



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

FIFA World Cup 2026 Toronto: Revenue Opportunities to Support Hosting Obligations, Procurement Plan Revisions, and Social Procurement and Community Workforce Development Updates

Date: October 28, 2024
To: FIFA World Cup 2026 Subcommittee
From: Executive Director, FIFA World Cup Hosting 2026, Chief Procurement Officer, Chief Financial Officer & Treasurer
Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report consists of details to be applied to negotiations to be carried on by or on behalf of the City of Toronto.

SUMMARY

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% 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 [EX11.12 – 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 & 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% 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% 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.

RECOMMENDATIONS

The Chief Financial Officer and Treasurer, Executive Director, FIFA World Cup Hosting 2026 and Chief Procurement Officer recommend 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 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 Confidential Attachment 1.
5. City Council direct that Confidential Attachment 1 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.
6. City Council adopt the confidential instructions to staff in Confidential Attachment 1.
7. City Council amend the 2024-2033 Capital Budget and Plan for Parks, Forestry and Recreation set out in Confidential Attachment 1.
8. City Council amend the 2024-2033 Capital Budget and Plan for Exhibition Place set out in Confidential Attachment 1.

FINANCIAL IMPACT

The total estimated cost of hosting the FIFA World Cup 2026 (FWC26) in Toronto, including operating and capital costs, remains unchanged at \$380.0 million gross, as captured in Table 1 below.

Table 1: Current Estimated FWC26 Hosting Costs, Total (\$000s):

| Reporting Date | CURRENT: October 2024 |
|--|--------------------------|
| General Operations | 28,089 |
| Tournament Operations | 155,974 |
| Commercial Rights expenses | 6,976 |
| Legacy Funding | 7,500 |
| Contingencies (Operating & Inflationary) | 25,327 |
| TOTAL OPERATING | 223,866 |
| Capital Improvements | 144,175 |
| Contingencies (Capital & Inflationary) | 9,383 |
| TOTAL CAPITAL | 153,558 |
| TOTAL CASH BUDGET | 377,424 |
| Value of In-Kind Operating Services | 2,561 |
| TOTAL EVENT COSTS | 379,985 |

Cost Mitigation

Staff are committed to ensuring costs to deliver the FWC26 are contained as much as possible. The FIFA World Cup 2026 Subcommittee was established by Executive Committee ([EX13.16](#)) to provide oversight on procurement, expenditures, and the overall budget. As directed by the FWC26 Subcommittee on July 4, 2024 ([FWC1.3](#)), in August of 2024 the FWC26 Toronto Secretariat, Councillor Shelley Carroll, and the Mayor's Envoy David Soknacki, met with divisions and agencies to review, in detail, capital and operational budgets associated with hosting the FWC26 in Toronto. To date, the review has yielded approximately \$4.8 million in savings against a \$10 million budget pressure. Additional savings are expected as part of on-going reviews across all areas of the FWC26 budget and associated impacts.

Additionally, a process for tracking and approving expenses has been established and will be fully rolled out, communicated, and implemented with Divisions in November 2024.

Capital Projects

FIFA has reduced training site requirements at Centennial Park from two training pitches and field houses down to one for the duration of the tournament in Toronto. This change results in net savings in capital expenses allocated to training sites plus additional savings to operations including safety and security budgets. Savings from the training site capital budget will be reallocated to other FWC26 budget requirements including the Toronto Stadium capital project.

With the completion of pre-construction work at Toronto Stadium, rough order of magnitude pricing is surpassing initial estimates. The increase in capital costs for the stadium will be offset by: reallocation of savings from the training site capital project; investment of new funding from MLSE; and continued work with FIFA and all vendors to reduce scope and identify and implement cost saving measures wherever possible.

Recommended amendments to allocations within the overall \$380 million FWC26 Budget between programs and projects are included in Confidential Attachment 1. These amendments reflect the capital project requirements noted above and will support upcoming procurement initiatives. Full impacts of these amendments within the unchanged \$380 million FWC26 Budget will be reflected in 2025 budget materials following completion of upcoming procurement actions.

Maple Leaf Sports & Entertainment Investments

Maple Leaf Sports & Entertainment (MLSE) announced this month that they will be reinvesting their revenue share from commercial sales back into stadium improvements for the FIFA World Cup 2026.

MLSE investments will contribute to meeting FIFA requirements at the stadium, upgrading the fan experience and improving technology and broadcast quality within the City-owned asset as a long-term legacy. Details of the investment, including long-term benefits to the city, are in negotiations and will be brought to the FWC26 Subcommittee for information.

