

**FREQUENTLY ASKED QUESTIONS ON THE
CIVIC FEDERATION ANALYSIS OF THE FINANCIAL ASPECTS
OF THE CHICAGO 2016 OLYMPIC BID**

1. What is the purpose of this project?

The purpose of the project is to determine whether the plan to host the Games, as proposed, is fiscally reasonable or if it poses a significant financial risk to taxpayers in the City of Chicago.

2. What were the findings?

*The Civic Federation and L.E.K. Consulting found that the proposed operating budget for the 2016 Olympics meets the “fair and reasonable” evaluation criteria and provides adequate protection for taxpayers. However, the development of the Olympic Village still exposes the City to continuing real estate risks that must be managed. **For full discussion of the analysis and the evidence leading to these findings, please read “Chicago 2016 Olympic Bid Review” and “Chicago 2016 Olympic Bid Review Narrative Summary,” available at www.civiced.org.***

3. Why did the Civic Federation take on this project?

*The Chicago City Council passed an ordinance asking the Civic Federation, as an independent government research organization, to perform an analysis of the Chicago 2016 Olympic bid that evaluates whether the plan provides adequate protection to taxpayers. **A copy of the resolution is available at the Chicago City Clerk’s [website](#).***

4. Why did you hire L.E.K.?

*Given the extremely tight time frame in which to complete the project, the Civic Federation engaged L.E.K. Consulting to assist in its analysis. L.E.K. is an international strategic financial consulting group headquartered in London with extensive experience examining Olympic-sized sporting events and no previous involvement with the Chicago 2016 Bid. **Please find more information about L.E.K. on the Civic Federation [website](#).***

5. Will your report say whether signing the Host City Contract is a good idea?

No. The scope of our report is confined to analyzing whether the bid, as proposed, is fiscally reasonable or if it poses a significant financial risk to the taxpayers in the City of Chicago. The City Council must take into account a number of different factors when deciding whether it supports signing the Host City Contract in addition to our report. Those factors may include—among many other items—the possible economic impact of the Games and whether or not the City Council will be able to provide the vitally necessary oversight of the Games during the next seven years.

6. How much did this project cost to the Civic Federation?

The Federation anticipates the project cost will exceed \$100,000, including L.E.K.’s consulting fees and the Civic Federation’s own research and analysis expenses.

7. Who is funding the project?

We have secured funding from many local private foundations, listed below, to cover the cost of the project and have also contributed funds from Civic Federation sources. We are grateful to the following foundations for their generosity and counsel:

- *The Chicago Community Trust*
- *The Field Foundation of Illinois*
- *The John D. and Catherine T. MacArthur Foundation*
- *The Joyce Foundation*
- *McCormick Foundation*
- *Polk Bros. Foundation*
- *Woods Fund of Chicago*

8. Why didn't you ask the City of Chicago to fund the project?

In order to maintain the independence of this project, the Civic Federation Board of Directors did not find it appropriate to seek or accept funding from the Chicago 2016 Committee or the City of Chicago.

9. What is the scope of the report?

To complete this report in a timely fashion, the scope of the review was limited to an analysis of the fairness and reasonableness of these projections and the extent of the financial risk that hosting the Olympics may pose to the taxpayers of the City of Chicago.

10. Is this report an audit of the Olympic bid?

*No. Given the limited time to complete the review and the complexity of the proposed financial plan for hosting the Olympic Games, the report is **not** a financial audit. It is a high-level review focused on testing the assumptions and process used to develop the cost and revenue estimates as proposed for hosting the Games.*

11. Why didn't you examine the economic impact study?

The economic impact study, while important to the City Council and residents of Chicago as they make up their minds about the City's Olympic Bid, falls outside the scope of the Civic Federation's analysis as requested in the City Council resolution.

12. How much cooperation did you receive from Chicago 2016?

The Civic Federation and L.E.K. Consulting received excellent cooperation from Chicago 2016. The leadership staff of Chicago 2016 provided documentation and access to outside experts as requested by the Federation and L.E.K. They spent many hours responding to our questions and explaining the process and assumptions used to compile the bid.