

ARTICLE 19

NINETEEN ARTICLE

Submitted by: Lee Biernbaum

To see if the Town will adopt the following resolution:

**Whereas:** the Town of Brookline, surrounded on three sides and about 85% of its borders by Boston, was never consulted about hosting the 2024 Olympics before Boston2024's private bid was placed, proposing at least two events within our town;

**Whereas:** the International Olympic Committee's standard contract language requires host governments to provide a financial guarantee for the Games, regardless of overruns; the Olympics have overrun their initial projected costs in every Olympics from 1960 to 2012, and in any event, the now-projected \$9.1 billion cost should be invested far more productively in our Commonwealth's pressing needs, e.g. education, healthcare, affordable housing, public safety, transportation, etc.; and, besides, preparations for the Olympics will distract public and political attention away from addressing those needs;

**Whereas:** civic and business leaders' Olympics generosity so far is commendable; but local charities worry about diversion of donations away from their causes; instead, those contributions should more reasonably go -- on an ongoing basis -- to either charities or state and local governments for sorely tax-underfunded services;

**Whereas:** multiple academic studies show the Olympics and other mega-events do not lead to long-term economic benefits for host communities;

**Whereas:** Boston 2024's plan does not include any public transit improvements not already planned for by the Commonwealth and would do nothing to fix a system desperately in need of attention and funding;

**Whereas:** Olympics security requirements put onerous burdens on local residents, and in prior Olympics included measures like anti-aircraft missiles on roofs of apartment buildings; and

**Whereas:** the Olympics' proposed marathon route through Brookline will likely result in a security cordon cutting residents off from jobs, schools, recreation, etc.; and the overall impact of the Olympics on us would be immeasurable, causing Town Administrator Mel Kleckner to reply when asked by a reporter what would be affected in Brookline if Boston won the bid, "*Everything*"-- such as traffic, public safety, and housing -- [and] "*It's not possible to envision an Olympics without a regional impact.*"

**NOW, THEREFORE BE IT RESOLVED:**

1. that Brookline's (representative) Town Meeting opposes Boston2024's Olympics bid; and
2. urges our townwide elected officials, state representatives, and state senator to actively do so.

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PETITIONER'S ARTICLE DESCRIPTION

Hopefully the "WHEREAS:" clauses are either self-explanatory as reasons, and where necessary can be documented for any requested background data.

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SELECTMEN'S RECOMMENDATION

Article 19 asks Town Meeting to resolve to oppose Boston 2024's Olympics bid and urges Town-wide elected officials, state representatives, and state senator to actively do the same.

As the town is bordered on three sides by the City of Boston, many residents are concerned about the negative impacts the Olympic Games could have on the town with respect to traffic congestion, road closures, economic loss, public safety and general disruption of town services. Furthermore, the bid includes potential sites for events located in Brookline; however, Boston 2024 has not yet approached the Town to discuss their plans. Although the Town is able to successfully accommodate large-scale events like the Boston Marathon, the Olympics is a multi-day event and would therefore likely require more logistical coordination and dedication of town resources, the scope of which is unknown at this time.

The Board had hoped that Boston 2024 would be available to weigh in on this resolution, but since they did not attend the public hearing on this warrant article the Board felt that they needed to move forward and support the resolution in the hopes that it will help stimulate further dialog.

By a vote of 5-0 taken on April 28, 2015, the Board recommends FAVORABLE ACTION on the resolution as submitted.

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ADVISORY COMMITTEE'S RECOMMENDATION

SUMMARY:

While hosting the Olympics may at first glance seem like an exciting prospect the lack of meaningful public process, significant financial risks, diversion of public energy and

resources away from more pressing local concerns, along with too many unknowns make it difficult if not impossible to support. The Advisory Committee therefore recommends FAVORABLE ACTION on Article 19, which opposes the Boston bid for the 2024 Summer Olympics, by a vote of 16-4-2.

**BACKGROUND:**

Article 19 is a resolution asking Town Meeting to oppose Boston2024's Olympics bid. It urges Brookline's town-wide elected officials, state representatives, and state senator to actively oppose the bid as well.

The petitioner put this article forward out of concern for the costs, risks, questionable benefits, and a concerning lack of public process associated with the Boston2014 Olympics bid.

