Using the Olympics to Stimulate Urban Growth

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This post was co-authored by Hugh O’Neill, president of Appleseed Consulting.

The 2012 London Olympics are being ridiculed for massive traffic jams, the use of the war-weary military troops to provide security, and the United States’ made-in-China uniforms. But, the British government’s strategy to use the Olympic Games as a way to stimulate the growth of the rundown East End of London will be the enduring legacy of the 2012 Olympics. Despite all the media attention given to the cost of the games and the huge security force being deployed for the games, the long-term benefits of the 2012 Olympics will be seen in the future development of London.

Ever since Tony Blair persuaded the International Olympic Committee to award the 2012 games to London, the U.K. has wisely treated the games as an opportunity for shaping future growth, rather than urban glorification or prestige building. This is a fundamental change in the role of the Olympics. For the past half century, cities have aggressively competed to be the site of the Olympic Games as a way to promote their status as a “global city,” by associating themselves with one of the few events that brings together athletes, journalists, and civic elites from all parts of the world. Before and after the games, host cities have sought to benefit financially and culturally from the additional spending that comes from the influx of athletes, officials, media, corporate sponsors, and spectators.

The 2012 London Olympic Games will receive more live television — 5,500 hours — and online coverage than any other Olympics. Despite the technological advances in training and equipment that are sure to set new records, this year’s games will be notable for much more than its athletic feats, traffic jams, and missile launchers mounted on residential buildings. Britain’s critical investments in infrastructure and land use will transform the East End and therefore ultimately change the face of London forever.

It costs a lot to get on the world stage known as the Olympics. Hosting the games requires enormous investments in new sports facilities, housing for athletes, hotels and infrastructure; much of it is financed by national governments. While these projects create thousands of construction jobs, historically, they left the host city or nation with problems that escape the eye of the television cameras but become a burden to taxpayers and government officials.

Greece spent billions to attract the Olympics to Athens in 2004, and the cost of new roads, stadiums, and housing only added to that nation’s financial burdens. Many of the sports facilities built for the Athens’ games are now rusting and abandoned. Atlanta tried to use the Olympics to establish itself as an important world city, but those games are best known for the bombing that got more attention than the medal winners. And the Olympic Park in downtown Atlanta is now a vast, underused open space surrounded by hotels and a convention center.

Beijing, the recent site of the 2008 Summer Olympics, was used by China to make the Olympics an essential part of its nation-building and to gain legitimacy as a safe destination for tourism. Despite China’s success as a host nation, Beijing’s “Bird’s Nest” stadium where the opening and closing ceremonies were held, is riddled with
Similarly, the impressive waterpark that Beijing built for the Olympics still loses money each year. This should come as no surprise for it took Montreal 30 years to pay off the debts it incurred from hosting the Olympics.

To be sure, the Olympic Games can provide a temporary economic boost for the city — and a psychological boost for local politicians — but all too often, the host cities are burdened with a mountain of debt and facilities that they cannot afford to maintain and for which there is only limited demand.

The London Olympics will undoubtedly set a record in a new category: the cost of providing security and implementing new detection systems at Olympic sites, on roadways, at train stations, in the airports, and at every kilometer of the Underground. As has been widely reported, more British troops will be deployed for the 2012 London Olympics than are stationed in Afghanistan. The London Olympics will resemble a testing ground for every conceivable weapon and technological device to prevent a terrorist attack. Whoever thought the Olympics would be a huge field trial for anti-terrorist technology?

In view of the costs of hosting the Olympics, the only way a city can benefit is to use the Olympics as a catalyst for stimulating future growth, as a rationale for building major public works like mass transit and parks that in turn, stimulate new investments in housing and commercial development.

London, as well as New York, adopted this modern formula in competing for the Olympics. From the outset, London has focused on using the 2012 games to spur the revitalization of the city’s East End. The 500-acre Queen Elizabeth Park will ultimately be converted to community use and for major sports events. The Olympic Village will be transformed into **2,800 private housing units** with another 8,000 housing units to be built nearby, and the Olympic media center will become a new commercial office and studio hub.

New York City, which lost its bid for the 2012 games, also recognized that city building had to be at the heart of its Olympic bid. New York City used the 2012 Olympic Plan as a way to build a new subway line, rezone vast portions of the underused industrial waterfront, build new parks and athletic facilities, and mobilize private investment in two new stadiums. Despite not winning the 2012 games, New York has successfully implemented much of its Olympic vision, proving that long-term urban development can be as important as the actual games themselves.

How London grows will be the true legacy of the 2012 games. As cities such as Rio de Janeiro and Chicago consider their own Olympic aspirations, the impact of London’s city building strategy will be the best game to watch.