

## **Update on Toronto's Bid to Participate in the FIFA World Cup 2026**

**Date:** March 16, 2022  
**To:** Executive Committee  
**From:** City Manager  
**Wards:** All

### **SUMMARY**

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The FIFA Men's World Cup (hereinafter referred to as "World Cup") is the world's most watched sporting event, with a global viewership of four billion people for the entire competition and upwards of 200 million for each match. Overseen by the International Federation of Football Association (FIFA), the World Cup is held every four years and generates significant economic and cultural benefits for host cities. In 2018, the 2026 World Cup was awarded to a joint bid by Canada, Mexico and the United States, with 80 matches to be staged across 16 cities in North America, of which 10 matches are expected to be in Canada. In January 2018, City Council endorsed Toronto's participation in the bid to be a host city, with 23 North American cities competing to be part of the ultimate 16 host cities. The selection process is projected to conclude in May 2022, and it is anticipated that Toronto would host five matches, if selected.

This report provides an update on the bidding process, presents the potential financial implications for the City, outlines the risks and opportunities, and recommends that Toronto accepts the host city nomination, should it be successful, based on the substantial benefits of being a host city. In addition, it recommends the creation of a 2026 World Cup Secretariat reporting to the Deputy City Manager, Community and Social Services, dedicated to coordinating the City of Toronto's participation, and a governance structure to be established for the successful planning and execution of the 2026 World Cup in Toronto. The governance structure will include an Indigenous Table and a Community Champions Table for input from Indigenous, Black and equity-deserving communities as well as representatives from amateur sport, the business and cultural sectors and local neighbourhoods.

Hosting part of the 2026 World Cup will bring global media attention and could result in positive economic and cultural impacts for the city, while supporting recovery and rebuild efforts. Projected benefits of hosting five matches in Toronto include an estimated \$307 million dollars of GDP impact, 3,300 jobs and 174,000 overnight visitors paying for over 292,000 room nights with projected Municipal Accommodation Tax (MAT) revenues of \$3.5 million. Economic activity spurred by the event will sustain

recovery in hard hit sectors, such as tourism, hospitality and entertainment. Toronto has demonstrated its ability to plan and deliver major FIFA competitions in the past and has successfully hosted other major sports events such as the Pan American/Parapan American Games in 2015. Legacies from the World Cup will be developed with a view towards civic engagement, improved recreational facilities, and environmental sustainability.

Planning for Toronto's potential participation in the 2026 World Cup has been proceeding well under City leadership with other key stakeholders. However, there are uncertainties that will remain until after the announcement of host cities by FIFA, expected by the end of May 2022. Notably, the federal government has indicated that a decision on financial support, a requirement of the City's participation in the World Cup under Council direction EX30.14 (2018), may only be made once a national safety and security concept has been completed to inform the federal essential services component of the total event cost. Full security costing is not likely to be available until late 2022. In the interim, and to inform Toronto's business plan and budget, City staff have worked with the Toronto Police Service, Toronto Fire, Toronto Paramedics Service and the Office of Emergency Management to build an estimate of local safety and security expenses in the range of \$32.30 million cash plus \$8 million value-in-kind (VIK).

Overall, the operations and capital costs to be incurred locally in Toronto are projected to be approximately \$290 million by 2026, including a 10 percent contingency. In keeping with the approach to major events planning in Canada, the Governments of Canada and Ontario are being asked to cover two-thirds of this amount or an approximate total of \$177 million. In addition, the cost of hosting the World Cup will be also partially offset through access to commercial rights and related revenue opportunities delegated by FIFA to event organizers, such as the City of Toronto. As some of the costs do not flow through City divisions and agencies, the cost for the City of Toronto, prior to any further offsets including earned revenue sources from fees, commercial sponsorship and local partnerships, is projected to be up to \$73.8 million plus \$20 million in VIK, mostly in 2025 and 2026.

The Council decision in 2018 authorized the City Manager to sign three formal FIFA Bid Agreements including the Host City Agreement, the Stadium Agreement, as the owner of BMO Field, and Training Site Agreements related to City parks and recreational facilities. One Training Site Agreement was signed by MLSE as the owner/operator of BMO Training Centre relating to FIFA's specifications for a competition-ready venue and the Airport Agreement was signed by the Greater Toronto Airports Authority (GTAA) to ensure reliable access of event participants.

The agreements signed to date commit the City to a set of requirements to support the 2026 FIFA World Cup, including providing BMO Stadium, training sites, a 34 day FIFA FanFest, and enhanced City services such as transportation and local safety and security. The City was also advised in March 2022 that FIFA seeks to secure a contractual addendum to the agreements signed by the City in 2018, relating to upgrades and rental costs for the stadium. Signing the contractual addendum has been identified by FIFA as mandatory to remain in contention for host city selection.

Although Toronto could be named a host city without full certainty on funding, current indications from the provincial and federal governments and past experience for major events have led staff to be confident that suitable funding arrangements, as sought by City Council, will be secured. This report seeks the approval of City Council for the City of Toronto to accept a nomination from FIFA as a Host City for the World Cup in 2026, the establishment of a 2026 World Cup Secretariat, and the development of plans for the City of Toronto to budget for up to \$73.8 million in contributions and \$20 million in value-in-kind services as a matching commitment to other government funds within an overall project cost projected to be \$290 million for the delivery of the World Cup in Toronto in 2026.