**Public Policy concerns**

Boston2024 is a private group organizing to bring the Olympics to the Boston metropolitan area in 2024. Boston2024 employees are not elected or answerable to the public by any democratic means. They have recently added many celebrated athletes and personalities to help them move their cause forward. Two years into the process, Boston2024 released their bid documents to the public in January of 2015. The documents identified many different communities that may serve as event venues or housing sites without actively engaging with the impacted communities, Brookline included.

Boston2024 has scheduled a series of public meetings and posted a list of frequently asked questions on its website. To date these public forums have not provided an opportunity for rigorous discussions with opponents; their format has been that of a presentation followed by a question and answer session.

Boston2024 does support a state referendum on the November 2016 ballot. While the language on the ballot has yet to be determined, it will likely be an up or down vote regarding hosting the Olympics. Deadlines for submitting candidature filings and taxpayer guarantee letters with the International Olympic Committee (IOC) are only three months later, in January 2017. Presumably much work will have already been done in advance of the referendum.

Regarding Brookline specifically, neither the Town Administrator nor the Selectmen have been included in discussions about the possibility of hosting the Olympics. Yet the Brookline Country Club is under consideration as a golfing venue, and Brookline may host part of a marathon route.

Even if no Olympic event occurs in Brookline, the Town will be affected if Boston is selected as the 2024 host city. We are part of Boston in many ways, surrounded by it on three sides. Local traffic, housing, public safety and surveillance are among a few of the ways the Town will be impacted.

## **Financial Costs**

### *Budget in December 2015 bid documents*

Boston 2024 submitted a \$14.3 billion dollar budget to the U.S. Olympic Committee (USOC.) The current rough break down is:

- \$4.7 billion Operating budget
- \$3.4 billion Facilities costs
- \$5.2 billion state infrastructure
- \$1 to 2 billion for security and logistics

The estimated \$4.7 billion dollar operating budget for the games will be paid for through broadcast revenues, local and international corporate sponsorships, and ticket sales at venues; however, there is always the risk that the ticket sales won't yield projected revenues. There is a risk in calculating the level of corporate sponsorships and broadcast revenues as well.

While there are many existing structures that will be put to use in Boston 2024's plan, hosting the Olympics requires building new facilities. The plan for building new facilities, at an estimated cost of \$3.4 billion dollars will ideally be borne by agreements between private developers and landowners, with the developers renting out facility space to Boston 2024 and later leasing or selling it. Whether this will actually come to fruition and whether it will ultimately benefit the community is a complete unknown.

Boston's existing state infrastructure budget, which is publically allocated money, is technically not included in the cost of the games (though it is included in the bid documents). And winning the bid would likely impact how those monies are spent.

The federal government (all taxpayers) will pay for security costs, estimated at \$1 to \$2 billion dollars. Indirect security costs, such as overtime and planning resources, will likely fall on towns and cities.

### *Financial Guarantee*

The International Olympic Committee (IOC) requires host governments to secure the final bid in the event that private funding falls through. Boston's mayor has already signed a joinder agreement committing to comply with standard IOC procedures which include this commitment to financially guarantee that the games go on as planned—whether or not there are cost overruns. Legally the Boston Mayor cannot bind surrounding towns and cities, but if the state ultimately needs to cover Boston's costs all taxpayers will contribute. For example New York State had to cover costs after the Lake Placid games in 1980.

### *Insurance*

Boston2024 has obtained insurance for itself and Boston during the bidding phase, and has promised to obtain insurance to protect the City of Boston (and itself) for all of its

obligations should Boston become the host city. However there are questions as to whether or not any insurance policy could adequately cover probable cost overruns. If not, taxpayers will ultimately shoulder the bill for those cost overruns.

### **Social Costs**

There is a significant concern that conversation about the Olympics will divert public discourse and private donations away from local charities and pressing, chronic public issues such as affordable housing, homelessness, health and education towards matters related to “winning a bid.” Already public energy and discourse is spent on the Olympic bid, this warrant article is itself an example.

It may also change the way the Town allocate resources and make choices we might not have otherwise made but for attempting to accommodate Boston 2024 and win the Olympics bid.

### **DISCUSSION:**

The majority of the Advisory Committee agreed that the prospect of hosting the Olympics locally is exciting, but that lack of public process and expected financial and social impacts were not worth the cost.

