

Update on Hosting FIFA World Cup 2026

Date: June 27, 2022
To: Executive Committee
From: City Manager
Wards: All

SUMMARY

The FIFA Men's World Cup (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.

On June 16, 2022, the City of Toronto was announced as an official Host City for the World Cup 2026. As directed by City Council in April 2022, this report provides a status update including status of negotiations with the Governments of Ontario and Canada, updates on cost estimates, and an implementation plan for the event secretariat required for the successful planning and execution of the 2026 World Cup in Toronto.

Toronto hosting part of the 2026 World Cup will bring global media attention and positive economic and cultural benefits for the city that will sustain COVID-19 recovery in hard hit sectors, such as tourism, hospitality and entertainment. Projected benefits of hosting five matches in Toronto include:

- Estimated \$307.0 million dollars of GDP impact;
- 3,300 jobs;
- 174,000 overnight visitors; and,
- 292,000 room nights generating projected Municipal Accommodation Tax (MAT) revenues of \$3.5 million.

Overall, the operations and capital costs to be incurred locally in Toronto have been projected to be approximately \$300.0 million by 2026, including a 10 percent contingency. This reflects a 3.4 percent increase in the projected cost as presented to City Council in April 2022, due the recent escalation in inflation rates. In keeping with the Federal Policy for Hosting International Sport Events in Canada, the Governments

of Canada and Ontario are expected to cover up to two-thirds of this amount - an approximate total of \$184.0 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. 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 \$77.1 million in investment plus \$24.0 million in City services offered in-kind, primarily in 2025 and 2026.

Planning for Toronto's participation in the 2026 World Cup continues under City leadership with the support of other key stakeholders. However, some uncertainties remain following the announcement of host cities by FIFA on June 16, 2022. Notably, detailed financial commitments to the costs of hosting the World Cup in Toronto have not yet been secured from the federal and provincial governments. While expressing support for Toronto's bid, detailed financial commitments from the Province of Ontario have been delayed due to the timing of the provincial election in June 2022. The federal government has indicated that specific financial commitments will 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. The full security plan and associated costing is unlikely to be available until early 2023. In the interim, the federal government has indicated that it will follow the direction of the Federal Policy for Hosting International Sport Events. This policy sets limits on federal funding of international events. The federal government will cover up to 35% of total event costs and will not exceed 50% of the total public sector contribution to the event.

In its decision of April 6, 2022, Council authorized the Mayor and City Manager to accept the nomination as a Host City, even if full government funding commitments were not yet secured. As reported to Council in April, 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. City staff will provide City Council with updates on any progress made concerning intergovernmental funding related to the FIFA World Cup 2026 in Q1 2023.

With Toronto now named a Host City, this report seeks the approval of City Council for City of Toronto staff to secure and sign a Multi-Party Agreement between orders of government and Canada Soccer, create the FIFA World Cup (FWC) Toronto 2026 Staff Secretariat, allocate funding from the Major Special Events Reserve Fund to support the advancement of project planning, evaluate and enter agreements in the interest of delivering World Cup matches in Toronto, and prepare financial plans for the City of Toronto to budget for up to \$77.1 million in cash and \$24.0 million in value-in-kind services, through the annual budget process in future years, as a matching commitment to funding from other governments within an overall project cost projected to be \$300.0 million for the delivery of the World Cup in Toronto in 2026.

RECOMMENDATIONS

The City Manager recommends that:

