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Office of the Governor
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Jared Polis, Governor:

Here are the findings of the report you requested in order to ascertain whether it would be good to open voting for hosting the Olympics in Colorado.

Methods and Framework

This report analyzed three criteria for bringing the Olympics to the state of Colorado. First there is an analysis of the cost and burden upon taxpayers. Next are the infrastructure requirements. Lastly there is an examination of public opinion of hosting the Olympics. All data referenced for the conclusion will be included in this document.

Key Findings

- The cost of hosting the Olympics would be high. Olympic budgets have gone over their projection in every single Olympic Games since 1960.
- New infrastructure requirements could be contained to housing for the athletes and venues for the Games to be played at. Improvements to light rail and HWY 70 may be necessary.
- Public opinion is largely against Colorado being a future site of the Olympics. Residents express concern over cost, infrastructure, travel, and crowding.

After careful analysis of the data and opinions of Colorado voters I do not recommend that you bring this issue to the public or the Colorado General Assembly for a vote.

I appreciate you entrusting this recommendation report to me. I am available for follow-up consultation or to answer any questions you may have.

Very Respectfully,

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Voting on the Olympics

An Examination of the Impact of Revisiting
Colorado's Olympic Ban

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Abstract

This report analyzes data to facilitate a decision for Colorado to rescind its Olympic ban and bid for hosting the Winter Olympic Games in the future. The Governor of Colorado commissioned this report to determine if calling for a public vote is worth the political risk that is inherent in such a decision. Using comparative numbers from other recent hosts of the Olympics will give Colorado a good idea of what it faces in terms of costs to the taxpayer, infrastructure demands, and public opinion of such a project. This report will show the changes in all three criteria over 50 years, as well as data backing up the assertions of the recommendation. The question this report seeks to answer is if it is worth it to try and open the Olympic debate back up to voting. Both options are compared with financial, infrastructure, and public opinion data collected from other recent hosts of the Olympics and comparing it to data unique to Colorado and its residents.

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Introduction

Colorado was selected as the site of the 1976 Olympics in 1970. State leaders and winter resort owners had pushed for the Olympic bid and Denver was selected as the site. The public outcry that resulted from this decision was immediate and strong. Residents were opposed to the cost that the Games would incur upon the taxpayers, infrastructure changes that included trucking in snow from across the Rockies, environmental concerns, and very low public support. In 1972, Voters rejected the bid with nearly 67% of votes (Carpenter, 2022) against providing state funding for the Olympic Games. The message was clear: Do not bring the Olympics to Colorado.

Over 50 years have passed since that fateful 1972 vote, and Colorado maintains its ban on the Olympics. A lot has changed since the '70's. Colorado's infrastructure is better able to support an event like the Olympic Games. The state's economy is strong, showing continual growth over the past 15 years. Would Colorado voters be open to hosting the Olympics in the future? What would the political ramifications be if such a vote were proposed?

This report examines the same issues that caused Coloradans to reject the 1976 Olympics with modern data and offers insight into reactions that would occur if the Office of the Governor were to call for another vote on this issue. The solutions offered are simple either revisit the vote on the Olympics, or don't. The solutions are analyzed using three categories: cost to taxpayers, infrastructure demands, and public opinion. Most of the data analyzed comes from the last 20 years of the Olympic Games, but the timeline will be extended as far back as 1960 in a few instances to better show trends.

Following the analysis will be the recommendation to the Office of the Governor. The data is not favorable to the idea of revisiting hosting the Olympic Games, and the recommendation reflects the data. While it may be enticing, it would be political suicide to bring this issue to Colorado voters.

Problem Background/Context

The Olympic Games have been a part of human history since the Greeks held a festival honoring Zeus in 776 BC. What we consider the "modern" Olympics era started in 1896 along with establishing the International Olympic Committee (IOC). The IOC then took the role of appointing host cities for the international event (Olympic Studies Centre, 2022). Modern Olympic Games have been hosted by 20 different countries in four continents totaling 923 different venues (Olympic Studies Centre, 2022). Hosting the Games is largely seen as a great honor and a way to highlight the host's cultural strata to the world.

