



ADMINISTRATIVE REPORT

Report Date: January 22, 2018
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VanRIMS No.: 08-2000-20
Meeting Date: January 30, 2018

TO: Vancouver City Council
FROM: Manager of Sport Hosting
SUBJECT: United 2026 Bid

RECOMMENDATIONS

- A. THAT, subject to the below Recommendations, the City sign and deliver the Host City Agreement, Host City Declaration, Legal Opinion and any ancillary documents and the City recommend the Park Board approve of signing and delivering the related Training Site Agreement, Legal Opinion, and any ancillary documents (collectively, the "Vancouver 2026 Bid Documents") to the Canada Soccer Association ("CSA") and/or United Bid Committee ("UBC") in support of their bid (the "2026 Bid") to have Canada, Mexico and the USA jointly host the FIFA 2026 Men's World Cup in North America.
- B. THAT, subject to the below Recommendations, the City enter into a multi-party cost-sharing agreement ("Multi-Party Agreement") with the Federal and Provincial Governments (as well as other Canadian candidate cities such as Edmonton, Montreal, and Toronto, and their respective provincial governments (and possibly other bid participants) whereby Canada and/or British Columbia agrees to carry out for the City and its Park Board or reimburse the City and its Park Board for the costs of carrying out those obligations assumed by them signing the Vancouver 2026 Bid Documents (save and except for such obligations and costs such as providing the Fan Fest which would be incremental to the current City operating budget, and performing normal City and Park Board services within our normal operating budgetary framework as was done for the 2010 Winter Olympics).
- C. THAT, the Vancouver 2026 Bid Documents be delivered on such terms and conditions ("Bid Release Conditions") as are satisfactory to the City Manager and City Solicitor to ensure that the CSA and UBC are not legally authorized to release them to FIFA as part of the 2026 Bid unless and until such Bid Release Conditions are satisfied.

- D. THAT, the Bid Release Conditions be that the City has entered into a Multi-Party Agreement satisfactory to the City Manager and City Solicitor, or the Bid Release Conditions have been modified to the satisfaction of the City Manager and City Solicitor so as to provide to the City and its Park Board substantially the same degree of protection from financial and legal liability to that intended to be achieved by the Multi-Party Agreement.
- E. THAT, the City Manager and City Solicitor be authorized to execute and deliver all legal agreements contemplated by the above Recommendations (including for further certainty any related agreements between the City and other bid partners such as BC Pavilion Corporation, TransLink, or other related parties such as CSA, UBC, FIFA or any affiliates of them) and that the City Solicitor be authorized to execute and deliver all legal opinions and any ancillary documents required in connection with the Vancouver 2026 Bid Documents.
- F. THAT, no legal rights or obligations will be created by the execution and delivery of any of the Vancouver 2026 Bid Documents except to the extent authorized by the City Manager and City Solicitor in accordance with the Bid Release Conditions.
- G. THAT, if Recommendations A to F are approved, Council direct the Mayor to communicate Vancouver's support of the 2026 Bid to British Columbia and Canada and urge them to fully support Canada's inclusion in the United 2026 Bid.

REPORT SUMMARY

This report summarizes the progress of Vancouver's Host City Candidacy as part of the United Bid to host the 2026 FIFA World Cup, requests Council's consideration and direction on key issues, highlights aspects related to the bid and reviews the Host City obligations contained in the agreements required for signing to move forward. Staff have reviewed the technical aspects of the bid.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

There is no applicable Council Authority or previous decisions relevant to this report.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The energy and enthusiasm in Vancouver before, during, and after the hosting of a global sporting event, such as the 2015 FIFA Women's World Cup and the 2010 Olympic and Paralympic Games, taking place in Vancouver is amazing. These events inspire Vancouver residents to become involved in sport, they stimulate economic activity, and they show the best of Vancouver to the world.

Hosting the 2026 FIFA World Cup would align with Council priorities and represent a number of opportunities for positive improvement including:

- our continued efforts in advancing environmental sustainability
- building a foundation for future economic development
- leveraging infrastructure investments already made for the 2010 Games
- solidifying Vancouver's reputation as a world-class event host
- partnership with other North American host cities

REPORT

Background/Context

FIFA is the governing body for international soccer. The FIFA World Cup is the world's largest sporting event with a global cumulative television audience of over 26 billion people. The month-long tournament is held in June/July every four years. FIFA is currently seeking host countries for the 2026 event.

