

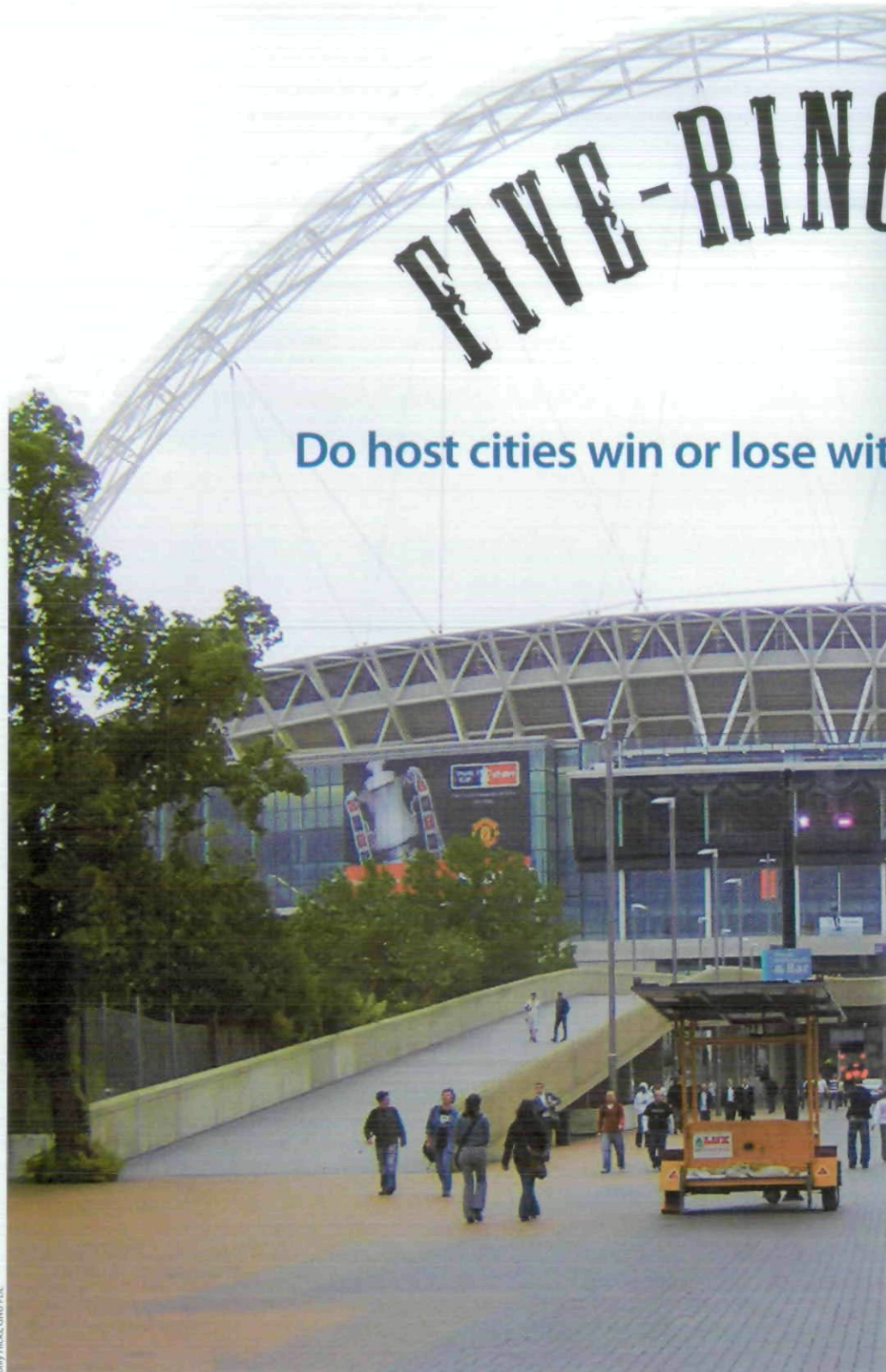


There were plenty of Chicagoans who figured the fix was in. Organizers of the city's bid to host the 2016 Summer Olympics had assembled a package that included Oprah, the Lake Michigan lakefront, and a very gung-ho Mayor Richard Daley—how could they lose?

But lose Chicago did—on the first vote—to Rio de Janeiro. In retrospect, the decision owed as much to international sporting politics as to the merits of the two cities' proposals. But the Second City's disappointment raised a question faced by every city that hopes to bring in the Games. What does a city gain, or lose, by hosting the Olympics? Did Chicago lose? Or did it win?

