

Olympics 2012: Policy Options for State Support of a Florida City's Bid

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Background

The hosting of the Olympics is a monumental logistical, financial, and organizational planning event. Sydney's hosting of the 2000 Summer Olympic Games is illustrative of this fact. In hosting the Olympics, Sydney:

- Developed and worked from a games budget of \$2.288 billion;
- Accommodated an estimated 10,200 athletes and approximately 5,100 officials from 200 countries;
- Completed the full Olympic competition schedule across 28 sports, 40 disciplines, and 16 days of competition;
- Secured approximately 25,000 hotel rooms to accommodate the many people involved in the staging of the Olympic Games;
- Organized 50,000 volunteers – 40,000 for the Olympic and 10,000 for the Paralympic Games.
- Planned and implemented the biggest ticket-marketing operation in Australian history, with 5 million of 9.2 million total tickets on sale to Australians;
- Accommodated 15,000 media representatives, who provided various forms of coverage for an estimated worldwide audience of 3.5 billion; and
- Experienced an influx of an estimated 342,000 extra international visitors and 362,000 extra domestic visitors.¹

The Tampa Bay community has launched an effort to follow in Sydney's Olympic steps. A not-for-profit corporation, Florida 2012, has been established as an Olympic organizing committee to assist Tampa in its efforts to secure candidate city designation by the United States Olympic Committee (USOC) and, ultimately, host city designation by the International Olympic Committee (IOC) for the XXXth Olympic Games. Tampa is competing against seven other cities for U.S. Candidate City designation, including: Cincinnati; Dallas; Houston; Los Angeles; New York City; San Francisco; and Washington, D.C./Baltimore.

If a city in Florida were to win the bid to host the 2012 Summer Olympics, significant economic benefits to the state could be realized. It has been reported that the economic impact of the 1996 Olympic Summer Games in Atlanta ranged from \$3.5 billion to \$5.1 billion,² while the estimated impact of the 2000 Olympic Summer Games in Sydney is more than \$3 billion.³

¹ Official Site of the Sydney 2000 Olympic Games: <http://www.olympics.com/eng/>.

² Padgett, R. & Oxendine, J., *Economic Development: Seeking Common Ground*, Essay One in *The Olympic Legacy: Building on What Was Achieved*; Research Atlanta, Inc. (1996).

³ Collaborative Study by NSW Treasury and the Centre for Regional Economic Analysis at the University of Tasmania, *The Economic Impact of the Sydney Olympic Games, Final Report* (November 1997).

According to Florida 2012, hosting the Olympic Games in 2012 is expected to cost from \$2 billion to \$2.5 billion. Strategies for financing an event of this magnitude vary. Some Olympic Games have been largely publicly financed, while others have been largely privately financed. In addition, financing is particularly significant to the organizing committee because financing is evaluated as part of the bid document. Profits, or revenue in excess of expenditures, can be relevant to the evaluation, as these monies are traditionally shared among the USOC, the IOC, and the communities represented by the organizing committees.⁴ Florida 2012 reports that it anticipates earning a surplus after meeting all capital and operating costs of approximately \$50 million.

Naturally, the complexity and magnitude of the event raises issues relating to what role the state should play in support of the Olympic bid and in the carrying out of the games. The state has already taken a participatory role in preparing for the Olympics by passing legislation that addressed some initial public policy considerations. During the 2000 session, the Legislature enacted CS/CS/SB 1806 (ch. 2000-148, L.O.F.), which created the Olympic Games Guaranty Account to be used for the sole purpose of fulfilling the state's obligations under a games-support contract to indemnify and insure against any net financial deficit resulting from the conduct of the games up to \$175 million. The Florida Sports Foundation is responsible for the administration of the account. Beyond this games indemnification component, however, the state's role in the Olympic bid remains undefined. To assist policy makers in defining this role, this interim project seeks to provide Senate members with general information pertaining to how the state could assist in effectuating a successful Olympic bid and in implementing a successful Olympic event if a Florida city were selected. To realize this goal, the report will research what public resources other states and countries have dedicated to the Olympic Games, and explore other public resources that could be targeted to the bid.

Bid Procedures, Evaluation Processes, and Timelines

The bid process for the 2012 Summer Olympics began in October of 1997 when Tampa Mayor Dick Greco signed a letter of intent on behalf of the City of Tampa and the Hillsborough County Board of County Commissioners to put Tampa forward as a Bid City for the designation as the U.S. Candidate City. Florida 2012 is the Olympic organizing committee representing the City of Tampa's bid to become the U.S. Candidate City and to ultimately host the 2012 Olympic Games.

⁴The division of any surplus is provided for in Chapter VII, Financial and Commercial Obligations, of the Host City Contract.