The World Cup was held in the United States for the first time in 1994, resulting in an estimated \$4 billion economic impact. The American audience and international travellers responded positively to the event accounting for 3.6 million spectators, representing ticket sales of 96 percent of the capacity for all nine U.S. host stadiums.

By 2026, FIFA's goal is for two-thirds of the globe - 5.1 billion people - to be soccer fans. For that goal to be met, a lot of those new soccer fans will need to come from North America. This underlines the huge significance of staging the event here - the implications are not just local, they are global and have the potential to transform the global game.

United Bid to Host

For the first time in the history of the World Cup, three soccer associations of three countries have decided to bid as one entity, the United Bid Committee (UBC). In April 2017, Canada Soccer, US Soccer and the Mexican Federation signed an agreement to bid together. Partners at CONCACAF (Confederation of North, Central American and Caribbean Association Football), have endorsed the concept.

In 2026, the FIFA World Cup will be even bigger - 200+ different countries will compete in qualification, 48 teams will win through to the tournament (currently the format sees 32 finalists) and there will be a total of 80 matches hosted. The UBC expects that as many as 100,000 people, many of them volunteers, will become involved in the staging of the event.

A 2026 World Cup in North America is estimated to bring more than \$5B (USD) in new economic activity to North America, which translates to a net benefit of greater than \$3B from a host cost-benefit perspective. "Free advertising" from global media exposure is estimated to add up to more than \$4.6M in equivalent advertising value per televised match on average for a city.

The UBC solicited interested cities across the three countries in July 2017. The Vancouver Host City Bid Advisory Group, through the Sport Hosting Vancouver partnership, responded to the Request for Information (RFI) indicating the City's interest in being considered as one of the host cities in the bid to hold the games in Canada. Of the 42 cities submitting the RFI, the

City of Vancouver has been selected as one of 4 Canadian cities still being considered by the UBC, along with 25 cities in the U.S and 3 cities in Mexico.

Vancouver was selected as a Canadian Host City Candidate with Edmonton, Toronto and Montreal. It is anticipated that Vancouver would host 3-5 games if the bid is successful, and if Vancouver is selected as an Official Host City. The host nation(s) for the 2026 World Cup will be named by FIFA in June 2018, and individual host cities will be selected in 2021.

In order for the UBC to comply with FIFA's requirements for a compliant bid by March 16, 2018, the UBC needs fully executed bid documents signed by each applicable Host City and its bid partners. For the City of Vancouver and its Park Board, this is a signed Host City Agreement, Host City Declaration and Training Sites Agreement. For YVR, this means a signed Airport Authority Agreement, and for BC Place Stadium/BC Pavilion Corporation this means a signed Stadium Authority Agreement.

Public Engagement - Host City Bid Advisory Group

A Host City Bid Advisory Group that includes representation from key stakeholders in the community has been formed and includes: BC Soccer, Vancouver Whitecaps FC, Tourism Vancouver, Vancouver Hotel Destination Association, PavCo, City of Vancouver (including Park Board and Vancouver Police Department), Destination BC, Translink, Vancouver International Airport and the Ministry of Tourism, Arts and Culture.

Host Country Obligations

It should be noted that FIFA has structured the proposed 2026 event differently from prior FIFA events, and from the way the International Olympic Committee structured the 2010 Winter Olympics. There will not be a locally controlled organizing committee organizing the events, venues, and receiving and spending funds.

The 2026 structure has been referred to as "FIFA 2.0" since FIFA controls all ticketing and venues and keeps all revenues generated by the event. The role of the host governments are to provide essentially only those things that only a government is able to provide.

The Host City and its bid partners will be required to provide the infrastructure and governmental services to support the games including public security beyond normal municipal policing, facilities for the media centre, operations centre, training sites for the teams, and the stadiums to host the games. In Vancouver's case, our bid partners include BC Pavilion Corporation for BC Place Stadium, Park Board for training sites being offered up by the Park Board, and Canada in support of the federal government guarantees required to be signed and delivered to FIFA by Canada in support of various services such as immigration support and security services.

