

FIFA World Cup 2026 Subcommittee

Meeting No.	2	Contact	Cathrine Regan, Committee Administrator
Meeting Date	Monday, November 4, 2024	Phone	416-392-7033
Start Time	2:00 PM	E-mail	exc@toronto.ca
Location	Committee Room 1, City HallNideo Conference	Chair	Councillor Shelley Carroll

FWC2.1	ACTION	Amended		Ward: All
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FIFA World Cup 2026 Toronto: Revenue Opportunities to Support Hosting Obligations, Procurement Plan Revisions, and Social Procurement and Community Workforce Development Updates

Confidential Attachment - Details to be applied to negotiations to be carried on by or on behalf of the City of Toronto.

Subcommittee Recommendations

The FIFA World Cup 2026 Subcommittee recommends that:

1. City Council approve a temporary increase to the Municipal Accommodation Tax from 6 percent to 8.5 percent effective June 1, 2025 to July 31, 2026, and direct the Chief Financial Officer and Treasurer to include the additional revenue towards FIFA World Cup 2026 related costs in the 2025 and 2026 Budgets for the Mayor's consideration as part of future budget processes.
2. City Council authorize the introduction of the necessary Bills in Council to give effect to City Council's decision by amending City of Toronto Municipal Code Chapter 758, Taxation, Municipal Accommodation Tax.
3. City Council request the Chief Financial Officer and Treasurer to report back through the 2026 Budget Process with an update on the additional increase in Municipal Accommodation Tax revenue generated, and revised estimates up until July 31, 2026.
4. City Council direct the Executive Director, FIFA World Cup Hosting 2026 and the Chief Procurement Officer to proceed in accordance with the revised procurement plan to procure the goods and services required for the delivery of FIFA World Cup 2026 set out in Revised Confidential Attachment 1 to the revised report (October 28, 2024) from the Executive Director, FIFA World Cup Hosting 2026, the Chief Procurement Officer and the Chief Financial Officer and Treasurer.
5. City Council adopt the confidential instructions to staff in Revised Confidential Attachment 1 to the revised report (October 28, 2024) from the Executive Director, FIFA World Cup Hosting 2026, the Chief Procurement Officer and the Chief Financial Officer and Treasurer.

6. City Council amend the 2024-2033 Capital Budget and Plan for Parks, Forestry and Recreation set out in Revised Confidential Attachment 1 to the revised report (October 28, 2024) from the Executive Director, FIFA World Cup Hosting 2026, the Chief Procurement Officer and the Chief Financial Officer and Treasurer.
7. City Council amend the 2024-2033 Capital Budget and Plan for Exhibition Place set out in Revised Confidential Attachment 1 to the revised report (October 28, 2024) from the Executive Director, FIFA World Cup Hosting 2026, the Chief Procurement Officer and the Chief Financial Officer and Treasurer.
8. City Council direct that Revised Confidential Attachment 1 to the revised report (October 28, 2024) from the Executive Director, FIFA World Cup Hosting 2026, the Chief Procurement Officer and the Chief Financial Officer and Treasurer remain confidential at this time as it pertains to criteria to be applied to negotiations carried on or to be carried on by or on behalf of the City of Toronto and be made public at the discretion of the Chief Procurement Officer following the award or closing of the contemplated procurement transactions.
9. City Council direct the Chief Financial Officer and Treasurer to explore opportunities to differentiate the temporary increase to the Municipal Accommodation Tax on patrons' hotel bills, in consultation with the Greater Toronto Hotel Association.
10. City Council request the Government of Ontario and Government of Canada remove the Harmonized Sales Tax on the City of Toronto's Municipal Accommodation Tax.
11. City Council direct the City Manager and the Chief Financial Officer and Treasurer to review the City's funding contributions to Destination Toronto and report on any recommended changes through the 2025 Budget process.
12. City Council direct the General Manager, Economic Development and Culture to report through the 2025 Budget process on opportunities to support the visitor economy in advance of FIFA World Cup 2026, in consultation with Destination Toronto and relevant City Divisions and Agencies.
13. City Council direct the Chief Financial Officer and Treasurer to provide a status update and further any further recommendations on Revenue Opportunities to Support Hosting Obligations by the fourth quarter of 2025.

Origin

(October 21, 2024) Report from the Executive Director, FIFA World Cup Hosting 2026, the Chief Procurement Officer and the Chief Financial Officer and Treasurer

Summary

At its meeting on November 4, 2024, the FIFA World Cup 2026 Subcommittee considered Item [FWC2.1](#) and made recommendations to City Council.

This report provides an update on planning for the FIFA World Cup 2026 (FWC26) in Toronto, including a revenue strategy identifying ways to offset expenditures, a progress update on community workforce development and business opportunities for local and diverse suppliers through FWC26 procurements, and current state of play of the procurements, including awarded contracts to date and requests to award and negotiate on items captured in a confidential attachment.