1. City Council authorize the City Manager to execute a Multi-Party Agreement with the Governments of Ontario and Canada and with Canada Soccer, including any amendments and extensions as required, reflecting the key elements outlined in this staff report and [EX31.3](#), on terms and conditions satisfactory to the Chief Financial Officer and Treasurer, and in a form acceptable to the City Solicitor.
2. City Council direct the City Manager to create the FWC Toronto 2026 Staff Secretariat, to be fully established by Q1 2023, within the Office of the Deputy of City Manager, Community and Social Services, and approve an increase of the 2022 staff complement for the Social Development, Finance and Administration Division (SDFA) by nine (9) temporary positions beginning in 2022 in order to support project planning and preparation.
3. City Council approve an increase of \$1.225 million gross and \$0 net to the 2022 Council Approved Operating Budget for Social Development, Finance and Administration, fully funded by the Major Special Event Reserve Fund (MSERF), for use by the FWC Toronto 2026 Staff Secretariat in support of World Cup planning and development requirements.
4. Council approve an increase of \$0.048 million gross and \$0 net and associated staff complement of one (1) dedicated temporary position to the 2022 Council Approved Operating Budget for Parks, Forestry and Recreation, fully funded by the Major Special Event Reserve Fund (MSERF), for managing the Division's capital program initiatives related to World Cup hosting, starting in 2022.
5. City Council authorize the Deputy City Manager, Community and Social Services, to negotiate and enter into an agreement with Maple Leaf Sports and Entertainment (MLSE) for activities in support of Toronto's hosting of World Cup 2026, and any amendments and extensions as required, including but not limited to management of temporary and permanent upgrades at the BMO Field and maximization of the value of delegated commercial rights to help offset the City's costs of organizing the World Cup in Toronto, on terms and conditions satisfactory to the City Manager, Deputy City Manager, Community and Social Services, and Chief Financial Officer and Treasurer, and in a form acceptable to the City Solicitor.
6. City Council direct the Deputy City Manager, Community and Social Services, to report to City Council in Q1 2023 to provide an update on overall project management, to include the status regarding funding, intergovernmental negotiations, financial strategy, community engagement and activation of the Staff Secretariat and working groups.
7. City Council direct relevant City Divisions and Agencies to include, in 2023 and future year budget submissions, a multi-year capital and operational budget and plan requirements, including level of staff and investment, timing and funding sources, in planning and hosting the 2026 World Cup.

FINANCIAL IMPACT

The projected expenditures by the City and other local partners to host part of the 2026 World Cup in Toronto have been estimated based on consultation with City Divisions and Agencies, with the assistance of a professional estimator. As reported to City Council in April 2022, for five matches, the estimate of the total costs for activities in Toronto was approximately \$290.0 million, composed of \$266.0 million of cash and approximately \$24.0 million of value-in-kind, (in 2026 dollars). Similar to the Pan Am Games and other major events of this scale, that hosting costs are expected to be shared with the provincial and federal governments.

Since April, cost projections have escalated 3.4 percent to \$300.0 million, based on inflation rate increases, with expectations of a return to a lower inflation rate in 2023. Further adjustments to project cost estimates will be made through work with the local FIFA Entity (FWC26 Can) and working groups over Q1 and Q2 2023 and will be reported to City Council as adjustments occur.

Within the \$300.0 million total cost noted above, the final City funding contribution is as yet uncertain. In order to manage the City's financial risk, City staff will develop financial strategies to both contain costs and maximize revenue opportunities, while also pursuing negotiations with other government partners to secure such resources as necessary to effectively deliver the event. Equitable cost-sharing should be in alignment with the distribution of benefits, such as tax revenues, from the World Cup across the various governments. In addition, the City will work with private sector partners to secure private investment to offset event costs. The results of this work will be incorporated through annual budget process as noted above.

To begin delivery of its planning responsibilities, the City has made an initial contribution of \$1.0 million to the Major Special Events Reserve Fund (MSERF) as approved by City Council through the Operating Variance Report for the Nine Months Ended September 30, 2021 ([EX28.11](#)) in order to support the planning of the 2026 FIFA World Cup activities. In addition, the City staff are recommending an additional contribution of \$3.75 million to the MSERF through the Operating Variance Report for the Year Ended December 31, 2021 for City Council consideration, reflecting Economic Development and Culture's final 2021 year-end surplus, to help fund 2026 FIFA World Cup related expenses, for a total of \$4.75 million. These one-time contributions will provide a funding source for resources associated with planning and preparation.

With the selection of Toronto as an official Host City for the 2026 World Cup, it is necessary to initiate the City staff secretariat. To initiate the creation of the FWC Toronto 2026 Staff Secretariat, nine (9) temporary staff positions are proposed to be established in Social Development, Finance and Administration beginning in August 2022 to oversee the programme planning and delivery. The pro-rated costs for these temporary staff positions are expected to increase the 2022 Council Approved Operating Budget for Social Development, Finance and Administration's by \$0.387 million gross, and \$0 net, fully funded by the MSERF in 2022. Annualised funding for future years, to support the continuation of these positions, will be included in future

budget submissions for Social Development, Finance and Administration for consideration along with other City priorities. The positions noted include staff that will fulfil FIFA agreement requirements for a dedicated Host City Officer, Host City Manager and Host City Venue Manager. More details about required staffing resources for 2022 have been provided in Attachment 3 of the report.

