delivery of the America's Cup. It was also important to the ACBDA to ensure there was a focus on the intangible benefits to the people of Bermuda as a result of hosting the America's Cup. The ACBDA tasked themselves with promoting measures to foster social benefits for the local community by encouraging and enabling diverse participation in the America's Cup. They undertook community initiatives to increase awareness of the America's Cup, increasing the involvement and engagement of the community and relevant stakeholders to enhance participation leading up to and during the event. The ACBDA along with ACEA and participating America's Cup Teams engaged with various local organizations and non-government organizations to encourage participation from diverse socio-economic groups in the various America's Cup related initiatives, some of which are highlighted below.

### Local Business Opportunities Program

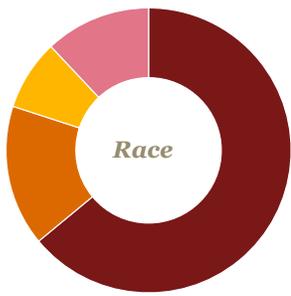
The ACBDA's Local Business Opportunities Program was developed in partnership with the Bermuda Economic Development Corporation to encourage vendors from across Bermuda to take advantage of the numerous economic opportunities created by Bermuda hosting the America's Cup. Denise Riviere, chair of the program, stated that *"events like the America's Cup serve as a catalyst to develop our existing businesses and to create new ones. We can learn new business processes and procedures along the way."*<sup>82</sup>



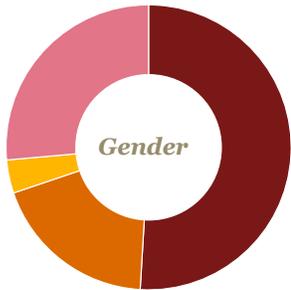
© ACEA 2017 / Photo Dennis Martins

The Local Business Opportunities group held six information sessions prior to the America's Cup event. The areas of opportunity ranged from marine services to transportation, vending to entertainment, and took place from the east end to the west end of the island. The sessions explained to Bermudians the opportunities available to them to benefit from the America's Cup and were designed to be interactive and accessible to all. Although attendance was not formally tracked, based on best estimates from the Local Business Opportunities group the various sessions saw crowds from approximately 40 to 400 people, with the largest attendance seen at the session regarding vendor opportunities. To ensure greater awareness of the events, The Royal Gazette reported on the information sessions and Bernews streamed them with live video.<sup>83</sup>

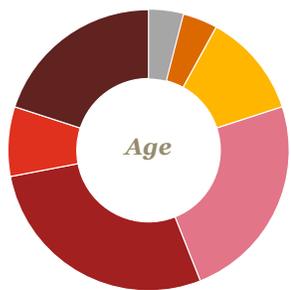
**Figure 11.0: Business survey results**



- White (64%)
- Black (16%)
- Mixed and Other (8%)
- Prefer not to answer (12%)



- Male (48%)
- Female (20%)
- Male & Female (4%)
- Prefer not to answer (28%)



- 24 or under (4%)
- 25 - 34 (4%)
- 35 - 44 (12%)
- 45 - 54 (24%)
- 55 - 64 (28%)
- 65 or older (8%)
- Declined to Answer (20%)

Source: PwC analysis of business survey results

As part of the Local Business Opportunities group’s initiatives, a Local Business Directory was created for all visitors and was shared on the ACBDA’s website. This directory was a representation of key services and interested service providers. The directory was communicated by various channels including the Bermuda Yacht Services (“BYS”) and the superyacht agency, Blue Water Alliance (“BWA”) Yachting, BTA, Marine and Ports, to name a few. The intent is for this document to be shared on the BTA’s website, or a similar website, after the America’s Cup as a lasting benefit for future tourists.<sup>84</sup>

As part of the local business survey prior to the event, businesses were asked if they were made aware of business opportunities relating specifically to the America’s Cup through the Local Business Opportunities group. Of the 86 responses, 81% stated that they were made aware of these opportunities, of which 23% stated they did pursue them, 6% were planning to pursue, 12% decided not to pursue and 40% stated the opportunities did not apply to their business.

Of the various businesses that participated in the Local Business Opportunities Program, we examined the demographics of the businesses who responded to the survey. Companies with multiple owners and shareholders were excluded from this question on the survey given the complexity in assessing demographics of the various owners and shareholders. Of the businesses who stated they were pursuing or intending to pursue an America’s Cup opportunity, 64% of the business owners described themselves as white, while 16% described themselves as black and another 8% were mixed and other. Of the respondents, 12% declined to respond.<sup>85</sup> The intentions of the business owners who responded may not be indicative of those who actually pursued an opportunity, nor are the responses necessarily indicative of the demographics of those who are employed by those businesses.

Almost half (48%) of the individual businesses who stated they were pursuing or intending to pursue an America’s Cup opportunity, had owners that were male, 20% were female owners, 4% were made up of both female and male owners and almost a third (28%) declined to answer.

Business owners aged between 55 to 64 represented 28% of individual businesses who stated they were pursuing or intending on pursuing an America’s Cup opportunity, 24% were between the ages of 45 and 54, and 12% were in the 35 to 44 age category. The younger generation, under the age of 24 and between the ages of 25 and 34 represented only 8% collectively, and owners over the age of 65 also only made up 8%. A fifth of respondents preferred not to give their age range.



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Photo by Charles Anderson



## America’s Cup Endeavour Programme

As part of the America’s Cup commitment to the local community, the America’s Cup Endeavour Programme was launched by ACEA. This programme is an ambitious youth education and sailing initiative dedicated to leaving a sporting legacy in Bermuda that has a positive impact on the community.

To date, the America’s Cup Endeavour Programme has engaged over 1,600 students ages 9 to 12 years old from diverse socioeconomic backgrounds across Bermuda. It has introduced them to the sport of sailing in a uniquely designed, fun and interactive education program, which features a Science, Technology, Engineering, Arts and Math curriculum, which is called STEAM through Sailing.<sup>86</sup> Eight children from America’s Cup Endeavour Programme were selected to take part in the #OurAC advertising campaign which was featured on bus stops, buildings and public transportation. The program enabled children from all socio-economic backgrounds the opportunity to try sailing and become interested in the sport.<sup>87</sup>

## 4-Forty-1 Band and Other Local Performers

One of the sustainability objectives was to have local entertainment performing at the America’s Cup Village throughout the course of the event. The majority of acts in the America’s Cup Village were local artists, with one of the main entertainers - a band called 4-Forty-1. This band was created by ACEA from eight talented members of the Bermuda community chosen by public audition. The band played during the opening ceremony of the America’s Cup as well as throughout May and June 2017 at various locations across the island, including the event village. The name of the band is an homage to the area code of Bermuda, 441.<sup>88</sup>

Over 35 other local performers were contracted by ACEA to participate in the America’s Cup Village over the course of the event. In addition a number of school groups (choirs and dancers) performed which provided students with great experience and exposure.<sup>89</sup>

## Keep Bermuda Beautiful (“KBB”) #CleanUp4Cup

KBB organized an island-wide clean up in May 2017 prior to the America’s Cup. While KBB hosts cleanups throughout the year, this particular event had support from the ACBDA and was seen as a final touch-up to have the island looking its best before the start of the America’s Cup. Bermuda residents and America’s Cup team crews were encouraged to participate to work together in achieving this goal. KBB mailed trash bags to every residential street address for people to use in their Clean Up for the Cup.

## Accessibility Plan

The ACBDA published a dedicated accessibility plan on their website in the lead up to the America’s Cup. The plan outlined transport options for those with disabilities, offering a free accessible land train to bring people to the event village. It also provided information on social media for entering the event village, detailing the availability of security and volunteers to assist those who needed additional help in the queue. Golf buggies were also available to drop people off at areas throughout the event village.

## TeamBDA

A diverse group of Bermudians were selected to represent Bermuda in the Red Bull Youth America’s Cup. Young adults from across Bermuda were encouraged to try out for the team, regardless of their previous sailing experience. Over one hundred athletes tried out for the squad. The final team was made up of nine Bermudians, both male and female, black and white. While some team members had previous sailing experience, for others it was their first time competing in this sport. The team broke a multitude of racial, social and gender barriers.





Photo by Harry KH/Land Rover BAR



## Promote engagement through communications

The ACBDA, together with ACEA and the America's Cup Teams, aimed to inspire positive behaviors and encourage more residents to practice sustainable, or 'green', measures through communicating their positive actions with suppliers and the local community. A Communications Plan and a Community Outreach Plan were developed and implemented by the ACBDA and ACEA, with the vision to have every resident informed, engaged and proud of all aspects of the America's Cup in Bermuda.