The timeline remained a concern for committee members who were trying to determine when possibilities would become firm plans, making it easier to determine what actual costs and outcomes might be. The answer remained elusive; the USOC requires filings in September 2015 and January 2016 and there are additional filings at future dates including the final candidature filings and taxpayer guarantee are due in January 2017. The IOC will make its final decision in 2017.

A minority of the committee was prepared to take a wait-and-see approach and thought the article was too absolute. Their rationale was that the Olympics are nine years in the future, Richard Davey, former Massachusetts Secretary of Transportation, was just named Boston2024 CEO in January 2015, the bid is now public, and Boston2024 has scheduled informational meetings.

The majority, however, agreed with the petitioners that the decision making process seemed undemocratic and opaque, with decisions and commitments being somewhat fluid and unknowable in addition to being out of the public’s control. Members recalled the troubles with the MBTA this past winter, the Big Dig overruns and corruption, the logistical impact of the Boston Marathon, re-routing traffic and making it difficult to cross Beacon Street; the impact of that one day event will pale in comparison to preparation for and hosting a three plus week event. Boston is already a popular, top ten North American tourist destination; the greater Boston area does not need to host the Olympics to raise its visibility or improve its image.

The committee asked if any other towns or cities were taking similar action and heard that in February 2015, the Cambridge City Council went on record opposing the Boston2024 bid because of the lack of meaningful public process.

The IOC's financial guarantee requirement was an absolute "deal breaker" for several committee members. The general view was that it was a more concerning financial risk than almost certain cost overruns, and more concerning than the questionable costs and revenues assumed in the Boston2024 bid. When L.A. hosted the summer Olympics in 1984 they rejected the taxpayer guarantee requirement and used only existing facilities, refusing to build an Olympic stadium. They were, however, in an unusually strong bargaining position since the only other potential host city, Tehran, Iran, declined to bid. With many host cities gearing up to compete to host the 2024 games, Boston2024 and the cities and towns in the greater Boston area will be in no such position.

Historical financial overruns were also a consideration. Although some of the U.S hosted Olympics (L.A, Atlanta and Utah), were arguably profitable, the expenditures were tremendous and final profit margins as a percent of the expenditures were slim. Los Angeles was by far most profitable (est. \$232.5 million), but for the reasons previously discussed: their refusal to pay for an Olympic Stadium and their refusal to agree to the taxpayer guarantee.

There was a concern that by discouraging a Boston Olympics, Brookline and Greater Boston would lose the opportunity to jump start stalled core priorities, such as improved public transportation, increased housing stock, and improved common spaces. This could be a catalyst for infrastructure improvements. There were doubts among the majority, however, that desired improvements particularly regarding transportation would occur.

In 2014, Boston 2024 had cited the need for an expanded transit system, including a possible new South Coast Rail line from Boston to New Bedford/Fall River, and diesel multiple unit rail service between Newton and the South Boston Waterfront. In February 2015 however, Boston2024 clarified that they were not asking for any new transit infrastructure. According to Boston2024, the games require only additional new cars for the Red and Orange Lines to increase reliability. Those cars have already been ordered and are part of current infrastructure plans. There is the theoretical possibility that MBTA infrastructure plans may change due to the prospect of hosting the Olympics, but would the cost and the choices made be based on what the region needs most, or would they reflect the Olympic footprint?

Since adequate and affordable housing are a need, there was some discussion about the benefits Beijing experienced with increased housing stock built for the games. The counter point was that displacement of residents and businesses in the affected areas was a real issue in Beijing and in other host cities. There was also the question of whether or not any permanent housing would be constructed and located appropriately for the area in the long term, and not just for the games in 2024.

UMass Boston has a long-range master which included adding thousands of beds. After partnering with Boston2024 that number has tripled, illustrating how hosting the Olympics can significantly change long-term planning and spending choices.

The committee also heard that Boston2024 has approximately 1 billion dollars for construction of temporary facilities in their operating budget. The cited temporary facilities include a 60,000-person temporary stadium, a temporary aquatic facility and a temporary tennis stadium. Even if the monies for the construction do not initially come from taxpayer dollars, it seems like a wasteful plan that the taxpayers may pay for in one way or another in the aftermath.

The majority of the Advisory Committee agreed with the petitioner that there are compelling financial risks and public policy concerns with Boston2024's Olympic bid.

**RECOMMENDATION:**

The Advisory Committee recommends FAVORABLE ACTION on Article 19, by a vote of 16-4-2.

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