



July 8, 2009

Dear Alderman Mell,

As you know, Pat Ryan and I recently conducted aldermanic briefings which provided an update on Chicago's bid for the 2016 Olympic and Paralympic Games. We left those meetings with the clear commitment to come back to the City Council and provide you with a full presentation on the details of our OCOG budget, methodology and full set of protections against taxpayer risk. We plan to do this at the soonest possible date.

In the interim, I know that there were many requests for a simple breakdown of the overall budget (including both capital and operating expenses) and an explanation of the key benefits of hosting the Games. As such, I've attached brief overviews of the overall budget breakdown, key benefits and common myths related to hosting the Games. I hope that you find this information to be useful in your many conversations with constituents about the 2016 bid.

We will continue to keep you informed with additional details throughout this process and look forward to coming to your community in the coming weeks. If you have any questions, please feel free to contact me at 312-861-4871 or my Chief of Staff, Kurt Summers, at 312-784-6038.

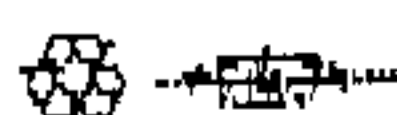
Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Lori Healey".

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## KEY BENEFITS OF CHICAGO'S BID FOR THE 2016 OLYMPIC AND PARALYMPIC GAMES

- 1) **The Games represent an unprecedented economic opportunity for Chicago and the Midwest—fueled by the private sector**
  - a. \$22.5 billion in economic stimulus for Illinois--\$13.7 billion for Chicago alone; equivalent to 31,500 full-time jobs for ten years across state—nearly \$7 billion in wages for Chicago.
  - b. Already creating 100 new jobs a year through development of proposed Olympic Village site
  - c. Chicago 2016 is 100% privately financed—no taxpayer dollars
- 2) **The Games will create a better future for our children and our city**
  - a. Increased sport programs for youth—a legacy about sport and people, not concrete and steel; Games will create a surplus to support youth sports programs
  - b. Construction of Village and venues throughout city would spur development; the Village would add up to 750 affordable-housing units.
  - c. Chicago 2016 has worked with community groups to ensure that the entire city benefits from the economic and development opportunities that Games would bring.
  - d. 2016 Fund for Chicago Neighborhoods—foundations have committed \$10 million for workforce development and programs in communities near proposed venues.
- 3) **The Games will elevate Chicago's international profile—4 billion viewers around the world**
  - a. Corporate relocation—Atlanta has seen a 30% increase in international companies located there since the Games(would be an additional 15 international companies for Chicago)
  - b. Sydney: Tourism since the Games has grown at an annual rate of 7.3% (would translate to an additional 3 million tourists every year for Chicago)
- 4) **The rewards of bringing the Games to Chicago far outweigh the risks**
  - a. Chicago's Games plan will not put taxpayers at risk.
    - i. Los Angeles, Atlanta and Salt Lake City were very profitable, and none of these cities had the existing infrastructure or the depth of corporate support that Chicago has.
    - ii. Guarantees model protects taxpayers, includes private sources
    - iii. Olympic Village will be built by a team of private developers with multiple financing sources as well as surety and other insurance.
  - b. Chicago's plan uses parks and existing infrastructure, resulting in a modest budget compared with other 2016 Candidate Cities and many past Host Cities.
    - i. Venue construction is \$1.2 billion (less than cost of London's Olympic Stadium); only 3 venues have budgets of more than \$50 million
    - ii. The Games plan doesn't call for major infrastructure improvements, such as rail lines or airports
    - iii. No land acquisition and no displacement of residents.
  - c. Chicago's Games plan will have broad investment from public and private sources
    - i. IOC--\$1 billion (from broadcast and sponsorships)
    - ii. Federal government (past Host Cities received approx. \$1 billion - for security costs)
    - iii. Unions--\$500 million (Village financing)
    - iv. Private donors--\$245 million
    - v. City of Chicago requirement in base plan - \$0

## **COMMON MISPERCEPTIONS OF HOSTING THE OLYMPIC GAMES**

**MYTH:** The Games would lose money and cause taxes to go up

**FACT:** The Games would be privately financed and would not only pay for themselves—through ticket sales, broadcast rights and other revenue sources—but would produce an estimated surplus of \$450 million. The likelihood of taxpayer dollars being needed to support Games operations (beyond federal subsidy) is incredibly remote.

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**MYTH:** All Olympic Games lose money

**FACT:** Every Summer Games since 1984 has delivered an operating surplus—from \$167 million for Athens in 2004 up to \$1.06 billion for Seoul in 1988. What's more, Chicago is in an even better position to make money because we already have most of our facilities like McCormick Place, UIC and the United Center

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**MYTH:** The Games would be a financial drain on Chicago for years.

**FACT:** Besides being entirely financed by private funding, the Games would be like an economic stimulus package aimed straight at Chicago, its suburbs and the state of Illinois by spurring more than \$22 billion in incremental economic impact--impacting everything from hotel rooms to construction materials-- and creating the equivalent of 315,000 full-time jobs for a year.

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**MYTH:** Economic benefits would go to a select few, not the city as a whole.

**FACT:** Benefits would flow to every corner of the city under an agreement signed by Chicago 2016 that guarantees employment opportunities for local residents and earmarks at least 30 percent of Games-related contracts for companies owned by minorities and people with disabilities and another 10 percent for firms owned by women.

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**MYTH:** Construction cost overruns in Vancouver for the 2010 Winter Games and in London for the 2012 Summer Games mean there will be overruns in Chicago.

**FACT:** Chicago's plan is very different from those of Vancouver and London because it focuses only on the construction projects directly related to the Games and uses multiple private development teams, instead of just one, to build the Olympic Village.

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**MYTH:** The Games would damage the Chicago parks where venues are located.

**FACT:** The parks and venues will be completely restored and in many cases improved, creating a legacy of facilities for Chicago youth to enjoy for generations to come.