Denver was set to be the site of the 1976 Winter Olympic Games, but Colorado residents instead voted to ban the Olympics from Colorado in 1972. Coloradans insisted

the Olympic Games were too expensive. While Olympic organizers said the total cost would not exceed \$35 million, the cost would most likely be closer to \$92 million (Carpenter, 2022). Since the IOC had a rule that stated all venues needed to be within 50 miles of Denver's athlete village (Carpenter, 2022), that meant using one of Colorado's already established ski resorts was out of the question. This meant that there would be significant infrastructure development including talk of trucking in snow from the nearby mountains. Public support for the project quickly eroded, resulting in a clearcut 537,400 to 358,906 vote victory for the parties that wish to block state funding for the Olympics (Carpenter, 2022).

There are also plenty of upsides to hosting the Olympic Games. There is an enormous increase in tourism, stimulating the local economy. The tourism boom from the Olympics extends well beyond the length of the Games as well. London received a 12% boost in tourist visits a year after the 2012 Games, with a 13% increase in tourist-generated revenue (Thomas, 2013). Infrastructure, while expensive, can benefit the local populace as well. Repairs and widening of roads may solve a lot of problems for locals and tourists trying to reach the ski slopes during a regular year. Stadium updates ensure that existing infrastructure will be top-of-the-line for years to come. And, perhaps most importantly, comes the pride that happens when a community hosts the Olympic Games. People invest heavily in their country's performance during the Olympics. 18 out of 21 hosts of the Olympics as of 2012 stated that athlete's performance at the Games was linked to their sense of national pride (Mower, 2012).

Colorado is not alone in rejecting an Olympic bid. Cities are simply no longer putting in bids to host the Olympics. In 2004, 11 cities put in applications to host the Olympics. In 2008 that number fell to 10, and only nine applications for 2012 (Zimbalist & Matheson, 2021). The problem has gotten so bad that the IOC appointed Los Angeles, CA as the host of the 2028 Summer Games without even opening the bidding to other cities. The IOC is hard at work to fix municipality's reluctance towards hosting the Games, but is it enough?

Evaluation Methods and Solutions

Over 50 years have passed since Colorado residents so roundly rejected hosting the Olympic Games. This recommendation report aims to research a more modern look at the problems of hosting such a large endeavor. In order to have a baseline comparison, this report will focus on the same three established complaints the voters had in 1972:

Cost to Taxpayers

One of the most important factors when it comes to public support for hosting the Games is how much it will cost. Every Olympics since 1960 has gone over its projected budget (Budzier, Flyvberg & Stewart, 2016). Offsetting this cost is revenue from tourism and broadcasting fees as well as direct payment from the IOC.

Infrastructure Demands

Hosting the Olympic Games requires a lot of infrastructure improvements and additions due to a large temporary swelling of the population. Athlete housing, venues for the events, and vendors to supply the tourists are necessary to support the Games. Additional public works like electrical, plumbing, and cell/internet services need to be installed or upgraded. Transportation issues need to be addressed such as light rail, air travel, and road conditions. While these costs are unpleasant to bear at first, a lot of them would have been necessary anyways.

Public Opinion

How the public perceives the Games greatly influences its success. If the perception of the Olympics coming to town is largely negative, then it may affect how the locals treat the visiting teams and tourists. Protests and violence are possible if negativity towards the event is high enough. On the other hand, if locals have a positive attitude about the Olympics coming to town it will help to offset the burden of cost and infrastructure change.

Options to Analyze/Compare

Solution A: Open the issue to voting

The Office of the Governor would introduce a measure to begin a vote on Olympic hosting in Colorado. The Colorado General Assembly could vote on that measure, or it could be put to a public vote. Colorado voters would most likely respond negatively. There is a possibility that public opinion would change over time, as there would be a time period of seven to eleven years for preparation. While the Governor is not up for reelection in 2026 due to term limits, he could use it as a platform to campaign on for the 2032 election cycle.

Solution B: Do not revisit Colorado's Olympic ban

The Office of the Governor would not reintroduce the idea of Colorado rescinding its ban on the Olympics. The Colorado General Assembly and the public could decide to act on their own and have a vote. In such a scenario, the Governor could revisit the data in this report and make a decision whether or not to support such a bid.