Some of the initiatives undertaken to promote engagement within the Bermuda communities are highlighted as follows:

In order to reach the general public, both individuals and businesses in Bermuda, the ACBDA engaged with the Royal Gazette to launch a **#OurAC campaign** in the months leading up to and during the America's Cup. The **#OurAC** campaign provided a flow of information designed to educate the community about the America's Cup, spread engagement through the community including schools and businesses, enhance tourism exposure with the support of the BTA and to share legacy and economic benefits of the event. Between October 2016 and May 2017 there were just over 200 articles published as part of the **#OurAC** campaign.<sup>90</sup> Multiple communication channels were used by ACBDA to help inform and engage the community of the various America's Cup campaigns, including The Royal Gazette and Bernews, broadcast media coverage on local television and radio stations, through community influencers and ambassadors, public information sessions, appearances on talk shows and promotional giveaways.

**Minute with Mikaela** was a video series created by the ACBDA to inform Bermuda's residents on the various aspects of the America's Cup. Approximately 30 short clips were dedicated to varying aspects of the America's Cup were published on the ACBDA YouTube channel, as well as the ACBDA website and in online news channels. YouTube saw up to 900 views on a single video clip with topics ranging from ways that residents can become involved in the America's Cup and promoting the Local Business Opportunities information sessions to showcasing the America's Cup Volunteer Program 'First Mates' presented by XL Catlin. There was a dedicated Minute with Mikaela summarizing the America's Cup Sustainability Charter, a 10-point agreement made between all America's Cup Teams designed to ensure that the event was environmentally friendly and sustainable. The Minute with Mikaela videos also covered the history of the America's Cup and the lead up to Bermuda hosting the event, including the creation of Cross Island and a pre-event called Foil Fest. Overall, the videos were a short and effective way of informing locals and visitors on a range of topics surrounding the America's Cup and were a way of garnering support for the America's Cup in the local community.



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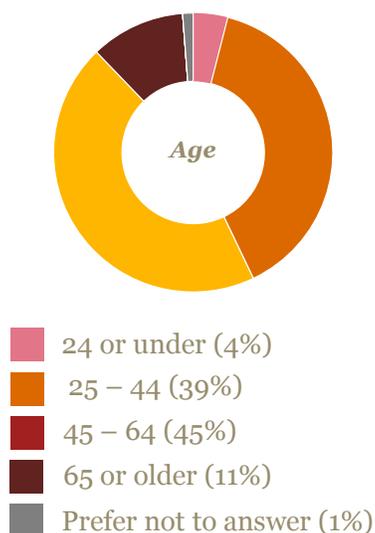
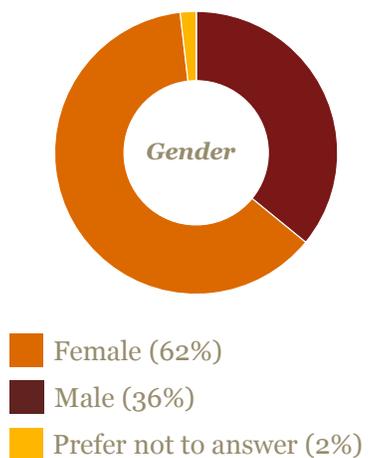
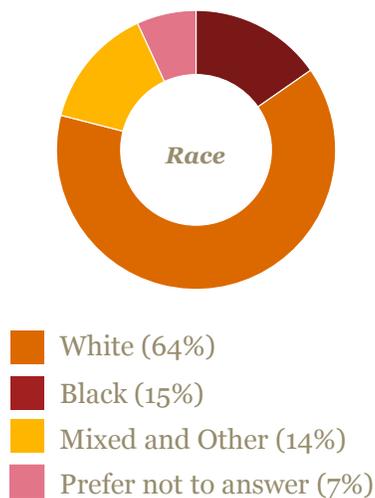
A dedicated sustainability zone, the **America’s Cup Endeavour Education Station**, was set up by ACEA in the America’s Cup Village. This station featured activities exploring the importance of improving the health of the world’s oceans by reducing ocean pollution and educating, inspiring and mobilizing more people in Bermuda to become healthy ocean stewards. Educational partnerships included KBB, the Bermuda Zoological Society, the Seabin Project and the Bermuda Turtle Project. A total of 1,935 students ages 8 through 13 years old from 18 primary schools, 5 middle schools, 6 private schools and 1 home school visited the America’s Cup Endeavour Education Station, presented by Orbis, between May 29th and June 23rd, 2017.<sup>91</sup>

**Free Public Wi-Fi** was provided to those in the America’s Cup Village, which saw approximately 7,000 users connecting via cellular and Wi-Fi on a peak day, with the busiest days being Saturday May 27th and Saturday June 24th, 2017. On off peak days (non-weekend days) up to 4,000 users were connected to cellular and Wi-Fi networks. A world first was delivered with Bermuda’s successful trial of “Wi-Fi on the water” in conjunction with One Communications. The effort was not viewed as commercially successful due to the lower than anticipated number of users connected to the network, as a result of limited awareness of the availability of the functionality. However, the infrastructure for this service can be used in the future for a similar event. One of the objectives was

to provide attendees with a stable internet connection. On the ground observations by PwC showed issues with maintaining a stable connection throughout the event village, resulting in a partially met ranking.<sup>92</sup>

One of the sustainability objectives was to capture demographic information on various stakeholders of the America’s Cup. PwC captured this demographic information on behalf of the ACBDA. In addition to the demographics captured in the business survey, demographic information was gathered from the residents and visitors who attended the America’s Cup Village and the America’s Cup First Mate Volunteers, through respective surveys.

**Figure 12.0: Resident spectator survey results**



Source: PwC analysis of resident spectator survey results

The key findings from the residents spectator survey, completed by a total of 1,660 respondents, are summarized below:

- The majority (64%) of respondents who attended the America’s Cup event were white, while 15% of respondents described themselves as black. Mixed race and other respondents comprised a further 14%, with 7% declining to say. The Government of Bermuda statistics show that the Bermuda population is represented by 60% black, 39% white and other and 1% did not state their race.<sup>93</sup>
- The majority of spectators (62%) were female while 36% were male and the remaining 2% declined to answer. The general population, based on the Bermuda Digest of Statistics 2016, is 52% female and 48% male.<sup>94</sup>
- The resident spectator survey suggests that there was a wide distribution of ages attending the America’s Cup event, with 11% over the age of 65, 45% between the ages of 45 and 64, 39% between the ages of 25 and 44 and 4% of respondents 24 years or younger. The online survey and survey of adults in the America’s Cup Village understates the number of children in attendance as it is assumed children would not have been purchasing the tickets online.
- Of the survey respondents, 40% had a combined household income of \$150,000 or more, 15% had income between \$100,000 and \$150,000 and 21% had an income of less than \$100,000. 21% declined to answer the question and 3% were not sure. For context, the average annual household income in Bermuda is nearly \$144,000.<sup>95</sup>

The America’s Cup Volunteer Program ‘First Mates’ presented by XL Catlin provided an opportunity for residents to become involved in the event as volunteers. **545 volunteers** assisted at the event, 61% were residents and 39% came from 16 different countries including United States, Britain, Canada, France and New Zealand. These volunteers represented 32 different nationalities, ranging from ages 18 to 87, of which 66% were female and 34% were male.<sup>96</sup> The cost of the volunteer program was approximately \$0.5 million and is included in the overall spending by ACEA.<sup>97</sup> PwC conducted a volunteer survey to gain a deeper understanding of the demographics of the volunteers.

Nationalities Represented	Countries Represented	Languages Spoken
32	16	36

The 545 First Mates represented **32 nationalities** from **16 countries**, speaking a total of **36 languages**.

*Countries represented reflects country of residence.*

Source: PwC analysis of volunteer survey results

## Maintain safety and security

The America's Cup event was the largest event that Bermuda has hosted, with thousands of attendees and millions of viewers from around the world. Safety and security were key considerations to ensure a positive experience for all.

Several initiatives were undertaken to ensure the safety and security of participants, spectators and other interested parties, including:

- The development of a comprehensive Security Plan to protect the public attending the America's Cup events, including a plan to provide additional resources to respond to any security incidents arising in the America's Cup Village or on the water around the race zones. The ACBDA received assistance from Government House in securing advice from Senior British Military and Police officers to support the development of the Security Plan. The enhanced security regime was communicated to the public for a "no surprises" approach.
- Increased Marine Police units were deployed in and around the race area to ensure security among the spectator boats. ACBDA Race Course Marshals were also deployed around the Race Box area to guide the public.

- CCTV cameras were installed to enhance security in and around the event village.
- More than 150 soldiers from the Royal Bermuda Regiment and officers from the Bermuda Police Service were involved in securing the America's Cup Village, over the entirety of the event, through searching vehicles and screening visitors using metal detectors upon entry and seizing prohibited items.<sup>98</sup> The Bermuda Police Service officers conducted patrols and maintained a consistent physical presence in the event village to ensure security and safety.
- A number of organizations in Bermuda underwent additional training in the lead up to the America's Cup in order to appropriately cope with the increased demand associated with the event. The training helped to ensure that the America's Cup ran smoothly, and left a legacy of trained persons with skills necessary to professionally operate large-scale events.
- A prime example of how various agencies were brought together is the JACC, which was a first for Bermuda, coordinated by Controlled Events from the UK. The JACC was essentially the on-site central hub of the America's Cup operation and acted as the focal point for all event related management of operations.

