

by JonathanCohn 3 years ago

Boston's Biggest Gamble Isn't Taking Place at the Wynn

Andrew Zimbalist's Talk on "The Economic Gamble of Boston 2024" at the JP Forum (6/15/15)

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Tweeting from the [@JPForum](#) talk by Andrew Zimbalist "The Economic Gamble of [#Boston2024](#)"

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Zimbalist notes that no elected body in Boston or MA ever voted to bid. Hospitality and real estate wanted it. [#Boston2024](#) [#NoBoston2024](#)

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Zimbalist notes that IOC has full monopoly power. One seller, multiple worldwide buyers. Bid away potential gains [#Boston2024](#) [#NoBoston2024](#)

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Zimbalist brings up why LA was an exception, no other cities bidding. City had leverage. [#Boston2024](#) [#NoBoston2024](#)

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Problem with citing Barcelona as a success story is the massive gentrification and displacement accompanying it. [#Boston2024](#) [#NoBoston2024](#)

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For developed countries Costs: \$15-20B Revenue: \$3.5-4B [#Boston2024](#)

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London 2012 Original bid: \$4.5B Final bid: \$6.5B Final cost (excl. Infrastructure): >\$18B
[#Boston2024](#)

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Average summer Games has 3.52x cost overrun. [#Boston2024](#)

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Why overruns? [#Boston2024](#) Underestimate to gain approval, then add frills Enter into bid war
Rush construction Relax rules Corruption

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If Boston stays in for the whole competition, will have to match other cities. Bidding war that
pushes up costs. [#Boston2024](#)

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What happens when you rush construction? Construction companies demand more. Costs go
up. [#Boston2024](#)

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#[Boston2024](#) bid 3 bins Operating budget: \$4.7B+ security (\$1B) Venue budget: \$3.4B
Infrastructure budget: \$5.2B

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Zimbalist itemizes revenue and gets only \$3.39B. Falls a lot short. [#Boston2024](#)

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After adding \$200m for concessions and catering, shortfall of \$1.1B. [#Boston2024](#)

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Ticket sales in London were only \$990 million with bigger stadium/more seating. [#Boston2024](#)

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Ticket sales in London were only \$990 million with bigger stadium/more seating. [#Boston2024](#)

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How is Boston planning to pull in more \$ than London if facilities are projected to be smaller
and more Spartan? [#NoBoston2024](#) [#Boston2024](#)


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Zimbalist notes that private financing of stadiums is through naming rights. Why pay to put your name on a 17 day stadium? [#Boston2024](#)

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Andy Zimbalist of Smith College speaking on the economic risk of [#Boston2024](#)
pic.twitter.com/beP3ZJ7DDI

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[@bryandfuller15](#) whose meeting?

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@aemchugh

Zimbalist: Has any company come forward yet to offer to fund ANY of proposed venues yet? Not a good sign. [#Boston2024](#)

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Zimbalist notes how private developers in London and Vancouver pulled out, city on hook.
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"You can't do 20 years of construction in 9 years." Projects will have to get bumped.
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To accelerate projects, others will have to be bumped. Three guesses as to who will be impacted by these bumps [#NoBoston2024](#) [#Boston2024](#)

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According to bid docs, \$1B in transportation projects still unfunded. [#Boston2024](#)

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Bill Straus predicts Olympic transportation costs upward to \$13B. [#Boston2024](#)

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[@bryandfuller15](#) wasn't sure if it was the same one

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Zimbalist talks a bit fast. Should slow presentation down a bit.

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Zimbalist notes that studies have shown no short-term or long-term bump in tourism.

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Van & Ldn had pvt developers to build housing 4 athletes. Both times they backed out leaving cost 2 city [#Boston2024](#) pic.twitter.com/WdheavnQ7z

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London had 6.8% fewer tourist arrivals during Olympics. Normal tourists stay away fearing crowds, militarization, etc. [#Boston2024](#)

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Normal tourists stay away during Olympics. If city is lucky, they will balance each other out.
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Regular tourists ate there to explore city, pass word of mouth when back. Olympic tourists there for time-sensitive events. [#Boston2024](#)



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BUT normal tourists talk up the CITY. The Olympic tourists talk up events which won't encourage others to visit [#NoBoston2024](#) [#Boston2024](#)



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Zimbalist notes that studies have shown on gain in foreign trade either. [#Boston2024](#)



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In best cases 1:1 swap in normal tourism v Olympics tourism. Following yrs typically @ a loss in tourism \$. [#Boston2024](#)



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Zimbalist [@JPForum](#) quotes Bill Straus: [#boston2024](#) consultants have no credibility - they operate on basis of messaging, not information.



