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# How can the Olympic Games continue if cities no longer want to host them?

by Suzanne Hanney

Cities no longer compete to host the Olympics, says University of Chicago Professor Allen Sanderson, so the question is how the Games should continue.

"The International Olympic Committee (IOC) model has been for a long time to get a bunch of cities or countries to bid for the right to host the Winter/Summer Games and they will choose the best candidate. A lot of times it's whoever's willing to spend the most money for facilities," Sanderson said in a telephone interview.

"But more and more countries are finding out that the Olympics are far from being profitable. In fact, they are money losers of a significant nature. Things have changed somewhat in the 21st century, out of their control."

Terrorism is a new cost, for one thing. The 2004 Summer Games in Athens were the first after the Sept. 11, 2001 attacks on New York City's World Trade Center, which raised their cost of security alone to \$1.5 billion.

In addition, sky-high bidding by Beijing for the 2008 Summer Games and Russia for the 2014 Sochi Games "raised the ante significantly," as Sanderson wrote in the Chicago Tribune. "Russia spent more in Sochi in 2014 than had been spent on all previous Winter Games combined."

China and Russia can spend money freely because of their top-down economy and an entrenched bureaucracy that inhibits public protest, Sanderson said. But European nations and the United States are more focused on the bottom line, and economists have preached that after the Games, Olympic facilities are white elephants.

Sanderson saw the turning point when he was involved with Boston's bid to host the 2024 Games. "We didn't say, 'Don't do this,' just 'Here are the risks, here are the costs and the experiences of the last 10 cities that have done this.'" Boston withdrew its bid in August 2015 after receiving Sanderson's report.

According to a Council on Foreign Relations (CFR) backgrounder,

the Boston mayor said he "refuse[d] to mortgage the future of the city away." Other 2024 finalists Budapest, Hamburg and Rome also withdrew. The choice came down to Los Angeles and Paris.

However, Los Angeles made it clear to the IOC that if it didn't win, the city would not bid again.

As Sanderson wrote in the Tribune, "The spin from IOC headquarters in Lausanne, Switzerland: We have two outstanding proposals for 2024 and it would be a shame to reject either one, so let's reward them both. A less charitable interpretation: Given there were only two bids for 2024, the IOC did not want to risk the embarrassment of having no other suitors for 2028."

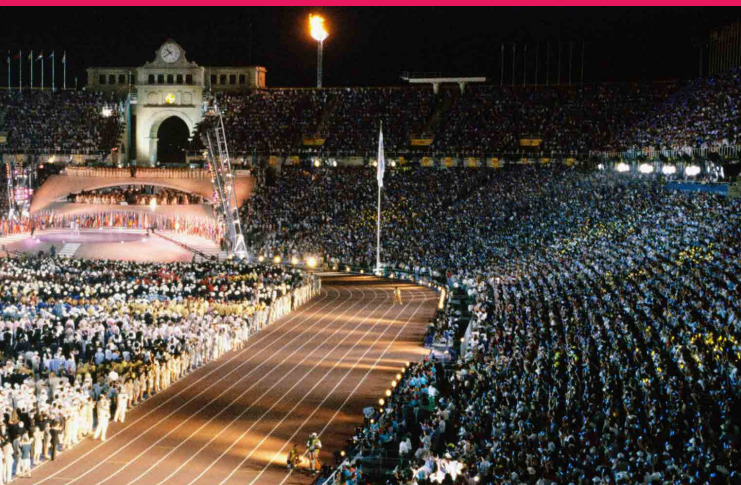
Paris will get the 2024 Games, nostalgically in line with the centennial of its 1924 Games, as portrayed in the movie, "Chariots of Fire." Los Angeles will host the 2028 games.

Los Angeles is the only U.S. city that should host an Olympics, Sanderson says, because it has so much existing infrastructure, starting with the Rose Bowl and the L.A. Memorial Coliseum. The latter hosted two Super Bowls, three NFL championships, the 1959 World Series, a mass by Pope John Paul II and a 1964 crusade by the Rev. Billy Graham that drew a record 134,254 people. Student dorms for the University of Southern California and the University of California at Los Angeles will serve as the Olympic Village, "which will allow LA to get by on the cheap."

Los Angeles hosted the downsized 1984 Games, (Soviet nations boycotted in retaliation for the U.S. boycott of the 1980 Moscow Games) which turned a profit. L.A. also hosted the Depression-era 1932 Games.

Boston is Sanderson's second choice for a U.S. Olympic city, given greater buy-in from Harvard and Boston College, also for the use of their dorms.