It is also recommended to increase the 2022 Council Approved Operating Budget for Social Development, Finance and Administration by \$0.839 million gross, and \$0 net, fully funded by the MSERF towards procurement activities for external expertise in 2022. Annualised funding for future years, to support the continuation of these activities, will be included in future budget submissions for Social Development, Finance and Administration for consideration along with other City priorities. More details about procurement costs for 2022 have been provided in Attachment 3 of the report.

The overall recommended increase to the 2022 Council Approved Operating Budget for Social Development, Finance and Administration is \$1.225 million gross, and \$0 net, which will be fully funded by the MSERF in 2022.

The additional dedicated temporary staff and external expertise funding amounts for the establishment of the FWC Toronto 2026 Staff Secretariat are summarized in Table 1 below:

TABLE 1:

| Establishment of the FWC Toronto 2026 Staff Secretariat, Planning and Preparation | | |
|---|--------------|-----------------------------|
| | 2022 Request | |
| | Position | Gross Expenditures (\$000s) |
| Secretariat Positions | 9.0 | 386.9 |
| Consulting/Contractors | | 838.6 |
| TOTAL | 9.0 | 1,225.5 |

In addition, the 2022 Council Approved Operating Budget for Parks, Forestry and Recreation will also increase by \$0.048 million gross and \$0 net, for a staff complement increase of one (1) temporary position, fully funded from the MSERF, for managing the Division's capital program initiatives related to hosting the World Cup, starting in 2022.

Further information on the required staffing resources and external expertise in the current year to advance the near term due diligence, planning and certain early implementation works is outlined in Attachment 3. In future years, this will require annualized funding to support the continuation of these positions. The annualized costs will be included in future budget submissions for Social Development, Finance and Administration and Parks, Forestry and Recreation, respectively, for consideration along with other City priorities.

Core Capital Projects for World Cup 2026

The City continues to face COVID-19 budget pressures and, in the absence of federal and provincial emergency operating support, this may result in material impacts to the City's existing capital program. For this reason and the continued forecasted pressures on the City's overall capital plan, it is critical to ensure readiness to proceed and capacity to deliver World Cup 2026 while staying within the City's affordability framework. Best estimates for the City's capital investment in 2023 to upgrade and enhance facilities that will be used as competition, training, and festival venues during the 2026 World Cup period are \$40.0 million. The investment includes enhancement of City sports fields and facilities at Sunnybrook Park and Centennial Park for training purposes undertaken by Parks, Forestry and Recreation in the amount of \$15.0 million as well as design and upgrades to the City-owned stadium (BMO Field), in collaboration with MLSE, estimated at \$25.0 million. City Division and Agency staff will submit capital funding requirements through the annual budget process in future years.

Service Delivery and Operations during World Cup 2026

The FWC Toronto 2026 Staff Secretariat will provide corporate direction and coordination with City Division and Agency staff to develop operational service plans to meet the level of municipal services necessary to deliver the World Cup matches. More details regarding service delivery requirements and incremental costs will be reported through the annual budget process in future years.

The planned next phase of due diligence will include the continuous development of full cost estimates for the City's share, cash flow funding requirements, and a detailed financial strategy that explores various options for funding the event, including ongoing added MSERF contributions consistent with future budget approvals and the City's Surplus Management Policy, intergovernmental funding, and external partnership opportunities. This recommended financial strategy will be included as part of future reporting.

The Chief Financial Officer and Treasurer has been advised of the preliminary infrastructure requirements and future operating impacts associated with hosting the 2026 FIFA World Cup event to be considered along with other priorities in future budget processes.

RECONCILIATION AND EQUITY IMPACT

The 2026 World Cup initiative has been analysed for potential impacts on Indigenous, Black and equity-deserving groups of Toronto. Toronto's participation in the 2026 World Cup will support Indigenous peoples' access to economic development opportunities, access to training and/or employment, and sense of identity and belonging will be positively impacted. The City's participation in the 2026 World Cup will lead to improved employment opportunities as well as support the City's anti-racism strategy and the

reconciliation action plan. Advancement of planning following host city selection includes strategies to reduce systemic barriers and to leverage opportunities for equity impacts.

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. In order to meet the demands of hosting the World Cup 2026 The City of Toronto intends to leverage the financial support from the Government of Ontario and the Government of Canada to support the anti-black racism strategy and well as to support the goals of the City's Reconciliation Action Plan.