Status on Intergovernmental Funding

FWC26 represents a significant opportunity for all three orders of government, providing not only international recognition but also long-term economic benefits and facilitating capital investments. In a letter dated December 2023, the Province of Ontario confirmed a conditional commitment of up to \$97.0 million to support Toronto's efforts to host the FWC26. The funding to support the event is exclusively limited to investments that build lasting public infrastructure and benefits that will serve the community over the long-term following the completion of the games. This commitment was followed up in May 2024 with an announcement of \$104.3 million in federal funding for both operational and

capital expenditures related to hosting FWC26. In total, intergovernmental funding contributions will represent \$201.3 million, or 53% of total estimated FWC26 costs.

Previously Identified Funding Sources

In consideration of the \$201.4 million in committed funding from the provincial and federal governments, the City is required to identify a total of \$178.6 million (or 47% of total costs). \$83.5 million in funding from the City of Toronto had been previously identified for FWC26. This includes \$46.3 million from reserves and reserve funds that were approved through prior year budgets as part of the City's commitment to match funding from other governments. Further funding sources include an estimated \$34.6 million from rental fees and commercial rights sales available to host cities. Finally, \$2.6 million in services provided in-kind have been identified.

All combined, the identified funding sources total \$284.9 million, resulting in a remaining funding requirement of \$95.1 million, as detailed below in Table 2.

Table 2: Estimated FWC26 Funding Sources (\$000s), as of September 30, 2024

| Funding Source | Amount (\$000s) |
|---|------------------------|
| Total Estimated Expenditures (Gross) | 380,000 |
| Federal Grant | (104,340) |
| Provincial Grant | (97,000) |
| Total Intergovernmental Funding | (201,340) |
| Capital Financing Reserve (XQ0011) | (24,223) |
| Debt Service Stabilization Reserve (XR1734) | (15,082) |
| Major Special Events Reserve Fund (XR1218) | (6,996) |
| Total Previously Identified City Funding | (46,301) |
| Commercial Rights Sales and Rental Fees | (34,620) |
| Value Of In-Kind Operating Services | (2,643) |
| Total Other Funding | (37,263) |
| Total Identified Funding | (284,904) |
| Remaining Funding Requirement | 95,096 |

Additional Proposed Funding Sources

Staff were directed to report back to the FIFA World Cup 2026 Subcommittee on an approach to address the FWC26 remaining funding requirement of \$95.1 million. 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, resulting in the following recommended actions which are detailed further below:

- Review of the Municipal Accommodation Tax
 - Temporary increase in the rate
 - Revenue generated above budgeted expectations
- Further targeted revenue opportunities

Municipal Accommodation Tax

A temporary 14-month (June 1, 2025 – July 31, 2026) increase in the Municipal Accommodation Tax (MAT), applied to hotels and short-term rentals, by 2.5% is projected to generate an additional \$56.6 million which could directly support the delivery of the FWC26. This revenue is incremental to the anticipated \$135.8 million in revenue under the existing base of 6% MAT rate over the same 14-month period. Further details of this proposed change can be found within the comments section of this report.

In addition to recommending a temporary increase, staff will continue to monitor base performance of the MAT in the lead-up to the FWC26, along with other corporate revenues, which could help to further alleviate any remaining budget pressures. For example, as of the six months ending June 30, 2024, MAT revenues were projected to exceed the 2024 Operating Budget by \$16.7 million by year-end, driven by increased demand and occupancy rates for hotels and short-term rentals. Should overperformance in MAT continue, staff may consider recommending an allocation of funds to support the FWC26 as part of future in-year variance reports or through annual budget processes.

Further Revenue Opportunities

Further revenue opportunities are being evaluated and explored by the FWC26 Toronto Secretariat, in order to address the estimated remaining funding requirement of up to \$21.8 million, including:

- Donations secured by the FIFA World Cup 2026 Champions Table
- Percentage of FWC26 Toronto merchandise sales
- Percentage of FWC26 music royalties provided to Host Cities
- New commercial sales opportunities specific to hospitality sales at the Stadium
- Revenue opportunities specific to FIFA Fan Festival (e.g. premium ticketed events, vendor rental fees, etc.)

FIFA World Cup 2026 Toronto Champions Table

Led by Mayor Chow, the FIFA World Cup 2026 Champions Table (FWC26 CT) plays a critical role in developing support for the event across the city, throughout the business community, and for years to come.

The FWC26 CT brings together members of the private sector to raise funds through private donations to help offset event costs and develop a strong legacy for Toronto through improvements to local sports infrastructure and increased access to community youth sport programs.