## **RECOMMENDATIONS**

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The City Manager recommends that:

1. City Council direct the Mayor and the City Manager to accept the nomination of Toronto as a 2026 World Cup Host City should it be awarded by FIFA, to enter into associated agreements, and to continue to negotiate a multi-party agreement with the Governments of Ontario and Canada and with Canada Soccer reflecting the key elements outlined in this staff report and to the satisfaction of the Chief Financial Officer and Treasurer and the City Solicitor.
2. City Council direct the City Manager to report back to the June 8, 2022 Executive Committee on the status of negotiations with the Governments of Ontario and Canada and Canada Soccer. If Toronto is selected by FIFA as a host city for the 2026 World Cup, the report back should include updated cost estimates for the City of Toronto and commitments from other government partners.
3. City Council direct the City Manager to report back to the June 8, 2022 Executive Committee on plans to create a secretariat to coordinate the City of Toronto's planning for the 2026 World Cup, to be established by Q3 2022. Plans should include a detailed implementation plan, additional temporary staffing requirements and associated budget, including necessary in-year budget adjustment a plan for initial resources to be drawn from funding available in the Major Special Events Reserve Fund (MSERF) in 2022.

## **FINANCIAL IMPACT**

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The projected expenditures by the City and other local partners to host part of the 2026 World Cup in Toronto have been professionally estimated based on consultation with City divisions and agencies. For five matches, it is anticipated that the total costs for activities in Toronto will be approximately \$290 million, composed of \$266 million of cash and approximately \$24 million of value-in-kind, (in 2026 dollars). In addition to inflation, the cost estimation includes a contingency of 10 percent and the development of event legacies. "Value-in-kind" involves City and other resources supporting the hosting of the event, yet does not have an incremental impact on net City expenditures and can help secure provincial and federal funding. Please refer to Attachment 1 for

detailed hosting costs by category and to Attachment 2 for cash flow projections. These estimated costs do not include spending by the provincial and federal governments, nor do they include the spending by FIFA and Canada Soccer.

Based on the approach to major sporting event planning in Canada, the Governments of Canada and Ontario are requested to share costs with the City of Toronto. The cost for the City of Toronto is projected to be up to \$73.8 million plus \$20 million in value in kind as a matching commitment to other government funds within an overall project cost projected to be \$290 million for the delivery of World Cup matches in Toronto in 2026. The cost estimation is still preliminary and needs to be further reviewed, scoped and assessed in conjunction with continued strategic planning with relevant City divisions and agencies, public and stakeholder engagement, and through collaborative efforts in exploring intergovernmental funding opportunities where possible.

Projected costs are above those presented to Council in 2018 (\$30-45 million). Since the first phase of the bid process in 2018, further requirements for candidate host cities were provided by Canada Soccer and by FIFA, which required City staff and stakeholders (Exhibition Place, MLSE, Destination Toronto) to revisit previous assumptions, working with cost estimators expert in major games planning and delivery, regarding elements of event delivery and overall costing. This exercise - which considered the full breadth of the Host City Agreement - saw a rise in costs in several areas such as security, stadium adaptation and expansion, and preparation of training sites. City staff anticipate that there are areas where savings can be secured given that there is time available for lower cost alternatives to be identified and for FIFA requirements to be negotiated.

In the event that Toronto is selected as one of the host cities, the Economic Development and Culture Division will require the addition of temporary staff positions in 2022 to oversee the City's planning and delivery of the 2026 World Cup. These costs will be fully funded by the Major Special Events Reserve Fund (MSERF). The temporary staff positions will transition into the 2026 World Cup Secretariat in 2023. A detailed implementation plan, staff complement and associated budget, including necessary in-year budget adjustment for initial resources to be drawn from the Major Special Events Reserve Fund (MSERF) in 2022 will be included in the next report in June 2022.

In order to manage the City's financial risk, City staff will continued negotiations with other government partners to secure such resources as necessary to effectively deliver the event. Similar to the Pan Am Games and other major events of this scale, it is expected that hosting costs will be shared with the provincial and federal governments. Funding discussions about cost-sharing are underway in an environment of financial challenges facing all levels of government resulting from the COVID-19 pandemic. Equitable cost-sharing should be in alignment with the distribution of benefits such as tax revenues, from the World Cup across the various governments. Also, the City will work with private sector partners to secure private investment to offset event costs in keeping with the distribution of benefits from the event.

The information in this report is premised on Toronto hosting five preliminary round matches for the World Cup in 2026. A risk exists, with the possibility of three Canadian cities being named as host cities, where Toronto could be awarded fewer matches. A

change from five to four matches would see an incremental reduction in costs of approximately \$2 million and also a reduction in projected benefits including slightly lower GDP, marginally reduced employment hours, and lower tax revenues including Municipal Accommodation Tax (MAT) revenues. This will require further analysis and consideration of expected revenues and benefits to the City which will be included in the June report to Council.