## Provide efficient public transportation

Ensuring efficient and effective transportation was a key objective in planning for the number of spectators expected. The ACBDA developed a Transportation Plan to manage the flow of spectators, staff, and volunteers traveling to and from the America's Cup Village which included dedicated ferries to and from the America's Cup Village, free parking for motorbikes within close proximity, increased operation of public buses and ferries, the introduction of a 'Park and Ride' service and a public drop and go dock for private boats.

62,000 tickets were purchased for the dedicated America's Cup Village ferry organized for the event which pioneered a new online booking feature.<sup>99</sup>

To mitigate disruption to residents, letters were sent to all West-End residents and business owners who lived / operated past the Boaz Island check point explaining how the transport plan and anticipated increase in traffic could impact them. They were also

provided with car passes that gave them access through the check point at all times.

Transportation options to and from the event were clearly explained on the ACBDA website under the spectator information tab. This tab included a schedule for the dedicated America's Cup ferry with a link to online bookings. The website also included a link to the public ferry schedule and provided information for private cars, motorbikes and private boats.

Parking was free and available for motorbikes near the event. However due to limited space, there was no parking for cars of general admission ticket holders directly at the venue. Hence satellite parking areas were created with transportation to/from the village.

Leading up to the start of the America's Cup, the ACBDA invited taxi drivers, minibus operators, limousine providers and others with an interest in transport, marine or on land, to information sessions to help them understand how they could participate in the America's Cup.<sup>100</sup>



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## Sustainable visiting yachts

In anticipation of an influx of yachts, super-yachts and spectator boats on Bermuda's water during the event, the ACBDA developed guidelines designed to minimize damage to Bermuda's marine environment. The Sustainable Event Guidelines for Boaters were communicated through various channels. These guidelines were provided on the ACBDA's website.<sup>101</sup> The purpose of the guidelines was to encourage and promote sustainable actions for mariners around protecting the habitats, reducing waste in the environment, ensuring health and safety while on the water and reducing energy consumption.

The ACBDA held information sessions to engage the local boating community prior to the event to provide pertinent information on the event including environmental awareness on the water and general water safety best practices, race course details, revised speed limits and mooring and berthing locations.

All visiting yachts during the America's Cup were provided with details on the ACBDA website highlighting the Government of Bermuda's environmental policies, including bunkering with ultra-low sulphur diesel before heading to Bermuda, waste and sewage management details, anchorage policies and Customs, Immigration and Charter Application processes. Other initiatives undertaken were as follows:

- New legislation, effective January 2017, outlawed the discharge of waste into the enclosed marine areas of the Great Sound, Little Sound, Harrington Sound or Castle Harbour.
- In 2016, new maritime waste management and disposal guidelines were developed by the Department of Environment and Natural Resources which required the installation of shore-side pump-out facilities, required

to successfully implement the new guidelines. As part of the America's Cup development, five sewage pump-out stations for boats were provided at the South Basin, Dockyard and represent legacy infrastructure available for future use.<sup>102</sup> In addition the ACBDA formed a relationship with a local service provider wherein the ACBDA purchased two sewage pump out boats and the service provider operated the boats and provided direct pump out facilities for visiting yachts.

- In the interest of safety, during the America's Cup event the Ministry of Tourism, Transport and Municipalities implemented a 10-knot speed limit for marine traffic in order to reduce excessive speed in the confines of the Hamilton Harbour.<sup>103</sup>

## Sustainable caterers and food vendors

The 35th America's Cup Request for Proposal ("RFP") for Workforce Catering and Public Food and Beverage ("F&B") concessions provided guidelines to ensure that food vendors were able to provide sustainably for daily crowds of up to 10,000. As part of the RFP, the vendors were required to be compliant with the measurable objectives set out by the ACBDA under reducing consumption, reducing waste, protecting habitats and ensuring accessibility and inclusion categories. The vendors were also required to comply with the ACEA Green Guidelines, to ensure proper selection and preparation of healthy and sustainable food and beverage options as well as to optimize waste management procedures.

### The main areas of focus for ACEA Green Guidelines included:

- **Healthy Food Choices:** Food and beverage selections amongst the various vendors had to include at least one healthy and one vegetarian food option on their menu. If possible, vendors were encouraged to provide information to staff and the public about the healthy aspects of the menu.
- **Materials and Packaging:** Vendors were prohibited from using plastic wrapping for food and were encouraged to limit use of aluminum foil for packaging. Packaging was required to be environmentally friendly, for example biodegradable cups, bamboo cutlery or compostable service ware. There were no single serve units for condiments and all single-use plastics were prohibited in the village, including plastic coffee cup lids. Paper straws were used to replace plastic straws. Recyclable or refillable bottles or cups were used instead to fill up water at designated water stations.
- **Waste Disposal:** Waste produced at the venue was required to be separated at source according to Bermuda standards, e.g. regular, TAG and special waste. This required numerous, well-located bins for separate waste items for both staff and the public with clearly labelled signs. Waste was to be collected often and waste management staff were to monitor often for litter. Oil and fat disposal was in keeping with Bermudian standards which vendors were aware of. There were only two vendors who used deep fat fryers, both of whom took back the oil and fat to the City of Hamilton for normal collections.
- **Marketing/Promotions:** Chalkboards were used for signage outside food service areas in place of paper menus. Balloons were strictly prohibited in the village. The distribution of flyers or other promotional materials was also prohibited.

From 33 applications resulting from an RFP process, 14 local businesses were chosen to operate as vendors in the America's Cup Village by ACEA. One of the ACBDA's sustainability objectives under "accessibility and inclusion" was to ensure that vendor selection criteria gave priority to local crafted and sourced items.<sup>104</sup>

The menus set by the vendors stayed within the RFP guidelines, providing event attendees with healthy choices, as well as local cuisine and vegetarian options. Although the definition of healthy options is rather subjective, the majority of vendors provided at least one healthy and vegetarian meal.

At the beginning of the event, trash bags were found containing both recyclables and general waste in the same bag. The ACBDA immediately took action and spoke to vendors about the importance of appropriate waste disposal. Behaviour quickly improved. On this basis, the "regular monitoring and removal of litter" sustainability objective is partially met.

# Appendix A – America’s Cup key stakeholders and parties

*Below is a high level summary of the key parties involved in staging the America’s Cup in Bermuda and a summary of the key roles and responsibilities of each of these parties.*

- **America’s Cup Bermuda Limited (“ACBDA”)** is the limited company, established and owned by the Bermuda Government to deliver Bermuda’s key America’s Cup obligations. The HVA, the contract which the Bermuda Government entered into with ACEA for hosting of the America’s Cup, detailed those responsibilities. ACBDA received funding from the Bermuda Government in order to deliver its mandate. Some of the key obligations of the ACBDA included laying the infrastructure on Cross Island for the America’s Cup Village, constructing the infrastructure for the team bases, and securing the policy, legislative and technical approvals for exclusive use of the Great Sound race course by ACEA as well as the visiting superyacht infrastructure and policies. This also included the on-water operations plans and resources to marshal the race course and establish the racing field of play as distinguished from VIP and other spectator areas. Other obligations and responsibilities included the creation of public safety, security, and transport plans both on land and sea as well as the range of telecommunications and technology, legacy and sustainability solutions and sponsorship. In addition, the ACBDA acted as a “one stop shop” for all America’s Cup Teams and America’s Cup related entities, interacting, seeking permits, approvals, etc. from Government. The ACBDA was the liaison with local and foreign advisors on a range of subjects, most specifically security where, through the assistance of Government house, UK professionals were seconded to advise and assist.
- **ACBDA Committees:** Along with a small number of operational staff, the ACBDA consisted of a number of committees charged with addressing Bermuda’s responsibilities for the America’s Cup. These committees were made up of volunteers from the community, who worked in relevant fields, along with technical officers from key departments of the Bermuda Government. Each committee also had a representative from the ACBDA and ACEA. The ACBDA committees included:
  - **Local Business Opportunities :** To provide a focal point for business and contracting opportunities with the America’s Cup for the Bermudian public.
  - **Communications:** To keep the public informed and updated on all America’s Cup activity and events as they relate to Bermuda and its people.
  - **Health and Safety:** To address all aspects of medical service coverage plans (medical, first aid, evacuation and clinical) required for the America’s Cup events including public safety on land and water in addition to medical personnel and assets for race support.
  - **Hotel Capacity:** To maximize the accommodation options available to visitors for the period of the America’s Cup. \*Although not a formal committee rather an informal working group.
  - **Infrastructure:** To assess, plan and deliver the required elements of physical infrastructure at the America’s Cup Village. To include but not be limited to: sewage, fresh water, grey water, electricity, alternative energy, trash collection, telephone, and pest control.
  - **Legacy and Sustainability:** To ensure the America’s Cup was a sustainable event in terms of economic development, social development and environmental protection and a long-lasting and positive legacy would be created for Bermuda.
  - **On Water Operations:** To provide comprehensive on water marshalling of the public and VIP spectator vessels outside of the Race Box Area and to ensure an enjoyable and safe viewing experience for spectators.
  - **Regatta Support:** To provide support and race management resources to ACRM. Key responsibility is to provide the “race box” by positioning race markers, start and finish gates, and race management assets inside the race box.
  - **Security:** To plan and coordinate all aspects of security on land and water for America’s Cup, including public and private entities both local and international.
  - **South Basin Reclamation Works:** To deliver the foundation on which the America’s Cup Village was built in the South Basin in Dockyard, including the removal of buildings, foundation preparation for team bases and the South Basin infill project.