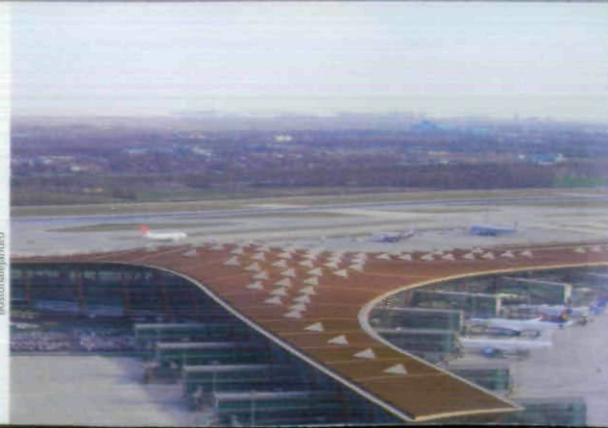
The International Olympic Committee likes to portray the Games in terms of sporting ideals. Since the 1960s or so, entrepreneurial mayors tend to see them in terms of development deals. While local Olympics committees such as Chicago 2016 are privately financed nonprofit organizations, they have a close symbiotic relationship to the governments of potential host cities. The new sporting facilities, transportation links, and housing for ever-larger squads of competitors are improvements cities say they can use, and playing host excites corporations and legislators to help pay for them.

Unfortunately, hosting the Games gets no medals as an urban development strategy. Host efforts tend to be over promised and underfunded, and seldom achieve the goals that local organizers set out.



Do host cities win or lose with

London's Wembley Stadium, opened in 2007, will host several Summer Olympics events in July 2012. With a capacity of 90,000, Wembley is Europe's second largest stadium. It replaced a football stadium that had operated nearby from 1923 to 2003. Right: Terminal 3 at Beijing Capital International Airport, built partly to accommodate the 2008 Summer Olympics.



# CIRCUS

## the Olympic Games?

By James Krohe Jr.



Protestors at the 2008 Beijing Olympics (left). To handle these and other such groups, Beijing officials created three different protest zones and created a permit system for participants.

Image: AP/WIDEWORLD

### Giving up the gold

The Chicago 2016 committee estimated the total cost of staging and preparation at \$4.8 billion. As host city bids go, this was very modest—much too modest, in the opinion of critics who accused the committee of low-balling costs. No Games Chicago, a coalition of local social justice activists, pointed out that Millennium Park came in four years behind schedule and three times over budget and that the rebuild of the busy Dan Ryan Expressway, completed in 2008, came in at twice its original budget. Bob Quellos, cofounder of No Games Chicago, reminded Mayor Daley in an open letter: “In this city, cost overruns and delays of large civic construction projects go hand in hand.”

There were worries that the nearly \$2 billion in city and state guarantees and private insurance might not be enough, and with some reason. Private financing for infrastructure, for example, seems likely to have fallen short of organizers’ extremely optimistic projections. The committee bargained that someone would pay nearly as much to name the Olympic bicycling arena as Citibank paid to name the New York Mets’ new stadium—\$15.7 million, more than four times what U.S. Cellular pays per year to put its name on the stadium of the big-league baseball White Sox.

Among the records broken at every Olympics is cost. While the cost of actually putting on the events is relatively modest, making a city ready to stage the Games can be quite expensive. There is the cost of

## Perfect marriage

One city that is generally praised for doing it right is Barcelona, host of the 1992 Summer Games. In *Olympic Cities: City Agendas, Planning, and the World's Games, 1896–2012*, John R. and Margaret M. Gold call the city “a model that is a benchmark for prospective Olympics cities.”

Barcelona needed basic investment to remedy decades of underinvestment by the national government. Less than 20 percent of the money spent to mount the Games went to sports facilities. Most of the rest went into basic urban improvements. The city expanded its roadways by 15 percent, its sewage treatment systems by 17 percent, and its green areas and beaches by 78 percent.

To house the athletes, various Spanish architects disdained the minimum housing facilities required by the IOC and designed blocks of apartments that would be attractive post-Games additions to the city. The Olympic Village was sited in Poblenou, a derelict 19th-century seafont industrial area, that was intended to become a “normal neighborhood” after the Games, says Oriol Nel-lo, the well-known planning official of Catalonia’s Department of Public Works.