The process of becoming an Olympic host city spans many years, and begins with the submission of a bid document by an organizing committee to the USOC, the entity recognized by Congress to represent the United States in all Olympic competitions. The bid document consists of 19 different “themes,” or issues to be addressed in the bid, including, but not limited to, medical, Olympic Village, venues, marketing, finance, environmental, media, and transportation. The bid is divided into

TIMELINE
Host City Selection Process
2012 Olympic Games

Dec. 15, 2000		Deadline to submit Olympic Games Bid to USOC	three volumes, covers nearly 700 pages, and may not be circulated or made public to any other body until it has been accepted by the USOC. Florida 2012's bid document for the 2012 Olympic Summer Games is due to the USOC December 15, 2000.
June 01, 2001 to Feb. 1, 2002		Olympic Site Evaluation Task Force Visits (USOC Site Evaluation Team Visits Bid Cities)	The next phase after submitting the bid document is a visit from the USOC Site Evaluation Task Force to assess first hand what the bid proposes.
March 1, 2001		Bids Sent Back to Cities for Clarifications and Changes (Opportunity for bid cities to make revisions)	
June 1, 2001		Deadline for cities to return revised and corrected bids to USOC	According to consultants to Florida 2012, in evaluating bids and cities the task force uses a model built on tiers. Tier 1 includes the themes that are rated highest in importance when evaluating a city. These themes can most easily be described as the items that will directly and physically come into
March 2002		USOC chooses U.S. Candidate City Finalists	
Fall 2002		U.S. Candidate City Selected by the USOC	
Fall 2005		2012 Olympic Host City Chosen by IOC	

contact with the athletes. Legal Aspects are included in Tier 1, since there cannot be games without legal and binding agreements. Finance is included in Tier 1, as well, since the games cannot be held without the proper support. Additionally, within Tier 1, special attention is given to the Sports Venues.

Tier 2 themes can best be described as support functions. These are also important to the event and the overall quality of the Olympics. These functions are also

weighed quite heavily in the overall evaluation and can act to distinguish between two cities that are equivalent at the Tier 1 level. Examples of Tier 2 themes include Security, Media, and Guarantees.

Finally, Tier 3 themes are factors that can draw the line between a very good bid and a great bid. A bid must address these areas and meet the basic criteria; however, the same value is not placed here as in Tier 1. The theme that receives the most emphasis in this tier is Theme 11, Olympism, Culture, and Legacy. Primary areas of interest included in this theme are strong youth programs and an outstanding venue for the Opening and Closing Ceremonies events. Other examples of Tier 3 themes include Meteorology, Environmental Protection, and Customs and Immigration.

The USOC Site Evaluation Task Force evaluation model and guidelines are modeled directly after the IOC Task Force model. This ensures that evaluations are consistent across all levels. The five main areas that the evaluators place emphasis on when visiting a city and evaluating a bid include: content, including bid clarity and quality; partnership, including city and state government relationships and public and government support; international appeal; extras, including bid uniqueness; and “bid killers,” including lack of well established partnerships and failure to obtain requested guarantees. The final evaluation is based on the actual site visit and the bid information, as well as the established guarantees.

After visiting all cities, the USOC announces the finalist cities, and then the U.S. Candidate City. The U.S. Candidate City will then compete with international cities to host the Olympics, and finally the IOC will select the Host City. For the 2012 Olympic Summer Games, the U.S. Candidate City will be selected in fall 2002 by the USOC, and the Host City will be selected by the IOC in the fall of 2005.

Methodology

Florida 2012's Olympic bid is due to the United States Olympic Committee (USOC) by December 15, 2000. Because of the competitive aspect of the bid process, many bid specifics are of a confidential nature and, as such, will not be available for consideration in this report. Therefore, this report will take a broader approach to the exploration of the issue of state support of the Olympics. This approach includes the use of examples of states and countries that have hosted, or are in the process of preparing to host, the Olympic Games. For comparative purposes, these examples place particular emphasis on cities and states located in the United States.

This report has utilized various research techniques to gather required information. Research techniques included interviews, Internet research, library research, including text, periodical, and journal research, and direct mailings requesting specific information. Information was specifically requested from Florida 2012,

Department of State, Enterprise Florida, Inc., Visit Florida, and selected states that have previously hosted the Olympics.

Findings

Florida 2012's Plans and Vision for the Games

Florida 2012 has taken a collaborative approach to the bid process by creating regional partnerships to effectuate the Olympic bid. Although other Florida cities ultimately may play a role in staging the Olympic Games, at this writing Tampa, St. Petersburg, and Orlando will participate in the activities related to the bid and could benefit from the games coming to Florida.