Promoting civic investment, the Champions Table, FWC26 Toronto Secretariat and it's Commercial Rights Sales Agent (MLSE) will work to secure donations aligned with FIFA's Commercial Rights Guidelines with one hundred percent of donations going to the City of Toronto.

The FWC26 CT is underway and set to start securing donations starting Q1 2025.

DECISION HISTORY

On July 24, 2024, City Council adopted EX16.21, "Governance, Community Benefits Plan, Legacy and Program Advisory Framework, FIFA Fan Festival", which provided a general overview of planning, granted authority to enter in agreements with third party groups to receive funds, and accelerate RapidTO transit priorities, all associated with supporting the FIFA World Cup 2026 in Toronto.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX16.21>

On July 24, 2024, City Council adopted EX16.32, "FIFA World Cup 2026: Toronto Host City Procurement Plan", which provided approval to proceed in accordance with the procurement plan to procure the goods and services required for the delivery of FIFA World Cup 2026 set out in Confidential Attachment 1.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX16.32>

At its meeting on July 5, 2024, the FIFA World Cup 2026 Subcommittee considered Item [FWC1.3](#) which directed the Executive Director, FIFA World Cup Hosting 2026 to conduct a line-by-line review of the City of Toronto's FIFA World Cup 2026 budget, in consultation with the FIFA Subcommittee Chair, City Divisions and Agencies engaged in delivering the games, and other relevant stakeholders, to identify opportunities to reduce the impact of the games on the City's property tax base and report back to the Subcommittee on the results of this review by October 2024.

On June 18, 2024, Executive Committee adopted EX15.13, "Amending FIFA World Cup 2026 Subcommittee Mandate", which renamed the subcommittee as "FIFA World Cup 2026 Subcommittee" to broaden its mandate to consider all FIFA related matters including the oversight of the budget, and further consider and make recommendations on procurement plans.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX15.13>

On April 9, 2024, Executive Committee adopted EX13.16, "Establishing a FWC26 Financial Oversight Subcommittee", which established a subcommittee with the mandate to provide oversight of the budget, review spending plans and expenditures, and consider procurement and community benefits matters related to FWC26.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX13.16>

On March 20, 2024, City Council adopted EX12.2, "Update on Hosting FIFA World Cup 2026", which authorized staff to negotiate and enter into contribution agreements with the Governments of Canada and Ontario in support of FWC26 as well as agreements with the Greater Toronto Airport Authority and Ports Toronto (Billy Bishop Toronto City Airport) reflecting Host City Agreement obligations in support of Toronto's hosting of the FWC26. Through this report City Council also directed report backs on a number of items including revenue plans, children and youth soccer facilities and programs, community benefits, human rights plans and climate strategy.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX12.2>

At its meeting on March 20, 2024, City Council adopted [EX12.12 – Update on Hosting FIFA World Cup 2026](#) which identified the revised estimated FWC26 hosting costs associated with six matches, and requested the City Manager to report back in the third quarter of 2024 with a comprehensive revenue plan to maximize financial opportunities for the City of Toronto associated with hosting FWC26.

On December 13, 2023, City Council adopted MM13.21, "Supporting Professional Women's Soccer in Toronto", requesting the FWC26 Secretariat to advance growing the participation of women in sport as a key legacy opportunity of hosting the FWC26 in Toronto.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.MM13.21>

On July 19, 2023, City Council adopted EX6.25, "Non-competitive Contract with Gensler Architecture & Design Canada Inc. for Architectural Services for the FIFA World Cup 2026 Toronto Capital Project at BMO Field", which included a request to report back to City Council on key aspects and plans of FWC26.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX6.25>

At its meeting on February 15, 2023, City Council adopted CC4.1 which approved an increase in the Municipal Accommodation Tax from 4 percent to 6 percent, effective May 1, 2023.

[CC4.1 - Property Taxes, User Fees and Related Matters](#)

At its meeting on September 30, 2023 City Council adopted EX7.1 which identified identifies opportunities to address the City's fiscal challenges, including options to review operating expenditures, financial incentives, new and existing revenue tools, capital prioritization, asset transactions, and intergovernmental funding arrangements.

[EX7.1 - Updated Long-Term Financial Plan](#)

On July 19, 2022 City Council adopted Hosting FIFA World Cup 2026 which directed staff to enter into negotiations on funding agreements and stadium construction and to collaborate with other City Divisions on implementing the World Cup strategy and report back on community benefit opportunities, budget impacts, intergovernmental negotiations, financial strategy, community engagement and activation of the Secretariat and working groups, community benefits opportunities, and intergovernmental negotiations.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX34.8>

At its meeting on January 31 and February 1, 2018, City Council adopted EX30.4 which approved the introduction of a four percent Municipal Accommodation Tax on hotel and short-term rental stays. The report also authorized the transfer of funds to Tourism Toronto for destination marketing, and to the Greater Toronto Hotel Association for the administration of the Municipal Accommodation Tax.

