



Ministerial Statement to the House of Assembly

America's Cup Concession (Artemis Racing) Order 2015

By

Dr. the Hon. E. Grant Gibbons, JP, MP

Minister of Economic Development

Friday, 29th May, 2015

Mr. Speaker, in February this Honourable House debated and passed the America's Cup Act 2015. You may recall that the Act makes provision under Part 3 for the Minister responsible for the America's Cup to make an order subject to negative resolution procedure and requires certain considerations including whether a concession or exemption applied for is in the best interest of Bermuda.

Earlier this month, the Ministry received its first concession application from the Manager of Artemis Racing Team for the same employment related concessions approved for the America's Cup Event Authority and its affiliate Team Oracle under section 8 of the America's Cup Act 2015; this includes relief from work permit fees as well as payroll tax.

Mr. Speaker, Artemis Racing (Artemis) is the Swedish America's Cup Challenger. Artemis has already commenced the process of setting up its team base at the Royal Naval Dockyard and moving its sailing team of 34 members to Bermuda for summer training camps. These members will eventually be joined by 42 family members later this year. The intention is for the team to have a presence in Bermuda from now until the Finals in June 2017. The team has budgeted \$2 million in team accommodations costs and approximately \$500K for team food/catering costs as well as a projected several million dollars of investment in infrastructure for its team base set up. Note that these amounts do not include additional discretionary spending by individual team members who will contribute significantly to our economy.

Furthermore, Artemis is seriously considering moving its entire business and technical operation base from Alameda, California to Bermuda. This will bring approximately 30 additional

employees along with their families to the island. To facilitate this move, Artemis will require more space than is available to the team at the Royal Naval Dockyard. They estimate that they will require up to 6 acres in order to accommodate their operational requirements. To this end, Artemis is currently considering possible venues including Morgan's Point. Artemis is aware that Bermuda's obligation for team base site preparation is limited to the Royal Naval Dockyard. As such, Bermuda will not be responsible for infrastructure support of any team base outside of the Royal Naval Dockyard. The aforementioned projected spend on island does not include costs related to moving the entire operation to Bermuda. Therefore, there is the possibility of millions of additional dollars spent in Bermuda.

It is important to note that under the Event Protocol, all teams must have a presence at the Event Village at the South Basin in the Royal Naval Dockyard in early 2017. Therefore, if Artemis relocation proceeds, Artemis potentially will have bases in two locations in 2017 until the end of the Bermuda Events in late June 2017.

Mr. Speaker, in consideration of the likely benefit to the tourism industry and Bermuda's economy generally, Artemis' request for a concession order was approved and the America's Cup Concession (Artemis Racing) Order 2015 was created and will come into operating on Gazetting.

Thank You, **Mr. Speaker**.

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