

## Gold Medal Ring Toss

by Neil deMause  
Orlando Weekly  
December 14, 2000

This Friday, Dec. 15, Florida 2012 CEO Ed Turanchik will deliver to the U.S. Olympic Committee a document that could change the face of Central Florida forever. The 600-page proposal will contain the seeds of what the former Hillsborough County commissioner hopes will grow into a successful campaign to bring the 2012 Summer Olympics to the Tampa-Orlando corridor.

The Olympics, Turanchik is convinced, would be a windfall for Florida, transforming the region corridor with new sports facilities, housing and bullet trains, and turn a \$200 million profit to boot. It's all there for the taking if Florida beats out seven U.S. rivals (New York, Cincinnati, Los Angeles, San Francisco, Baltimore-Washington, Houston and Dallas) when the U.S. candidate is chosen in 2002, then takes the grand prize from the IOC three years after that.

"It would be of unprecedented value to the communities in Florida in terms of repositioning the state in the global economy," says Turanchik, who sees the Olympics as having the potential to be a "wonderful civic elixir" that brings communities together to work on a common goal.

Olympic-caliber athletes, economic windfalls and, best of all, no lingering debts of the sort that have accompanied St. Petersburg's Tropicana Field and Tampa's Raymond James Stadium. It sounds too good to be true.

And, according to a growing legion of Olympics critics, it is.

In books like Helen Jefferson Lenksy's "Inside the Olympic Industry" and Andrew Jennings' "The Great Olympic Swindle," and via such organizations as the Sydney Anti-Olympic Alliance and Toronto's Bread Not Circuses, economists and community activists are raising warning flags that the Games can bring with them an Olympic-sized headache.

"The Olympics are the most difficult franchise in the world to operate," says Canadian investigative accountant Charles Smedmor, who has delved into Olympics finances in response to Toronto's bid for the 2008 Summer Games. "If you have to turn your city upside-down and disrupt its economy to accommodate 15,000 athletes, 20,000 media and 'the Olympic family,' that can be a very expensive undertaking when you consider the collateral damage to the local ongoing economy."

Let's start with that \$200 million surplus figure Turanchik's group is promising. All sports revenue estimates, of course, have to be taken with a grain of salt: Both construction costs and revenue figures have a

tendency to look a lot rosier before the first shovel hits the ground than after the bills come due.

For the Olympics, the cautionary tale for years has been Montreal, where Mayor Jean Drapeau in 1973 memorably proclaimed, "The Olympics can no more have a deficit than a man can have a baby," three years before the 1976 Summer Games racked up a \$600 million deficit. (Editorial cartoons of a pregnant Drapeau suddenly became de rigueur in the Quebec press.)

But while recent Olympiads have been lacking the scandal headlines of Montreal, they've turned in some fairly devastating financial numbers of their own. The private Atlanta Olympic Committee paid off its debts by plastering so many ads across Georgia that even the IOC blanched, but the local and federal governments weren't so lucky: The 1996 Games were recently revealed to have cost more than a billion dollars for housing and infrastructure.

The just-completed Sydney Games, meanwhile, while officially turning a slim profit, were estimated by a New South Wales state auditor to have run up a staggering \$2.2 billion loss.

Though Olympic committees are set up as private entities, the debt that accrues is generally public. After the Atlanta Olympic Committee's wall-of-ads approach in 1996, the IOC issued an edict that wannabe host cities must promise to pay off any Olympic debts, so its organizers need never again resort to such blatant hucksterism to stay out of the red. The Florida Legislature complied by approving a \$175 million contingency fund in March.

There are several reasons for the inconsistent numbers that tend to crop up in Olympic bean-counting, say experts in the economics of the Games. Smedmor notes that Olympics budgets seldom include the cost of such line items as land, transit, roads, water and sewage, nor the gargantuan amount of police and emergency services overtime that invariably accompany the event. "The Olympics can make a profit, but only if you include every dollar of revenues, and pay costs out of someone else's pocket," he says.

Taking Toronto's 2008 bid as a case in point, Smedmor runs down some of the items omitted from that city's bid budget: costs of creating the Olympic Village and other housing for the games, as well as of staging the Paralympics, a competition for disabled athletes that is required to follow the games. Likewise, Toronto's bid took no account of displacement of tourists during the Games -- Toronto's hotels are already at 90 percent capacity during the summer, so any influx of new visitors is likely to drive the existing tourist base out of town for the interim.

This last is a crucial point, for one of the arguments made by Olympic boosters -- after admitting that profiting on the Games is a dodgy prospect -- is that they create a boom in tourism that more than compensates for any public investment. Not so, says University of South Florida economist Philip Porter. After poring over Atlanta's sales, hotel

and airport data for the months of July and August 1996, when the Games were in town, Porter found no evidence that the Olympics caused any boost to these economic indicators, though it did appear to create a short-term windfall for hotel owners who jacked up prices.

Olympics tourists, Porter concluded, merely displace residents and regular tourists, and they "don't buy any more food than the people in your town would have bought."

Olympics defenders counter that the real Olympics tourism boom doesn't come when the Games are under way -- when hotel beds are at a premium and even many residents steer clear of the host city. (In Sydney, an estimated 14 percent of the local population left town this September to avoid the Olympics crush.)