- **Sponsorship:** To maximize sponsorship opportunities to assist in; reducing the Bermuda Governments sponsorship guarantee; reducing the cost to Bermuda of hosting the America's Cup; and creating lasting legacy opportunities from the event.
- **Superyachts:** To analyze the current status of the superyacht industry in Bermuda and recommend policy and infrastructure improvements that will make Bermuda a more competitive destination both during the America's Cup and beyond.
- **Telecommunications and Technology:** To address all aspects of telecommunications and ensure the Island's infrastructure is adequate for all America's Cup requirements.
- **Transport:** To deliver a comprehensive transportation plan ensuring adequate transport infrastructure for land, sea and air traffic during the America's Cup.
- **America's Cup Event Authority ("ACEA")** is a Bermuda incorporated private limited company, which is ultimately owned by Mr. Larry Ellison. ACEA was the rights holder for the America's Cup, tasked with the commercialization and organization of all of the America's Cup events, including the LVACWS and America's Cup in Bermuda. As such, ACEA is responsible for the sponsorship, broadcasting, ticketing, licensing, marketing, entertainment, branding, hospitality, event operations and temporary village infrastructure for the 35th America's Cup event. ACEA strived to maximize the commercial potential of the 35th America's Cup for stakeholders while encouraging worldwide growth and interest in the America's Cup as a premier international sporting event in a financially sustainable manner. ACEA was appointed by the Golden Gate Yacht Club. The competitive rules of the America's Cup are handled by the Regatta Officials and the America's Cup Competitors, and are beyond the purview of ACEA.
- **America's Cup Race Management ("ACRM")** is an independent body, which was responsible for managing and administering the sporting side and competitive rules of the 35th America's Cup (other than rules pertaining to commercial rights and benefits managed by ACEA). ACRM set the race course, and rule on any incidents during the racing (such as penalties). In order to ensure impartiality, ACRM was funded equally by all America's Cup Teams. ACRM is led by Regatta Director Iain Murray, who oversaw a team of umpires and other regatta officials.
- **Bermuda Government, Government House and Public Bodies:** Various departments across the Bermuda Government were key to the ACBDA's planning and execution of its responsibilities, including: Immigration, Marine and Ports, Department of Public Transport, Transport Control Department, Customs, Civil Aviation, Bermuda Fire and Rescue Services, Communication and Information, Parks, Bermuda Police Service, Bermuda Hospitals Board and the Royal Bermuda Regiment.
- **ORACLE TEAM USA** was the defending champion of the 35th America's Cup. As defending champion, they held the rights to decide the host venue for the America's Cup, as well as many other factors in the organization of the event, such as the type of boats. ORACLE TEAM USA was established by, and is owned by Mr. Larry Ellison. ORACLE TEAM USA were based in Dockyard and as their focus was on designing, building and racing the America's Cup yachts, ORACLE TEAM USA established ACEA (see above) to deal with all other aspects of organization of the America's Cup. ORACLE TEAM USA is a privately funded body. The team constructed its base at the Royal Naval Dockyard.
- **The Challenger Teams:** The five challenger teams for the America's Cup were responsible for the construction of their own team bases in Bermuda. SoftBank Team Japan, Land Rover BAR, Emirates Team New Zealand and Groupama Team France had their full base constructed at the Royal Naval Dockyard. Team Artemis had its full base constructed at Morgan's Point.
- **West End Development Corporation ("WEDCo"):** The America's Cup Village was located at Cross Island, on land owned by WEDCo. This was offered to ACEA as required under the Host Venue Agreement. Additionally, WEDCo carried out significant works in preparing the America's Cup Village and Team Base areas for America's Cup.

# Appendix B – Other America’s Cup related events



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## America’s Cup Superyacht Regatta and America’s Cup J Class Regatta

In between high-speed America’s Cup racing, two main regattas took place; the America’s Cup Superyacht Regatta and the America’s Cup J Class Regatta. The Superyacht Regatta took place at the east end of the island with 14 superyacht crews taking to the waters in four days of thrilling racing. The race resulted in Highland Fling winning class A, Action wining class B, and Bequia winning class C. After the spectacular racing by the Superyachts, the J class did not disappoint over their five days of racing which left LionHeart taking the overall win.

## Red Bull Youth America’s Cup

The 35th America’s Cup also hosted the second RBYAC, following the first RBYAC during the 34th America’s Cup in San Francisco. The second RBYAC took place in the Great Sound with the qualifiers starting June 12th and the finals taking place on June 20th and 21st. Twelve national teams comprising sailors ages 18 to 24 years old competed, and for the first time Bermuda put forward TeamBDA. Racing took place on the AC45 boats that were used in the LVACWS events. Land Rover BAR Academy ended the competition with a victory and TeamBDA was able to secure 8th place overall, with a win in the first race of the finals. Through its association with ORACLE TEAM USA, the Defender of the America’s Cup, TeamBDA automatically qualified for the competition. TeamBDA was funded entirely by corporate and individual donations and goods and services provided by local business partners.



Photo by Charles Anderson

## America’s Cup Endeavour Junior Regattas

For the first time in America’s Cup history, junior regattas took place alongside the main event. In association with BIC Sport North America, Inc., the America’s Cup Endeavour Junior O’pen BIC Regatta took place on June 15th to 16th with a halftime show between America’s Cup races on June 17th. The America’s Cup Endeavour Junior RS Feva Regatta took place on June 15th to 16th with a halftime show on June 18th.<sup>105</sup>

24 junior sailors from around the world competed in the America’s Cup Endeavour Hobie Wave Junior Regatta, which featured two sailors on each boat. They raced on Hobie Wave catamarans, on the same waters as the America’s Cup teams, during the America’s Cup on Bermuda’s Great Sound. There were two teams from Bermuda and 12 teams in total representing other countries. The fleet racing took place on June 22nd and 23rd, and it also featured an exhibition race in the America’s Cup Match on June 24th, presented by the Louis Vuitton Halftime Show. The racecourse for that event was similar to the official America’s Cup racecourse with a reaching start, a windward gate and a leeward gate. “The Waves are just like the America’s Cup boats but smaller, so you can get to experience how the America’s Cup catamarans feel,” says Rose, a Bermuda High School student. “It takes a crew to go fast so you can build team work, just like on an America’s Cup Class boat.”<sup>106</sup>

# Appendix C – Economic impact methodology and approach

## Input-Output Model:

The indirect (supply chain) and induced (employee spend) impacts on GDP are typically estimated using an input-output model, which represents the interdependencies between different sectors of an economy. The input-output model used is based on data from the Government of Bermuda's Department of Statistics.

Data was collected from the main spending groups on their additional on-island expenditure as a result of the America's Cup, including goods and services. All expenditures were mapped to those sectors of Bermuda's economy which are used by the Government of Bermuda's Department of Statistics for the purpose of reporting economic performance. Based on the results of this economic impact study and where the money was reported to be incurred by spending groups, the main sectors impacted were hotels and restaurants, construction, real estate and renting activities, wholesale, retail trade and repair services. The additional on-island expenditure was then analyzed using the input-output model to estimate the indirect and induced output. This output is then converted to overall impact on GDP.

'Multipliers' are widely used to estimate the indirect and induced impacts of the additional on-island expenditures. Multipliers are a way of estimating how direct economic impact cascades through an economy. They measure the ratio of the indirect and induced impacts on the economy to the initial direct impact. They can be calculated separately for GVA and employment.

Multipliers vary across countries and sectors as they reflect the unique structure and inter-dependencies in the economy being analyzed. They are usually estimated based on an input-output

("IO") model. There are two types of multipliers available:

- Type 1 multipliers estimate the indirect impact which takes account of the effects along the supply chain.
- Type 2 multipliers capture both the indirect and induced impacts and so pick up the wider economic benefits as employees spend their additional earnings and generate further economic benefits.