As mentioned previously, because of the competitive nature of the bid process, many bid specifics are of a confidential nature. This is especially true for venue financing, which Florida 2012 anticipates being able to release to the public shortly after submitting the bid in December 2000.⁵ Other venue details continue to be released by Florida 2012, including venue locations. At this writing, the following venues have been proposed by Florida 2012:

- Tampa: Baseball - Legends Field; Soccer - Raymond James Stadium; Indoor Volleyball - Ice Palace and University of South Florida SunDome; Rhythmic Gymnastics - USF SunDome; Archery and Shooting - MacDill Air Force Base; Team Handball - Florida State Fairgrounds Exposition Hall; Rowing and Canoe/Kayak-Sprint - Tampa Bay Water Reservoir; Synchronized Swimming and Water Polo - Aquatics Center in downtown Tampa; Field Hockey - the Florida State Fairgrounds.
- St. Petersburg: Gymnastics and Basketball - Tropicana Field; Wrestling - Bayfront Center; Triathlon - Straub Park and the downtown St. Petersburg area; Diving - Temporary structure ideally on or near the waterfront.
- Orlando: Baseball - Disney's Wide World of Sports complex; Soccer - the Citrus Bowl; Basketball - T.D. Waterhouse Arena Disney's Wide World of Sports Fieldhouse; Table Tennis, Badminton, Judo, TaeKwonDo, Fencing, and Weightlifting - Orange County Convention Center.

An International Broadcast Center, the nerve center for all Olympic radio and television communications, must be provided for as part of the bid document.

⁵ Florida 2012 has expressed the belief that the users and beneficiaries of the Olympic facilities (venues) should help finance them. Furthermore, although not finalized, these facilities will most likely be owned by independent not-for-profit entities reporting to boards of local civic and community interest groups.

Florida 2012 has proposed the location of the center in St. Petersburg, and after the Olympics the center will serve as a high tech business incubator. It is hoped that the incubator will serve as an impetus for revitalization in the surrounding area.

Because of the magnitude of planning for the Olympics, the bid document submitted to the United States Olympic Committee (USOC) in December may not necessarily reflect final Olympic elements. In fact, according to the *USOC Bid Procedures Manual* (p. 80), the “actual costs of the Olympic Games have historically demonstrated significant variances from the original budgets submitted by bid committees in the competitive bidding process.” Therefore, the bid document should be viewed as a dynamic document that may be refined further to address specific issues, or simply to create a better Olympics.

State Roles and Issues

Successfully planning, preparing for, and hosting the Olympics requires collaboration, cooperation, and coordination by many entities, including private entities, state government, local government, and the federal government.⁶ The state government, in particular, can potentially play many roles in planning and staging the Olympics.

Past Olympic experiences are indicative of these varied state roles. For example, the 1996 Summer Olympics in Atlanta is viewed as being largely self-funding, and privately organized, while the 2000 Summer Olympics in Sydney is viewed as being largely publicly funded and supported. In fact, the New South Wales government is responsible for providing venues and facilities through the Olympic Coordination Authority.

Specific state roles can be as minimal as providing certain guarantees, including letters of support, or more engaged, including involvement in transportation, medical, security, and legislative issues and the building of venues. Other roles state government plays are less obvious, including responding to increases in demand for regulatory services such as consumer protection (temporary business customer complaints, potential ticket fraud); professional licensing; consumer complaints

⁶The federal government has a long history of supporting the Olympics in the United States. A report by the U.S. General Accounting Office (GAO), *Federal Funding for the Olympic Games*, found that a combined total of \$2.1 billion (1999 dollars) was provided or planned for Olympic-related projects and activities for the Los Angeles and Atlanta Summer Olympics and the Salt Lake City Winter Olympic Games. Of this amount, approximately \$530 million was provided or planned for projects and activities solely related to staging the games, including security and transportation services. The remaining \$1.6 billion was provided or planned for projects such as highway construction, transit system development, and other capital projects that would eventually be realized but were accelerated in support of the Olympics. (See GAO/GGD-00-44 (December 1999).)

(workplace safety, anti-discrimination, fair housing, insurance); tax services; historical society (categorizing and displaying three-dimensional memorabilia); and archives. In addition, because of these potentially varied roles, the state may wish to address the issue of self organization, specifically, evaluating how the state can organize itself to provide a coordinated and efficient front for interaction with other Olympic partners.

Because of the timing of the writing of this report and the submission of Florida's Olympic bid in mid-December, the definitive role the State of Florida will play in developing the Olympic bid and hosting the Olympics is unclear. However, through research, including analyzing bid requirements, and looking to the Olympic experiences of former Host Cities, potential state roles and issues can be grouped into categories including: guarantees; transportation; security; venues; legislative issues; leveraging the Olympics; and intergovernmental coordination.

Guarantees

Guarantees are required as part of the bid document and are specifically requested in various themes. These guarantees represent letters of support, financial commitments, and the ability of the bid city to construct venues, provide transportation, medical, health and security personnel, and facilities, including accommodations.

Letters of support are required from local and state governments that demonstrate support for hosting the games. These letters are illustrative of statewide support for the games, and are viewed by Olympic organizers as a critical component of the Olympic bid. According to Olympic consultants, letters of support should be received from the: Governor, Cabinet, President of the Senate, Speaker of the House of Representatives, House and Senate Minority Leaders, and other appropriate governmental agencies.