The City will enhance City-owned assets at BMO Field and sports fields and facilities at Sunnybrook Park and Centennial Park for training purposes. This will lead to both increased employment opportunities and access to world-class recreation facilities. These 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. Further legacy opportunities will be identified as additional financial supports are secured, and broad engagement with communities will be necessary to ensure that meaningful legacies are developed for Toronto.

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 in Toronto. To inform its work with Indigenous communities, City staff met with the Toronto Aboriginal Social Services Council and the Aboriginal Affairs Advisory Committee of the City in early 2022 and received valuable input on outreach, engagement, governance and legacy planning. This input is being implemented in the governance planning identified within this report.

Further legacy opportunities in the interest of City of Toronto programs and communities include development of world class sustainability initiatives in major event production, development of major event bid experience, and the creation of public art and cultural programs. Legacy development will be a principal focus area following establishment of the Staff Secretariat and local advisory committees.

DECISION HISTORY

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>

On April 6, 2022 City Council adopted the Reconciliation Action Plan which laid out the City's response to the national Truth and Reconciliation calls to action. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.EX31.1>

On April 6, 2022, City Council adopted EX31.3, Report for Action entitled "Update on Toronto's Bid to Participate in the FIFA World Cup 2026", including three recommendations, requiring a report back in June 2022 regarding funding, governance and the development of a secretariat. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.EX31.3>

COMMENTS

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.

Pursuant to adoption of EX30.14 (2018), City Council authorized the City Manager to enter into agreements with FIFA to pursue Toronto's candidacy as a host city. City Council direction of April 6, 2022 provided the Mayor and the City Manager with the

authority to accept the nomination as a host city and enter into related agreements. On June 3, 2022 the City of Toronto executed a contractual addendum with FIFA as a requirement of its continued candidacy as a host city.

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.

Advantages of Hosting the 2026 World Cup

Hosting part of the 2026 World Cup is a once in a decade opportunity for Toronto to 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. 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.

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

- **COVID-19 Recovery:**
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 \$307.0 million in GDP. The gains in global visibility will lead to increased prospects for investment, tourism and immigration. Notably, economic activity generated by the event will help sustain recovery in the hard-hit tourism, hospitality and entertainment sectors.
- **Support inclusive economic development:**
In addition to the economic and tourism gains due to enhanced global visibility, Toronto can leverage the World Cup to further its goal of inclusive economic development by working with communities to benefit from this once in a lifetime opportunity. Through tools such as social procurement and community grants, the City can ensure broad, local benefit from the games, and address barriers to civic, economic, cultural and sport participation.
- **Supporting small businesses and Toronto's main streets:**
Toronto's diversity makes it one of the greatest places to enjoy watching the World Cup. Neighbourhoods come alive when communities come together to watch the games. Street celebrations bring communities together and lead to increased economic activity. People will travel from all over the world to watch this event and will find a small piece of home on Toronto's main streets which are filled with the small businesses that drive neighbourhood vitality. Small business and main streets will see significant economic benefits with the World Cup in Toronto, with the City working together with the expansive network of Business Improvement Areas (BIAs).
- **Leverage outside investment for City priorities:**
Given the provincial and national importance of hosting the 2026 World Cup, as a Host City, Toronto will be able to leverage the amount that Toronto invests by a factor of three through the federal and provincial governments. This coupled with the additional revenues from tourism and hospitality can be used to both offset

delivery costs and further City priorities. Toronto will be able to better invest in people and neighbourhoods which will lead to enhanced civic engagement and improved recreational infrastructure.

- **Strengthening ties between residents:**
With 48 nations participating and with the potential for 10 different nations to play in Toronto, this city's pride in its diversity and multiculturalism will be strengthened, with the event touching all neighbourhoods, building a sense of anticipation and camaraderie for many years to come and creating bridges between diverse communities.
- **Promote Toronto on the world stage:**
As the largest sporting event that 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 viewers 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 and a dynamic commercial and cultural centre, attractive to foreign investors and talent.
- **Inclusive growth for amateur sport:**
Through the World Cup, FIFA prides itself on the legacy it leaves behind for amateur athletes. The World Cup tends to create a virtuous circle in amateur sport development, by driving growth in local participation in soccer through role models, better playing facilities, and improved coaching and organizing capacities as part of legacy initiatives.
- **Maximizing the National Soccer Stadium (BMO Field):**
The World Cup is anticipated to leave multiple legacies related to BMO Field. Most directly, facility upgrades will enhance the visitor experience, support attendance at National Team and Toronto FC matches, and generate tax and leasing revenues. A successful World Cup here would ensure that Toronto remains the permanent home of the Canadian Men's National Team and improve the opportunity to host other significant matches.
- **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

