

FEBRUARY 2017



INFRASTRUCTURE

# Learning from experience: How hosting the Olympics can leave a positive legacy

**Bill Hanway**

Careful planning and an eye on the future can help the cities that host them.

**Deciding to host** the Olympic Games can no longer be about national ego. In democratic countries, there has to be a clear social and economic rationale that goes beyond simply staging a global sports event.

In 1992, Barcelona marked the beginning of this new approach. City and national officials explicitly sought to use the Games as a way to accelerate the transformation of the city from its postindustrial languor into a hub for tourism and services. Those very successful Games helped to do just that.

Learning from Barcelona's achievement, when London won the right to host the 2012 Olympics, creating a post-Games legacy was at the heart of its thinking. Instead of hosting the event as an end in itself, London organizers conceived of it as a way to regenerate the historically challenged East End. "The Olympics will bring the biggest single transformation of the city since the Victorian age," London Mayor Ken Livingstone said in 2003. As is often the case, these Games went well over budget, but there are positive early indicators of lasting impact, with new housing, schools, and the 100-hectare Queen Elizabeth Olympic Park, as well as economic activity, cleaned-up canals, and significant infrastructure improvements.

What about Rio de Janeiro? When Rio won the right to host the Olympics in 2009, Mayor Eduardo Paes noted that Rio was not London or Beijing; it would do things its own way, including using a high degree of private financing. And he was right. Yes, there were some operational frustrations. But there was also the beauty of the city, the hospitality of the Cariocas (Rio's residents), the smiling spectators, the exceptional athletic performances—and finally, the enormous sense of national pride (and relief).

It's worth remembering, though, that Rio had the London example in mind from the start; indeed, one of Rio's key advisers had played an important role in the London bid. In effect, Brazil's leaders—and the bid had strong and deep political support—were thinking not so much about what the city could do for the Olympics, but what the Olympics could do for the city. The bid emphasized that two of the four Olympic zones were in fast-growing areas of the city, ones that needed the infrastructure and housing that development associated with the Games could accelerate. In another zone, Maracã, there were plans for revitalizing the port and surrounding areas. The evaluators praised the "excellent legacy plan," with its emphasis on social integration.

Between 2009, when Brazil won the Games, and the 2016 Olympics, when it hosted them, Brazil faced many difficulties. It will be years, perhaps decades, before we know whether the legacies described in the bid come to pass. But it is clear that hosting the Games provided momentum for the country to start—and finish—projects that had been thought about for years, including a new subway line, almost 100 miles of rapid-bus lanes, and a 17-mile light-rail system, plus new schools and health clinics. "No one ever said the Olympics were going to solve all of the city's problems," Mayor Paes told the *New York Times*. "But we used the Games as a good excuse to get a lot of things done, things that have been the dream of mayors for 50 years."

Whether it was enough or could have been done better matters enormously to Brazil. In the narrower world of the Olympics, though, what can be said is that the way London and Brazil developed their bids will be the way that all other democratic countries do so in the future—with post-Games legacies front and center.

That is necessary, because there does appear to be something of a backlash against the Olympics. A number of cities have pulled out of consideration for the 2022 and 2024 Games, due to public opposition. Without a conviction that there will be benefits beyond hosting a ripping two-week party, voters these days will not support the Olympics.

AECOM has worked on Olympics for more than 30 years, including delivering the master plans for both London and Rio. Our work is no longer simply about practical concerns, such as venue design, transportation, and crowd flow. The process now has to encompass social and economic analysis to derive appropriate targets for success. A successful effort must work simultaneously at multiple levels—the Games, the post-Olympics transition, and the long-term legacy.

One thing London did well was to ensure that the infrastructure of the main Olympic Park was designed and located with future housing and commercial development in mind. Nothing had to be ripped up after the Games concluded; later analysis estimated that at least 75 percent of every British pound spent on the park had a legacy use.