The effort was led by one of Barcelona’s most influential planners, Oriol Bohigas, not by developers or politicians, and the result was high-quality economic, social, and urban planning. The key was that Barcelona “deployed the Games as part a conscious long-term development strategy that existed before obtaining the nomination and continued afterwards,” note the Golds. “Thanks to the Olympic Games,” writes Ferran Brunet of the Autonomous University of Barcelona Faculty of Economics, “Barcelona is now a different city.”

So why doesn’t every host city simply do as the Barcelonans did? “Barcelona got lucky,” says John Gold. The city used the event to embark on a process of renewal. “It was a perfect marriage of needs.”

building Olympics-specific facilities such as new swimming pools and transit links to move press and spectators to the various venues. Bigger still is the cost of the big-ticket improvements that will return value long after the Games leave town. China built the largest airport terminal in the world for the 2008 Summer Games in Beijing, plus three new highways.

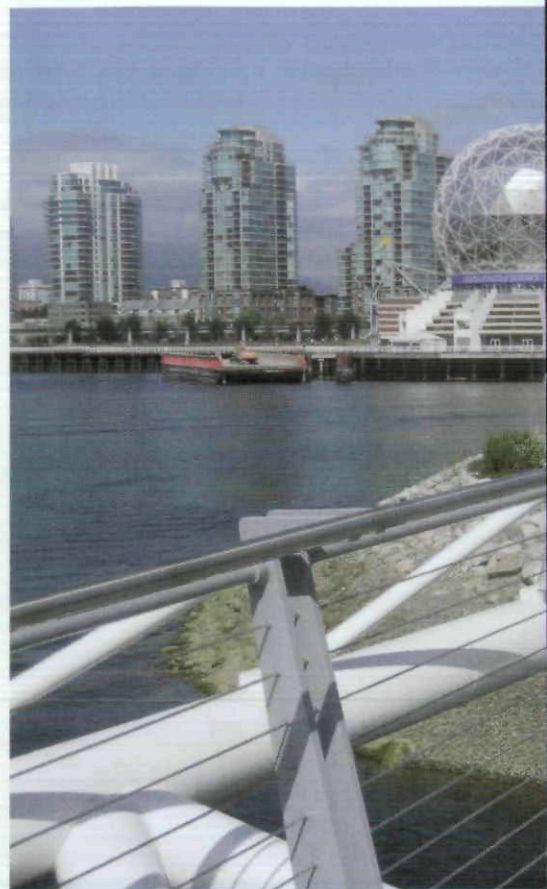
Olympics building projects carry all the risks of any very large public works project, plus a few of their own, including tight deadlines and sometimes capricious direction from the IOC. Beijing leapt over the previous spending record by budgeting \$23 billion (nearly double what Athens spent in 2004) and actually laying out an estimated \$40 billion. It has been predicted that the London 2012 Summer Games could cost at least four times the roughly \$4 billion that organizers said they would cost when the city bid for the games in 2004.

National governments in Europe and Asia and, now, South America, heavily subsidize these costs, including providing the IOC with guarantees against shortfalls. Not so in the U.S. Here, politics, not national pride, determines the level of federal support. Chicago organizers hoped that the prospect of President Obama showing off his city to the world might convince Congress to contribute as much as \$2 billion for the cash-starved Chicago Transit Authority and other transportation spending.

MarySue Barrett, president of the independent Metropolitan Planning Council, points to plans, long on the books, to build a new expressway entrance to O’Hare International Airport. “That project would be a transformative investment,” she says. “It is under-funded today, but if Chicago had been successful, it likely would have received priority attention.”

Whatever must be spent on the Games, it is certain is that the IOC will not pay for a cent of it. “The host city is wholly responsible,” explains Jeffrey Owen, who teaches economics and economic history at Gustavus Adolphus College in St. Peter, Minnesota, and who has studied Olympics financing. At least four host cities in recent years—Sydney, Montreal, Barcelona, and Athens—are still paying off debt taken on to finance their Games.

A city that attempts less has to spend less. Los Angeles made a \$200 million profit on the 1984 Summer Olympics because organizers mounted a bargain basement event



Top: Vancouver’s Southeast False Creek, site of the 2010 Olympic Village. The area was originally targeted for sustainable development, and according to the city, that is, in fact,

## A Sustainable Approach in Vancouver

Vancouver's newest sustainable urban development, Southeast False Creek Olympic Village, will house 2,800 Olympic athletes and officials this month when the 2010 Winter Olympic Games come to Vancouver. After the competitors leave, the development is slated to transition to a model community and urban center for 16,000 people with supporting commercial, office, and community facilities totaling six million square feet.