As a 2026 World Cup Host City, Toronto requires robust governance elements and distribution of roles and responsibilities among City staff and external stakeholders. As set out in EX31.3 (April 6, 2022) creation of a staff secretariat is required to coordinate the City of Toronto's planning for the 2026 World Cup.

The FWC Toronto 2026 Staff Secretariat will centralize the oversight and coordination of the City's responsibilities and be the main point of contact for City Divisions, Agencies and Corporations, other governments, FIFA and Canada Soccer. It will 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 Staff Secretariat will include overall project management,

financial tracking and budget management, intergovernmental relations, and stakeholder management, and development of the FIFA FanFest. The Staff Secretariat will be comprised of up to nine (9) dedicated full time staff.

The Secretariat staffing projection has been developed based on contractual obligations with FIFA, analysis of time-bound opportunities or requirements (i.e. revenue generation, capital planning), and in alignment with City interests (i.e. community consultation, fiscal responsibility).

Staff Secretariat – Detailed Implementation Plan

The City is required through the Host City Agreement with FIFA to appoint a Host City Officer (Secretariat Director) in 2022 to be "...responsible for the overall coordination of all activities and matters of the Host City Authority..." and "...act as the primary local contact for all coordination and communication matters of the Host City Authority...". To support the Secretariat Director, this report recommends establishing an internal FWC Toronto 2026 Staff Secretariat, starting in Q3 2022, reporting to the Deputy City Manager, Community and Social Services. The Host City Officer requirement will be fulfilled by recruitment of a Director, Games and Events Planning and Implementation ("Secretariat Director").

Working closely with People and Equity, EDC staff have prepared a plan for development of the Staff Secretariat reporting through the DCMO CSS, to be in place by Q1 2023.

The Staff Secretariat will be led by the Secretariat Director, acting as the Host City Officer under the City's obligations to FIFA, and reporting to the Deputy City Manager, Community and Social Services, who in turn will receive support from the Senior Leadership Team (see attachment #2). The Secretariat Director will provide continuity and accountability across the various internal and external advisory tables and committees to be established. Core Secretariat functions will include coordinating agreements and partnerships through to 2026 and beyond, procurement and coordination of resources required to meet contractual requirements, implementing Council direction related to the World Cup 2026 hosting effort, and reporting to City Council as appropriate including through a wrap up 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 wrap-up report may also include recommendations related to the City's future participation in "mega" events and required changes to policies and procedures

Each committee or table to be formed will be supported by the Staff Secretariat, with the Secretariat Director being accountable for advancing all matters related to the City. As depicted in the Governance Model (Attachment 2) included with this report, such committees will include:

- A Leadership Committee, which would provide strategic direction and co-chaired by the Mayor, convening senior officials from organizations that are core partners and influencers/leaders in the local business and cultural sectors. The City

Secretariat would convene this group and develop its Terms of Reference, with the Secretariat Director being accountable in advancing City related items.

- An Operations Committee, which will ensure execution of overall operations across the City and will be chaired by the Secretariat Director, connecting operational staff from City divisions as well as organizations that are core partners and stakeholders with the Staff Secretariat. Functional Working groups will be formed from the Operations Committee to align and coordinate core aspects of the project (i.e. training sites, safety and security, commercial and marketing aspects, etc.).
- A Finance Committee, which will 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 have met since 2018 to support Toronto's Host City bid as related to financial arrangements. It is anticipated that the Finance 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 Advisory Circle and a Community Advisory Circle will ensure community engagement and will include key community organizations in Toronto. Members of these tables may participate in other advisory tables, providing guidance on the delivery of various aspects of the World Cup 2026 initiative. Such tables will ensure the representation of Indigenous, Black and equity-deserving communities in the planning and the delivery of the event.
- Advisory groups will be formed to contribute to development of programming and legacy opportunities across various facets of hosting a mega-sporting event in Toronto. Such aspects could include legacy planning, tourism, human rights, and cultural development.