Four years on, it is becoming possible to measure the success of the planning efforts and the impact on real-estate values in the neighborhoods near the Games. Recent analysis indicates that these hubs have outperformed surrounding areas by an average of 29 percent, suggesting a substantial Olympics-related benefit. Property values in Wembley, for example, where badminton, football, and rhythmic gymnastics took place, have almost doubled, compared with less than 30 percent for Wembley's near neighbors.

On the western edge of Queen Elizabeth Park, the £2.4 billion International Quarter in the east London area of Stratford is developing 4 million square feet of offices, more than 300 new homes, and could bring in as many as 25,000 jobs. A new cultural hub is also being developed with the new Sadler's Wells Theatre, a Victoria and Albert Museum extension, along with academic anchors, such as the London College of Fashion and University College London. In addition, the 2,818 apartments built for the Athletes' Village are now a mix of market and affordable rentals, with 2,000 more to come. All are well served by transit links built for the Games, with central London less than 15 minutes away. The East Village may or may not be "London's hippest postcode," as the developer says, but the combined investments suggest that this will become a lively and prosperous neighborhood, even though it has not seen the leap in real-estate values other Olympic-related areas have.

Brazil has already created one legacy that future bid cities might emulate: the way it designed the financing. The city of Rio owned the 120 hectares that were the center of



the Games. Developers then built the venues and other structures in exchange for the land. Even more than Atlanta, Brazil relied on private-sector resources (which accounted for 57 percent of the total). There has been criticism of this model because of concerns that the private sector and richer Brazilians got too much of the economic benefit. All this will take time to determine. Even in the short term, though, this method reduced public-sector capital outlays and created an economic foundation for future maintenance. In effect, it flipped the risk from the public to the private sector. And as with all modern Olympics, Rio got billions of dollars in revenue from sponsorships and broadcast rights that helped pay for Games-related improvements.

For Tokyo 2020, AECOM is working as an adviser, although to a more limited extent than in London or Rio. What we are seeing is that Tokyo, driven by the new governor, Yuriko Koike (elected in 2016), is making changes with financial sustainability in mind. That is one of the priorities of the International Olympic Committee's Agenda 2020, an effort to cut the costs of producing the Games while addressing "sporting, economic, social, and environmental long-term planning needs." Instead of building a new cycling venue, for example, Tokyo is locating this event in an existing facility 120 kilometers away; basketball will also take place outside the city center. The explicit aim is to improve the legacy outcomes by improving the underlying economics.

These experiences have influenced AECOM's work on the Los Angeles 2024 bid. The city's bid takes many of the lessons of the recent past as far as possible. For instance, Los Angeles will not be building any new venues—all events will take place in existing or temporary sites. In addition, the city will not build a new Olympic Village, historically a big expense; instead, athletes will stay in the dorms at University of California, Los Angeles. Financing will be entirely private. The bid committee even projects a surplus of \$161 million.

Hosting an Olympics will never be cheap, but the idea of this \$4.1 billion bid is to use private money, Games-generated revenues, and venue owners' commitments to upgrade facilities while emphasizing the athlete and spectator experience. Compared with many recent Games, Los Angeles envisions a modest, even frugal, Olympics. And it is telling that, at least in part, on this basis, the public appears to be solidly in favor of it—88 percent of Los Angeles respondents approved of the bid in a poll earlier this year. Los Angeles wants to demonstrate that it is possible to host a relatively low-risk, low-cost, high-quality Olympics. The Paris bid is similar, relying heavily on existing or temporary venues; officials are promising that every venue will have a post-Games purpose.

As a veteran of four Olympics, I understand and share the concerns about whether they are worth the cost and disruption. Like laws and sausage, seeing how the Games are put together is not always edifying. Even so, I believe that city and sports

officials who take the time to learn the lessons of the past can develop future Games that are a positive force for their societies. 

**Bill Hanway** is an executive vice president and the global sports leader of AECOM.

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