An IO table for Bermuda from 2015 (most recent available at time of this report), provided by the Government of Bermuda Department of Statistics, was used to determine the multipliers with which to estimate the indirect and induced impacts. This type of data tends to be stable over time and typically there are not significant fluctuations from year over year thus it's appropriate to use this information for the purposes of this report. In both cases, the multipliers capture only the benefits retained within Bermuda.

In order to apply the multipliers, all additional on-island expenditure has been allocated to a specific sector. The sectors used, for purposes of this study, are aligned with those reported by the Government of Bermuda.

On IO tables, the countries with more granular IO tables tend to be much larger economies. For smaller economies, like Bermuda, there will always be challenges as the results could be more volatile and/or commercially sensitive. The weakness is that the economic relationships for America's Cup related activities may not be the average across the whole of the broad sectors covered by the IO tables, however, this should not bias the multipliers either way.

# Appendix D – Data collection methods

In instances where data could not be collected directly from the source, surveys were conducted to enable the extrapolation of the expenditure across the spending group population or reliance was placed upon information collected by other external sources or service providers outlined below. A number of surveys were conducted for certain spending groups to help estimate the economic impacts of each spending group as a whole. The following surveys were conducted:

- International and resident spectators
- Superyachts and other visiting yachts
- Team sponsors
- Event sponsors
- Businesses
- Volunteers
- Hotels
- ACBDA
- ACEA
- All six participating America's Cup Teams
- ACRM
- BTA
- Bermuda Maritime Operations Centre / Rescue Coordination Center ("RCC") Bermuda
- Government of Bermuda
- Government of Bermuda Department of Statistics
- Cedar Aviation Services Limited
- RBYAC Teams
- WEDCo

Various survey methods and tools were used throughout the assessment which included face-to-face surveys in the America's Cup Village for both the international visitors and residents as well as various online surveys. Further details on the survey methods and tools can be found in *Appendix E*. Each survey obtained information on spending and, in some instances, sought greater insight into the socio-economic and environmental impacts of the America's Cup. The survey results were then extrapolated against the spending group's demographic population to estimate the broader impact.

Comprehensive data was collected directly from the following sources, which also included over 200 interviews across these various groups over the duration of January to August 2017:

ACEA and the Defender, ORACLE TEAM USA, were contractually obligated to provide spending data to the ACBDA which helped to isolate and increase the accuracy of expenditure information.

Over 75 interviews were conducted with residents and businesses who were positively impacted by the America's Cup being hosted in Bermuda. These interviews provided further insight into what benefits and opportunities the local community has experienced as a result of the America's Cup and a better understanding of how the America's Cup impacted them. A selected number of these stories are reflected in the America's Cup Bermuda Legacy Impact report which will be made available by the ACBDA.

# Appendix E – Survey methods and tools



- Daily spending patterns (question asked to international visitors only)
- Travel details, such as accommodation, transportation, travel party size, length of stay (question asked to international visitors only)
- Forgone travel by residents due to America's Cup (question asked to residents only)
- Number of times visited America's Cup Village
- Satisfaction of the event and of Bermuda as a future travel destination
- Perceived benefits of the America's Cup on Bermuda

## Spectator survey (international and resident)

PwC conducted an international spectator survey both within the America's Cup Village and via online surveys. A total of 848 survey responses were received, 404 of which were face-to-face surveys in the America's Cup Village and 444 were through an online survey during the course of the event. This sample size represents a 99% confidence level with +/- 4% margin of error based on an estimated population of 10,300 international spectators.

PwC conducted a resident spectator survey both within the America's Cup Village and via online surveys. A total of 1,657 survey responses were received, 485 of which were face-to-face surveys in the America's Cup Village and 1,172 were through an

online survey during the course of the event. This sample size is based on 99% confidence interval with +/- 3% margin of error based on an estimated population of 17,000 residents.

The face-to-face surveys were administered by PwC staff using a survey platform on iPads. The online survey was sent by ACEA through email to all those who purchased America's Cup Tickets using an online survey platform.

### Both the international and resident spectator survey questions covered various areas including:

- Demographics focusing on residency, nationality, age, gender, ethnic background
- Purpose of travel (i.e. specifically for America's Cup or would they have travelled to Bermuda regardless)

## Yacht survey

To understand the additional spending by superyachts and cruising yachts who visited during the America's Cup, PwC conducted surveys across the superyacht and cruising yacht community. Survey respondents included those who participated in the America's Cup Superyacht Program, J Class Regatta, Marion to Bermuda Race, Rally for the Cup, Antigua to Bermuda Race, and those who simply came as America's Cup spectators. PwC received 14 survey responses from superyachts and 13 from cruising yachts. Aside from questions on spending, survey questions also included details on number of passengers and crew, length of stay, accommodation type, satisfaction with America's Cup, and sustainability efforts. It is believed that the sample size is appropriate and reflective of the total number of yachts used to estimate the overall economic impact of this group.

# Appendix E – Survey methods and tools (cont)

## *Sponsor survey*

A sample of nearly 60 sponsors were surveyed to understand the incremental on-island expenditure relating to America's Cup. These sponsors were made up of both local and international sponsors. A total of 17 responses were received. Surveys were administered by PwC through an online survey platform which was sent out through email to the sample of sponsors. The small sample size in survey responses limits the accuracy of the estimated expenditure data.

## *Volunteer survey*

With support from ACEA, 82 America's Cup volunteer surveys were completed after the event through an online survey platform which was sent out through email to all 545 volunteers. Of the 82 responses, 12 were international volunteers. Volunteer surveys included questions specifically for those who stated they were non-residents of Bermuda, including spending details, length of stay, and accommodation type. Questions asked by both residents and non-residents pertained to past volunteer experience, new skills developed as a result of volunteering, satisfaction of experience, and demographics including age, gender, nationality, and ethnicity. The small sample size in survey responses limits the accuracy of the estimated expenditure data.

## *Business survey*

Surveys were carried out to understand the impacts of the America's Cup leading up to, during and after the event on local businesses, entrepreneurs and international businesses based in Bermuda. The Bermuda Chamber of Commerce, Bermuda Economic Development Corporation and the Association of Bermuda's Insurers and Reinsurers (ABIR) conducted the surveys on behalf of PwC, which were completed through an online survey platform which was sent out via email. The small sample size in survey responses limits the accuracy of the estimated data. There were two sets of surveys that were administered, one in April and May 2017 leading up to the event and one in July and August after the event. The pre-event survey received 86 responses and the post-event survey received 78 responses. Survey questions covered topics on expected sales leading up to, during and after the event, investments outside of normal business pertaining to America's Cup and additional staff and overtime.

## *Hotel survey*

Hotel surveys were conducted by the BTA with 19 hotels and guest houses, representing 84% of total hotel beds in Bermuda, to obtain an understanding of their revenue and occupancy levels during the period of the America's Cup (May and June 2017) compared to the similar period in 2016. The increase in hotel occupancy rates is represented by the economic impacts of those visitors to Bermuda during the period of the America's Cup and are reflected throughout the various sections in this report.

# Appendix F – Key assumptions and exclusions

*Additional assumptions to those that are stated in Section 4.0 are as follows:*

## America's Cup teams, ACEA and other

- On-island expenditure data was received from the America's Cup Teams for the periods 2015, 2016 and 2017. However, there were instances where some data received was incomplete which required assumptions to be made based on the team's budgeted figures or other similar team data. This included information on housing and hotel costs and salary expenditures for one team. In one instance, a team did not provide complete annual data, thus an extrapolation exercise was completed to estimate the overall on-island expenditure, based on their actual on-island expenditure information that was received. To maintain the confidentiality of the America's Cup Teams, further details on the data provided and methodology used is limited in this report.
- Spending data was received from all America's Cup Teams, capturing only on-island expenditures since 2015, or from when the teams first relocated to Bermuda, whichever was earlier.
- For the RBYAC Teams, spending data was collected from two of the 12 teams which was used to estimate the on-island expenditure of the remaining 10 teams.
- ACEA and ACRM provided full financial information. ACRM is funded equally by the America's Cup Teams. The costs incurred by the teams to fund the ACRM are excluded from the team's expenditures. Included in ACEA data is expenditure by the America's Cup Endeavour Programme.
- It is not reasonable to assume that all of the expenditure related to salaries and wages was spent on-island. As such, the salaries and wages costs have been analyzed to appropriately attribute the on-island spending compared to off-island spending. This allocation is based on the Bermuda Government Household Expenditure Survey (2013) data. This type of data tends to be stable over time and typically there are not significant fluctuations from year over year thus it is appropriate to use this information for the purposes of this report. It was assumed for purposes of this economic impact study that these individuals spent in a similar manner to those residents of Bermuda, with the exception of housing and school fees as the majority of these costs were covered by the teams. As the team members and staff members held work permits for the event, they are excluded from the international visitor economic impact.
- PwC has not attempted to verify the accuracy of the split of spending between on-island and off-island.