Host City Obligations

The FIFA-specified Host City Agreement in particular outlines the general "governmental" services that FIFA requires to be provided by the local government and at that local government's expense.

The Host City will for example be required to plan for outdoor advertising and media, banners and decorations supporting the games, traffic management, public transportation, crowd management, ambush marketing, by-law enforcement, safety, security and fire protection.

The Host City will be required to also produce the FIFA Fan Fest - a spectator event held in the Host City for 30 days during the FIFA World Cup tournament.

In each official Host City (where matches will be staged), the Host City will play a role in various organizational and administrative tasks necessary for successful preparation, hosting, and staging of the competition events. In addition to the delivery of all obligations detailed in FIFA's Host City Agreement, the Host City will coordinate across the many relevant venue, site and public stakeholders.

Strategic Analysis

Why Bid?

The 2026 FIFA World Cup will be a once-in-a-lifetime opportunity to host another global event in Vancouver. This is an opportunity to present our beautiful and diverse city, and promote what is unique about Vancouver and the people who live and work here. The exposure presented by the World Cup will form lasting impressions for visitors and broadcast viewers, further solidifying Vancouver's reputation as a world-class event host and destination.

- **Substantial economic and media impact:** The United 2026 Bid Committee commissioned a study by the Boston Consulting Group (BCG) analyzing the potential economic impact of hosting the 2026 FIFA World Cup in North America. Broadly, the study provides the United 2026 Bid Committee with a tool to help demonstrate the many different benefits associated with hosting a FIFA World Cup™ across Canada, Mexico and the United States. BCG estimates that individual host cities could see between \$160 and \$620 million in incremental economic activity (which translates to a net benefit of approximately \$90 - \$480 million per city).
- **Opportunity for community engagement and legacy:** For the City of Vancouver, hosting the 2026 FIFA World Cup must be much more than what is hosted inside the stadium or what the score of the match is. The FIFA World Cup represents an opportunity to inspire and engage our citizens, reaching people who have no interest in soccer otherwise. For hundreds and millions of people around the world, the sport of 'football' is the ultimate cultural expression.

The initial phase of this bid and all discussions to date with Provincial and Federal Governments have focused on operational obligations as they relate to the Host City Agreements and Federal Government Guarantees. Should the UBC be successful in winning the bid for CONCACAF to host the 2026 FIFA World Cup, further discussions with the Provincial and Federal Governments will continue in the next phase of the strategic planning process that will focus on investments for a sustainable legacy.

- **Ability to host the event:** Without the United Bid joining the three nations, Canada would likely not ever have the opportunity to host a FIFA World Cup alone. We do not have the stadiums or infrastructure to support this event in our country alone. The joint bid is more compelling than if any one country tried to host independently.

- **The successful resume of hosting global events in Vancouver and the small impact hosting would have on the daily lives of residents:** This event builds on Vancouver's existing event hosting strengths and creates a foundation for economic, social and cultural legacies. Further, given that there are only a few games and some practice facilities in operation, the disruption to the city would be in line with other major events hosted in and around BC Place stadium.

DISCUSSION

The overall timelines are as follows:

January 30, 2018	Public Report and Public Council vote on Recommendations
March 16, 2018	United Bid Committee to submit bid to FIFA
June 13, 2018	FIFA to announce host of the 2026 World Cup
June 30, 2020	2026 FIFA World Cup Entity recommends 12-16 Official Host Cities
2021	Confirmation of Official Host Cities by FIFA

The FIFA World Cup agreements, as currently drafted, provide general requirements and obligations that, if Vancouver is selected as a Host City, will require modifications in order to address implementation issues specific to the City of Vancouver.

Unlike other major international events hosted in Vancouver there are no obligations for capital infrastructure related to athlete accommodations or transit improvements. The City of Vancouver will not be responsible for any necessary capital improvements related to BC Place Stadium (including any modifications concerning the playing surface).