Results

Criteria 1: Cost to Taxpayers

Perhaps the most common argument that people have against hosting the Olympic Games is the cost incurred by the people who live in the area. The amount that it costs to run the Olympic Games can exceed \$50 billion in some cases. The Beijing Summer Games in 2022 had a pricetag of \$52.7 billion and the 2014 Sochi Games cost \$59.7 billion. While those numbers aren't typical, it shows that hosting the Games can get quite expensive (Fig. 1).

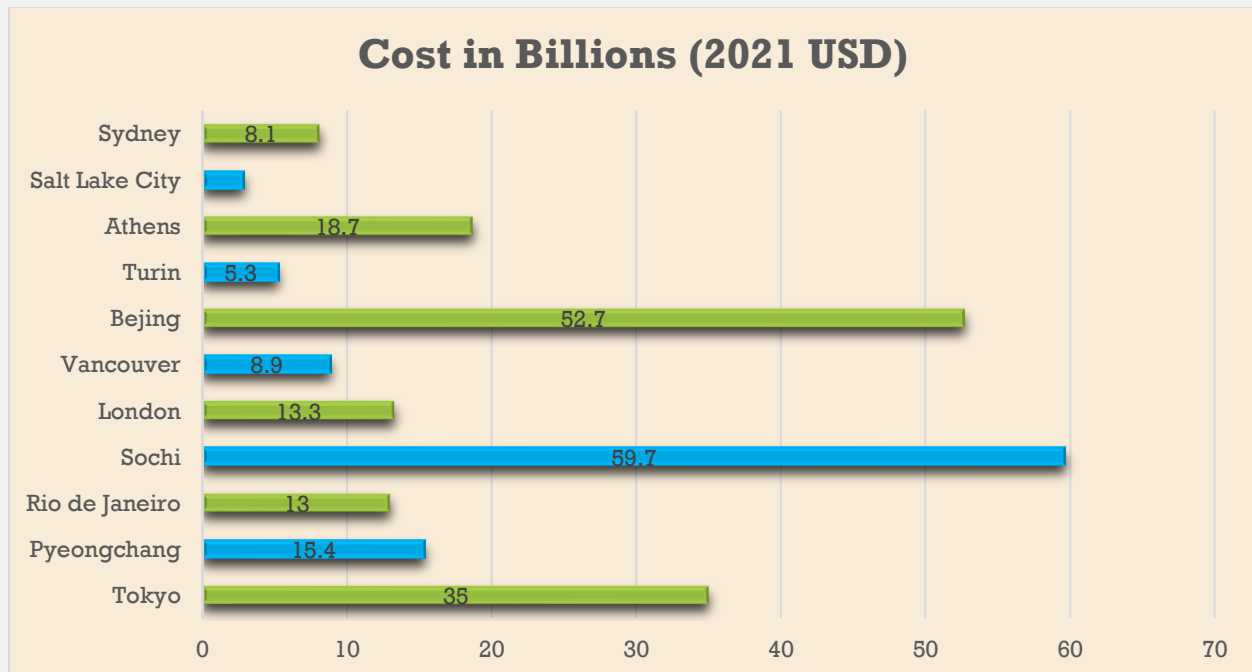


Figure 1: Estimated cost of hosting the Olympics in 2021 USD. Estimates include infrastructure and indirect spending. Source: Baade & Matheson, "Going for Gold: The Economics of the Olympics" (2016).

Most of these costs are not anticipated by host cities. Since 1960 no Olympic Games has managed to stay under its projected budget. The 1976 Montreal Olympics went over budget by an astounding 760% (Flyvbjerg, 2021). The average cost overrun for hosting the Winter Games is 142%, while the overrun for the Summer Olympics goes even higher at 176% for an average cost overrun of 152% (Stewart, Budzier & Flyvbjerg, 2016). Fig. 2 shows the cost overrun in percentage for Olympic Games from 1968-2016.

It can be anticipated that the initial Olympic budget will be exceeded, but by how much? Statistics show that it is more likely than not to surpass 50% of the original budget:

- 79% (15 of 19) Olympic Games overrun cost by 50% or more.
- 47% (9/19) of Olympic Games overrun cost by 100% or more (Flyvbjerg, 2021).