## Sponsors

- A sample of sponsors were surveyed to understand the incremental on-island expenditure relating to the America's Cup. These sponsors were made up of both local and international sponsors. A total of 17 responses were received. Based on survey responses, the average expenditure was applied to the estimated number of sponsors, based on whether they were local or international, to determine the total spending by spectators. Further details on survey methods and tools in *Appendix E*.
- Minimal information was received on sponsors who traveled to Bermuda for the America's Cup. However, the

on-island spending by these sponsors is captured through the economic impacts of the international visitors described below.

## Volunteers

- The spending patterns of international volunteers were obtained through an online survey. Based on survey responses, the average expenditure was applied to the 215 international volunteers to determine the total spending by volunteers. Further details on survey methods and tools in *Appendix E*.
- The overall international volunteers captured in this section have been removed from the economic impacts of international visitors to avoid duplication.

## ACBDA

- Expenditure data on the ACBDA has been received directly from the source, including on-island and off-island expenditure.
- PwC has not attempted to verify the accuracy of the split of spending between on-island and off-island.
- It is not reasonable to assume that all of the expenditure related to salaries and wages paid out to the ACBDA staff members is spent on-island. As such, the salaries and wages costs have been analyzed to appropriately attribute the on-island spending compared to off-island spending. This allocation is based on the Bermuda Government Household Expenditure Survey (2013) data. This type of data tends to be stable over time and typically there are not significant fluctuations from year over year thus it is appropriate to use this information for the purposes of this report.

# Appendix F – Key assumptions and exclusions (cont)

## Government of Bermuda

- Expenditure data on the Government of Bermuda has been received directly from the source. Internal reviews within the Government have taken place to ensure that only expenditure that is directly attributable to the America's Cup is reflected. PwC has not performed any additional analysis on this information nor attempted to verify the accuracy of the split of spending between on-island and off-island.

## International visitors

- Included is economic impact from the estimated 2,600 international visitors that came to Bermuda leading up to the America's Cup, from the period January 2016 to April 2017, who have indicated they came specifically for America's Cup. Results from the BTA Departure Surveys from this period showed that the average spend for an America's Cup Visitor was \$164 per day. For the period leading up to the America's Cup, it was assumed that these visitors are purely incremental visitors that would not have come to Bermuda if it had not been for the event. As such the incremental visitors leading up to the America's Cup have been identified as a direct economic impact.
- To understand the additional spending by international visitors during the event, PwC conducted international spectator surveys both within the America's Cup Village and via online surveys. A total of 848 survey responses were received, 404 of which were face-to-face surveys in the America's Cup Village and 444 were

through an online survey during the course of the event. Further details on survey methods and tools in *Appendix E*.

- International visitor spending during the event is based off of the international spectator surveys. As noted above, spending for those visitors leading up to the event (January 2016 to April 2017) is based off of BTA Departure Survey Data.
- For all incremental international visitors from May to June 2017, the below methodology and assumptions were applied in order to determine the attributable spending to the America's Cup. Based on the 848 survey responses,
  - Those stating that they would not have come to Bermuda in 2017 otherwise – 100% of the expenditures were applied;
  - Those stating that they would have come to Bermuda at another time in 2017 regardless of America's Cup – 25% of expenditure has been applied, assuming the America's Cup captures a portion of their spending;
  - Those who stated that they did not specifically come to Bermuda for the America's Cup, although they extended their stay in Bermuda due to America's Cup – 25% of expenditure has been applied, assuming they extended their stay by 25%; and
  - Those who stated they came for other purposes – 0% is attributable to America's Cup.
- The estimated incremental spending by international spectators also considers the variances in spending patterns depending on their type of accommodation. For example, a person who stayed with relatives or friends, was assumed to have minimal

accommodation spend compared to those who stayed at a hotel or guesthouse. The spending patterns of visitors takes into consideration the accommodation data which has been applied in the economic impact analysis.

- Cruise ship passengers were estimated to be 7% of the total international spectators based on the international spectator survey results.
- International spectators that arrived via cruise ship and came specifically for the America's Cup were estimated to be slightly over 2,300 people during May and June 2017. Bermuda saw an increase in cruise ship passengers of 14%, or 18,200 incremental passengers in May and June 2017 compared to same period in 2016.<sup>107</sup> As it cannot be assumed that all of this increase is directly attributable to the America's Cup, based on the international spectator survey conducted, an estimate was made based on the percentages of passengers who stated they came specifically for the America's Cup which was applied to the average spend by a cruise ship passenger which is \$241 per visit, per the survey.
- It was assumed that cruise ship passengers attended a single day due to the length of time cruise ships are in Bermuda.
- The international media personnel, sponsors and volunteers have been removed from this analysis as they are reflected in their respective sections.
- Note that PwC has excluded arrivals during 2015 as these visitors have been captured in the LVACWS economic impact.



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## Residents

- To understand the additional spending by resident spectators, PwC conducted resident spectator surveys both within the America's Cup Village and via online surveys. A total of 1,657 survey responses were received, 485 of which were face-to-face surveys in the America's Cup Village and 1,172 were through an online survey during the course of the event. Further details on survey methods and tools in *Appendix E*.
- Based on the survey responses, respondents indicated that they typically spend an average of \$3,098 per person on a single overseas vacation.
- An estimate of incremental spend by residents who stated they forwent foreign travel was calculated based on survey data.
- An estimate of the overall expenditure in the America's Cup Village, including spending on tickets and passes, merchandise, food and beverage, transportation and spectator boat tickets, driven by residents was calculated.
- The estimated resident portion of the

overall expenditure in the America's Cup Village was removed from the estimated incremental spend by residents who forwent travel, to appropriately allocate the remainder of the spending outside of the America's Cup Village, referred to as "non-village" spend.

- This "non-Village" spend was allocated to various spending categories based on the Government of Bermuda Household Expenditure Survey dated 2013, including additional food and beverage outside of the village, household goods, services and supplies, retail purchases, entertainment and recreation. Costs such as education and housing were removed from the allocation given these are viewed as fixed expenses. Consideration has been made to assume that a portion of the money that would have been spent on overseas travel is not spent by individuals. It is also assumed that the "non-village" expenditure may not have taken place at the date of this report however will at some point in 2017.
- Regarding the Household Expenditure Survey dated 2013, this type of data tends to be stable over time and typically there are not significant fluctuations

from year over year thus it's appropriate to use this information for the purposes of this report.

- The estimated portion of expenditure in the America's Cup Village that was driven by those residents who stated they did not forgo overseas travel has been removed from this analysis as it is presumed to have displaced economic activity elsewhere in the economy as the spending would have taken place otherwise.
- Note that the portion of revenue earned by ACEA has been removed in this estimate to avoid duplication of economic impacts as this revenue to ACEA will be reflected in ACEA's on-island expenditure.

## Superyacht and other yachts

- Although not a universal definition, for purposes of this report and to be consistent with the ACBDA, a superyacht is defined as a yacht 80 feet or greater in length. Compared to the BTA which defines a superyacht as 98.4 feet or greater (otherwise 30 meters).
- To understand the additional spending by superyachts and cruising yachts who visited during the America's Cup, PwC conducted surveys across the superyacht and cruising yacht community. PwC received 14 survey responses from superyachts and 13 from cruising yachts. Survey data was analyzed across various sizes of yachts and the spending has been allocated based on size. Survey results have been applied across the superyacht and cruising yacht population, respectively. PwC also received supplemental data from BYS and the superyacht agency, BWA Yachting, who acted as agents for those in the America's

# Appendix F – Key assumptions and exclusions (cont)

Cup Superyacht Program, as well as from the organizers of the Marion to Bermuda and Antigua to Bermuda Races. Further details on survey methods and tools in *Appendix E*.

- Based on historical evidence the natural growth rate for superyachts and cruising yachts was assumed to be 5% for purposes of this study. There is limited specific information over the growth of superyachts in Bermuda, as information prior to 2015 reported on all sizes of yachts together rather than on superyachts compared to cruising yachts. Based on historical data, the growth in the number of overall yachts is flat.
- The yacht expenditure disclosed excludes the costs that were paid directly to ACEA, for example berthing fees and any other service fees, as this expenditure is accounted for in the economic contribution through ACEA expenditures. Additionally, fees paid to the superyacht agency, BWA Yachting have been excluded as it was assumed this money does not reflect “on-island expenditure” as it would not remain in Bermuda due to the domicile of the organization.