Development of the overall project governance will be phased, beginning with a staff-centred model in Q3 – Q4 2022 and transitioning to stand up the various advisory tables throughout 2023.

Internal and Stakeholder Consultations

The development and delivery of the 2026 World Cup requirements depends on the cooperation, coordination and communication between a wide variety of partners and stakeholders; among City Divisions, Agencies and Corporations, and external and corporate entities. Core planning partners include Parks, Forestry and Recreation, Exhibition Place, Destination Toronto, MLSE, the Toronto Transit Commission (TTC) and Toronto Police Services. Advancing key planning and infrastructure deliverables will require increased involvement from other City Divisions including 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.

Broader community consultation will follow establishment of the various governance tables to ensure that the 2026 World Cup serves as a catalyst for positive legacies for

residents across Toronto. A detailed community engagement plan will be presented to Toronto City Council in Q1 2023.

Collaboration with MLSE

MLSE has been a key partner in Toronto's bid and continues to have a unique mix of roles and expertise that will be required to host the FIFA 2026 World Cup. It is recommended that the City enter into agreements with MLSE to facilitate and formalize continued collaboration that maximizes the revenue-generation potential of the event for the City, while mitigating operational risks in delivery.

MLSE's multiple touch points with the City on the FIFA 2026 World Cup present an important opportunity to maximize both efficiencies in delivery of the event and the potential for revenue generation to offset City costs. A partnership agreement, defined to protect the City's interest and maximize the economic and cultural benefits of hosting the World Cup, has the potential to reduce financial and operational risks for the City.

Here follows a summary of MLSE's various engagements with the City that have a relationship to Toronto's needs in hosting the World Cup in 2026. MLSE:

- Manages the stadium and pitch, via a Management Agreement with the City and Exhibition Place, to be used by FIFA for the matches to be held in Toronto.
- Has previously led capital upgrades including undertaking and paying for the major seating expansion done at BMO Field in 2015 as well as periodically erecting additional temporary seating for major events, such as the MLS All-Star Game in 2008 and the NHL Centennial Classic in 2017.
- Operates two other properties at Exhibition Place that will be impacted by the World Cup.
- Owns Toronto's professional soccer franchise, Toronto FC, and the Toronto Argonauts who use BMO Field as their home field and who will be displaced for at least 6 weeks during the World Cup.
- Owns the only other FIFA quality natural field in Canada at its training facility at Downsview (BMO Training Ground). This facility could be a training or base camp facility for the World Cup.
- Provided event and marketing expertise during the bidding process, as well as co-chairing the bid committee.

MLSE is a natural partner for the City to deliver the FIFA requirements and to leverage the commercial and fan experience opportunities associated with the 2026 World Cup to be delegated to the City by FIFA. Since funding and contractual commitments will be held by the City, recommendation 5 of this report recommends securing some services needed to deliver the 2026 World Cup on an exclusive basis with MLSE. These services would include project management for capital and operating improvements (some temporary and some permanent) to BMO Field, to their practice facility at Downsview and potentially to other training sites in Toronto. A partnership with MLSE could also help the City to leverage commercial opportunities around this major sporting event; a significant strength of MLSE. This partnership might also include aspects of the FIFA FanFest, depending on how FIFA decides to proceed. An agreement between the City of Toronto, including scoping, funding, and implications regarding cost and revenue sharing remain to be negotiated in Q3-Q4 2022.

The advantages of this partnership are that it will help speed up decision-making and execution due to the detailed knowledge that MLSE has while also reducing the number and complexity of contractors involved. Notably, MLSE as holder of a Management Agreement at BMO Field will be a necessary party to much of the activity for the 2026 World Cup, such as site upgrades, marketing, commercial activation and more. Timeliness will be critical since FIFA is significantly delayed in its Host City decisions due to COVID-19. Given MLSE's extensive experience with sponsorship and other commercial opportunities, of and its commitment to sport in general and to soccer in particular, their partnership is needed to help Toronto to successfully deliver World Cup 2026. It is anticipated that the City will be able to leverage another unique strength of MLSE in raising funds to help further offset costs.

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. To meet the demands of hosting World Cup matches, the City has requested financial support from the Government of Ontario and the Government of Canada support operations and service delivery during the event as well as to enhance the infrastructure of BMO Field and City sports fields and facilities at Sunnybrook Park and Centennial Park 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.