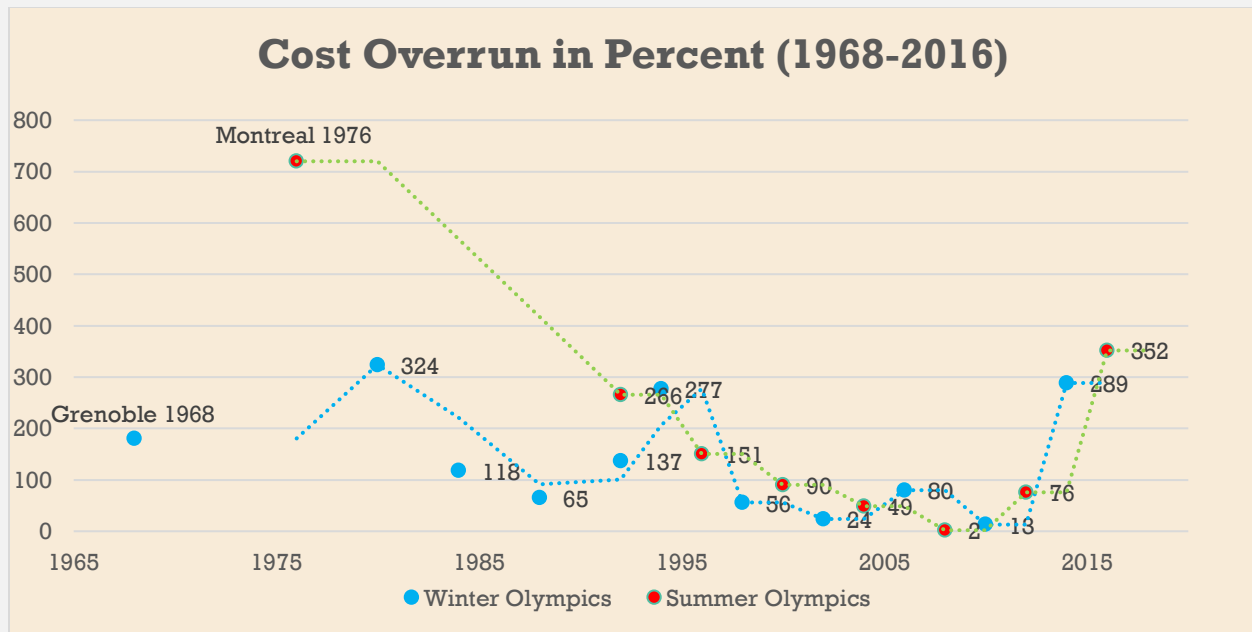


Figure 2: Cost overrun development over time. Source Budzier, Flyvbjerg & Stewart, “The Oxford Olympics Study 2016: Cost and Cost Overrun at the Games” (2016).

While high costs are seemingly unavoidable when hosting the Olympics, much of that is offset by revenue. The IOC pays cities directly to fund Olympic Games. The Organizing Committee for the Olympic Games (OCOG) has a robust budget. OCOG gets its funding through The Olympic Partner (TOP) program and by selling broadcast rights (Olympic Marketing, n.d.). The money provided to each city varies, but averages around \$1.7 billion for Summer Games and \$900 million for Winter Games. Here are some of the amounts paid to host cities by the IOC in the last few years and near future (Olympic Marketing, n.d.):

- Tokyo 2020 – \$1.7 billion
- Beijing 2022 - \$880 million
- Paris 2024 - \$1.7 billion
- Milano Cortina 2026 - \$925 million
- Los Angeles 2028 - \$1.8 billion

Host cities are allowed to commercialize the Olympics and get revenue through selling tickets. State and national funding also help offset some of the costs incurred. Are the IOC payments and revenue gains enough to offset the costs associated with hosting the Games? Figure 3 shows that while the revenue can offset the cost, for the most part it falls short.