Transportation

According to Florida 2012, the greatest challenge of hosting any Olympics is providing efficient and effective transportation within the Olympic corridor, including transportation between the Olympic Village, Media Village, hotels/motels, and Olympic events. These efforts require the greatest assistance, support, cooperation, and commitment by local, state, and federal governments. The bid must effectively provide four separate transportation systems: one for the athletes; a second for members of the Olympic family; a third for the press; and the largest one for spectators.

According to Olympic organizers, the current transportation infrastructure in Florida will require upgrading in order to host the Olympics. This upgrading is required, in

part, by heavy congestion on the Interstate 4 corridor – the highway envisioned to connect Tampa venues to Orlando accommodations during the Olympics. This situation will provide unique challenges to Florida 2012 in preparing the bid, and if Tampa were to win the bid as the host city, may pose challenges to the state in upgrading transportation infrastructure to support the Olympics in a timely manner.

Studies are already under way to address Olympic transportation issues. First, the Olympics Transportation Study will determine the impacts that the Olympic Games would have on the Central Florida transportation system if Tampa is selected as the site for the 2012 Olympics, including identification of transportation systems and infrastructure needed to accommodate the games, identification of required resources beyond those included in the long range transportation plans for the area, and present feasible alternatives for implementation of needed transportation improvements and systems. The study, being conducted by the Department of Transportation's (department) District 7 Public Transportation Office in Tampa under contract with a consulting team, is being very closely coordinated with Florida 2012. The total cost of the study is \$800,000, and the final report for this study will be published in late December 2000.

The second study examining Olympic transportation issues is the Coast to Coast Rail Feasibility Study, initially proposed by the Central Florida Transit Technology Corridor Consortium (CFTTCC) under the department's Fast Track program. The Legislature authorized \$900,000 to undertake this project but required that the department conduct the study instead of CFTTCC. The consortium will continue to participate in this study effort in an advisory capacity.

The study will evaluate the feasibility of a rail transportation system connecting St. Petersburg to Port Canaveral. The scope of this study will include the following:

- market analysis;
- technology assessment;
- alternative corridor assessment;
- ridership and revenue estimates;
- capital and operating cost estimates;
- preliminary environmental assessment; and
- funding and implementation plans.

The department selected STV, Inc., to undertake this study, and the contract with STV was negotiated at \$701,000. The study's project schedule required the consultants to develop preliminary information by September 10 for input into Florida's Olympic bid. In this preliminary information, the consultants found that it is entirely possible to design, build, and operate a contemporary, relatively high-speed passenger rail system in the Orlando-Tampa/St. Petersburg corridor in time for the Olympics, but it will be an expensive undertaking. The consultants are currently looking at a number of strategies that could satisfy this objective.

The department has ensured that this study and the Olympics Transportation Study mentioned above are well coordinated and that there is no duplication of work efforts. A preliminary report on strategies and implementation feasibility will be prepared for submission to the Legislature and the Governor by January 1, 2001. The final report on this study will be completed by June 30, 2001. The study will have an extensive public involvement program, including the study review meetings and public workshops.

Once finalized, these studies, along with the bid, should further crystallize the role the state may choose to play in resolving Olympic transportation issues. These roles may require legislative action, particularly if the state chooses to authorize certain state property for Olympic uses. For example, one U.S. city vying for the 2012 Olympics has proposed the use of school buses for Olympic transportation. The use of Florida school buses for Olympic transportation would require authorization by the Legislature.

Salt Lake City

In preparing for Salt Lake City's hosting of the 2002 Olympic Winter Games, the State of Utah has played a role in both the provision of Olympic-related transportation services and in the effectuation of Olympic-related transportation infrastructure projects. Both roles have required the dedication of state resources.

In Utah's role of providing for Olympic-related transportation services, expenses were incurred as a result of providing increased services, and predominately are comprised of overtime associated with the operation of a new Traffic Control Center 24 hours per day during the games.

Expenses were also incurred by the state as a result of Olympic-related transportation infrastructure projects. Although federal funds were acquired for these infrastructure projects, these funds require state matching funds, which at this time are estimated to be \$750,000. In addition, the state's role in transportation projects extends well beyond that of financial contributor. To provide adequate transportation infrastructure for the games, the state's goal is to accelerate projects from the long-range transportation plan in order to provide critical transportation systems in time for use by visitors during the games. Every effort is being made to accelerate the federal funds for the planned projects to coincide with the accelerated construction schedules. In fact, because the federal government now allows design-build projects,⁷ Utah has used this method for major highway expansion projects. According to the Utah Department of Transportation, design-build projects saved time because when the design portion of the project was completed, the construction was halfway completed.⁸

Security

Past acts of Olympic terrorism emphasize the importance of providing comprehensive security at the Olympics. The USOC requires bid cities to possess the necessary infrastructure to guarantee total security. Accordingly, the *USOC Bid*

⁷ Design-build projects generally refer to projects for which the design and building are conducted by the same organization.