Southeast False Creek is just one component of Vancouver's Winter Olympics plans, which center on sustainability. Part of that approach means maximizing investment and long-term benefits by improving existing facilities and building new, mixed use facilities that will be welcome additions to the urban environment and the mountainous alpine venues in Whistler, 100 miles north of Vancouver. Costs for hosting the 2010 Winter Olympics are estimated at \$1.7 billion, to be raised from broadcast rights and sponsorships.

The Olympic Village site, an 80-acre parcel just a few blocks north of city hall, had been targeted for redevelopment as a sustainable urban community as early as 1991. The innovative mixed use design includes just over 6,000 mixed income dwelling units, a community center, an elementary school, child care and adult day care facilities, a mid-size grocery store, and other retail spaces. Five historic buildings have been adaptively reused and all buildings, including the historic 1930 Salt Building, are designed to achieve LEED ratings. The pedestrian-friendly site is close to rapid transit, streetcars, bus and ferry routes, and trails. It also features 26 acres of parks and open space, including space for a community garden, preservation of a wetland and habitat island, and a public nonmotorized boating facility. The transportation strategies plan won the Canadian Municipalities Sustainable Community Award for ecologically, socially, and economically sustainable transportation choices.

The project has not been without controversy. Last fall the developer, Millennium Development Corporation, had to ask the city for \$1 billion in additional loans and support, which was granted, to be able to complete the project. Some public opposition has centered on negative impacts to the natural environment and the failure to fully address poverty and broader social issues. Affordable housing advocates are concerned that the Olympics and subsequent redevelopment will push low-income residents out of their neighborhoods—particularly the Downtown East Side—and make affordable housing even harder to come by. In response, the city is building a \$300 million housing complex with 500 market-rate and 200 low-income residential units along with a grocery store and offices for nonprofits.

**'No Impact' in Whistler**

The skiing and alpine events will take place in the Whistler Blackcomb resort area, which was first developed in the early 1960s and has since become one of the largest ski complexes in North America.

In planning for the 2010 Winter Games, the resort owners and the city of Whistler took sustainability seriously. Mayor Ken Melamed led a plan that sought to promote "extreme sustainability" with minimal new development; to recognize the sensitive mountain environments and the traditional First Nations culture in the region; and to use investments in Olympic facilities, particularly transportation, to create a sustainable legacy.

The Sea to Sky Highway (Highway 99) and a railway, the Whistler Mountaineer, are the only connections between Whistler and



Duckworth

McLain, <http://zeal.commons.org>

the legacy the Olympics will leave behind. Above: Barcelona's Olympic Stadium, used for the 1992 Summer Games.

Vancouver. Olympics-related car travel will be severely limited on the scenic highway, which has just undergone a \$450 million road improvement project funded by British Columbia. A fleet of 142 hydrogen-powered buses and the scenic railway, which will operate on an expanded schedule, will handle the bulk of visitors. Both approaches are aimed at mitigating negative transportation impacts.

To further reduce travel demand back and forth from Vancouver, the Celebration Center in Whistler Village will hold medal ceremonies and other events. The facility will be used as a town park and outdoor concert venue after the Olympics.

Neither the municipality nor the resort owners wanted to expand the ski area, so the plan takes a very limited approach to new development. Athletes will be housed in existing hotels and facilities. The one new complex that was built will be converted to apartments for service workers. Four new hotels were built in Squamish, halfway between Whistler and Vancouver.

Planning efforts in both locations included consultation with indigenous people, with the Four Host First Nations (Lil'wat Nation, Musqueam Nation, Squamish Nation, and Tsleil-Waututh Nation) actively involved in planning, development, and recognition of their tribal histories and cultures.

In 2002, the Squamish and Lil'wat signed a "shared legacies" agreement with the province and the bid corporation setting out the rules for their participation, which include receiving title to 121 hectares (about 300 acres) of land in Whistler, money for a cultural center, and shared ownership of the Whistler Olympic venues. The Squamish and Lil'wat Cultural Center opened in Whistler in summer 2008.

Dick G. Winchell

Dick Winchell, FASCP, is a professor of urban and regional planning at Eastern Washington University in Spokane. He was a fellow at the International Canadian Studies Institute in the summer of 2008.

by exploiting the city's already considerable infrastructure. (LA put athletes up in university residence halls.)