[EX30.4 - Implementation of Municipal Accommodation Tax \(Hotel and Short-Term Rental Tax\)](#)

COMMENTS

Background

The City of Toronto will host six matches in the FIFA World Cup 26 (FWC26). As the world's most-watched sporting event, the FWC26 represents a major economic opportunity for Toronto, the Province of Ontario, and Canada, as it welcomes upwards of 208,000 overnight visitors. An updated Economic Impact Study is being conducted by FIFA and new economic impact data, related to hosting the FWC26 in Toronto, is expected to be released in December 2024.

Despite the positive benefits, as highlighted through the City's Updated Long-Term Financial Plan, the City of Toronto has limited revenue tool options to receive an appropriate share of the economic activity generated by this major event. The total local cost of hosting the FWC26 in Toronto is \$380.0 million. These costs are partially offset by committed federal and provincial funding of \$201.4 million, as well as \$83.6 million in funding from existing municipal sources, commercial rights sales and rental fees, and in-kind contributions. Currently, there is an estimated remaining funding requirement of \$95.1 million between the projected hosting costs and identified revenue sources.

This report identifies potential additional revenue sources to address the remaining funding requirement, through a temporary increase to the Municipal Accommodation Tax, commercial sales and corporate sponsorships, philanthropic donations, percent of merchandise sales, all of which can be implemented with no impact on the City's property tax base.

Revenue Opportunities

In preparation for the FWC26, staff conducted a thorough review of funding options with the goal of minimizing any impact on the existing property tax base or the City's operating or capital budgets. The City's capacity to advance revenue tools that are tied to economic growth are limited under the authority provided by COTA. In the context of the FWC26, this restricts the City's ability to recapture its financial contributions.

In reviewing potential revenue tools available, the City's Updated Long-Term Financial Plan sets out an evaluation framework which includes the following parameters:

- Magnitude of estimated financial benefits to the City of Toronto;
- Time and ease of implementation, including authority to implement;
- Equity and economic impact to residents, businesses, and visitors; and
- Alignment with the City's corporate strategic priorities and objectives.

Municipal Accommodation Tax

The City of Toronto has limited tools to capture revenue associated with economic activity and growth. Of the revenue tools enabled by COTA, the MAT is one of the most effective options to capitalize on the increased economic activity, specific to hotel room and short-term rental demand anticipated in the lead-up to and during the FWC26. Further, staff anticipate that hosting the FWC26 will lead to positive trends in demand following the event, which will support the tourism industry beyond 2026.

Through the authority provided by O. Reg. 436/17 Transient Accommodation Regulation 436/17, the City of Toronto introduced an MAT on January 31, 2018. As of April 2023, both hotel and short-term rental accommodations are currently subject to a 6% MAT on the room portion of stays. The MAT is collected in the City's corporate revenue accounts and provides funding for both programs and services used by visitors (e.g. culture, parks, recreation, parks, and transportation), as well as contributions to Destination Toronto which directly supports the local tourism industry.

Jurisdictional Review

To support the upfront costs associated with major sporting events and facilities, other municipalities across North America have used accommodation taxes to generate revenue on both a temporary and permanent basis.

The City of Vancouver used a temporary increase in its accommodation tax to support costs associated with hosting the 2010 Winter Olympics. In collaboration with the Province of British Columbia, Vancouver has applied a similar approach to help fund the planning, staging and hosting of the FWC26 through a temporary 2.5% Major Event tax on both hotel room stays and short-term rentals, on top of their existing accommodation taxes. The 2.5% Major Event tax is in place for a seven-year period, starting February 1, 2023 and concluding January 31, 2030. Staff have engaged with counterparts in British Columbia to discuss this funding initiative and lessons learned for Toronto.

Several US jurisdictions fund infrastructure for major sporting facilities and events through a dedicated accommodation tax to support operations and service debt for capital improvements. Examples include the Louisiana Stadium and Exposition District, Maricopa County Stadium District Tax, San Diego Tourism Marketing District, Miami-Dade Tourist Development Tax, and Orange County Tourist Development Tax. These taxes typically range up to 6% and may be layered on top of base accommodation taxes that municipalities use for general revenue to support city services.