⁸ Section 337.025, F.S., authorizes the use of innovative contracting procedures by the Florida Department of Transportation which are designed to accelerate transportation projects. Innovative contracting methods include design-build projects; however, the statutory cap of \$120 million may not allow for extensive transportation projects that may be needed for Olympic preparation, as the contract amounts may well exceed the annual cap.

Procedures Manual requires a detailed security plan, which indicates both the type of security proposed and the roles of public and private security organizations.

Given the state security resources, the state's role in providing security for the Olympics could be extensive. In fact, this role is seen by some as critical to the Olympic bid and successful staging of the games. State resources that could be dedicated to the games include the Florida Department of Law Enforcement, which could assist with security planning, management, and administration; the Florida Highway Patrol, to assist in protecting and policing highways in the Olympic corridor; and the Marine Patrol and Florida National Guard to assist in the development of the security plan. The state role may also encompass the issuing of guarantees, required from relevant national, state, and local authorities, indicating that all proposed arrangements will be made by those authorities to ensure peaceful and orderly running of the games.

In support of Florida 2012's bid for the Olympics, the Florida Department of Law Enforcement is currently involved with a number of other law enforcement agencies in the security planning required as part of the bid document.

Atlanta

To coordinate local, federal, state, and volunteer security resources for the 1996 Summer Olympic Games, former Georgia Governor Zell Miller established the State Olympic Law Enforcement Command (SOLEC), centrally commanding 29 state agencies, 23 sheriffs' offices and police departments, 15 state colleges and universities, and 11 federal agencies. To fund this effort, the Georgia General Assembly appropriated \$26 million for public safety during the Olympics. SOLEC coordinated efforts with private security provided by the Atlanta Committee for the Olympic Games (ACOG), which private security enforced rules within the venues. When law enforcement situations arose within state-owned venues, SOLEC would respond, while also assisting local authority outside venues.

Salt Lake City

To coordinate public safety efforts across government agencies, the 1998 Utah State Legislature passed SB 159 (Utah Code Annotated 53-12), which established the Olympic Public Safety Command (command). This new statute gives the command responsibility for coordinating Olympic public safety efforts across all government agencies. Essential public safety services for which the command is responsible include: police services; fire protection; emergency medical services; public works; emergency management; aviation support; explosive ordinance disposal; traffic control; in-transit security; intelligence; tactical response; dignitary protection; infrastructure protection; communications; and crime and fire protection.

During the 2002 Winter Olympic Games in Salt Lake City, it is anticipated that generally the Salt Lake City Organizing Committee (SLOC) will provide perimeter access control, security, and crowd management “within the fence” at all Olympic venues. Federal, state, and local governments represented in the command will provide the remaining security and public safety surrounding games visitors and activities.⁹

Salt Lake City had estimated its public safety expenses at \$18 million; however, if the federal government fails to provide the same services it has provided for previous Olympic Games held in the United States, the costs to the state could be much higher. For comparison purposes, Olympic security expenses for the 1996 Summer Olympic Games in Atlanta totaled \$26 million.

Athens, Greece

The cost to provide security services for the 2004 Summer Olympics in Athens is estimated to be \$125 million. A considerable proportion of this amount is to be covered by the Greek government, and includes salaries for members of the state security forces. The Organizing Committee for the Olympic Games (OCOG) will allocate \$75 million in security costs to cover overtime payments for members of the security force, and wages of specially hired security staff.

Venues

Hosting the Olympics requires facilities, or venues, in which athletes can compete. Approaches to developing venues vary from renovation of existing venues to the building of new venues. Both approaches to the development of venues can be costly, and many states have made financial contributions to such. Olympic organizers view state contributions as a bid-enhancing measure not only by guaranteeing certain financing of projects, but also by promoting partnerships.

The *United States Olympic Committee (USOC) Bid Procedures Manual* requires a detailed listing of the total number of proposed competition venues, including indication for each venue if minor or substantial alterations are required, or if the venues need to be built, and related construction costs.

It would not be uncommon for states to be asked to participate in the resolution of other issues surrounding venue development that expand beyond that of project financing. These issues include eminent domain, property condemnation, and maintenance of legacy facilities.

⁹ *State of Utah Annual Report of the State Olympic Officer Relating to the 2002 Olympic Winter Games* (June 14, 1999), p. 11.

Atlanta

In hosting the 1996 Olympic Summer Games in Atlanta, the Atlanta Committee for the Olympic Games (ACOG) spent more than \$500 million to cover construction costs for sporting venues. Other public and private sources contributed more than \$230 million as enhancements to ACOG's construction of new venues.