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Two routes to public funding: direct appropriations and backdoor funding. (1/2) #Boston2024



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Backdoor funding: loss of ad revenue, overtime payments for security personnel, loss of property tax rev on taken private land #Boston2024



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More: Loss of sales tax revenue, dislocation of families and businesses, opportunity costs, environmental degradation #Boston2024



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And also: displacement of more urgent infrastructure projects #Boston2024



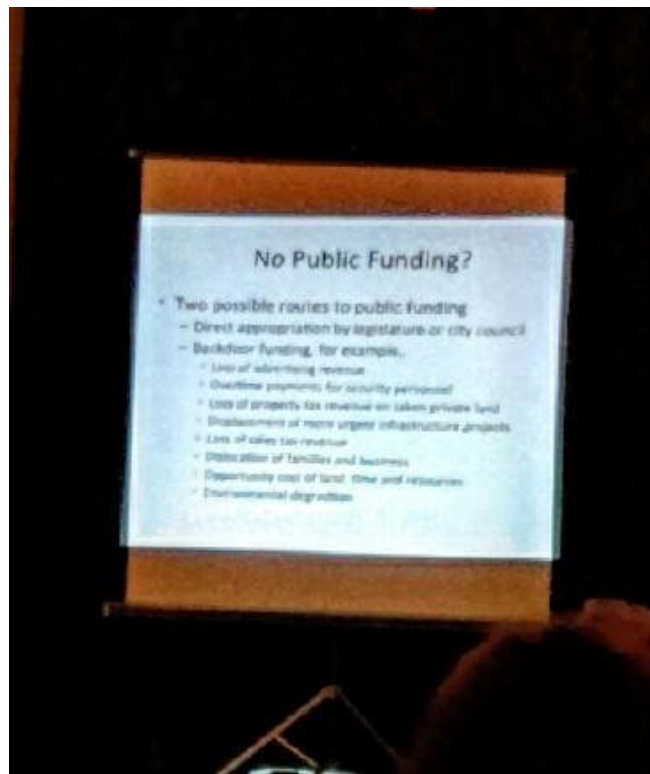
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Opportunity costs in time, land, and resources #Boston2024



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Zimbalist: "Possible to have backdoor public funding" [#Boston2024](#) pic.twitter.com/VCrO3c1pOA

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80 to 90% of London 2012's expenses came from public coffers. [#Boston2024](#)

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Zimbalist notes that he expects over \$10B in public spending. Idea that insurer would cover it all laughable. [#Boston2024](#)

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[#Boston2024](#) falsely claims US Games don't have cost overruns, all turn profit. Fuzzy math.

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When [#Boston2024](#) talks about profits, they are only talking about operating budget.

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jayfa [Jay Fallon](#)
@jayfallon

The bottom line is that [#Boston2024](#) is an undemocratic process foisted upon the people of Massachusetts without their need, want, consent.

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[#Boston2024](#) talks about 2016 referendum but no text yet.

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And why is it okay to wait until Nov 2016 for a vote? City declares this September, IOC votes first round in April. [#Boston2024](#)

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onel [no hillary, please](#)
@onekade

Look at this, Boston and Massachusetts. Ten BILLION dollars. Remember when we mortgaged the MBTA for the big dig? twitter.com/jonathancohn/s...

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thec [Bacchus](#)
@theonlybacchus

[#Boston2024](#) will turn a profit for a select few companies, while taxpayers foot the bill. Devil's in the details: twitter.com/jonathancohn/s...

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Hotel profits go up, but that money just goes to HQ. [#Boston2024](#)

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The city of Boston's entire budget for 2015 is no more than \$2.7 billion. Ten billion dollars we cannot afford. [twitter.com/jonathancohn/s...](#)

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Zimbalist brings up large displacement of residents for Atlanta Games. [#Boston2024](#)

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 [Claire Blechman](#)
@cblechman

.@JonathanCohn [#IOC](#) claims Sochi turned a profit, based on clever budget accounting [#boston2024 sports.yahoo.com/news/sochi-oly...](#)

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Winning the bid due to "walkability", then planning it to be everything but... [#Boston2024](#)

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Clas [Cassie Hurd](#)
@Classymcassie

"In order to build stadium they leveled low-income housing. You can say positive things about Atl, but at what cost?" Zimbalist [#boston2024](#)

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Promises of affordable housing only materialize if city/state/fed provide money. Meaningless otherwise. [#Boston2024](#)

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Main beneficiaries: construction companies and unions, suppliers. investment bankers who float bonds [#Boston2024](#)

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Zimbalist notes that there is a decent history of communities fighting back. [#Boston2024](#)

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[#of](#) applicant cities has dramatically declined over the years bc more ppl are realizing it is a bad idea to host [#NoBoston2024](#) [#Boston2024](#)

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Audience member: "Who profits?" A: Construction, Investors, Hospitality (oddly, we're not on that list) [#Boston2024](#) [#CuiBono](#) [#RichGetRicher](#)

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IOC has been talking about affordability and sustainability since the 90s. No real change. [#Boston2024](#)

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Clas [Cassie Hurd](#)
@Classymscassie

"Beneficiaries of Games are those directly invested & ancillary businesses-developers, architects, banks, suppliers." Zimbalist [#boston2024](#)



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Zimbalist recounting the story of Steve Pagliuca offering him a job. [#Boston2024](#)



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If nothing questionable about Pagliuca's ask, why did he request it be kept secret? [#Boston2024](#)



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Zimbalist got call from Pagliuca: "loved your book & want you to work for me. Don't tell anyone I asked you." Now denies it. [#Boston2024](#) (1)



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Zimbalist notes that he went public in order to bring transparency rather than be a part of [#Boston2024](#) spin cycle.



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According to a USOC contact, Zimbalist heard that Boston was chosen because of a personal connection. [#Boston2024](#)



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Zimbalist notes that talk of meaningful planning is too late now. Notes MAPC report is a mixed bag. [#Boston2024](#)

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