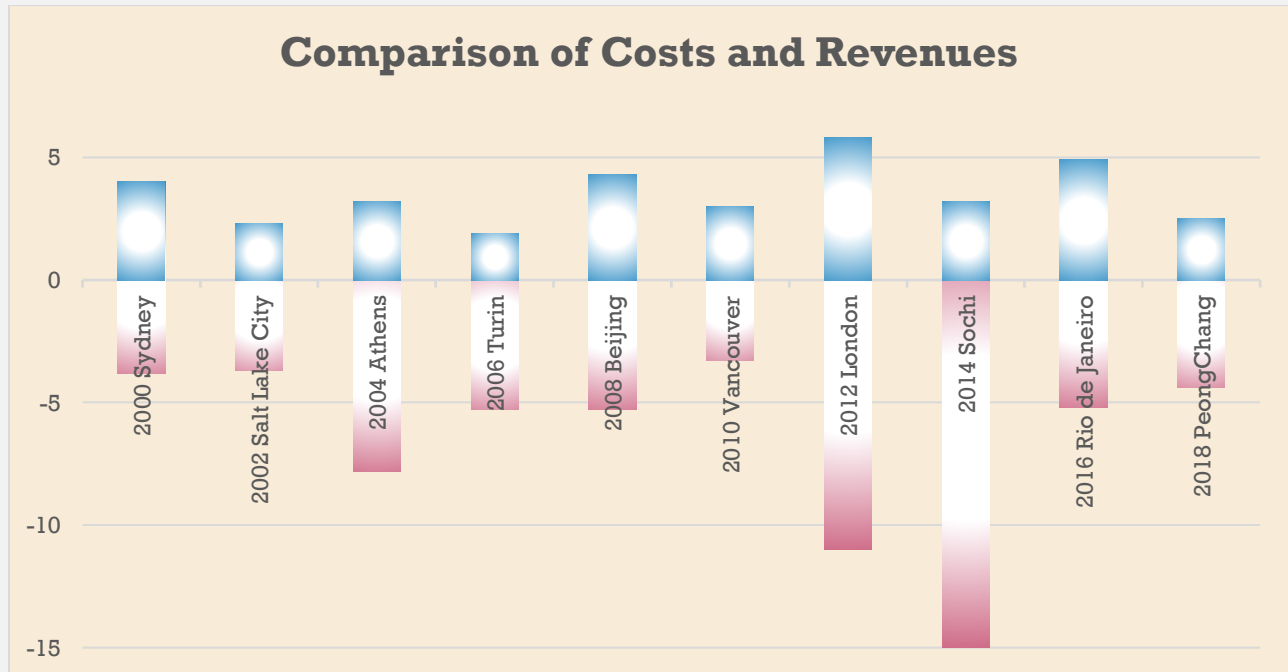


Figure 3: Cost and revenue comparison from 2000-2018 Olympic Games in USD billions.

Source: Gogishvili, Muller & Wolfe, "The structural deficit of the Olympics and the World Cup; Comparing costs against revenues over time" (2022).

The Olympic Games Knowledge Management (OGKM) program was created to cut the cost of hosting the Olympics and has shown success in the past. The OGKM claims that the "...most recent editions of the Olympic Games and Winter Olympic Games have all either broken even or made a profit." (Olympic Marketing, n.d.). While this claim appears to be false, the OGKM has managed to reduce the burden on cities by quite a bit.

Criteria 2: Infrastructure Demands

A lot of the cost incurred by cities hosting the Olympic Games comes from infrastructure demands. The infrastructure already in place oftentimes needs to be bolstered to deal with the influx of athletes and tourists. An area with good modern services already in place will pay less, while a place with poor infrastructure will have to pay a lot more to satisfy the demands that come with the Olympics. Building suitable infrastructure, venues, and sites for the Games is a megaproject. Cities and municipalities deal with megaprojects like roads, electricity, and rail on a regular basis. Megaprojects usually go over budget, but not to the extent that the Olympic Games typically do.

	Roads	Bridges, Tunnels	Energy	Rail	IT	Olympics
Cost Overrun	20%	34%	36%	45%	107%	156%
Frequency of Cost Overrun	9/10	9/10	6/10	7/10	5/10	10/10
Schedule Overrun	38%	23%	38%	45%	37%	0%

Table 1: Cost overrun, frequency, and schedule of megaprojects. Source Budzier, Flyvbjerg & Stewart, “The Oxford Olympics Study 2016: Cost and Cost Overrun at the Games” (2016).

One of the reasons that the cost overrun for the infrastructure of the Olympic Games is so much higher than the others is the fact that the date to host the Olympics is inflexible. Other megaprojects regularly go over their scheduled date which allows for less cost. Careful infrastructure planning and not being too overambitious could cut Olympic infrastructure spending significantly. Paris is planning on using 95% existing infrastructure for the 2024 Games cutting their infrastructure cost down significantly (O’Brien, 2023).