Further legacy opportunities include development of world class sustainability initiatives in major event production, development of major event bid experience, and the creation of public art and cultural programmes. Legacy development will be a principal focus area following establishment of the Staff Secretariat and local advisory committees.

Current Risks

The lack of funding commitments from other orders of government to support Toronto as a Host City remains an immediate risk. Delivery of these commitments have been impacted by election cycles, COVID-19, and FIFA's own planning process. City staff and elected officials continue to actively work with federal and provincial officials to secure financial assurances related to 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 Multi-Party Agreement.

Budget estimates were validated and updated in March 2022. Subsequent updates to inflation rates indicated a higher inflation rate coming into Q2 2022 but forecast return to normal in 2023. The projected impact of 2021/2022 high inflation values are approximately \$10.0 million increase to March 2022 budget projections to net \$300.0 million. Expectations remain that present contingency along with future negotiations with FIFA will result in offset to this projected inflation impact. City staff will continue to provide updates on the total costs of the event through future reporting to City Council.

Government Funding

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 was in post-election wrap up and a Minister with responsibility for Sport had not been sworn in. Ministry staff are expected to be seeking government direction soon.

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 it 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 contribution of 50 percent of all public sector funding).

Toronto was named without full certainty on funding, but as noted above 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.

Estimated Timeline

Based on current project status, the following outlines anticipated milestones for 2022-Q2 2023:

2022

- Creation of a City of Toronto internal secretariat, working groups, and community advisory groups
- July Team Facility site visit from FIFA
- September Host City site visit from FIFA

- October delivery of Host City and Stadium Project Plans to FIFA
- City delegation of three (3) project staff invited to attend FIFA World Cup Qatar 2022 Observer Programme
- Development of Multi-Party Agreement between all three orders of government and CSA
- Development of Agreement with MLSE (Commercial aspects and Stadium upgrades)
- Provide update to Council through the 2023 budget process

2023

- Q1 project status Report to City Council
- Finalize a National Safety and Security Plan
- Sign Multi-Party Agreement
- Receive written funding commitments from Province and Federal governments if needed separate from Multi-Party Agreement