With planning ongoing and budget estimates converting from forecast to actuals, the cost of some goods and services quoted back are higher than projected. This report puts forward a

revision to the procurement plan for goods and services for both capital and operational services previously approved by City Council on July 24, 2024 ([EX16.32](#)).

As has been previously reported to City Council, the estimated costs to host the FWC26 in Toronto total \$380.0 million, which includes all operations, safety and security, and capital upgrades to ensure the City meets all FIFA requirements. Of the \$380.0 million required to deliver the games \$201.4 million is being offset by provincial and federal funding, resulting in the City required to identify a total of \$178.6 million (or 47 percent of total costs). Of this, \$83.6 million in revenue has been previously identified through existing municipal sources, commercial rights sales, rental fees, and in-kind contributions. As requested through [EXI 1.12 - Update on Hosting FIFA World Cup 2026](#), this report outlines additional financial opportunities to the City of Toronto to offset the \$95.1 million in remaining funding requirements without impacting the property tax base, including a review of existing revenue tools and new opportunities made available by hosting the games, such as donations, merchandise sales, music royalties, new commercial sales opportunities and revenues specific to FIFA Fan Festival. The FWC26 Toronto Secretariat, in consultation with Finance and Treasury, will continue to explore these targeted revenue opportunities. As they are further developed and refined, staff will report back to the FWC26 Subcommittee, as applicable, with additional information.

As the world's most-watched sporting event, FWC26 represents a major economic opportunity for Toronto, the Province of Ontario, and Canada, as it welcomes hundreds of thousands of visitors. As noted above, the City is responsible for 47 percent of total costs, however has limited tools to capture revenue associated with the economic activity and benefits associated with hosting the games. Staff have undertaken a review of available funding sources to support the delivery of the FWC26 with the objective of restricting any potential impact on the existing property tax base and planned projects.

Of the revenue tools enabled by the City of Toronto Act, 2006 (COTA), the Municipal Accommodation Tax (MAT) provides the most effective opportunity to generate revenue directly from increased economic activity resulting from FWC26, while ensuring no impact to the City's property tax base. Implementing a temporary incremental increase to the MAT, applied to hotels and short-term rentals, of 2.5 percent over a 14-month period (June 1, 2025 - July 31, 2026) is projected to generate an additional \$56.6 million in revenue, offsetting the majority of the remaining funding requirement. It is anticipated that any potential impacts on hospitality operators will be largely offset by increased room demand and related visitor spending in the lead up, during, and following the FWC26, as well as substantial future benefits due to Toronto's global visibility gained from hosting the FWC26.

In addition to recommending a temporary increase, staff will continue to monitor base performance of the MAT prior to the FWC26, along with other corporate revenues, which could help to further alleviate any remaining budget pressures. Further, to address any remaining funding requirements, staff also remain committed to ensuring cost mitigation strategies are in place for the delivery of the games to minimize financial impacts on the City of Toronto, residents, and businesses.

Background Information

(October 28, 2024) Revised Report from the Executive Director, FIFA World Cup Hosting 2026, Chief Procurement Officer, Chief Financial Officer and Treasurer on FIFA World Cup 2026 Toronto: Revenue Opportunities to Support Hosting Obligations, Procurement Plan Revisions, and Social Procurement and Community Workforce Development Updates (<https://www.toronto.ca/legdocs/mmis/2024/fwc/bgrd/backgroundfile-249801.pdf>)

Revised Confidential Attachment 1 - FIFA World Cup 2026 (FWC26) Revised Procurement Plan (October 21, 2024)

(October 21, 2024) Report from the Executive Director, FIFA World Cup Hosting 2026, the

Chief Procurement Officer and the Chief Financial Officer and Treasurer on FIFA World Cup 2026 Toronto: Revenue Opportunities to Support Hosting Obligations, Procurement Plan Revisions, and Social Procurement and Community Workforce Development Updates
(<https://www.toronto.ca/legdocs/mmis/2024/fwc/bgrd/backgroundfile-249786.pdf>)

Communications

(November 1, 2024) Letter from Tony Elenis, President, Ontario Restaurant Hotel & Motel Association (FWC.Supp)

(<https://www.toronto.ca/legdocs/mmis/2024/fwc/comm/communicationfile-184138.pdf>)

(November 1, 2024) E-mail from Adam Rodgers (FWC.Supp)

(November 4, 2024) Letter from Sara Anghel, President and Chief Executive Officer and Tim Reardon, Chair, Greater Toronto Hotel Association (FWC.New)

(<https://www.toronto.ca/legdocs/mmis/2024/fwc/comm/communicationfile-184341.pdf>)

(November 4, 2024) Letter from Councillor Shelley Carroll (FWC.New)

(<https://www.toronto.ca/legdocs/mmis/2024/fwc/comm/communicationfile-184387.pdf>)

(November 4, 2024) Letter from Rosemarie Powell, Executive Director, Toronto Community Benefits Network (FWC.New)

(<https://www.toronto.ca/legdocs/mmis/2024/fwc/comm/communicationfile-184342.pdf>)