The City Manager will provide City Council with an update that includes the status of funding secured from the other levels of government as well as full cost estimates for the City. The funding strategies to pay for the City's share associated with the FIFA 2026 World Cup include: continued identification of additional contributions from benefiting entities; any potential internal offsets or expected incremental revenues; as well as further draws from available funds within the MSERF, supported through ongoing added MSERF reserve contributions consistent with future budget approvals and the City's Surplus Management Policy.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## **RECONCILIATION AND EQUITY IMPACT**

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As this report precedes the host city selection, it outlines future steps, including the planning of strategies to reduce systemic barriers and to leverage opportunities for equity impacts. It is anticipated that access to economic development opportunities and access to training and/or employment will be positively impacted through supportive hiring practices. Through the procurement of upwards of \$150 million of goods and services to support the World Cup, small businesses owned and/or operated by Indigenous, Black and equity-deserving communities will potentially benefit from the application of social procurement policies to those procurements. Economic activity generated by the event will support hard hit sectors of the local economy, such as tourism, hospitality and entertainment, which feature significant involvement of entrepreneurs and workers from Indigenous, Black and equity-deserving communities.

Sense of identity and belonging will be also be positively impacted. An Indigenous Table and a Community Champions Table convening representatives of diverse communities will be created to support the planning for the 2026 World Cup in Toronto. Opportunities for legacies will be co-developed with these tables and/or through existing advisory groups at the City, such as the Confronting Anti-Black Racism Partnership Accountability Circle, and Council Advisory Committees such as the Two-Spirit, Lesbian, Gay, Bisexual, Transgender and Queer (2SLGBTQ+) Advisory Committee.

Special attention will be dedicated to advancing Call to Action 91 of the Truth and Reconciliation Commission's Calls to Action. This will build on the review on the manner in which Indigenous Peoples have been engaged in major sports events in Canada, being conducted by Sport Canada. Territorial protocols will be respected and promoted throughout the event, and governance will aim to ensure ongoing partnership and engagement with Indigenous communities, setting an important precedent for mega-events and sports events in general across Canada. To inform its work with Indigenous

communities, City staff met with the Toronto Aboriginal Social Services Council in early 2022 and received valuable input on outreach, engagement and legacy planning. City staff will consult the Aboriginal Affairs Advisory Committee of the City in 2022.

## **DECISION HISTORY**

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In April 2014, City Council directed the Deputy City Manager, Cluster A, and the General Manager, Economic Development and Culture, to consider opportunities to co-host major events with other cities in Canada and the United States, such as a joint bid to host the 2026 World Cup, as part of the development of a new event hosting and bidding strategy for Toronto.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.MM50.30>

In February 2016, the Executive Committee received a report from the City Manager providing a summary of expenditures and related legacies associated with the 2015 Pan American/Parapan American Games to inform future international hosting opportunities.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX13.6>

In March 2016, the Executive Committee referred the report "Bringing the World to Toronto" from the Mayor's Advisory Panel on International Hosting Opportunities to the City Manager for an assessment of recommendations and principles, with direction to report back on a set of guidelines for future major international event hosting in Toronto.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX13.25>

In June 2016, City Council adopted the recommendations of the Mayor's Advisory Panel on International Hosting Opportunities as a set of guidelines and framework to evaluate opportunities to bid on and to host "mega events" such as the FIFA Men's World Cup.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX15.7>

In January 2018, City Council authorized the City Manager to negotiate and execute the Bid Agreements for the FIFA Men's World Cup 2026, subject to the requirement for federal and/or provincial support and coverage of security costs.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX30.14>

## **COMMENTS**

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### **About the 2026 World Cup**

The 2026 World Cup - awarded to a United Bid by Canada, the United States and Mexico in 2018 - is the next world championship of international men's soccer, following the 2022 World Cup in Qatar. The World Cup is the largest single sport event held in the world and rivals the Summer Olympics as the largest overall. It is held every four years over about six weeks, usually in a number of cities in one country. For 2026, the World Cup will be expanded to 48 countries and 80 matches from the current 36 countries playing 64 matches. There will be 10 matches each in Canada and Mexico and 60, including the final elimination rounds, in the United States.

FIFA is the international sports federation for soccer (known as football in most countries), futsal and beach soccer. Its goal is to manage and develop soccer in the world, and it currently comprises 211 country or country equivalent federations organized regionally, with CONCACAF (North America, Central America and Caribbean) being the regional federation for Canada. Canada Soccer Association (Canada Soccer), in turn, is the member federation for Canada and was the Canadian partner in the United Bid for the 2026 World Cup, and has overall responsibility for the bid in Canada.

### **Bidding and Planning Processes Since 2018**

The United Bid of the three national soccer associations for Canada, United States, Mexico was submitted to FIFA in 2018 on the understanding that if the United Bid was selected, a second selection process would follow to identify which 16 of the 23 candidate cities would host matches for the 2026 World Cup. In 2018, it was expected that the FIFA host city selections would be announced in 2021, but the process has been delayed by the impacts of COVID-19. The process to be selected as a host city for the 2026 World Cup is projected to conclude by the end of May 2022.