CONTACT

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392-4166

SIGNATURE

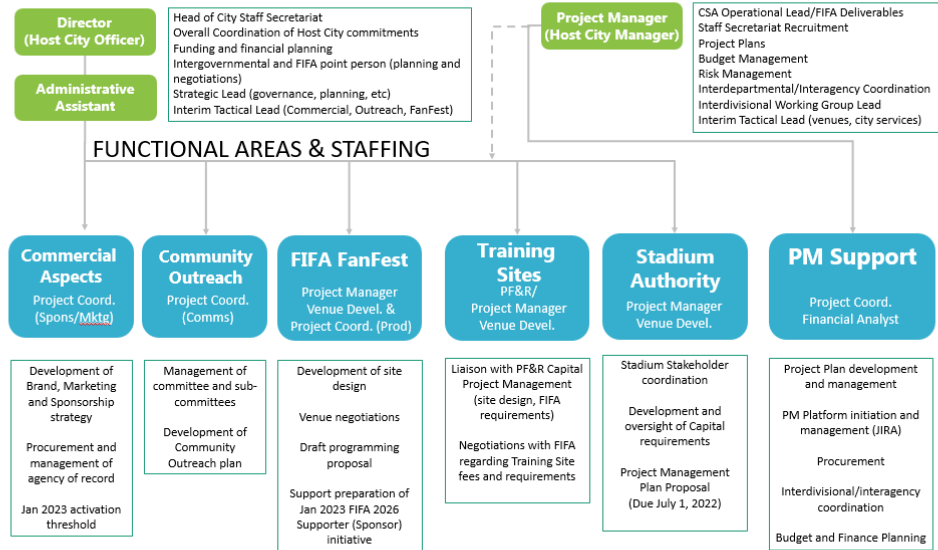
Chris Murray
City Manager

ATTACHMENTS

ATTACHMENT 1

CITY STAFF SECRETARIAT STAFFING AND SUPPORT

FIFA WORLD CUP 2026 – HOST CITY SELECTION and TRANSITION to DCMO



Q3 – Q4 2022

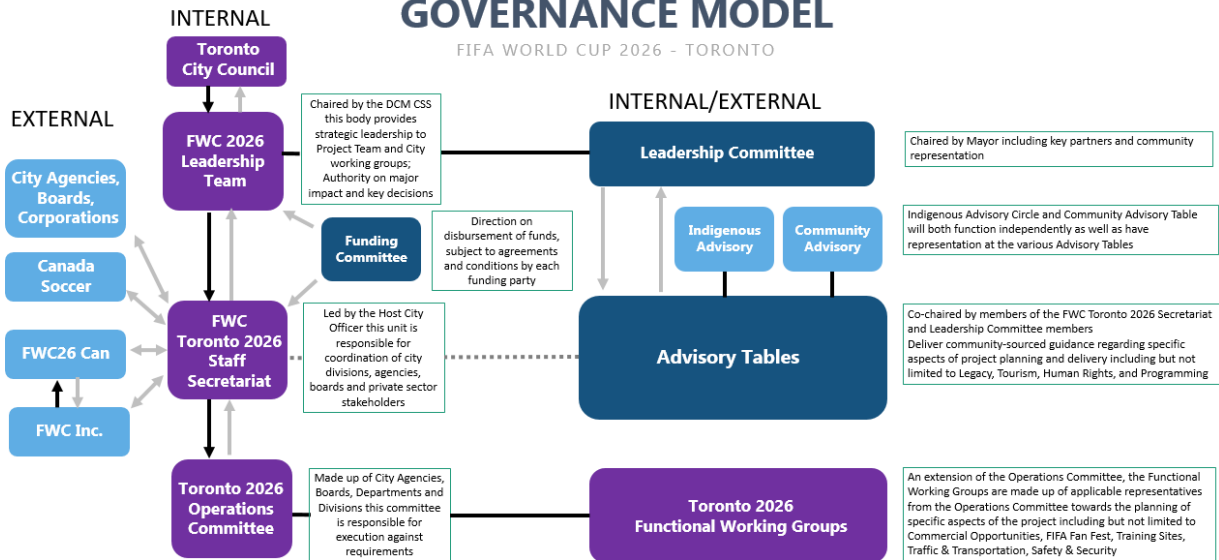
* Other support required either through City resources or externally procured consultants and contractors includes but is not limited to security consultation, event production services, communications, HR, finance, legal services

July 4, 2022

ATTACHMENT 2

GOVERNANCE MODEL

FIFA WORLD CUP 2026 - TORONTO



Planning Phase

→ Reporting Relationship
 ← Directing Relationship

July 4, 2022

ATTACHMENT 3

2022 Staff and Expense Details

Staffing Recommendation for 2022 (Secretariat)

| | Position |
|--|------------|
| Director Games & Events Planning & Implementation - WG10 (Host City Officer) | 1.0 |
| Project Manager Games & Events - WG 7.5 (Host City Manager) | 1.0 |
| Project Manager Games & Events - WG 7.5 (Host City Venue Manager) | 1.0 |
| Project Manager ED&C - WG 7 | 1.0 |
| Project Coordinator (Secretariat) - WG 6.5 | 1.0 |
| Project Coordinator (Commercial Aspects) - WG 6.5 | 1.0 |
| Project Coordinator (Communications/Outreach) - WG 6.5 | 1.0 |
| Project Coordinator (Production) - WG 6.5 | 1.0 |
| Administrative Assistant to Director – Local 79 WG9 | 1.0 |
| Total Positions | 9.0 |

Procurement of Goods and Services in 2022 (Secretariat)

| | 2022 |
|--|---------|
| Event Production contractors | 110,800 |
| Major International Events consulting services | 189,000 |
| Traffic Planning Services in support of event planning | 48,000 |
| Commercial Aspects consultant services in support of revenue generation via commercial sponsorship | 200,000 |

Procurement of Goods and Services in 2022 (Secretariat)

| | |
|--|----------------|
| Production & Design Services in support of revenue generation via commercial sponsorship | 200,000 |
| FIFA Office (Rental) per Host City Agreement | 6,825 |
| FIFA Offices (Fit Up per FIFA Agreement specification) | 84,000 |
| Total Consulting/Contractors | 838,625 |

Costing projections identified in Procurement of Goods and Services table reflect order of magnitude projections based on expected late 2022 and early 2023 deliverables and the external expertise required, recognizing that there is limited capacity in City Divisions to support early planning requirements of a major international sporting event of this scale.

Staffing Recommendation for 2022 (PF&R)

| | FTE |
|---------------------------------|-----|
| Senior Project Manager - WG 7.5 | 1.0 |