Cities will sometimes include “pet” projects in their Olympics expenditures. In preparation for the 2022 Games Beijing spent \$20 billion out of \$45 billion total costs on infrastructure. Nearly half of the \$20 billion expended on infrastructure was spent on a driverless train system that cost \$9.2 billion (McBride & Manno, 2021). Since China was already planning on developing this system, the cost doesn’t necessarily have to be attributed to the Olympic Games.

The extent of infrastructure changes required for Colorado varies by location. Denver International Airport is well-equipped to handle an Olympic sized crowd. The Denver light rail system would likely need to be expanded and updated.

Costs could be kept down significantly by hosting the Olympics at Aspen, which has already been hosting the Winter X Games since 2002 (Our X Games History, n.d.). With the infrastructure of hosting a large public event already in place, the changes needed to host the Olympics in Aspen are minimized. Highway 70 improvements would most likely be the highest cost associated with hosting the Winter Olympics at Aspen.

Criteria 3: Public Opinion

A poll conducted between 16-18 April 2024 revealed a nearly even split between people who would support their city hosting the Olympics and people who were against it (Fig. 4). Residents of Los Angeles expressed similar numbers in a 2023 poll when asked about the upcoming 2028 Summer Games to be hosted there. Age was a large factor when it came to negative polling. Residents aged 18-34 expressed a 39% approval rating for the Olympics, while ages 35-54 and 55 and older both polled over 65% (Wharton, 2023).

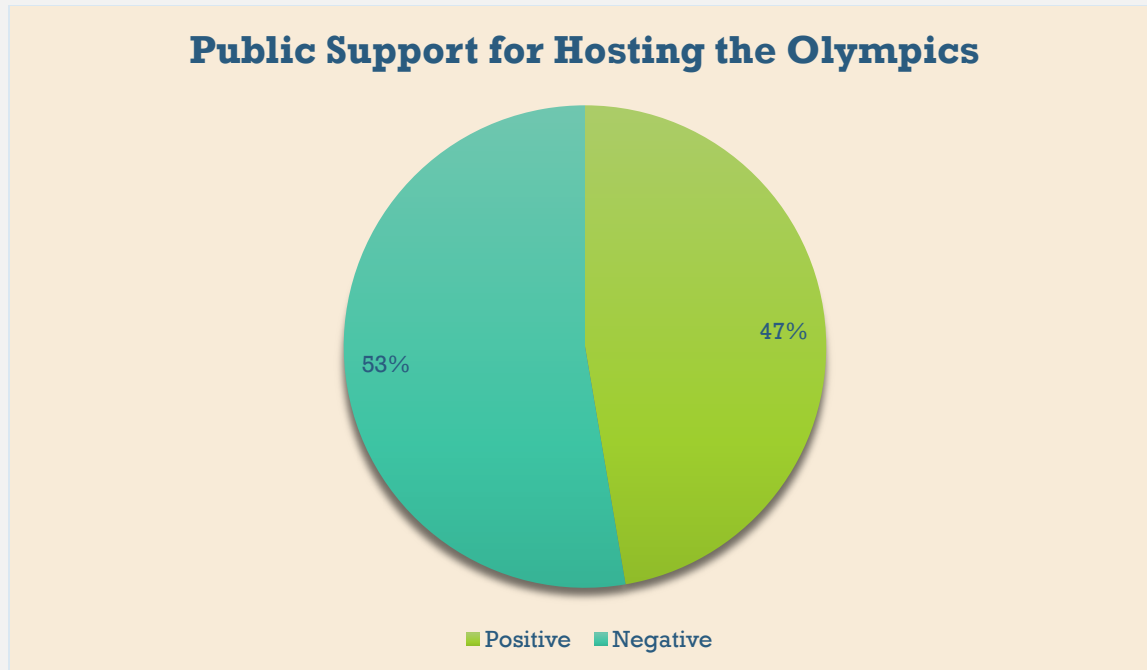


Figure 4: Results of poll asking if the Olympics would be welcomed to your town. Source: Balduff, “Would you be opposed to your city/state hosting the Olympics?” (2024).