Since 2018, the City of Toronto and Canada Soccer have been doing preparatory planning. This includes the submission of a detailed draft budget and business plan to Canada Soccer that serves as the basis for a request to both the Governments of Ontario and Canada for funding. Draft plans developed in collaboration with City divisions, agencies and other stakeholders (i.e. Exhibition Place, MLSE) were submitted to Canada Soccer in July 2021. Updates, due by April 2022, will be included in the report back to Council in June 2022. In November 2021, Toronto hosted a FIFA delegation to review plans and facilities. Feedback has been positive, but several aspects regarding FIFA's expectations, principally relating to the stadium, are still under negotiation, as outlined in this report.

Of the original four Canadian cities that were asked by Canada Soccer to submit bids in 2018, only Edmonton and Toronto remain in the formal bidding process. Vancouver's bid was deemed incomplete before the United Bid was announced as successful, and Montreal withdrew in July 2021. In February 2022, the Government of British Columbia expressed interest in Vancouver being readmitted for consideration as a host city and the provincial and municipal governments are currently working with Canada Soccer to determine the viability of their prospective bid.

This report is premised on two Canadian cities participating in the 2026 World Cup, each hosting five matches of Canada's anticipated total of 10 matches, as there has been no formal announcement regarding Vancouver's candidacy at the time of writing this report. It is anticipated that having three host cities in Canada would result in a reduction in the number of matches for Toronto, entailing a small reduction in costs as well as some reduction in global exposure and economic benefits. Given that the exposure for Toronto at five matches is estimated by FIFA to be close to one billion viewers across all media, a potential reduction of five matches to four still affords significant exposure. A reduction in the number of matches for Toronto to three from five would significantly alter the return on investment for the City from participation in the

event. The report back in June 2022 will include an update on the status of Vancouver's possible participation in the 2026 World Cup and the impacts of Vancouver's entry on the costs and benefits of Toronto's hosting efforts.

The costs estimated in this report for Toronto's participation in the 2026 World Cup represent an increase in the projected costs included in the report to Council of January 2018, where an overall estimate of \$30 to \$45 million was provided. The 2018 costing was premised on information available at the time for the initial United Bid process. In the second part of the bid phase, from January 2018 to present, more specific detail on the requirements for host cities was provided by Canada Soccer and FIFA. The additional information allowed City staff and stakeholders (Exhibition Place, MLSE, Destination Toronto, etc.) to revisit previous assumptions, resulting in an increase costs in several areas such as security, stadium and training site capital, and stadium operations. City staff, with the support of consultants and in collaboration with partners, have developed the project budget costing to the full breadth of the event specifications. As a result, with negotiations pending on both cost-control and opportunities for revenue generation, it is anticipated that the current amount projected for City costs may be reduced over the lifespan of the project.

### **Advantages of Hosting the 2026 World Cup**

Hosting part of the 2026 World Cup is a once in a decade opportunity for Toronto to again project its values on the global stage and demonstrate, that through the hosting of a global sporting event, diverse communities can live and prosper together. While the city would share the stage with 15 other North American cities, the reach of the World Cup ensures that Toronto can expect to garner a huge worldwide audience. Most importantly, the World Cup presents an opportunity to create bridges between communities in Toronto, strengthen civic engagement and advance inclusive local economic development as Toronto residents and visitors experience the 'collective joy of celebration' as identified in the report "Bringing the World to Toronto" which was presented to City Council in 2016

Toronto could achieve many important anticipated benefits through participation in the 2026 World Cup:

- Drive recovery and support inclusive economic development - In addition to the economic and tourism impact of global visibility, having five matches played in Toronto is anticipated to have a significant local economic boost, with 3,300 jobs created, 292,000 visitor room nights, and almost \$307 million in GDP. The gains in global visibility could lead to a strong trailing impact of increased prospects for investment, tourism and immigration. Notably, the significant economic impact anticipated from the event will help sustain recovery in the hard hit tourism, hospitality and entertainment sectors.
- Leverage outside investment for City priorities - Given the provincial and national importance of having part of the 2026 World Cup in Toronto, being a host city will leverage the amount that Toronto invests by a factor of three when partners and earned revenues are added to the provincial and federal contributions, serving City priorities to invest in people and neighbourhoods through enhanced civic engagement, inclusive economic development and improved recreational infrastructure.



- Strengthening ties between residents - With 48 nations participating and potentially having 10 nations play in this city, Toronto's pride in its diversity and multiculturalism will be strengthened, with the event touching all neighbourhoods, building a sense of anticipation and camaraderie for the next four years and beyond.
- Promote Toronto on the world stage - As the largest sporting event Toronto, Ontario and Canada will host this decade, the World Cup brings high global visibility for a universally popular sport that appeals to a huge audience. With projections of up to 1 billion for five matches in Toronto, the event represents a great opportunity to profile, advance and champion Toronto as a global leader of diversity and inclusion.
- Inclusive growth for amateur sport - Potential to drive growth in local participation in soccer through role models, better playing facilities, and improved coaching and organizing capacities as part of legacy initiatives. It will also create an improved fan experience at the National Soccer Stadium (BMO Field).
- Volunteering and civic engagement - Boosting grassroots volunteer engagement, building better local and wider collaboration, driving sustainability and fostering arts and culture across all communities of the city through city-wide FIFA FanFest, a 34 day cultural festival and other grassroots initiatives.