At this time, neither the federal or provincial governments have committed support for the event. However, the four Canadian candidate host cities are working with the federal government and four provincial governments on this event including the discussions around the multi-party agreement to address concerns. Canada Soccer is leading discussions with the Government of Canada.

PavCo and Sport Hosting Vancouver are in discussions with the Government of British Columbia regarding the required provincial support if Vancouver is named as a Host City in 2021. A formal request for support has not been made at this time.

Staff have reviewed all the options that will limit the City of Vancouver's risk as a Host City, and recommend that a way forward is to enter into a Multi-Party Agreement with the Province and the Federal Government which indemnifies and releases the City for those obligations arising out of the Host City Agreements which are outside of our normal budgetary framework and mandate.

Government Collaboration - Multi-Party Agreement

The City of Vancouver has entered into discussions with the Federal Government, Provincial and Municipal Governments from the other three candidate Canadian Host Cities, and the four Airport Authorities to complete a Multi-Party Agreement. The Multi-Party Agreement is, in staff's view, required as a condition of participating in the bid process since the Host City

(similar to the 2010 Winter Olympics) is required to sign a Host City Agreement which contains obligations outside of the City's jurisdiction and financial framework.

Historical Financial Comparison

It is difficult to obtain precise numbers on the financial participation of Host City's in previous World Cup's. Once numbers are obtained, direct comparisons are also difficult because the roles and responsibilities undertaken by Host City's are so different from event to event.

Implications/Related Issues/Risk

Financial

The following provides a summary of the Host City 2026 FIFA World Cup anticipated areas of expenditure, as interpreted from the list of obligations in the Host City Agreements. In preparing for the 2026 FIFA World Cup, the City will negotiate to benefit from a number of cost sharing opportunities for its operational commitments through successful partnerships with BC Place, Translink, BC Hydro, the Province of BC, the Government of Canada, and official FIFA sponsors where available. These recoveries would reduce the City's overall investment.

Key assumptions and principles from the United Bid Committee have been described for the development of the risk associated with Host City obligations:

- Existing facilities will be leveraged (no competition stadiums to be built)
- The 2026 FIFA World Cup will be comprised of 16 Host Cities
- Assuming minimum 2 Host Cities in Canada, 1 in the East and 1 in the West, maximum hosting of 5 games in Vancouver

FIFA will not publically declare Official Host Cities until 2021. Until that time, Vancouver will continue the competitive bid process and receive further clarity on the scope of work for the obligations required in the Host City Agreement. Vancouver will also continue discussions with various levels of government to confirm how each party will contribute to the 2026 FIFA World Cup. This agreement will clearly lay out a range of issues including financial contributions, legal responsibilities and social legacies around the World Cup.

If Vancouver is named an Official Host City in 2021, staff will report back recommending the City start setting aside funds in reserve so that sufficient funds are available for the Fan Fest when the procurement cycle begins in 2024-2025. Staff will also report back on potential legacy projects and strategy leverage funding from other stakeholders and public partners to achieve benefits far beyond any partner participating alone.

It is understood that there will be incremental city services costs, such as the development and execution of a traffic management plan, wayfinding, bylaw enforcement, and potentially lost revenue, such as lost parking meter revenue. At this time costs are not determinable, as scope, responsibilities and obligations are still to be defined. As obligations are specified we will report back with estimated costs. Every effort will be made to recover incremental service costs.

It is expected that the Federal and Provincial Governments will collaborate with host cities to create a legacy framework that will align goals for health, wellness and inclusion and design together legacy programs for positive social impact.

The following outlines further detail around the largest cost areas associated with the Host City obligations:

- **FIFA Fan Fest and Legacy Programs - Estimated: \$10M-20M**

The City will be responsible to host a FIFA Fan Fest at its own cost. FIFA reserves all control over the Fan Fest but the City can charge sponsors for the services allocated to their activations. The expectation is that the Fan Fest will be open every match day of the event in every city (regardless of the match days in your city) – approx. 30-35 days of programming. Based on our prior experience with the 2010 Games, 2015 Women’s World Cup and the Canada 150+ Drum is Calling Festival, we can estimate the costs associated with producing and programming a Fan Fest in 2026. Note: estimate provided in 2018 CAD dollars.