Funds spent by ACOG for venue construction were generated from sponsor and television rights. Construction projects included building an Olympic Stadium for the Opening and Closing Ceremonies and track and field competitions, a velodrome for cycling, a natatorium for swimming and diving events, a tennis complex, athlete dormitories, warm-up facilities, and upgrades to existing facilities for other venues. Many of these projects stand as permanent legacy facilities maintained and owned by both public and private entities.

Salt Lake City

According to information obtained from the Utah Legislature, the State of Utah began planning for the Olympics in the 1980s, when the state proposed, and the public passed, a statewide referendum that authorized a diversion of state sales tax of 1/64th of 1 percent to raise \$59 million to help build Olympic quality winter sports facilities. Since this time, the Salt Lake City Organizing Committee (SLOC) has agreed to purchase these state-built winter sports facilities from the state for \$99 million. Of that amount, \$59 million is dedicated to repay the state and local governments for the sales tax diverted to the Utah Sports Authority to construct those facilities. The remaining \$40 million is dedicated to establish a legacy fund to operate the state-built facilities for 20 years following the games. Under the terms of this agreement, the ownership and operation of the facilities, and management of the legacy fund, will be turned over to the non-profit Utah Athletic Foundation no later than May 1, 2002.

SLOC will also pay for the use of a university stadium for opening and closing ceremonies. The University of Utah will receive \$8 million in cash (in 2002 dollars) from SLOC plus \$250,000 in heating, ventilation, and air conditioning (HVAC) equipment for exclusive rights to use the expanded stadium. This payment will be used by the university to help offset a portion of the cost to expand and renovate the stadium to 46,500 permanent and 3,500 temporary seats. The total cost to expand the stadium was more than \$50 million. Under the terms of the rental payment, the university will cover the cost of all utility usage during the use period, as well as all normal maintenance, scheduled custodial service, some snow removal, and normal security. SLOC will cover the costs for all temporary facilities, additional utility hookups, additional security, and operating the ceremony events. Because the university is required to provide above normal support services and staffing during the SLOC use periods, the university could experience some one-time additional

costs related to the ceremonies. In contract negotiations, the university estimated that its direct costs for these services would be less than the value of the HVAC equipment received under the contract.¹⁰

Although housing is not considered a venue, it is noteworthy because an Olympic bid must address the need for athlete housing. States have partnered with Olympic organizers to meet this need, including the State of Utah, which has given the SLOC exclusive rights to use newly constructed student housing and the existing historic buildings at Fort Douglas. SLOC has agreed to pay the University of Utah the equivalent of \$28 million (in 2002 dollars) for this right. The university is using these funds to help offset the total construction costs of \$120 million for the new student housing. The State Building Ownership Authority issued revenue bonds to provide funds to help pay for the construction of the student housing, and the bonds will be repaid by SLOC in a lump sum amount of approximately \$31.6 million on May 15, 2005. The value of this bond in April 2002 is approximately \$28 million.¹¹

Legislative Issues

As Florida's bid for the Olympics evolves, issues may arise which lend themselves to legislative resolution other than state appropriations. As such, the state may be asked to pass legislation to meet bid requirements or to simply support staging of the games. Legislative issues may include guarantees against price gouging; mechanisms for fund raising, including specialty license plates; revisions to workers' compensation; and professional licensure.¹²

Salt Lake City

Fund Raising – Six years prior to the 2002 Olympic Winter Games in Salt Lake City, the Utah Legislature authorized a special Olympic license plate, the proceeds of which, after administrative costs, will be used by the Salt Lake Organizing

¹⁰ *State of Utah Annual Report of the State Olympic Officer Relating to the 2002 Olympic Winter Games* (June 14, 1999), p. 23.

¹¹ *Id.*, p. 22.

¹² Section 455.2185, F.S., provides that a professional of any other state or of any territory or other jurisdiction of the United States or of any other nation or foreign jurisdiction is exempt from the requirements of licensure under ch. 455, F.S., and the applicable professional practice act under the agency with regulatory jurisdiction over the profession if that profession is regulated in this state under the agency with regulatory jurisdiction over the profession and if that person: (a) Holds, if so required in the jurisdiction in which that person practices, an active license to practice that profession; (b) Engages in the active practice of that profession outside the state; (c) Is employed or designated in that professional capacity by a sports entity visiting the state for a specific sporting event.

Committee (SLOC) for programs designed to provide tickets and other Olympic experiences for disadvantaged Utah youth.¹³

Price Gouging – In lieu of legislation that prohibits price gouging, SLOC asked all major hotels in the Olympic corridor to sign an agreement that they will charge no more than 10 percent above then-current room prices during the Olympics.

Professional Licensure – In 1999, the Utah Legislature passed a law providing an exemption from state licensure requirements for individuals licensed in another state while engaged in Olympic-related work under specified circumstances. This is particularly important for providing medical care to athletes, as countries bring to the Olympics their own medical staffs.