### **Governance, Roles and Responsibilities**

Should Council authorize that Toronto continues its bid to be a 2026 World Cup host city, governance elements along with specific roles and responsibilities, will be developed in detail and outlined in a staff report to be brought to Council in June 2022. The City is required through the Host City Agreement with FIFA to have a Host City Officer (HCO) appointed in 2022. To support the HCO, this report recommends establishing a 2026 World Cup Secretariat, starting in 2022, reporting to the Deputy City Manager, Community and Social Services, to lead the planning, execution and delivery of the event and coordinate overall activities for the City of Toronto.

The 2026 World Cup Secretariat would centralize the coordination of the City's responsibilities, and be the main point of contact for City divisions, agencies and corporations, government funders, FIFA and Canada Soccer. It would also be the primary point of contact for Council, the public and partners in the delivery of the event - including the various committees that are to be formed to support this work. Activities to be coordinated by the Secretariat would include overall project management, financial tracking and budget management, intergovernmental relations, and stakeholder management. It is anticipated that the Secretariat would be comprised of six to eight staff (including the HCO).

First steps to establish the Secretariat would begin in mid-2022, and it would be in place by early 2023. The Secretariat would be led by the Host City Officer and would report to the Deputy City Manager, Community and Social Services. The HCO will provide continuity and accountability across the various governance tables to be established. Core Secretariat functions will include coordinating agreements and partnerships through to 2027, completing its activities and reporting to City Council through a report on the status of legacies and financial investments, and a preliminary analysis of the economic impact generated by the World Cup for Toronto. The report may also include recommendations related to the City's future participation in "mega" events and required changes to policies and procedures

Based on the City's experience with other major sports events, and on Toronto's commitment to reconciliation and equity, the following will be considered in the development of a governance model for the 2026 World Cup in Toronto. Each body/table to be formed will be supported by the Secretariat, with the HCO being accountable in advancing matters related to the City.

- A Leadership Committee, which would provide strategic direction and would be co-chaired by the Mayor, convening senior officials from organizations that are core partners (FIFA, Canada Soccer, Government of Canada, Government of Ontario, and local organizations such as Exhibition Place, MLSE and Destination Toronto). The Leadership Committee would succeed the Executive Steering Committee, which has been in place since 2021 and has helped guide Toronto's bid - it includes representatives of the Mayor's Office, EDC, PFR, Exhibition Place, Destination Toronto, the GTAA, Province of Ontario, Canada Soccer and MLSE. The City Secretariat would convene this group, with the HCO being accountable in advancing City related items.
- An Operations Committee, which would ensure alignment of overall operations across the city and would be chaired by the HCO, connecting operational staff from organizations that are core partners (reflecting Leadership Committee membership) and stakeholders with the Secretariat coordinating the 2026 World Cup activities in Toronto.
- A Funding Committee, which would ensure that financial aspects conform to the multi-party agreement (MPA) to be established and that would convene the signatories of the MPA. This group would include Sport Canada (for the Government of Canada), Government of Ontario, Canada Soccer and others that currently meet to support the bid as related to financial arrangements. It is anticipated that the Funding Committee will provide direction on the disbursement of funds, subject to the agreements and conditions that are put in place by each funding party, as well as ensuring that both funder and recipient obligations are met.
- An Indigenous Table and a Community Champions Table, which would ensure community engagement and would combine individuals representing themselves as well as leading important community organizations in Toronto. Such tables will ensure the representation of Indigenous, Black and equity-deserving communities in the planning and the delivery of the event.

### **Internal and Stakeholder Consultations**

The development and delivery of the 2026 World Cup requires the cooperation, coordination and communication between a wide variety of partners and stakeholders. During the bidding phase, the Economic Development and Culture Division has worked closely with Exhibition Place, Destination Toronto, MLSE, the Toronto Transit Commission (TTC) and Toronto Police Services and many internal City divisions, especially Parks, Forestry and Recreation. Other City divisions consulted to project potential costs and advance planning included: City Planning; Corporate Real Estate Management; Environment and Energy; Finance; Indigenous Affairs Office; Information Technology; Legal Services; People and Equity; Social Development, Finance and Administration; Solid Waste Management; Strategic Communications; Corporate Security; Toronto Paramedic Services; Toronto Fire; and Transportation Services.

The City, through the Mayor and in cooperation with MLSE, also created the Toronto City Builders Legacy Roundtable, which researched and assessed multiple potential legacies for the city. The report to be brought to Council in June will more outline the process for identifying a full legacy program, including opportunities for external funding.

