Bring America’s Cup to Hawai‘i in 2016?

By Linda Jane Kelley & Dr. Richard Kelley

The America’s Cup, the world’s most famous and prestigious sailing competition, took place last summer in San Francisco Bay and featured one of the greatest sports comeback battles ever witnessed. Oracle Team USA fought back from an 8 to 1 deficit to Emirates Team New Zealand to claim the trophy for team founder Larry Ellison, Oracle CEO. Now, as the owner of the defending team in the next America’s Cup, scheduled for 2016, Ellison, who also owns 98 percent of the island of Lāna‘i, has the privilege of selecting the race’s location and rules.

Will he select Hawai‘i? It’s possible, but before we break out the champagne or ‘ōkolehao, let’s talk a little more about the America’s Cup and what might happen if Hawai‘i were the host venue three years from now.

There is no question that the publicity and media exposure the America’s Cup generates for the host location is enormous. We know this thanks to our experience with other major sports events in Hawai‘i such as the NFL Pro Bowl, the Sony Open and the Ironman World Championship.

This year, for the first time ever, the America’s Cup races were televised live. Graphics, microphones and camera shots from all angles made it exciting to watch, even for those who have never sailed.

From June thru September images were shown around the world, showcasing San Francisco Bay and “The City.” Race commentators constantly talked about the beauty and history of San Francisco, infamous Alcatraz Island and the Golden Gate and Oakland Bay bridges. The publicity was priceless, cementing San Francisco’s reputation as a desirable place to visit in the minds of viewers around the globe. (Dramatic race clips available on YouTube.)

The NBC network broadcast the races in the United States on its sports cable station NBCSN. Over a million viewers in the United States alone tuned in to watch races 1 and 2 in September and the number of viewers is estimated to be even higher for the exciting final races. On average, NBC had more viewers each day than it does for a Major League Baseball game and the numbers were even higher on the weekends. The race was also broadcast to 170 other countries and territories. In New Zealand a quarter of the country’s population watched the finals. The races have also been viewed on YouTube millions of times, with over 625,000 views of the final race in just the first seven days.

The Bay Area hospitality industry saw a boom in occupancy, especially during the final weeks of the championship. The race gave a boost to a range of local businesses including restaurants, bars, food wholesalers and suppliers. Two thousand new jobs
were created for the race, half of which went to local residents, and the city completed many improvements to its waterfront, enhancing the area for residents as well as visitors. The improvements, of course, will benefit the city for years to come. An aging cruise ship terminal was demolished and replaced with temporary structures to house the massive sailboats. These structures will now be converted to modern cruise ship facilities. A 9,000-seat concert venue hosted several months of first-class performances. While the final figures will not be known for a few more months, the economic boost to the Bay Area was estimated in April to be around $900 million.

When Oracle Team USA zoomed across the finish line in the decisive, winner-take-all 17th race two weeks ago, there was one question on everyone’s mind: Where would the next competition be held?

At the press conference held immediately after the final race, team owner Larry Ellison joked that the America’s Cup in 2016 would be held around the Island of Lāna‘i!

All joking aside, Hawai’i would be a great choice for both our state and visitor industry, as well as the teams and race organizers. Hawai’i already is known as a wonderful place to sail. Several well-established races are held here or finish here, including the prestigious Transpacific Yacht Race. The weather in Hawai’i is pleasant year-round, the ocean is clean and warm and the beauty of the island background is breathtaking. Waikīkī has a more-than-adequate supply of hotels and resorts to accommodate the teams, sponsors and spectators.

Races could be held within Māmala Bay, the area bounded by Barbers Point (Kalaeloa) and Diamond Head. Course turn markers could also be set beyond Diamond Head, as far away as Portlock. It all depends on what Larry Ellison, as Cup defender, selects.

Imagine world-class, state-of-the-art racing yachts with their colorful sails, blazing over 40 miles per hour just off Waikīkī Beach with Diamond Head as a backdrop!

It would take a lot of work and investment by everyone in Hawai’i – government, business and residents, just like the effort that made the 2011 Asia Pacific Economic Cooperation (APEC) meetings so successful. With APEC, we demonstrated that we can host a major event in Hawai’i and “do it in spades!”

Facilities for the boats and teams could be built at Sand Island or, if space could be made available, at Honolulu Harbor. These facilities could later be used for local marine businesses or converted to much-needed, upgraded facilities for Hawai’i’s cruise ship industry after the America’s Cup races conclude, much like what is now being done in San Francisco.

Critics of what it cost San Francisco to host this summer’s America’s Cup focused on the out-of-pocket expense to the city. They overlooked the economic benefits and the job opportunities generated not only this year but into the future. Beyond the lasting boost to tourism, the city’s improved waterfront will remain for residents and visitors to enjoy for many years to come.
This is similar to what happened when Honolulu hosted the APEC meetings in 2011. The city and state governments completed a host of much-needed infrastructure and airport improvements in time for the event, making Honolulu a more attractive place for visitors and residents alike. San Francisco critics also fail to point out the increased business for local companies both before and during the nearly four months of racing, and the positive worldwide exposure the city received. That stream of positive images of the city will pay off for years with an increase in the number of visitors, meeting groups and conventions.

Hopefully, Governor Neil Abercrombie, Honolulu Mayor Kirk Caldwell, Mike McCartney of the Hawai‘i Tourism Authority (HTA), other government officials, politicians and business leaders all congratulated Mr. Ellison immediately after the final race on his incredible come-from-behind victory.

More importantly, we hope the HTA and state and county officials are already working on a proposal to encourage Mr. Ellison to hold the next America’s Cup in beautiful Hawai‘i. Although the estimated number of visitors to San Francisco fell short of the 2013 America’s Cup organizers’ original prediction, having this year’s economic and visitor information as a benchmark will give the HTA a realistic set of figures to work with. An organizing committee would need to be in place to oversee the event and to work with the America’s Cup planners, much like the APEC Hawai‘i Host Committee did in 2011. Even if the 2016 America’s Cup turns out not to be feasible for the state and city governments, our political leaders still need to recognize the short- and long-term positive impact of major sporting contests like this and always be on the lookout for new events for Hawai‘i to host.

The America’s Cup 2013 was of great value to San Francisco. Perhaps in 2016 it will be of even greater value to Hawai‘i, where Tourism is Everybody’s Business!®