Workers' Compensation – The Utah Legislature passed a law in 1999 providing workers' compensation coverage for Olympic volunteers.

Sales Tax Exemption – The Utah Legislature in 2000 created an exemption for sales of admissions or user fees associated with the 2002 Winter Olympic Games.¹⁴

Atlanta

Fund Raising – One year prior to the 1996 Olympic Summer Games held in Atlanta, the Georgia Legislature authorized a special Paralympic license plate to support the 1996 Paralympic Games. Ten dollars of every \$15 license plate sold was dedicated for use by the Atlanta Paralympic Organizing Committee.

Price Gouging – In 1994, the Georgia Legislature passed a law to regulate hotel room rates during the Olympics. The law prohibited hotels, motels, motor lodges, and bed-and-breakfast establishments from charging rates in excess of the published room rates, and further prohibited these establishments from requiring guests staying during the Olympics to reserve rooms before and after the Olympics. The law also provided for penalties.

¹³ Subsections (6) and (7) of s. 320.08058, F.S., authorize a Florida United States Olympic Committee specialty license plate and a Florida Special Olympics specialty license plate. The Florida United States Olympic Committee license plate provides financial support to the Florida Sunshine State Games and the United States Olympic Committee, while the Florida Special Olympics license plate is used solely for Special Olympics purposes. (With respect to each license plate, annual fee revenue in excess of the first \$5 million collected is deposited into the General Revenue Fund.)

¹⁴ Florida currently provides for an exemption to sales tax on admissions to the National Football League championship game, to any semifinal game or championship game of a national collegiate tournament, to a Major League Baseball all-star game, or to any postseason collegiate football game sanctioned by the National Collegiate Athletic Association (s. 212.04(2)(a), F.S.).

Workers' Compensation – The Atlanta Committee for the Olympic Games (ACOG) felt the thousands of Olympic volunteers during the 1996 Olympics presented significant exposure to injury, medical treatment, and medical expenses. In response to this concern, the ACOG proposed, and in 1995 the Georgia Legislature passed, changes to law that allowed for workers' compensation coverage for Olympic volunteers.

Professional Licensure – During the 1994 legislative session, the Georgia Legislature passed a law relating to professional licensure, which exempted certain non-residents from licensure, registration, or certification, when practice in the state was time-limited services to athletes and other members of the Olympic family or Paralympic family in connection with the 1996 Olympics. The law further provided that health care services could only be performed at certain designated sites, and services were limited to being provided to members of the Olympic family or Paralympic family who are citizens or members of the delegation of that provider's sponsoring country.

Leveraging the Olympics

States have used the planning and staging of the Olympics as an opportunity to enhance state promotion efforts and further state goals and objectives. Examples of leveraging the Olympics to promote the state include using the Olympics as a platform to enhance tourism promotions and economic development initiatives. In addition, the Olympics can be used to further state goals, including that of employment, by creating specific programs that leverage Olympic efforts.

Salt Lake City

In connection with the 2002 Winter Olympics, the Utah Department of Community and Economic Development (DCED) has identified the following opportunities for Utah to promote business development and tourism in the state, and ultimately benefit the Utah Economy. DCED estimates \$3.15 million in additional state investment is needed to effectuate these activities prior to the games:

- Business and film development, which seeks to capitalize on the positive business opportunities created by the Olympics and to perpetuate the economic vibrancy of the Olympics by converting one-time Olympic economic activity into successful ongoing economic development activities.
- Travel development that strives to use Olympic opportunities to create and expand "Utah!" brand awareness in the national and international tourism industries. Advertising efforts will focus on co-branding opportunities with

Olympic sponsors to maximize the scope and reach of Utah's brand awareness and to optimize limited advertising dollars.

- Cultural and community events to forge partnerships between staff from the Utah Arts Council and cultural staff from SLOC and with SLOC's contract consultants, including preparing master plans for Olympic cultural activities derived from Utah themes.¹⁵

Atlanta

Recognizing that the 1996 Olympic Summer Games in Atlanta provided a unique platform on which to market the state, the Legislature appropriated \$8 million to the Georgia Department of Industry, Trade, and Tourism for a marketing campaign called "Georgia Global Now." The program, running from July 1995 to June 1996, aimed to increase tourism spending and industrial investment through advertisements in air travel and business magazines, kiosk displays at international airports, and multilingual telephone information lines. Another public-private marketing tool for industrial recruitment and economic development, Operation Legacy, used the global exposure provided by the Olympics to stimulate economic development and create new jobs.¹⁶

The Olympics also spurred various job training programs supported in part by the state including the Neighborhood Job Training and Employment Program designed to train and employ economically disadvantaged workers from Olympic venue host neighborhoods to work on the construction of Atlanta's Olympic venues. In addition, the Construction Related Employment of Women (CREW) program, administered by the Georgia Department of Labor under a grant from the U.S. Department of Labor, trained and employed women for construction jobs at Olympic venues.¹⁷

In 1994, the federal government designated areas for receipt of Empowerment Zone Grants. The Atlanta Committee for the Olympic Games (ACOG) participated in the grant application process that led to the selection of Atlanta as a \$100 million grant recipient. In a speech at ACOG, President Clinton noted that the presence of the Olympics in Atlanta was a critical factor in distinguishing Atlanta from other Empowerment Zone applicants.¹⁸

¹⁵ *State of Utah Annual Report of the State Olympic Officer Relating to the 2002 Olympic Winter Games* (June 14, 1999), p. 17.