As part of the bidding process, City staff consulted 24 well-established organizations in Toronto working with Indigenous Peoples, women, immigrants and refugees, Black and racialized communities, children, 2SLGBTQ+ communities, persons with disabilities, policing, human rights and sports in general. The consultation aimed to identify key aspects regarding equity, inclusion and human rights should Toronto become a host city for the FIFA 2026 World Cup. The report that resulted from this preliminary engagement, submitted to FIFA in June 2021, is available at <https://toronto.ca/wp-content/uploads/2021/12/964c-TOR-Human-Rights-Report-final-June-2021.pdf>.

Broader community consultation will follow once Toronto is confirmed as a host city. That will help ensure that the 2026 World Cup serves as a catalyst for positive legacies for residents across Toronto. Additional stakeholders to be engaged have been identified and include hospitality, trade unions, commercial affiliates and local amateur associations. A detailed engagement plan will be provided in the June 2022 report back to City Council upon confirmation of the participation of Toronto in the 2026 World Cup and will ensure touchpoints with communities and stakeholders in different parts of the competition planning, execution and delivery.

### **Advancing Inclusion and Other City Priorities through Event Delivery and Legacies**

The United Bid put forth by Canada, the United States and Mexico in 2018 emphasized the opportunity to leverage the 2026 World Cup to maximize positive legacies for cities and communities, while avoiding large legacy infrastructure projects through the use primarily of existing facilities and infrastructure. To meet the demands of hosting World Cup matches and deliver this national event which will bring benefits to all governments, the City has requested financial support from the Government of Ontario and the Government of Canada to enhance the infrastructure of BMO Field and enhance City sports fields which would be used for training purposes. Such upgrades are being designed to balance the need to meet stringent FIFA specifications, achieve cost-effectiveness, and provide long-term community use. Facility improvements would be a tangible legacy for Toronto's residents. At this stage, determining other specific legacies is not feasible since external financial supports have not yet been secured, and broad engagement with communities would be necessary to ensure that meaningful legacies are developed for Toronto.

Through roundtables convened with civic leaders by the Mayor over 2021, including inputs from Indigenous organizations, amateur sport, higher education, cultural organizations and business leaders, City staff have identified preliminary themes and potential actions that may lead to legacies for the city in the form of enhanced infrastructure, a more inclusive sports culture, stronger commitment to environmental sustainability, inclusive economic development, and strengthened civic engagement. Key themes and actions to be further explored in terms of feasibility and associated

legacies for Toronto and its diverse population are outlined below. Should Toronto be selected as a host city, additional work would be needed to identify the full range of partners, funding sources, and associated legacies to ultimately define implementation plans.

Preliminary themes and actions to be further explored as having the potential to create long-term legacies for Toronto are as follows:

#### *1. Environmental Sustainability*

- Establish long-term sustainability strategies for the stadium, training sites, and community celebrations aligned with or exceeding City of Toronto's waste reduction, net zero, and water smart goal targets.
- Pilot greener event delivery practices, develop City expertise towards ISO 20121 Sustainable Events standards, and create the community infrastructure necessary to make local festivals and events more sustainable.

#### *2. Human Rights, Inclusion and Diversity*

- Develop a granting competition for communities to access funds to develop initiatives that increase gender equity in soccer.
- Advance opportunities for reconciliation with Indigenous Peoples, consistent with Call to Action #91 of the Truth and Reconciliation Commission.

#### *3. Infrastructure and Public Spaces*

- Consider upgrades to Exhibition Place that would strengthen connection to public transit, beautify the site and encourage active transportation throughout the area.
- Through the development of training sites, invest in significant upgrades to community recreational infrastructure.

#### *4. Arts and Culture*

- Showcase Canadian talent and culture on a global stage, advance the careers of Toronto artists, and support the recovery of the hard-hit cultural sector.
- Engage local arts and culture organizations to animate the matches with free, inclusive arts and culture experiences spread throughout the city and across the region.

### **Capacity, Readiness and Risks**

The City of Toronto, with key partners Destination Toronto and MLSE, has the experience and capacity to ensure the successful delivery of the 2026 World Cup. As a host city, Toronto would be expected to host the matches at the National Soccer Stadium (the original name for BMO Field). Up to 10 different countries would compete in Toronto, including Canada, which automatically qualifies as a host country. There would also likely be pre-competition matches involving several countries.

The City and its partners have developed relevant significant planning and delivery capacity through the organization of major FIFA competitions held in Canada in the past, many utilizing venues planned for use in 2026, including:

- 2014 FIFA U-20 Women's World Cup;

- 2007 FIFA U-20 World Cup; and,
- 1987 FIFA U-17 World Cup.

In addition, Canada hosted the FIFA Women's World Cup in 2015 but due to timing conflicts with the Pan American Games in Toronto, no matches were played in Toronto.

For a mega event, the 2026 World Cup would have a low local negative impact relative to Toronto's experience with other major sporting events. Compared to the Pan American/Parapan American Games in 2015, the 2026 World Cup would involve far fewer participants, with only one sport compared to 51 and many fewer events and competition sites. There are no dedicated athlete quarters to be built and no major event infrastructure projects such as a stadium to build. As a result, impacts on residents' mobility would not be significant.