## Barcelona 1992

An NBA team comprised of Michael Jordan, Patrick Ewing, Larry Bird and Charles Barkley took basketball gold, while new teams competed from former Soviet bloc nations and post-apartheid South Africa. The cost of the Games accounted for just 9.4% of the \$9.3 billion spent to prepare the city, from new roads, to airport renovation, to two miles of beaches reclaimed from industrial slums. In the process, Business Insider said the city rose from 11th to 6th most popular in Europe.



TOP: The Olympic Park in Barcelona, Spain (David Grey photo).

CENTER: The Opening Ceremony of the 1992 Summer Olympic Games in Barcelona (photo courtesy of the International Olympic Committee).

BOTTOM: Barcelona's Olympic Stadium (J. McLuvin photo).



## Athens 2004

The birthplace of the ancient Olympics and the site of the first modern Games in 1896, Athens drew 11,000 athletes from 202 nations in 2004. Swimmer Michael Phelps topped the medals count, with six gold and two bronze. Preparations included a new airport, expanded public transport, and permanent sports infrastructure, which some economists say contributed to a Greek debt crisis.



TOP: Olympic flame at the opening ceremony of the Athens 2004 Summer Olympics (I. Allerego photo).  
BOTTOM: Peace and Friendship Stadium hosted volleyball in Athens (M. Eiskalt photo).

But what about Chicago's bid for the 2016 Summer Games that ultimately went to Rio de Janeiro?

"Personally, I am glad Chicago did not win the bid because we've got enough of a financial problem," said Sanderson, who has taught more University of Chicago students than anyone in its history. "Chicago and Illinois are not your poster children for how to run a state or a city. Pensions are a big issue. How do you get these people to stop spending money?"

If the IOC had allowed Chicago to use Soldier Field, dorms at the University of Chicago, Northwestern and DePaul as an Olympic Village, and McCormick Place as a media center, Sanderson said he would have been in favor of the city's bid. But a 90,000-capacity stadium in Washington Park was a non-starter for him (plans called for it to be reduced capacity, post-Games).

There was also the likelihood of cost overruns, because "the human tendency is to want to satisfy my constituency. Once you use the word 'billion,' every developer wants to get into the game. It's the old Chicago question: 'where's mine?'"

Terrorism was always a risk, but his bigger concern was "the tail wagging the dog rather than the dog wagging its tail" in terms of infrastructure.

"What you would like to do is say, 'We need infrastructure improvements to help our city and by the way, how would the Olympics fit into our plan?' But we let this three-week party drive our expenditures for 50 years down the horizon. Countries get it backwards."

Rio de Janeiro is perhaps the most beautiful city he has ever seen, Sanderson said, but as a developing nation, Brazil didn't have the economy for the new, expensive Olympics.

CFR put the final tally for Rio's Games at \$20 billion, with Rio responsible for at least \$13 billion. Four clusters of stadia were built, connected by \$3 billion in new highways and a subway, which a state auditor found was overbilled by 25 percent. The 4,000 apartments that comprised the athletes' village remained empty as of 2018, although at least 77,000 people had been evicted during construction. The city was still unable to pay its public employees, which some said led to a rise in violent crime.

"Urban mobility has improved, even if it is mainly between the Olympic city and the center of Rio," Henrique Peregrino de Trindade wrote via Facebook message. Peregrino edits the bi-monthly Aurora de Rua newspaper written by a homeless

community in Salvador, 1200 miles north of Rio. Like StreetWise, it is one of more than 100 street papers around the world, members of the International Network of Street Papers (INSP), headquartered in Glasgow. Seeing disabled Brazilian athletes win medals at the Rio Paralympics also increased national pride, he said.

“But with the [2014] World Cup and the Olympics Games, Brazil went into debt and many investments that could have been against poverty went to the sport’s elites,” Peregrino said. “Social injustice in Brazil - perhaps the worst wound in the country - has increased, not decreased, with these sporting events. You need a lot of money for these events, so the resources are lacking in social assistance, in health, in culture. In Salvador, during the 2014 World Cup, it was necessary to ‘clean the city’, hide the misery. Homeless people and favelas could not be seen by athletes and tourists.”

Sanderson doesn't buy the argument that hosting the Games enhances international prestige.

His students have compared building permits, hotels and tourists in cities that won Olympics with nearby cities that didn't: Barcelona (1992) and Madrid, Atlanta (1996) and Charlotte, Sydney (2000) and Melbourne, Australia. They couldn't tell the difference. Barcelona had a slight bump, however, because it was sprucing itself up to enter what was then called the Common Market, now the European Union.

Some people have called for a permanent Olympic site, such as Athens or a Greek island, because of the debt that nation incurred. But because the Olympics always demand the latest technology, Sanderson said that would still put financial pressure on one country. Rotating the Olympics around five venues would just mean greater costs at 20-year intervals.

