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May 9, 2023

Mr. John Elvidge, City Clerk
City Clerk's Office
100 Queen Street West
12th Floor, West Tower
Toronto, ON M5H 2N2

Dear Mr. Elvidge,

Re: Administrative Inquiry Regarding the Letter of Intent between the City and MLSE for the FIFA World Cup 2026

Councillor Fletcher submitted an Administrative Inquiry to seek information on the Letter of Intent between the City and Maple Leaf Sports and Entertainment (MLSE) regarding the City of Toronto hosting the FIFA World Cup 2026. This letter provides a response to this request. It has been developed in collaboration with the City's World Cup 2026 Secretariat and the Economic Development & Culture Division.

Introduction

In July 2022, City Council authorized the City Manager, the Deputy City Manager, Community and Social Services, and the Chief Financial Officer and Treasurer to negotiate and enter into an agreement with MLSE for activities in support of Toronto's hosting of the FIFA World Cup 2026 (FWC2026), including but not limited to management of temporary and permanent upgrades at BMO Field and maximization of the value of commercial rights, delegated to the City by FIFA, to help offset the City's costs of organizing the World Cup in Toronto ([EX34.8](#)). The report highlighted benefits of the partnership including MLSE's past and present management of BMO Field, successful management of previous capital construction at the stadium, and expertise as a leader in sport and entertainment. In February 2023, the City and MLSE finalized a Letter of Intent (LOI) that is binding and sets a framework for terms of service arrangements specific to FWC2026 hosting.

The size, scope and level of expertise required to meet Toronto's contractual Host City requirements within the required timelines exceeds the City's standing capacity and necessitates contracted services external to the City. In consideration of their operational and entrepreneurial expertise, staff recommended, and Council approved, an agreement with MLSE as the best option to fulfill the services defined in the LOI. The City's decision to enter into agreement with MLSE is strategic and greatly reduces risks to the City in planning and hosting the FWC2026. The LOI between the City and MLSE limits MLSE's ability to generate

profit from the project while leveraging MLSE's strengths and puts public benefit at the heart of the agreement.

Response

Please find below responses to each of the questions submitted.

1. What is the status of discussions between the City and MLSE and has any formal agreement or contract other than the Letter of Intent been signed?

The LOI between the City and MLSE was signed in February 2023 and is binding. The LOI requires that definitive agreements be entered into for the delivery of specific areas of service including project management for the capital project at BMO Field, stadium services, commercial rights sales, and creative design and promotional services. The definitive agreements for each service area are in development.

2. Can a copy of the Letter of Intent be provided to Council?

Yes, the LOI can be shared with Council. The LOI forms Attachment 1 to this letter.

3. Will the final agreement between the City and MLSE be subject to Council approval?

No, in accordance with the authority provided by Council in July 2022 the LOI was signed in February 2023 and is binding as will be the definitive agreements when completed. City Council has authorized City staff to negotiate and enter into the required agreements with MLSE, including any amendments and extensions as required. Staff updates to City Council will address progress on the project, including the areas undertaken by MLSE in the LOI.

4. Was the topic of compensation to MLSE for lost revenue or the responsibility of the City for cost-overruns ever made known to the Mayor, City Councillors, or City Council?

The specifics of the LOI were not made known to the Mayor, City Councillors or City Council. City Council authorized City staff to negotiate and enter into agreement with MLSE for activities in support of Toronto's hosting of the FWC2026 on terms and conditions satisfactory to the City Manager, the Deputy City Manager, Community and Social Services, and the Chief Financial Officer and Treasurer, and in a form acceptable to the City Solicitor. It is noted that cost over-runs shown to be due to non-performance by a contractor or consultants on the project would be recoverable under those agreements in the normal course. As with any project, cost increases approved by the City due to approved changes in the project would generally be the responsibility of the City.

Sincerely,

Paul Johnson
City Manager

Attachment 1: Letter of Intent between the City and Maple Leaf Sports and Entertainment regarding the City of Toronto hosting the FIFA World Cup 2026

cc:

Sharon Bollenbach, Executive Director, Toronto World Cup 2026 Secretariat

Paul Raftis, Deputy City Manager, Community and Social Services

Pat Tobin, General Manager, Economic Development & Culture