All mega events have risks involved. In the case of the 2026 World Cup, at this stage of the bidding process, there are two main categories of risks:

- risks associated with the bidding process; and,
- risks associated with preparing for and holding the event in 2026.

### **Current risks in the bid process**

The current lack of clear funding commitments from other orders of government to support Toronto as a host city, with detailed commitments unlikely to be secured before Toronto is named as a host city, is a significant immediate risk. It would be preferable to have received firm funding commitments from other governments for at least two-thirds of the anticipated costs. Delays in being able to line up these commitments arise from election cycles, COVID-19 and FIFA's own planning process. To manage this risk, City staff and elected officials are actively working to secure financial assurances from the federal and provincial governments related to the City's projected costs. With other government partners firmly embedded in project planning and costing, the high level of collaboration and transparency is a strong indication of the commitment of all government partners to the project. In parallel, political engagement is occurring at the highest levels of all governments. It is anticipated that this level of engagement will yield the sought-after funding assurances from the other orders of government and, ultimately, a fully defined MPA.

While staff's view is that this is unlikely, it is possible that one or the other main government funders may decide not to fund or to only fund at a significantly lower amount than anticipated. If this were to happen after Toronto has been named by FIFA as a host city, there could be legal implications and Toronto would likely face reputational risks were it to withdraw. As mentioned in the 2018 report, the bid agreements were in FIFA's standard form and were non-negotiable with the result that the funding condition was not included in the bid agreements. Accordingly, other mitigating mechanisms were put in place so that the City could submit its bid, on the basis that the risk was low that funding would not ultimately be available.

Should sufficient funding not be available, more funding from the City might be required to continue as a host city. Staff are optimistic that arrangements can be made for funding from the governments of Ontario and Canada based on discussions to date but

there is no absolute certainty. This and other risks are summarized in the following table.

<b>Identified Risks</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Comments</b>	<b>Mitigation Strategies</b>
Lack of financial support from federal and provincial governments	Low	High	Presently in negotiation with assurances being sought prior to March 30, while negotiations continue towards MPA	Ongoing engagement of provincial and federal governments
Number of matches reduced	High (if 3 Canadian cities are named)	Moderate	Projection of impact is under review	Increase ancillary opportunities for public engagement and revenue generation
Uncertainty regarding venue concessions by FIFA	Low	High	City of Toronto has requested concessions from FIFA to ensure venue adaptations are cost-effective, sustainable and provide long-term benefit	Budgeted and scoped to FIFA requirements
Major cost overruns	Low	Moderate	Approach to cost overruns being addressed within MPA negotiations	Bottom up budgeting methodology reduces level of risk; proper resourcing and governance control mechanisms

<b>Identified Risks</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Comments</b>	<b>Mitigation Strategies</b>
High cost of National Security Plan	Moderate	High	High costs driven by FIFA guarantees with Government of Canada and unknown level of risk in the future	City to exercise influence in trilateral discussion and through control of local security costs
Natural disaster or major public health emergency	Low	High	Major events will reside with FIFA contingency plan	Quality of field infrastructure offers some level of protection for weather events; post-pandemic development of public health capacity
Reputational risk - withdrawal	Low	Moderate	Withdrawal by City from bidding process may impact international perception of Toronto as host to mega events	Continue diligence in assessing opportunity, equipping Council to make informed decisions in timely manner while maintaining necessary protections
Reputational risk - delivery of World Cup	Low	Moderate	Toronto has demonstrated capacity in successful planning and delivery of major sporting events	Planning and allocation of sufficient resources, overseen by robust governance

### **Government Funding**

Funding negotiations to date are premised on the funding formula commonly used in Canada for major global sporting competitions, including that outlined in the

Government of Canada's policy for hosting international sport events, whereby each order of government shares the overall event expenditures equally (roughly one third each), while the funding ratios for individual cost components may vary, such as that for safety and security.

The City of Toronto would use three sources of revenue to fund its one-third share: one-time tax-base funding; value-in-kind (existing City resources); and, earned revenue sources from fees, commercial sponsorship and local partnerships. Assuming that total local expenditures are approximately \$290 million, the City's total cash portion, less VIK, would be approximately \$74 million.

Projected expenditures reflect that, under FIFA's new operating model, host cities will not pay a rights fee to FIFA and will not assume the financial risk over all activities. FIFA will assume significant delivery costs and also retain the main sources of revenue, such as media rights and ticket sales. Host cities will be limited to covering local hosting costs, which includes providing a stadium and infrastructure for support activities; training facilities; a location, staffing and infrastructure for a FanFest; and local safety and security coverage – all in compliance with FIFA's requirements. It is expected that these costs will be shared with the provincial and federal governments, similarly to major special events such as the 2015 Pan American/Parapan American Games. In addition, under the new operating model for the World Cup, FIFA will delegate a set of commercial rights to games organizers to help generate revenues to offset operational costs. Such rights will include, but are not limited to, access to tickets and VIP experiences and co-branding opportunities. Details on the rights package has not yet been provided by FIFA, but will be included in the staff report to be brought to Council in June.