Proposed Temporary Municipal Accommodation Tax Scenario

The recommended adjustment to the Municipal Accommodation Tax would result in a temporary increase from the current rate of 6.0% to 8.5% for hotels and short-term rentals, representing a 2.5% increase over a 14-month period. This increase would commence on June 1, 2025, approximately a year before the official start of the FWC26, and would expire at the end of July 2026. A temporary 2.5% increase aligns with similar revenue measures implemented by the City of Vancouver to offset their costs associated with hosting the FWC26. The 14-month timeline will allow the City to recover a substantial portion of the revenue needed to offset the remaining funding requirement for hosting costs, balanced against the objective of minimizing long-term impacts on Toronto's hospitality sector following the conclusion of the FWC26.

Table 3: Temporary Municipal Accommodation Tax Revenue (\$000s)

| Proposed Municipal Accommodation Tax Parameters | |
|--|------------------------------|
| Effective Dates | June 1, 2025 – July 31, 2026 |
| Duration | 14 Months |
| Base MAT Rate | 6.0% |
| Temporary Incremental Increase in the MAT | 2.5% |
| Total Temporary MAT Rate | 8.5% |
| Revenue Projections for 14-Month Period (\$ millions) | |
| Projected Total Hotel Room Revenue | 2,263.3 |
| City Revenue from MAT - Status Quo (6.0%) | 135.8 |
| City Revenue from MAT - Proposed Rate (8.5%) | 192.4 |
| Incremental City Revenue (2.5%) | 56.6 |

The estimated \$56.6 million in additional incremental revenue generated through MAT will provide a significant contribution towards addressing the remaining funding requirement. This revenue is incremental to the anticipated \$135.8 million in revenue under the existing base of 6% MAT rate over the same 14-month period.

Evaluation

Implementing a temporary increase in the MAT provides a direct connection between the economic activity generated by visitors to Toronto and increased revenue to support the hosting costs associated with the FWC26. The local hospitality sector will benefit from the FWC26 through increased demand generated by the event itself, as well as from the enhanced tourism profile of Toronto that will provide lasting benefits following the conclusion of the event.

On average, the temporary increase in the MAT of 2.5% is expected to translate into an additional \$3.42 per night in room cost, based on the current average daily room rate of \$228, which reflects just a 0.14% increase on the total current nightly rate, including existing MAT amounts. Based on a review of studies on hotel demand patterns, staff anticipate the competitive impacts of the additional MAT to be minimal.

Since the pandemic Toronto has experienced a strong recovery in the tourism sector. Accommodation occupancy rates have risen significantly, with demand approaching pre-pandemic levels. Through 2023 and 2024 year-to-date, revenue from MAT has steadily increased as a result of higher occupancy and average daily room rates. This positive trend is projected to continue in the lead-up to the FWC26, as well as during the games, and following the event given the lasting impact on Toronto.

Implementing the proposed change would incur minimal administrative burden as the framework that already exists through City of Toronto Municipal Code Chapter 758, Taxation, Municipal Accommodation Tax and the existing Short-Term Rental Municipal Accommodation Tax Report portal. To bring the proposed change into effect, a new by-law specifying the required changes to the City of Toronto Municipal Code Chapter 758 would need to be adopted by Council.

Hosting the FWC26 aligns with the City's Corporate Strategic Plan's vision of Toronto as a dynamic city with a strong international presence, as well as attracting visitors and supporting businesses as well as with commitments in the City's new economic development and culture action plans to be considered by Council in November 2024.

Monitoring

Staff will continue to monitor base performance of the MAT in the lead-up to FWC26, along with other corporate revenues, which could help to further alleviate remaining budget pressures. For example, as of the six months ended June 30, 2024, MAT revenues were projected to exceed the 2024 Operating Budget by \$16.7 million by year-end, driven by increased demand and occupancy rates for hotels and short-term rentals. As activity and coverage of the FWC26 grows, in combination with pre-existing positive revenue trends, there is potential for this over performance to persist.

Private Sector Sponsorship – Commercial Sales

For the first time, FIFA is offering the possibility for business and community leaders to engage their key stakeholders through commercial and corporate opportunities in the region they call home. Historically reserved exclusively for FIFA's global and tournament partners and sponsors, the Host City Supporter Program provides a truly unique and once-in-a-lifetime opportunity to reach and engage Toronto's key stakeholders where they live, work and play.