¹⁶ Humphreys, J. & Plummer, M., *The Economic Impact on the State of Georgia of Hosting The 1996 Summer Olympic Games* (June 1995).

¹⁷ *Id.*

¹⁸ *Id.*

Intergovernmental Coordination

Staging the Olympics is frequently a cooperative effort between national, regional, and local governments and other entities. State support of the Olympics often involves many different agencies and entities within the state government, making coordination of state resources particularly important. Often state agency roles include the execution of independent agreements, which can further complicate coordination efforts. States have addressed coordination issues in different ways.

Salt Lake City

In 1997, the Utah Legislature created the position of Olympic Officer to coordinate the legal, financial, and inter-government arrangements for Salt Lake City's hosting of the 2002 Winter Olympics. Together with the governor's representative on the Salt Lake City Organizing Committee (SLOC), the State Olympic Officer will represent the state's major interests in Olympic planning. The officer:

- Monitors all contractual and financial performances of the Salt Lake Olympics.
- Coordinates the activities of state agencies so the state's obligation to provide in-kind services is fully identified, and, to the extent that policy requires, reimbursed by the organizing committee.
- Reviews all contracts proposed between any state agency and any other agency dealing with the Olympics to ensure the interests of the state are fully protected.
- Works with the Legislature, the Utah Sports Authority, and the Sports Advisory Committee to ensure they are informed and agreeable to the conduct of the games and the financial arrangements that are made.

The Utah Legislature also has established an Olympic Coordinating Committee comprised of members from both chambers. This committee oversees the SLOC commitments to the State of Utah, identifies issues relating to the use of state property during the Olympics, and provides oversight to SLOC budgets and state contracts.

Atlanta

In 1989, the Georgia Legislature passed an act creating the Metropolitan Atlanta Olympic Games Authority (MAOGA).¹⁹ Aimed at satisfying the International

¹⁹ MAOGA is comprised of five members: three members appointed by the Mayor of Atlanta, one of whom is an officer of state authority with responsibility for convention and tourism activities in the Atlanta area; the Mayor of Atlanta; and the president of the

Olympic Committee's (IOC) desire to have a government on paper in Atlanta's Olympic bid, MAOGA had broad legislative authority, including buying or condemning land, raising money, awarding construction contracts, and creating a police force.

To simplify and expedite the contracting process for state-owned venues, as many primary facilities used to stage the Olympics were state owned and operated, the Atlanta Commission for the Olympic Games (ACOG) entered into a risk management agreement with the State of Georgia. This comprehensive agreement allowed for the use of state-owned facilities by the ACOG.

Sydney

The Olympic Coordination Authority (OCA) is a statutory authority of the New South Wales government, and was responsible for coordinating the state's responsibility for the Sydney 2000 Olympic and Paralympic Games. OCA's primary task was to deliver new facilities and venues for use during the Olympic and Paralympic Games that also meet the long-term social, cultural, and sporting requirements of the citizens of the state. The director general of OCA reported to the New South Wales Minister for the Olympics, who also served as the President of the Sydney Organizing Committee for the Olympic Games.²⁰

Recommendations

From the research conducted for this report, it is apparent that the planning for and hosting of the Olympic Games is a monumental effort, the scope of which will continue to evolve over time. It is further apparent that this effort cannot be accomplished alone, as it will require extraordinary coordination and collaboration by public and private entities alike.

The precise role the State of Florida will play in Tampa's bid to host the Olympic Games has not yet been clearly defined. As such, this report was designed to provide the Legislature with an array of broad policy issues to consider in defining the state's role in Tampa's bid, and in evaluating requests for assistance that may arise as the bid process continues.

Atlanta city council.

²⁰ Sydney Organizing Committee for the Olympic Games, *Annual Report* (1999).

Because the state's role has not been defined, and because it is clear that an Olympic effort requires extensive intergovernmental and intragovernmental coordination, the state may wish to consider developing some mechanism through which the state government's Olympic participation can be coordinated, providing maximum efficiency and effectiveness. Possible mechanisms include the appointment of a special legislative committee, appointment of an Olympic officer, or both. These mechanisms not only could focus on coordinating Olympic efforts, but also could be used as an information exchange, assisting the state in defining its role in Tampa's bid to host the 2012 Olympics.