There has been a significant amount of consultation with both the governments of Ontario and Canada for major financial participation in support of Toronto being a host city for the 2026 World Cup. Obtaining early support from these governments was an important conclusion of the [Mayor's Advisory Committee on International Hosting Opportunities](#), whose recommendations were adopted by City Council in June 2016. Both governments have provided strong indications that they will support Toronto's participation. At the time of writing this report, the Government of Ontario has only indicated publicly through the Minister of Heritage, Sport, Tourism and Cultural Industries that the Government is supportive and the City has also been told that Ministry staff will soon be going forward with a recommendation for funding.

The Government of Canada through Sport Canada, in turn, has a [Policy for Hosting International Sport Events \(Hosting Policy\)](#) that outlines federal support for major sport events. Sport Canada has indicated that hosting the 2026 World Cup in Canada qualifies for this program, but has not yet declared how much funding they would provide beyond the parameters of the policy (up to 35 percent of total eligible event expenditures by all parties up to a maximum federal contributions of 50 percent of all public sector funding).

One of the reasons for the delay in confirming financial support is the time required to determine the national safety and security costs. These will be based on a security concept being developed by a working group convening the three orders of



governments, to be completed by the end of 2022. The full arrangements will be documented in a multi-party agreement, which is expected to be finalized by early 2023.

Toronto could be named without full certainty on funding, but indications from the provincial and federal governments have led staff to be confident that funding arrangements will be secured. Full cash flow and funding requirements will be reported to City Council each year through the annual budget process with a full financial report one year following the completion of the event.

Based on the information available at the time of writing this report, the following is the timeline for key decisions and announcement on the 2026 World Cup. An update on timelines will be provided to Council in the report back in June 2022.

### *Estimated Timeline*

#### 2022

- Council authority to accept FIFA's selection of Toronto as a Host City - April 2022
- FIFA announcement - May 2022
- Return to Council with details on government funding arrangements, planning and governance - June 2022
- Establishment of a FIFA Local Entity
- Establishment of a City of Toronto internal secretariat, working groups, and community advisory groups
- Development of Multi Party Agreement between all three orders of government and CSA
- Further FIFA negotiations
- Provide update to Council through the 2023 budget process

#### 2023

- Finalize a National Safety and Security Plan
- Sign Multi-Party Agreement
- Receive written funding commitments from Province and Federal governments if needed separate from MPA
- Provide update to Council through the 2024 budget process

#### 2024

- Capital construction at Stadium commences
- Provide update to Council through the 2025 budget process

#### 2025

- Capital construction at Training Sites and BMO Field commences
- Temporary seating expansion installation commences at Stadium (impacts on Exhibition Place service capacity until post-World Cup)
- Provide update to Council through the 2026 budget process

#### 2026

- Event execution
- Project close out

2027+

- Wrap-up report to Council
- Continue legacy projects

## **CONTACT**

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## **SIGNATURE**

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Chris Murray  
City Manager

ATTACHMENT 1

**PROJECTED TOTAL LOCAL FIFA 2026  
HOSTING COSTS BY CATEGORY FOR TORONTO**

All values in millions of dollars Canadian

	Cash	Value In Kind	TOTAL
<b><u>Operations</u></b>			
Stadium Operations	32.0		32.0
Training Sites Operations	7.4	0.2	7.6
Venues, Other	5.9	2.4	8.3
General Operations	2.9	5.2	8.1
Executive Management	8.2	1.1	9.3
Finances, Administration & IT	6.5	1.7	8.2
Communications	2.1	0.7	2.8
FanFest Operations	17.1	0.1	17.2
Safety and Security	32.3	8.0	40.3
Legacy Fund	5.0		5.0
Contingency, Inflation, Tax	38.0	4.2	42.2
<b>Subtotal - Operations 2026 Dollars</b>	<b>157.4</b>	<b>23.6</b>	<b>181.0</b>

<b><u>Capital</u></b>			
Stadium Capital Projects	63.7		63.7
Training Sites Capital Projects	41.2		41.2
FanFest Capital Projects	3.7		3.7
<b>Subtotal - Capital 2026 Dollars</b>	<b>108.6</b>	<b>0.0</b>	<b>108.6</b>

**OVERALL TOTAL:        \$289.6**

<b><u>Anticipated Funding</u></b>			
Federal Government	88.5		88.5
Government of Ontario	88.5		88.5
City of Toronto	73.8	20.0	93.8
Stakeholders		3.4	3.4
Fees paid by FIFA	12.7		12.7
FanFest/Commercial Revenues	2.7		2.7
<b>Total Estimated Revenue</b>	<b>266.2</b>	<b>23.4</b>	<b>289.6</b>

## ATTACHMENT 2

### Cash Flow Projections

\*All values in millions of  
dollars Canadian

<b>2022/23</b>	
Operations	0.80
Capital	3.10

  

<b>2023/34</b>	
Operations	2.30
Capital	37.10

  

<b>2024/25</b>	
Operations	3.50
Capital	54.30

  

<b>2025/26</b>	
Operations	46.50
Capital	14.10

  

<b>2026/27</b>	
Operations	105.70
Capital	0.00