Toronto as a Host City is in market selling supporter packages, including experience offerings such as:

- FIFA World Cup 26™ match tickets
- Hospitality and VIP experiences
- Access to many of Toronto's ancillary events during the tournament
- Invitations to key FIFA ancillary events at Toronto Stadium
- Access and activation opportunities at Toronto's FIFA Fan Festival
- Opportunity for Host City Supporters to deliver FWC26 legacy programs

Additional Revenue Opportunities

The City is exploring various options that will yield offsets to expenditures. Opportunities under consideration include:

- FWC26 Champions Table
- FIFA Fan Festival (rentals, food and beverage, premium ticketing)
- Merchandise (profit sharing on Toronto branded merchandise)
- Music royalty fees

Further information and analysis of these and other potential revenue opportunities will be provided as available, in subsequent reports to the FWC26 Subcommittee.

FWC26 Procurement Plan Revisions and Updates

This report includes a confidential attachment containing the procurement plan for all procurements directly associated with the planning, execution, and general obligations for hosting the FIFA World Cup 2026. Below in Table 4 is a historical listing of the procurements awarded either with prescribed variance limit, or as approved by City Committees.

Table 4: Awarded Procurements - Capital & Operating

| Procurement Title | Estimated Value | Awarded Value | Successful Proponent |
|--|-------------------|-------------------|-----------------------------|
| EVENT MNGT - Transportation & Mobility Officer | 800,000 | 811,535 | Arcadis |
| Geotechnical Survey | 40,000 | 40,310 | Englobe |
| Project Manager (Stadium Construction Manager) | 3,889,000 | 3,990,740 | CAA ICON |
| Temporary Seating - Stadium | 30,500,000 | 30,651,523 | Arena Events Systems |
| Toronto Stadium - Construction Manager (CCDC 5B) | 1,000,000 | 993,000 | PCL Constructors Canada Inc |
| Toronto Stadium - Design architect | 4,200,000 | 4,168,561 | Gensler Architects |
| | 40,429,000 | 40,655,669 | |

The revision to the procurement plan is to be reviewed and approved by the FIFA World Cup 2026 Subcommittee, assessing plans for spending on various elements of the event as compared against the projected expenditures of \$380 million.

Procurements undertaken in accordance with the procurement plan in Confidential Attachment 1 will be made public on an individual basis in the accordance with the processes for approval at the earliest opportunity that ensures and maintains the competitiveness of the procurement process, which may be at the time of award or following the closing of the procurement transactions.

Community Workforce Development and Business Opportunities for Local and Diverse Suppliers through FWC26 Procurement

The Social Procurement Policy is being leveraged to create opportunities through City contracts for community workforce development and local and diverse suppliers. The Social Procurement Policy requires all competitive procurements valued over \$5 million be reviewed to determine if workforce development is applicable to the procurement, based on the principles of suitability, reach, volume, and feasibility. When workforce development is applied to procurements, targets are set in five activity areas:

- Non-construction employment, which involves customized recruitment approaches for professional, administrative and technical opportunities;
- Opportunities for registered apprentices;
- Training and work-based learning opportunities;
- Subcontracting opportunities for Indigenous, Black and diverse suppliers; and
- Other employment-related activities, such as participation in job fairs.

Although the principles of suitability, reach, volume and feasibility do not all apply to the procurements related to FWC26, the six competitive procurements valued over \$5 million are being targeted for workforce development, as follows:

- The procurement for temporary the seating expansion at Toronto Stadium was awarded to Arena Event Services, Inc. The supplier has subcontracted to local supplier Tower Scaffolding for the provision of scaffolding. Local, unionized labour will be used and City staff continue to work with the suppliers to identify potential for workforce development opportunities related to this contract.
- The procurement for Construction Management Services at Toronto Stadium was awarded to PCL Constructors Canada Inc. This procurement included enhanced language requiring submission of a workforce development plan as a scored evaluation component, where bidders provided targets as part of their proposals. This procurement is currently being finalized with PCL Constructors Canada. In consultation with SDFA, City staff have provided lists of Indigenous, Black and diverse suppliers for PCL to engage for potential subcontracting opportunities.
- The procurement for Temporary Hospitality Structures and Fit-Out at Toronto Stadium also included enhanced language requiring submission of a workforce development plan as a scored evaluation component, where bidders will provide targets as part of their proposals. This contract is currently in market.
- The procurement for training field construction at Centennial Park is currently being developed by the Parks, Forestry and Recreation Division and will include the requirement for a workforce development plan. Staff will be hosting a pre-bid information session to explain social procurement to potential bidders and its importance to the City.
- The procurement for security guard services is currently being developed by the FWC26 Toronto Secretariat and will include the requirement to submit a workforce development plan. In addition, this contract will include advance notice scheduling provisions, which were piloted in 2022 and 2023 by the Fair Wage Office and found to be a successful addition to security guard contracts. Advance notice scheduling provisions require suppliers to provide workers with a two-week schedule, two weeks in advance, so they know their schedule one month in advance.

