

Hosting an Olympic Games, whether winter or summer, requires critical decisions related to economic benefits and costs subject to enormous uncertainties. Increasingly in recent years, there has been an attempt to extend the "useful life" of an Olympics by quantifying the "legacy benefits".

In some instances, such as Beijing 2008, an enormously successful games has been followed by rusting away of the "Bird's Nest" stadium and an absence of useful infrastructure after the closing ceremony.

This case study paper examines the legacy benefits from the 2012 London Olympics. The London Olympic Organizing Committee early in the early 2000's made a pitch to the International Olympics Committee based on projected long-term lasting "legacy" benefits. As a consequence in 2005, London narrowly edged out Paris as the site for the 2012 Olympic Games.

Among the promises made by the Olympic Organizing Committee (and its head, Sir Sebastian Coe, himself a former British gold medalist) were to:

- clean up the environmental wasteland of the Lower Lea River Valley, a toxic dump for industrial chemicals
- improve transport infrastructure with new lines and refurbished stations to accommodate the handicapped attending the Paralympics.
- create lasting facilities such as the Aquatic Centre, the Velodrome cycling Centre and HereEast, the former Olympic communications center being converted to accelerators and incubators for business startups as well as university classroom facilities.
- convert temporary housing for Olympians to permanent housing for East London residents including low income families.
- encourage youth to engage to become fit through exercise
- utilize existing facilities such as Wimbledon, Greenwich, the ExCel Centre, the O2, and Horse Guards to stage many Olympic events rather than constructing expensive new temporary facilities
- provide an economic stimulus to London through construction and refurbishing.

The Financial Crisis of 2008 created special challenges. The Olympic construction activities provided an economic stimulus that carried London forward into economic recovery.

The paper will incorporate economic and financial academic literature along with an analysis of post-Olympic literature including government and IOC reports.