



JENNIFER M. KOHNKE

Olympic plan protects taxpayers

The Civic Federation was pleased to read that David Greising agrees with the conclusion of our review of the 2016 Olympic Bid: that if the operating budget is professionally managed and subject to careful oversight, the plan provides adequate protection to taxpayers ("On deeper inspection, Olympics pitfalls abound," News, Aug. 28).

However, we disagree with his interpretation of our analysis of the potential downside risk of the operating budget, which examines several possible revenue shortfalls and cost overruns.

Greising states that the individual shortfalls identified in our report do not constitute doomsday scenarios. He is correct, but when he adds up all of the individual scenarios to create an \$864 million deficit he is in effect modeling a "doomsday worst case scenario." Such a scenario is by definition not a reasonable risk, but a worst possible outcome.

The Civic Federation's goal in the report was not to examine the unlikely event of a catastrophe, but what is reasonable based on the experience of previous Host Cities and other comparable events.

Finally, Greising is correct that the proposed insurance for the Games does not cover problems in the performance of the team running the Bid.

That is why the Federation and L.E.K. state that the contingency fund of \$451 million, which does protect against such problems, and the insurance *together* constitute adequate protection for taxpayers.

As the Civic Federation states in our report, it is impossible to eliminate all risk from any event, but government, businesses and non-profits can identify possible risks and work to mitigate them.

This is what the Federation and L.E.K. believe the Chicago 2016 Olympic operating budget can do if it is professionally managed and given the appropriate rigorous oversight by the Chicago City Council.

—Laurence Msall, president,
 the Civic Federation, Chicago

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