### Getting less than what you paid for

What about the economic legacy? Boosters say the Olympics will kickstart the local economy, create jobs, and draw tourists by shining an international spotlight on the host city's charms. Referring to the derelict hospital site that was picked for the Olympic Village, Patrick Ryan, chairman and CEO of the Chicago 2016 Committee, said, "This is an opportunity to redevelop a very important part of the city [and make] a tremendous social contribution to a neighborhood that will be improved."

The Chicago bid team asserted that a Summer Games would pump \$13.7 billion into the city's economy. However, an independent analysis by Anderson Economic Group projected that the Olympics would have triggered only \$4.4 billion in additional tourism and infrastructure spending in Chicago and Cook County, and said even this figure could turn out to be too high.

Sydney's experience is typical. The Australian national government spent \$1.6 billion on infrastructure, anticipating a tourism boom, but Sydney's gross domestic product rose only one percent. In fact, in the three years after the Games, foreign tourism to the state of New South Wales, of which Sydney is the capital, increased less than it did in Australia as a whole.

Sports facilities in general are famously inefficient as a means of spurring long-range economic development, and Olympics facilities such as bobsled runs or velodromes are especially so. Also, "world-class" sports facilities are not needed to stage local- or regional-class events.

Upkeep on facilities left over from the 2004 Summer Games costs Athens \$100 million a year. Big stadiums are a particular problem, says John R. Gold, professor of urban historical geography at England's Brookes Oxford University and coeditor of *Olympic Cities: City Agendas, Planning, and the World's Games, 1896-2012*. He notes that Sydney's SuperDome never made money and had to be handed back to the banks by its owners in 2006 (the same year it became

the Acer Arena). The only event scheduled to take place in 2009 in Beijing's spectacular, half billion dollar "Bird's Nest" stadium is an opera. The facility seats 80,000, down from 91,000 as built.

Chicago organizers planned an 80,000-seater that would be partially disassembled after the Games, leaving a much smaller amphitheater and athletics facility. Atlanta organizers cannily designed its new stadium so it could be used, as Turner Field, by baseball's Braves. "Atlanta knew exactly what it wanted to do with its Olympics stadium," says Gold, "in contrast with every other Games since then."

### Urban renewal?

Stadiums might stand empty much of the time, but what about new transit, roads, and airport facilities built for the Games? Chicago organizers insisted that most of the infrastructure improvements were needed anyway—and that the Olympics would bring the funds to make them happen. Many of the planned projects, city hall spokesperson Kate Sansone told reporters, "are part of the city's long-term goals to enhance the quality of life for residents in the areas of housing, transportation, green space, and sport."

"The city transformations that can be undertaken as a result of hosting mega-events depend on the quality of the planning" in the opinion of Deborah Sadd and Ian Jones of Bournemouth University, who analyzed London's bid in light of other hosts' experiences. If an investment makes sense without the Games, then it probably makes sense as part of a Games plan. In 1968, Grenoble, France, was just an out-of-the-way ski town; new highway links to Geneva, Switzerland, built for the 1968 Winter Games, have helped to turn the city into a major conference and university center.

In other cases, however, the prospect of being the center of the world's attention for two weeks excites state and federal lawmakers to put up funds for public improvements they might not otherwise make—and maybe ought not to make.

"Since infrastructure [projects], especially transportation, are initially designed to handle Olympic traffic," explains Jeff Owen, "they are not necessarily suited to serve the daily needs of the city." In London, a planned new train that will link the heart of the city to the Olympic Park in

East London is part of a transit plan that promises to deliver 240,000 riders per hour to the park—massively more capacity than is likely to be needed after the Games.

Sydney taxpayers shell out \$100 million annually for upkeep on a new rail line that hasn't been heavily used since the 2000 Olympics. Local critics also have complained that the project diverted capital that would have been better spent on new equipment for the aging parts of the system that serves the rest of the city.

### Regeneration

What about the lasting social impacts? "Our interest in 2016 was as a catalyst for legacy benefits," the Metropolitan Planning Council's Barrett explains. Chicago's unsuccessful bid placed most of the venues, including the main stadium and the Olympic Village, in South and West Side neighborhoods that are substantially African American and that have endured underinvestment for decades. The Games, promised the bid committee, would initiate "widespread urban revitalization" by accelerating planned but unfunded infrastructure improvements in struggling neighborhoods.