## Media

- Media attendance is based on accreditation data received from ACEA. The overall media personnel who have been captured in this section have been removed from the economic impacts of international visitors to avoid duplication.
- Of the 345 media personnel who attended the America’s Cup Village during the event, 270 were international visitors. Based on data collected from ACEA, the average length of stay for media personnel was 5.9 days.
- The additional on-island expenditure for media personnel is calculated based on the 270 international media personnel attending the America’s Cup Village.
- We have assumed that the spending patterns of media personnel would be similar to that of the average daily spend by a business visitor which is \$253 per day.<sup>108</sup>
- The economic contribution of any remaining international media personnel who did not attend the America’s Cup Village, is captured within the visitor economic impact.

## Businesses

- No further assumptions to note other than those stated in Section 4.0.

## Legacy visitors

- Spending patterns by future visitors was assumed to be consistent with the spending data provided by the Bermuda Tourism Authority from January to June 2017. This included spending on accommodation, food and beverage, gifts and souvenirs, recreational and leisure, etc.
- The estimated AEV is based on media broadcast coverage of the America’s Cup event to Bermuda. This does not reflect an estimated impact from social media or published articles.

## Louis Vuitton America’s Cup World Series

The total estimated additional on-island expenditure for the LVACWS was estimated to be \$8.6 million based on the economic impact study produced by the ACBDA in 2016.<sup>109</sup> PwC has relied on this report and has not performed any further analysis of the spending related to this specific event other than the removal of expenditure for ACEA and the America’s Cup Teams as well as Government of Bermuda spending to avoid double counting as those expenditures are captured in the respective sections of this report. The spending has been converted into present value.

Similar to the America’s Cup, the economic impacts from the LVACWS came from a variety of sources, including spending by:

- Visitors to Bermuda
- Competitor Teams visiting Bermuda
- America’s Cup Commercial Partners visiting Bermuda
- Media visiting Bermuda
- ACEA in organizing the event
- ACBDA in hosting the event
- The Bermuda Government and other taxpayer funded entities in hosting the event
- Residents

## Social discount rate

- The real social discount rate of 2.5% reflects the Government’s cost of long-term borrowing (4.5%) less the expected inflation rate (2.0%).<sup>110</sup>

# Appendix G – Total impact on GDP

The breakdown of the three elements that comprise the overall impact on GDP, being the direct impact, indirect impact and induced impact is shown in the table below. The total impact on GDP is represented by the sum of the direct, indirect and induced impacts.

**Table 8.0: Total impact on GDP**

	Direct impact (\$ millions)	Indirect impact (\$ millions)	Induced impact (\$ millions)	Total impact on GDP (\$ millions)
<b>America's Cup participants and organizers</b>				
America's Cup Teams, ACEA and other	72.4	22.0	44.2	138.6
Sponsors	1.7	0.4	1.3	3.4
Volunteers	0.5	0.2	0.4	1.1
<b>Total America's Cup participants and organizers</b>	<b>74.6</b>	<b>22.6</b>	<b>45.9</b>	<b>143.1</b>
<b>Government</b>				
ACBDA and other Government	13.4	3.6	8.4	25.4
<b>America's Cup spectators</b>				
International visitors	16.7	6.1	19.3	42.1
Residents	3.8	1.1	3.0	7.9
Superyachts and other yachts	8.1	2.7	9.7	20.5
Media	0.2	0.1	0.3	0.6
<b>Total America's Cup spectators</b>	<b>28.8</b>	<b>10.0</b>	<b>32.3</b>	<b>71.1</b>
<b>Total America's Cup</b>	<b>116.8</b>	<b>36.2</b>	<b>86.6</b>	<b>239.6</b>
LVACWS	2.9	1.0	2.1	6.0
<b>Total including LVACWS</b>	<b>119.7</b>	<b>37.2</b>	<b>88.7</b>	<b>245.6</b>
<b>Legacy visitors</b>				
Legacy visitors	44.3	15.0	31.5	90.8
<b>Total including legacy visitors</b>	<b>164.0</b>	<b>52.2</b>	<b>120.2</b>	<b>336.4</b>

## Glossary of terms

ABIR	Association of Bermuda's Insurers and Reinsurers
ACBDA	America's Cup Bermuda Limited
ACEA	America's Cup Event Authority
ACRM	America's Cup Race Management
ADR	Average Daily Rate
AEV	Advertising Equivalent Value
America's Cup	the 35th America's Cup
America's Cup Teams	the Defender, ORACLE TEAM USA and the five challenger teams
BEDC	Bermuda Economic Development Corporation
BTA	Bermuda Tourism Authority
BWA	Blue Water Alliance
BYS	Bermuda Yacht Services
Committee	Legacy and Sustainability Committee
F&B	Food & Beverage
GDP	Gross Domestic Product
Government	Government of Bermuda
GVA	Gross Value Added
HVA	Host Venue Agreement
IO	Input-Output
JACC	Joint Agency Control Centre
KBB	Keep Bermuda Beautiful
LVACWS	Louis Vuitton America's Cup World Series
PwC	PricewaterhouseCoopers Advisory Ltd.
RBYAC	Red Bull Youth America's Cup
RCC	Rescue Coordination Center
Resident	Refers to a resident of Bermuda
RFP	Request for Proposal
SEG	Sustainable Events Guide
TAG	Tin, Aluminum, Glass
UNEP	United Nations Environment Programme
WEDCo	West End Development Corporation

## Endnotes

<sup>1</sup><http://www.bermudareal.com/americas-cup-recycling-efforts-generates-20-24-tonnes-of-recyclables/>

<sup>2</sup>America's Cup Report by ClearWater Systems and provided by ACEA

<sup>3</sup>Ticket sales data provided by ACEA. Represents number of tickets scanned for the America's Cup Village (i.e. actual attendance) compared to the 100,600 tickets sold for event village.

<sup>4</sup>Data collected through spectator survey conducted by PwC

<sup>5</sup>Data collected through spectator survey conducted by PwC

<sup>6</sup>Data collected through spectator survey conducted by PwC

<sup>7</sup>Independent Media Report commissioned by ACEA and provided by ACEA and ACEA media data provided by ACEA

<sup>8</sup>Independent Media Report commissioned by ACEA and provided by ACEA

<sup>9</sup>Information provided by Endeavour Community Sailing (Registered Charity #977)

<sup>10</sup>First Mates Profile data provided by ACEA

<sup>11</sup>The estimated additional on-island expenditure for legacy visitors has been calculated by applying a multiple of 1:1 to the AEV and is recognized over a 5 year period with the majority (60%) of expected benefits to be realized in the first two years post event. The spending has been converted into present value based on a discount rate of 2.5%.

<sup>12</sup>The 35th America's Cup Potential Economic Impact Assessment. Prepared by the Bermuda America's Cup Bid Committee, October 2014: <http://www.acbda.bm/pdf/BERMUDA-AC35-Potential-Economic-Impact-Assessment.pdf>

<sup>13</sup>Government expenditure and revenue data provided by the Government of Bermuda, Ministry of Economic Development and Tourism, America's Cup Office.

<sup>14</sup>Tourism data for May and June 2017 provided by the BTA

<sup>15</sup>Tourism data for May and June 2017 and 2016 provided by the BTA

<sup>16</sup>Hotel survey data provided by the BTA

<sup>17</sup>Data from the Bermuda Maritime Operations Centre Yacht Arrival Data provided by the BTA

<sup>18</sup>Independent Media Report commissioned by ACEA and provided by ACEA

<sup>19</sup><http://www.bermudareal.com/americas-cup-recycling-efforts-generates-20-24-tonnes-of-recyclables/>

<sup>20</sup>America's Cup Report by ClearWater Systems and provided by ACEA

<sup>21</sup>Data collected through spectator survey conducted by PwC. Definitions of race are consistent with that of the Bermuda Government Department of Statistics.

<sup>22</sup>Data collected through spectator survey conducted by PwC. Definitions of race are consistent with that of the Bermuda Government of Statistics.

<sup>23</sup>Data collected through the business survey conducted by PwC. Results exclude companies with multiple owners and shareholders. Definitions of race are consistent with that of the Bermuda Government of Statistics.