Colorado residents were asked in a separate Reddit post if they would be open to rescinding the Olympic ban and possibly hosting the Olympics in the future. Responses here were largely negative. Complaints about the increase in traffic, infrastructure concerns, taxpayer costs, and IOC corruption were amongst the chief complaints (Balduff, 2024). Some users expressed interest in hosting the Olympics if sites were split amongst the United States as a whole and were not located entirely in one city.

Recommendation

I recommend against your office reopening the issue of hosting the Olympic Games in Colorado. Colorado residents seem to be largely against hosting the Olympics. Even though the next election for Governor isn't until 2026, voters tend to have long memories for topics this divisive.

Colorado's economy is doing well with a 10.3% increase in state GDP from 2021-2022 (GDP by State, 2024). Despite this, there is a good chance that the cost to Colorado taxpayers will be quite unpalatable. Cost associated with the Olympics exceed their projected budget by an average of 156%. Winter Olympic Games come closer to meeting their budgets by only going over budget by 142% (Budzier, Flyvberg & Stewart, 2016), but this is still quite an undesirable expense to taxpayers.

Colorado's infrastructure needs improvements to host the Games, but not as much as many cities that host the Olympics. Improvements to light rail and Highway 70 would be welcomed by Colorado residents and seasonal tourists. Colorado has already taken steps to add railroad travel options between major cities along I-25 (A Vision for Front Range Passenger Rail, n.d.) reducing the new infrastructure demand. Outside of the building of the Olympic venues and housing for athletes, the infrastructure changes made for hosting the Olympic Games would be seen as largely positive.

Even though the Governor has served consecutive terms and is unavailable for reelection in 2026, there is a good chance that calling for a vote on the Olympics would be a severe blow to the Democratic Party in Colorado. The issue is too divisive and residents seem happy to not revisit it.

Conclusion

Hosting the Olympic Games was once considered an honor, and in many parts of the world it still is. However, Colorado is not one of those places. Coloradans showed how they felt about hosting the Olympic Games in 1972, and it seems as though their attitudes have not changed much in 50 years. Economically it could be feasible, but the cost to residents would most likely still be too high for voters to stomach. Public infrastructure improvements would be welcomed, and a few of them, such as the railroad expansion, are already underway. However, the infrastructure needed to house the athletes and the creation of large venues to host the games would be viewed as a negative. For these reasons I suggest that the Governor does not bring up the issue of Colorado hosting the Olympics.

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Glossary

IOC - International Olympic Committee

OBS - Olympic Broadcast Services

OCOG - Organizing Committee of the Olympic Games

OGKM - Olympic Games Knowledge Management

TOP - The Olympic Partner

Appendix

Primary research conducted:

- The author contacted both the Olympic Training Center and Olympic Historical Society with interview requests but was not contacted back by either agency after multiple attempts.
- A poll was created on social media on r/polls asking users “Would you be opposed to your city/state hosting the Olympics?”. Poll responses were split 47% for and 53% against out of 279 total voters.
- A question was posed to members of r/Colorado on Reddit asking if users would be “...open to (Colorado) hosting the Olympic games in the future?” Responses were almost entirely negative. What follows represent the general response and attitude Coloradans have towards the Olympics in Colorado:
 - “No. The Olympics tends to leave rotting and useless infrastructure in its wake. I also wonder if tax payers would have to pay for it.”
 - “... It's a tie for who is the most shady sports organization between the Olympics and FIFA. But one thing is for certain, if we had ended up hosting the Olympics in the 70s we'd have had the same population crowding issues of today back in the 80s. “
 - “...Many hosts have been left in worse spots after hosting than before and I'm not interested in cleaning up the worlds playground for games that are simply arbitrary and unimportant in todays world of technology.”
 - “...Big events like the Olympics are also used as a cover by numerous criminal organizations to conduct their business. Sex trafficking and illegal drugs especially... “
 - “...Construction cost and security costs alone have increased so much since the 1990s I don't think an Olympic Games will ever be profitable again...”
 - “Nope. ...”
 - “Colorado had actually been awarded the 1976 Winter Olympics but we told the IOC to go stick it and rejected their selection. I'm glad to see that spirit here in 2024.”