

Olympic budget highlights big costs

By Paul Foy / Associated Press

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SALT LAKE CITY - The hotel tab for the IOC is \$1.3 million. Salt Lake Olympic organizers will shell out another \$640,050 for Olympic family perks. Olympic ceremonies will cost \$37.6 million.

After all that, there's \$32.8 million for sports.

The Olympics have grown into an expensive extravaganza, where sporting events cost less than the pomp, pageantry and the elaborate technology, according to a budget released to The Associated Press by organizers of the 2002 Winter Games.

The costs are so large, the logistics so daunting and economic payoff so meager that Salt Lake Olympic chief Mitt Romney has questioned whether U.S. cities should bother bidding for the games. The Olympics, he has said, are driven by "giganticism" with more sports, demonstration sports and frills added every two years.

"It's a fair question for people to ask, 'Is it worth it or not?'" Romney said Friday. "My own position is the games make sense not as a money making enterprise but as a statement for peace."

International Olympic Committee president Jacques Rogge has said reducing the size and cost of the Olympics is a priority.

Many of the costs are mandated by the IOC, which requires Olympic cities to assume full financial responsibility. Then it takes a cut of the sponsorship pacts.

When Salt Lake City signed its contract with the IOC, city attorney Roger Cutler complained in a memo that the deal was "open-ended, one-sided and onerous."

For example, the city and games organizing committee must:

- Deploy "a reliable system of transportation for the Olympic family." Cost: \$322,201, with chauffeur-driven cars for IOC members.
- Book at least 1,000 rooms "in such hotels as shall be designated by the IOC executive board." Cost: \$1,358,232.

Organizers had to book Salt Lake's Little America hotel not just for IOC delegates, their spouses, staff and commission members, but also for sports federation officials and spouses, and members of national Olympic committees.

Others guaranteed hotel accommodations include IOC "advisers, consultants and agents," plus special IOC guests, officials from the next Olympic city and officials from cities vying for future Olympics.

Romney said that even though the IOC will reimburse organizers for its own delegates' hotel rooms, "we owe them a lot more money in royalties than they owe us."

Many members of the Olympic entourage have an official function and are needed at the games, American IOC member Anita DeFrantz said Friday. They include translators, technical experts, judges, referees and members of a medical commission. Heads-of-state also have traditionally attended.

"This is equivalent of holding seven world championships (in winter sports) at the same time and the same place," DeFrantz said. "President Rogge has already set up a working task force to examine how the games could be less expensive. We've know about it and worried about for some time."

Salt Lake will spend \$640,050 on "Olympic family services" - a category that wasn't broken down or explained in the budget document.

"It's just taking care of them," Salt Lake Olympic trustee Ken Bullock said Friday. "It's meals and all the little perks. These are just amenities to make their stay pleasant."

The organizing committee also keeps VIP apartments costing \$343,841.

Once Salt Lake resolved to launch Olympic and Paralympic ceremonies on the cheap, for about \$20 million. Bullock said the IOC insisted on a better show. Now the ceremonies, plus the medals plaza and a rodeo, will cost \$37.6 million, according to the budget. The Mormon church is contributing land and \$5 million for the medals plaza.

The Olympic Village, where 3,500 athletes, coaches and team officials will stay during the games, will cost organizers \$38.1 million. Olympic organizers paid for part of the construction that will be turned into housing for the University of Utah.

Organizers also will have to pay nearly \$100 million to reimburse Utah taxpayers for building Olympic venues and to leave a fund for their maintenance.

The Paralympics, games for disabled athletes that follow the Olympics in March, will cost about \$1 million.

To keep all the Olympic volunteers happy, organizers will spend \$209,999 on pre- and post-games celebrations. Deploying the army of 30,000 volunteers will cost \$2.1 million.