- The procurement for event management services for the FIFA Fan Festival has not yet commenced as options are also being considered to deliver this work through City Divisions to maximize city-building objectives. It will include the requirement to submit a workforce development plan, along with advance notice scheduling provisions.

In addition to workforce development, FIFA World Cup 2026 social procurement opportunities include clear strategies to maximize community benefits through diverse and inclusive supply chains. Social procurement emphasizes engagement with Indigenous, Black and diverse suppliers through targeted procurement practices, including:

- **Invitational Procurements:** Solicitations under \$133,800 will only be sent to Indigenous, Black and diverse suppliers where a minimum of three diverse suppliers are available. The award will be made to the lowest bid that meets specifications, and expanded to non-diverse suppliers only when necessary to ensure competitiveness.
- **Open Competitive Procurements:** For solicitations over \$133,800, key strategies include, where feasible, extending the bidding period to support communications, increasing social procurement points during evaluation and assessing the feasibility of set-asides in larger procurements.
- **Subcontracting Opportunities:** The City's procurement approach encourages subcontracting to Indigenous, Black and diverse suppliers in projects over \$133,800. Suppliers will be required to demonstrate commitment to diversity and identify opportunities to subcontract to Indigenous, Black and diverse suppliers.

Additional strategies that are being developed or further explored include:

- Bid discounts for Indigenous, Black and diverse suppliers;
- Proactive communications of all procurements;
- Enhanced training on how to bid; and
- Creating a process to work with uncertified Indigenous, Black and diverse suppliers.

Going Beyond FWC26 Procurement to Create Community Workforce Development, Skills Training & Employment Readiness Opportunities

In addition to FWC26 procurement contracts being used to leverage the City's purchasing power, the City of Toronto is also looking beyond FWC26 procurement to create opportunities for community workforce development and skills training opportunities.

A FWC26 Community Workforce Development Program will focus on youth employment, specifically aiming to connect opportunities to youth from Indigenous, Black and equity-deserving communities who may experience barriers to accessing the labour market. Program objectives will align with targeted actions in Council-adopted City of Toronto equity strategies such as the Reconciliation Action Plan, the Action Plan to Confront Anti-Black Racism, and SafeTO – Toronto's Community Safety & Wellbeing Plan.

Through the development of a curated FWC26 Community Workforce Development Program, youth will gain access to training, educational pathways and employment opportunities in the lead up to, during and after the FWC26 games. The program will focus on sectors such as hospitality, tourism and event management, ensuring that youth gain skills that are geared towards career growth and are transferable across various industries. The Program will collaborate closely with the City's Youth Development Unit in Social Development, Finance and Administration division, to leverage existing City of Toronto youth programs to target training and employment initiatives towards in-demand occupations. Programs include:

- Toronto Youth Job Corps (TYJC): A full-time, paid employment preparation program for youth ages 15 to 30, especially those who are facing barriers accessing employment.
- Toronto Youth Partnerships & Employment (TYPE): A mobile intensive case management program supporting youth facing complex barriers to finding employment. The program offers life stabilization supports to youth ages 16 to 29. TYPE supports a wide range of youth including Indigenous, Black, newcomer youth, youth with disabilities, 2SLGBTQ+ youth, youth experiencing gender-based violence and youth involved with the justice system.

The FWC26 Community Workforce Development Program will leverage the City's newly developed Community Benefits Workforce Intermediary approach to achieve the necessary eco-system coordination to ensure workforce development, skills training, and employment opportunities reach Indigenous, Black and equity-deserving youth. A workforce intermediary plays a strategic connector and brokering role that creates linkages between community partners, employment service providers, job seekers, employers pre-selected as "Community Benefits Employers", as well as other key players in the community benefits hiring ecosystem. The Program will build upon learnings from existing City of Toronto community benefits initiatives and workforce intermediary approach to community benefits implementation.

Consultation and Engagement

Consultation and engagement are critical and necessary as part of further developing the overarching FWC26 Community Benefits Plan, which includes FWC26 Social Procurement opportunities and a Community Workforce Development Program. Key partners engaged to date include community partners (such as Toronto Community Benefits Network and Buy Social Canada), City partners (such as Community & Employment Partnerships, Toronto Youth Cabinet, Visitor Economy Office, Youth Development Unit), and industry experts (Hospitality Worker's Training Centre, Ontario Tourism Education Corporation, Unite Here Local 75). Consultation and engagement is ongoing.