"The Chicago bid was pretty responsible," says Larry Bennett of DePaul University, who teaches a course in neighborhood development. "It promised to do no more than what the city could carry off," and did not assume there would be a tremendous expansion of infrastructure, the funding for which was nowhere in sight, he adds.

"At the same time, organizers said that this parsimonious spending would generate tremendous economic benefits," from thousands of jobs to affordable housing and new sports facilities. "They should have said, 'This will have some benefits for the neighborhood, and not do a lot of harm in the long run.'"

Such honesty does not recommend a city to an IOC that prides itself on leaving a social legacy. Leaving a legacy—vaguely defined, but usually assumed to mean improvements to the host's social, cultural, and environmental as well as economic life—has become more and more important in the bid process. There have been few studies, however, of the regeneration effects of the Games over the long term.

London's bid to host the 2012 Summer Games was largely devoted to the social, cultural, and economic aspects of the event rather than sport. Organizers sited

the Olympics zone in the polluted Lower Lea Valley in east London, betting that the development would trigger the biggest regeneration project in Europe in 150 years: 10,000 new jobs, 10,000 new houses, several new schools, and a National Sports Academy.

Dressing urban redevelopment in athletic shorts doesn't make it any easier to do. People living in poor areas almost always have low educational and skill levels that leave them unequipped for Games-related construction jobs. Post-Games housing often proves unaffordable to the original residents, and the sports facilities often don't suit local needs.

Indeed, more than a few cities see the Olympics less as an opportunity to revitalize ailing neighborhoods than as an excuse for razing them. In Seoul, traditional low-rise, walkable neighborhoods were bulldozed for the 1988 Summer Games, notes Brookes Oxford University professor Gold. Atlanta tore down the Techwood and Clark Howell public housing projects south of Georgia Tech campus, leveling 9,500 units of affordable housing. Organizers of the Beijing Games claimed that only 6,000 citizens were displaced, but independent observers agree the figure is many times that.

### Blessing in disguise?

Cities involved in recent summer Games, DePaul's Bennett says, "have pretty mixed records regarding community consultation." It has been the rule in recent decades that the first crowds that any Games attracts consist of local citizens protesting that Olympics facilities will be built in the wrong places or cost too much money or ignore the needs of residents.

Might Chicago have done better? "The

2016 people and the city met a lot with community organizations. But it was mainly, 'This is what we plan to do—what do you think about it?' There was not much restructuring of the initial proposals on the basis of community discussions," Bennett adds.

Insiders say the lack of cheering from Chicagoans was one reason that the IOC voted against the city. Some local news polls found that more than four in five city residents opposed the use of taxpayer money to cover any shortfalls—a big reason why nearly half the city's residents told pollsters they didn't want the Games at all.

For some, the loss of development opportunities seemed to matter much more than the loss of the Games themselves. Spokesmen for No Games Chicago called the bid rejection "a very good decision for the people of Chicago." Mayor Daley plainly did not agree. After the vote he said in effect that he had played his best hand and lost, leaving the city without an economic development plan.

Other Games boosters were more upbeat, even if not all quite agreed with *Crain's Chicago Business* that Chicago's rejection was a "blessing in disguise." The bid process revealed the city's weaknesses as much as its strengths, argued the paper.

"The challenges faced if Chicago's bid had won are still very much faced by the region," says Barrett. "I'm hoping that the energy and enthusiasm that went into the bid can be mobilized by the mayor and metropolitan mayors' caucuses to stay at it and work on fast-tracking these needed investments."

■ James Krohe Jr. is a freelance writer based in the Chicago area.

## RESOURCES

### BOOKS

*Olympic Cities: City Agendas, Planning and the World's Games, 1896–2012*, edited by John R. Gold and Margaret M. Gold (Routledge, 2007) is a good general introduction to the issues. See also *The Economics of Staging the Olympics: A Comparison of the Games 1972–2008* by Holger Preuss (Edward Elgar Publishing Ltd., 2006).

### MORE

Anti-Olympics studies include *The Five Ring Circus: Myths and Realities of the Olympic Games* by Christopher Shaw (Consortium Book Sales, 2008) and *Inside the Olympic Industry: Power, Politics, and Activism* (State University of New York Press, 2000) and *Olympic Industry Resistance: Challenging Olympic Power and Propaganda* (State University of New York Press, 2008), both by Helen Jefferson Lenskyj.