The bang for your buck, as the head of the Toronto Convention and Visitors Association wrote in a 1999 article disputing Smedmor's findings, is that the Olympics serve as an "infomercial for the host city, promoting itself to the world throughout the duration of the Games." Trisha Hosking, communications director for the Toronto group, notes that Lillehammer, Barcelona and Seoul all saw large jumps in tourism in the years after their Olympics, including in Barcelona's case a jump from 1.7 million in the year before the Games to 3.1 million three years afterward.

Smedmor and Porter point out in rebuttal that the Barcelona Games also happened to come at the end of a global economic recession and during a war in Yugoslavia that had eliminated Barcelona's prime competitor for European beachgoers. "You attribute that to the Olympics, and I'll eat my hat," Porter snorted. "I would challenge anybody to make the contention that there were people in the world that didn't know where Barcelona was before the Olympics that knew where it was afterwards."

And there is always the counterexample of Atlanta, which, as even Hosking admits, "was not a great model for promotion of aftereffects."

As far as Porter is concerned, any slight boost in tourism that might result from the Olympics is still not worth the cost to taxpayers. "The amount of money that cities spend to host these events would have been much more productive spent directly as advertisement," he says. "When you host a sporting event, you invite scrutiny -- but it doesn't necessarily become good scrutiny." Several articles on the 1999 Super Bowl in Miami, he notes, focused on the muggy weather and the riots after Super Bowl XXIX in 1995. "You invite people to look at your dirty laundry, as well as your best traits."

The Olympics, of course, are more than just a budget item. They're also a sporting event, one that can turn a city upside-down for a lot longer than a mere Super Bowl week.

For most Floridians, though, who will be unable to afford much in the way of tickets, the most memorable thing about the Games would likely be its lasting legacy on Central Florida's urban landscape. "The developers use

the Olympics as the biggest development project they've ever had an opportunity to engage in," says Anita Beaty, head of the Atlanta Taskforce for the Homeless. "And then it's a steamroller. It keeps rolling."

Charles Rutheiser, a Johns Hopkins anthropology professor and author of the book *Imagineering Atlanta*, notes that while the 1996 Olympics allowed the downtown gentrification Atlanta business leaders had long sought, the inner-ring residential neighborhoods did not benefit as much as had been hoped from the redevelopment. "While there have been some new projects for middle-income in the inner ring, it has not dramatically improved the conditions of life for people living in these neighborhoods. In fact, those populations have been displaced, and no replacement housing has been built for them elsewhere in the metro area. Instead, they've been given Section 8 vouchers" -- federal subsidies on rent at privately owned apartments, providing the residents can find ones available at the rate the government is willing to pay.

The net loss of housing, according to Beaty, was about 10,000 houses.

While at Georgia State University, Rutheiser had graduate students try to track what happened to residents displaced by Olympic gentrification: "A not inconsiderable proportion of those people ended up homeless," he says.

None of this bodes well for Tampa, where Section 8 vouchers have already become a way of life for former residents of public housing projects demolished in recent years. The \$770 million Olympic development plan announced last month would use the promise of the games as a battering ram to clear downtown Tampa of its public housing projects and replace them with a 110,000-seat stadium and an Olympic Village of plazas and Ybor City-style architecture. About 1,200 housing units will be razed at Central Park Village, where the Olympic Stadium would be built, and along the Hillsborough River at North Boulevard Homes and the Mary Bethune Hi-Rise, where the Olympic Village would be located.

Residents would be promised replacement housing in the Olympic Village once the Games were over, but many are still concerned, and rightly so, according to Beaty. In Atlanta's Techwood and East Lake Meadows projects, she recalls, the city made similar promises of relocating all eligible residents. The catch here was "eligible": the city weeded out tenants who were illegally doubled up or otherwise in technical violation of their leases.

"There was a wave of 'you're a day late on your rental payment,'" says Beaty -- combined with the usual turnover in public housing, by the time the Olympics were over. As a result, most of the current residents were gone. "What they wound up with was at the very last minute, maybe 113 families who were left out of about 600 in one project, and many fewer than that by the time they handed out Section 8 certificates."

Even worse than the resulting housing crunch, says Beaty, is the

wholesale takeover of public space prompted by the staging of an Olympic Games. "Dozens of private security forces are the bequest of the Olympics," she says, detailing the 9,000 arrests of poor and homeless people during street sweeps to make Atlanta presentable to an international audience. (Atlanta's private cops, generally organized by landholder-run business improvement districts, are empowered to make arrests if they are off-duty or retired city police officers.) Since 1996, the crackdown has continued, she says, with new quality-of-life ordinances under which more than 17,000 people have been arrested for sullyng the newly gentrified downtown.

Beaty and other critics in Toronto, Sydney and other past and prospective host cities have begun coalescing as a loose anti-Olympics movement, sharing strategies for either driving off the Games or at least blunting their negative impact. Toronto's Bread Not Circuses, for example, has compiled a list of requirements for staging a sustainable Olympics, including full public review, a guarantee of return on all public funds (including "opportunity costs" from not using that public money on other projects), free or low-cost tickets for local residents and construction of affordable housing.

Of course, with bribery scandals and plunging TV ratings already having pushed the onetime pinnacle of sports achievement to a crisis point, it's entirely possible that the Olympics will be a very different creature by the time 2012 rolls around. The 2004 Summer Games in Athens, in particular, are already projected as a mayhem of corruption and mismanagement, which will only likely increase public scrutiny and distrust of the Olympics industry. "It's going to collapse because all rotten empires eventually collapse," Jennings, author of *The Great Olympic Swindle*, told the *Village Voice* earlier this year. For Central Florida and other Olympic hopefuls, it might just be better if it collapsed sooner rather than later.