The future of Games, he said, may come down to breaking them up into smaller world track, soccer, skiing and figure skating events that could even be split up among different countries. The effect would be similar to the World Series or the Super Bowl.

“We have to have some way to reduce the costs, because that is the only way to keep more countries as participants.”



## Rio 2016

Michael Phelps swam for five gold medals and one silver in his fifth Olympics; with 28 medals, he became the most decorated athlete in the modern Summer Games history. Gymnast Simone Biles won four gold and a bronze, a feat she is predicted to surpass in Tokyo this year. The first Olympics in South America, the Rio Games cost \$20 billion, including \$2.06 billion for 34 sports venues (nine of them permanent), \$8.2 billion for a subway line that ensured nearly half the athletes could reach their venues in 10 minutes and 75 percent in 25 minutes; for renovation of an historic port area and cleanup of polluted Guanabana Bay.



TOP: Aerial view of Baía de Guanabara, Rio de Janeiro, Brazil, March 12, 2019 (Lucas Campoi photo). BOTTOM: Barra Olympic Park in 2016 (André Motta photo).



OLYMPIC STADIUM (OVERHEAD VIEW) - OPENING AND CLOSING CEREMONIES, ATHLETICS

Chicago's Olympic Stadium, designed and built specifically for the 2016 Olympic Games, would have rested in 100 acres of historic parkland in the Washington Park neighborhood. The stadium would have hosted the opening and closing ceremonies, as well as the athletics competition. This facility represented both innovative and responsible construction, with the ability to accommodate crowds of 80,000 for the Games, then being reduced to a community-friendly amphitheatre post-Games.



OLYMPIC VILLAGE

Located on Chicago's rapidly developing near South Side just west of the lake, the Olympic Village was to provide convenient, picturesque housing for 16,000 athletes and officials. Eighty-eight percent of athletes would have been within 15 minutes of their competition venues. After the games, it was to convert to mixed-income housing.



OLYMPIC SPORTS COMPLEX AT NORTHERLY ISLAND — BEACH VOLLEYBALL, BMX, TRACK CYCLING

The Olympic Sports Complex at Northerly Island was to play host to Beach Volleyball, BMX Cycling, and Track Cycling.

# Chicago's failed Olympic bid 2016

The idea of Chicago hosting the 2016 Olympic Games was promoted as a possible fifth star on the city's flag, equal to the two world's fairs in 1893 and 1933. Mayor Richard M. Daley promised that \$3.8 billion spent on the Games would make Chicago a "global city" and would return \$22 billion in tourism and economic investment.

Chicago proposed 79 percent of its venues as existing or temporary, according to the archived bid book. Soldier Field would host soccer; McCormick Place table tennis, weightlifting, wrestling, rhythmic gymnastics, volleyball; Douglas (now Douglass) Park on the West Side gymnastics, basketball, and cycling. Washington Park on the South Side would have been the site of swimming, diving, and the opening ceremonies in an 80,000-seat stadium that would have been reduced in capacity after the Games. Northerly Island would have hosted beach volleyball and even slalom kayaking, thanks to a river of rapids.

The 16,000 athletes would have stayed in a \$1 billion Olympic Village on the site of the former Michael Reese Hospital, 2929 S. Ellis Ave. Otherwise, Chicago promised economy, with two-thirds of spectators taking the CTA and Metra to venues. John Murray, chief bid officer, said in 2016 that a two-week event could not pay for 30 years of infrastructure.

However, displacement was a concern. Kenwood Oakland Community Organization Executive Director Jay Travis told WBEZ that Olympic infrastructure would change South and West Side neighborhoods and raise the cost of housing. The Chicago Defender reported that the group No Games Chicago met with International Olympic Committee (IOC) members during an April 2009 visit to Chicago.

In October 2009, Chicago lost its bid on the first vote of the IOC, which ultimately chose Rio over Madrid and Tokyo. NPR speculated that the IOC was enamored of having the first Olympics in South America, still angered at a bribery scandal involving the 2002 Games in Salt Lake City and perturbed that Chicago was the last of the cities to guarantee the cost of the Games if ticket sales and sponsorships didn't suffice.

Advocates say that the effort still helped Chicago. Murray told ABC7 Chicago in 2016 that the attention led to Chicago gaining the NFL Draft, the America's Cup race, an international triathlon and international rugby matches.

Chicago would have been paying off the \$91 million loan on the Michael Reese property until 2024. However, on July 21 the City Council accepted the \$96.9 million bid of GRIT Chicago LLC for a 7 million square-foot, mixed-use development. The 48-acre property will include 4,800 residential units, 20 percent of them affordable; the City will provide \$60 million for new streets and a park.

Images from the proposed Chicago 2016 Olympic bid ([www.chicago2016.org](http://www.chicago2016.org)).