If the recommendations in this report are approved, through the submission of the Bid Documents, the City is committing to provide and fund a Fan Fest if Vancouver is picked as a host city. It is anticipated that we will be able to leverage funding from other stakeholders and public partners to support or reduce the costs associated with the Fan Fest.

- **City Services (Operational Support during World Cup)**

As a Host City, Vancouver would be responsible for providing support to the urban domain during the World Cup. This would include police services, fire and rescue services, by-law enforcement, transportation, sanitation and beautification services, as summarized in this report. The assumption is that the City will incur incremental service costs. At this time costs are not determinable as scope, responsibilities and obligations are still to be defined. As obligations are specified we will report back with estimated costs. Every effort will be made to recover incremental service costs.

- **Safety and Security**

As currently set out in the FIFA-specified bid documents the federal government and the Host City governments are required to sign legal documents committing to be responsible for security. As with the 2010 Games, staff are recommending that the City not commit to this joint obligation without a signed Multi-Party Agreement (or similarly protective arrangement) which legally binds Canada and BC to fully fund all of the costs of this obligation over and above the City’s/VPD’s normal operating budget framework. As described currently, the HCA would hold Vancouver responsible for incremental police services that we could not control or limit.

- **Staff Support**

The City will be expected to provide a Host City Officer and other staffing roles to support the planning and execution of the event including supporting a Spectator

Services Unit, Traffic and Transportation plan development and Fan Fest support. Additionally, staff support will be required to monitor the controlled area around the stadium for ambush marketing activities. These support roles can be redeployed city staff.

- **Training Sites**

As a Host City, Vancouver would be responsible for providing Venue Specific Training Sites near the host Stadium and team accommodations. For the bidding purposes, Vancouver must propose four venue options, with the assumption that two would be chosen to service as practice venues during the tournament. The costs associated with these sites would include support facilities (media centre, locker rooms), perimeter fencing, clean venue (free of any marketing or advertising), safety and security of the venues and spectator seating. All costs associated with the Training Site will be recovered as part of the Training Site Rental Fee (as described below).

Stadium Rental Fee

As part of the Stadium Authority Agreement, a Stadium Rental Fee will allow for some of the outlined obligations to be deemed recoverable on Match Days and Match Day minus 1 (the day before the match where official practices will occur). The Host City obligations within the rental fee will be in addition to any Stadium costs associated with the obligations as outlined in the Stadium Authority Agreement. Some recoverable items through the Stadium Rental Agreement would be rental space for temporary infrastructure, parking space (for event operations and buses) bylaw enforcement on match days and construction of the Outer Security Perimeter (OSP).

Training Site Rental Fee

As part of the Training Site Rental Agreement, a Training Site Rental Fee allows for all obligations outlined to be deemed recoverable including city services and security for the duration the event requires the facilities. Exclusive use of the selected training sites would be granted 14 days prior to the start of the tournament until the last match is played in the Host City (potentially 45 days).

CONCLUSION

Hosting a World Cup in Canada would not be possible without the opportunity of a Unified Bid with North America. The joint bid is more compelling than if any one country tried to host independently. All four Canadian candidate Host Cities are collaborating and working together to win the bid for Canada, and for this initial phase do not see each other as 'competition', rather allies to meet the expedited process deadlines.

We can use the next eight years to initiate exciting legacies in the pre-World Cup period but importantly we must take measures to sustain these changes long after the Games are over; this will be the success in hosting the World Cup.

Recognizing that this is a unique scenario due to an expedited bid process, many details are still to be addressed. The bidding for matches to be hosted in Vancouver will not conclude until an Official Host City announcement in 2021. The United Bid will be submitted with more

candidate host cities than required to host the 2026 FIFA World Cup. The submission presented to FIFA March 2018 will include more candidate host cities than required, and will be reduced to 12-16 cities by FIFA in 2021.

Vancouver and its Host City Bid Advisory Group is excited to be a part of the process and staff continues to work with partners to ensure our ultimate goal of hosting official matches of the FIFA World Cup in 2026.

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