Insights from consultations have highlighted the importance of labour forecasting, relevant *and* tailored skills training and employment preparation to meet the needs of job seekers and specific labour market demands. Key themes heard through the engagement sessions to date include:

- Need to embed decent work principles into the FWC26 Community Benefits Plan.
- Foster strategic partnerships with and across local employers, community organizations, unions, and employment service providers to understand unique community workforce development challenges and solutions.
- Align the FWC26 Community Benefits Plan with local labour market needs through a collaborative and cohesive approach to community workforce development.
- Create tailored approaches to workforce development pathways that incorporate both job seekers' interests and specific labour market conditions.

In June and September 2024, City staff and FWC26 Toronto Secretariat conducted engagement with the City of Toronto's Community Benefits Advisory Group, which is convened quarterly by Social Development, Finance and Administration. Advisory group members shared thoughts on how to activate opportunities created through the FWC26 for local communities and discussed the importance of transparency and public reporting to monitor progress.

In November 2024, the FWC26 Toronto Secretariat launched the FWC26 Program Advisory Body (Community Benefits and Social Procurement). This Program Advisory Body brings together a diverse group of community, private sector, and City partners to determine actionable outcomes and meaningful impacts.

Principles for Bidding and Hosting

As precursor to a future, more comprehensive staff report laying out a set of principles for bidding on large international events ([EX12.2.17](#)), as directed by Council ([EX12.2.16](#)) a review of the decision-making processes on the FIFA World Cup 2026 with some lessons learned on good governance, transparency and accountability were identified.

Complementing lessons learned from the City's hosting of the Pan American Games as endorsed by Council, City staff continue to review and learn from the City's successful

bid for the FIFA World Cup 2026. Such lessons have informed the development of the new economic and cultural development action plans proceeding to City Council in November. Key findings include that:

- For major project bidding and hosting opportunities, dedicated teams to lead City efforts should be established at the earliest possible point in the bidding process.
- Increased staff capacity in relevant City functions like the Event Support Unit of the Economic Development and Culture Division would allow for greater and earlier community engagement.
- An online presence and social media channels should be established for the bid at an early stage to aid in transparency and community engagement.
- Opening channels for community engagement, such as volunteer recruitment, should be established early, as well.
- Indigenous engagement should be conducted meaningfully at the earliest possible stages, with a focus on access to economic opportunity.

Other lessons include that, from the onset of engagement with major events, it is recommended City Council appoint a champion to act as a project liaison to stakeholders, contribute to Council oversight, and engage all Councillors in event design and delivery. Further, the Financial Planning Division and the City's Budget Committee Chair should have direct involvement in the project at the earliest possible stages to set parameters around budget in the context of the larger City budget process. For mega events like the FIFA World Cup, the Toronto Inc. network of Destination Toronto, Toronto Global and the Toronto Regional Board of Trade, should be built into governance in an advisory capacity, as should all City essential services, as early as possible.

Conclusion

Through the ongoing efforts of staff and the FWC26 Subcommittee, strategies for cost mitigation and revenue generation will be actively pursued to ensure the City effectively manages its hosting expenses within a maximum total budget of \$380 million.

To help meet the outstanding funding requirement associated with hosting costs, the proposed temporary increase to the MAT and additional revenue sources will have a material positive impact. Moreover, the economic benefits of hosting the FWC26—such as job creation and increased tourism—will bolster Toronto's economy and provide lasting positive impacts. Staff remain committed to the ongoing monitoring and exploration of additional sources of revenue that would be directly attributable to the FWC26 with the objective of ensuring no impact to the existing property tax base.

Finally, all revisions to the procurement plan captured and recommended in the report and subsequent confidential attachment, are intended to move planning forward in a timely manner without overcommitting on items that are over budget or creating pressures elsewhere. This will allow staff to review scope and adjust accordingly to better align with projected estimates.

CONTACT

Sharon Bollenbach, Executive Director, FIFA World Cup 2026, Toronto Secretariat
Email: Sharon.Bollenbach@toronto.ca; Tel: 416-338-8779

Geneviève Sharkey, Chief Procurement Officer, Purchasing & Materials Management Division, Email: Genevieve.Sharkey@toronto.ca; Tel: 437-755-8089

Lauren Birch, Director, Financial Strategy & Policy, Office of the Chief Financial Officer & Treasurer, Email: lauren.birch@toronto.ca; Tel: 416-392-4258

SIGNATURE

Sharon Bollenbach
Executive Director, FIFA World Cup 2026, Toronto Secretariat

Geneviève Sharkey
Chief Procurement Officer

Stephen Conforti
Chief Financial Officer and Treasurer

ATTACHMENTS

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