- <sup>24</sup>Ticket sales data provided by ACEA . Represents number of tickets sold for the America's Cup Village compared to the 94,600 tickets scanned, which represents actual attendance.
- <sup>25</sup>Ticket sales data provided by ACEA
- <sup>26</sup>The Economic Impact of the 34th America's Cup in San Francisco prepared by the Bay Area Council Economic Institute for the San Francisco America's Cup Organizing Committee: [http://www.bayareaeconomy.org/files/pdf/BACEI-ACR\\_122413v1-lo.pdf](http://www.bayareaeconomy.org/files/pdf/BACEI-ACR_122413v1-lo.pdf)
- <sup>27</sup>Ticket data provided by ACEA
- <sup>28</sup>Ticket data provided by ACEA
- <sup>29</sup>Ticket data provided by ACEA
- <sup>30</sup>The \$5.3 million additional on-island spend for the Louis Vuitton America's Cup World Series event excludes spending captured in other spending groups, for example the ACBDA.
- <sup>31</sup>Data provided by the Government of Bermuda, Ministry of Economic Development and Tourism, America's Cup Office. Note that 63 of these work permit applicants (work permit holders/ dependents) are included in the numbers above more than one time. These individuals would have submitted or been included in more than one transaction/ application.
- <sup>32</sup>First Mates Profile data provided by ACEA
- <sup>33</sup>The 35th America's Cup Potential Economic Impact Assessment. Prepared by the Bermuda America's Cup Bid Committee, October 2014: <http://www.acbda.bm/pdf/BERMUDA-AC35-Potential-Economic-Impact-Assessment.pdf>
- <sup>34</sup>Government expenditure and revenue data provided by the Government of Bermuda, Ministry of Economic Development and Tourism, America's Cup Office.
- <sup>35</sup>Additional Government expenditure excludes the amount paid to the ACBDA for sponsorship fees as these are reflected in the table below under the ACBDA. Additionally, it excludes any reimbursements from ACBDA as these costs are reflected in ACBDA spend. Examples of reimbursement includes America's Cup ferry ticket sales, costs for additional buses, including overtime costs, as requested by ACBDA and costs for Royal Bermuda Regiment.
- <sup>36</sup>Data provided by the ACBDA
- <sup>37</sup>Government expenditure and revenue data provided by the Government of Bermuda, Ministry of Economic Development and Tourism, America's Cup Office.
- <sup>38</sup>Government expenditure and revenue data provided by the Government of Bermuda, Ministry of Economic Development and Tourism, America's Cup Office and by America's Cup participants including ACBDA, ACEA and America's Cup Teams. Hotel occupancy tax calculated by PwC based on tourism data for 2015, 2016, and 2017 provided by BTA.
- <sup>39</sup>Information provided by WEDCo
- <sup>40</sup>America's Cup Village revenue data provided by ACEA
- <sup>41</sup>Tourism data for May and June 2017 provided by the BTA
- <sup>42</sup>Tourism data for January 2016 to April 2017 provided by the BTA
- <sup>43</sup>Tourism data for 2014, 2015 and 2016 provided by the BTA
- <sup>44</sup>Tourism data for 2017 provided by the BTA
- <sup>45</sup>Tourism data for May and June 2017 provided by the BTA
- <sup>46</sup>Hotel survey data provided by the BTA
- <sup>47</sup>Hotel survey data provided by the BTA
- <sup>48</sup>Tourism data for May and June 2017 provided by the BTA
- <sup>49</sup>Tourism data for May and June 2017 and 2016 provided by the BTA
- <sup>50</sup>Ticket data provided by ACEA
- <sup>51</sup>Tourism data for June 2017 provided by the BTA
- <sup>52</sup>Data from the Bermuda Maritime Operations Centre Yacht Arrival Data provided by the BTA
- <sup>53</sup>Data from the Bermuda Maritime Operations Centre Yacht Arrival Data provided by the BTA
- <sup>54</sup>Fuel sales data provided by a single local fuel provider (name is confidential)
- <sup>55</sup><http://www.acbda.bm/about/potential-economic-impact/>
- <sup>56</sup>The remaining spend of \$5.1 million has been converted into present value resulting in an additional on-island spend of \$5.3 million.
- <sup>57</sup>Independent Media Report commissioned by the ACEA and provided by the ACEA
- <sup>58</sup>Independent Media Report commissioned by the ACEA and ACEA Social Media Analytics for the period between February 2016 and June 2017. Provided by the ACEA.
- <sup>59</sup>Independent Media Report commissioned by ACEA and provided by ACEA
- <sup>60</sup>Hotel data provided by the BTA
- <sup>61</sup>Visitor spending data from the BTA 2016 Visitor Arrivals Report
- <sup>62</sup>Independent Media Report commissioned by ACEA and provided by ACEA
- <sup>63</sup>Independent Media Report commissioned by ACEA and provided by ACEA
- <sup>64</sup>Independent Media Report commissioned by ACEA and provided by ACEA
- <sup>65</sup>Independent Media Report commissioned by ACEA and provided by ACEA
- <sup>66</sup>Social Media Analytics provided by ACEA for the period between February 2016 and June 2017
- <sup>67</sup>Social Media Analytics provided by ACEA for the period between February 2016 and June 2017
- <sup>68</sup>Social Media Analytics provided by ACEA for the period between February 2016 and June 2017
- <sup>69</sup>Social Media Analytics provided by ACEA for the period between February 2016 and June 2017
- <sup>70</sup>Social Media Analytics provided by ACEA for the period between February 2016 and June 2017

## Endnotes (cont)

- <sup>71</sup>Articles referred to both the America's Cup and Bermuda in the same article. Source: Social Media Analytics provided by ACEA for the period between February 2016 and June 2017
- <sup>72</sup><http://www.boatinternational.com/yachts/americas-cup/americas-cup-announces-sustainability-charter--31691>
- <sup>73</sup><http://www.go-green.ae/footprint/bermuda>
- <sup>74</sup><http://www.acbda.bm/things-volunteers-need-to-know>
- <sup>75</sup>[http://land-rover-bar.americascup.com/en/news/345\\_Low-Carbon-partnership-to-power-National-Museum-of-Bermuda.html](http://land-rover-bar.americascup.com/en/news/345_Low-Carbon-partnership-to-power-National-Museum-of-Bermuda.html)
- <sup>76</sup><http://www.bermudareal.com/americas-cup-recycling-efforts-generates-20-24-tonnes-of-recyclables/>
- <sup>77</sup>America's Cup Report by ClearWater Systems and provided by ACEA
- <sup>78</sup>Information provided by Land Rover BAR
- <sup>79</sup><http://land-rover-bar.americascup.com/en/exploration-zones.html>
- <sup>80</sup><http://www.royalgazette.com/general-information/article/20170318/things-volunteers-need-to-know>
- <sup>81</sup><https://www.gov.bm/articles/sea-turtles-released-great-sound>
- <sup>82</sup><http://www.acbda.bm/local-biz-connect>
- <sup>83</sup><http://www.royalgazette.com/local-business/article/20170202/acbda-to-stage-business-information-sessions>
- <sup>84</sup><http://www.acbda.bm/visitors-service-directory>
- <sup>85</sup>Data collected through business survey conducted by PwC. Results exclude companies with multiple owners and shareholders. Definitions of race are consistent with that of the Bermuda Government of Statistics.
- <sup>86</sup>Information provided by Endeavour Community Sailing (Registered Charity #977)
- <sup>87</sup><https://www.acbda.bm/ac-endeavour-pair-impress-in-the-us/>
- <sup>88</sup>Information provided by ACBDA
- <sup>89</sup>Information provided by ACBDA
- <sup>90</sup>Information provided by ACBDA
- <sup>91</sup>America's Cup Endeavour Education Station data provided by ACEA
- <sup>92</sup>Information provided by ACBDA's Telecommunications and Technology Committee
- <sup>93</sup>[https://www.gov.bm/sites/default/files/2016-Digest-of-Statistics\\_revised.pdf](https://www.gov.bm/sites/default/files/2016-Digest-of-Statistics_revised.pdf)
- <sup>94</sup>[https://www.gov.bm/sites/default/files/2016-Digest-of-Statistics\\_revised.pdf](https://www.gov.bm/sites/default/files/2016-Digest-of-Statistics_revised.pdf)
- <sup>95</sup><https://www.gov.bm/sites/default/files/2013-HES-Report.pdf>
- <sup>96</sup>First Mates Profile data provided by ACEA
- <sup>97</sup>Data provided by ACEA
- <sup>98</sup>Information provided by ACBDA
- <sup>99</sup>Ticket sales data provided by ACEA
- <sup>100</sup><http://www.acbda.bm/taxi-and-minibus-drivers-encouraged-to-attend-acbda-transportation-info-session/>
- <sup>101</sup><http://www.acbda.bm/visitingyachts>
- <sup>102</sup><http://bernews.com/2016/06/keep-bermudas-waters-beautiful-clean-safe>
- <sup>103</sup><http://bernews.com/2017/05/ministry-10-knot-speed-limit-hamilton-harbour/>
- <sup>104</sup>Information provided by ACEA
- <sup>105</sup><http://www.rsfeva.org/docs/champs/ACEndeavourRSFeva2017NOR.pdf>
- <sup>106</sup><https://www.hobie.com/blog/americas-cup-endeavour-programme,432/>
- <sup>107</sup>Tourism data for May and June 2017 provided by the BTA
- <sup>108</sup>Business visitors data for 2017 provided by the BTA
- <sup>109</sup><http://www.acbda.bm/about/potential-economic-impact/>
- <sup>110</sup>[http://www.gov.bm/sites/default/files/VFM-final-report\\_v1-0.pdf](http://www.gov.bm/sites/default/files/VFM-final-report_v1-0.pdf)



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