



City of Seattle

MEMORANDUM

Date: October 1, 2018

To: Traci Ratzliff, Seattle City Council Central Staff

From: Chris Swenson, Office of Film + Music + Special Events
Karl Stickel, Office of Economic Development

CC: Anthony Auriemma, Mayor's Office
Kylie Rolf, Mayor's Office

Subject: 2026 FIFA World Cup Preliminary Cost Estimates

With FIFA's June 2018 announcement that the joint USA/Canada/Mexico UNITED Bid was selected to host the 2026 FIFA World Cup, Seattle has an opportunity to be one of the Host Cities for the games. As the three host nation soccer federations have been awarded the bid, now FIFA will look to each candidate host city in the United States, Mexico and Canada, beginning the process of differentiation for final selection.

In anticipation of the prospect of participating as a Host City for this worldwide event,, the City of Seattle has been working with a group of regional organizations on Seattle's proposal for the bid. For the City of Seattle, the Office of Economic Development (OED) and Office of Film + Music + Special Events (OFM) is leading the effort. Our intent is to make sure we keep the City Council informed and engaged in the process going forward.

Many excited soccer fans have asked whether this means the World Cup will be coming to Seattle eight years from now. While Seattle is a potential candidate to host games in 2026 at CenturyLink Field (approximately three to five games), the host cities will not be determined for a few years – June 2020 at the earliest, and possibly not until 2021. In the near-term, later this Fall the City, County, Sounders FC, Seattle Sports Commission, and other local interested parties expect to learn more from the FIFA on expectations for hosting matches.

For now, we know a little about the costs and impacts of hosting the games. Following FIFA's vote, the UNITED Bid Committee disbanded and transferred Host City oversight to the US Soccer Federation, and Canada and Mexico's national governing organizations. Since then, we have received little information on timeline, requirements, or next steps from US Soccer Federation. Therefore, we have not been given further detail with which to project potential costs. We do know that while some costs to the City in hosting the 2026 FIFA World Cup may be borne by the City, unlike previous FIFA World Cup host country bids FIFA is allowing 2026 Host Cities to leverage the event to recoup non-reimbursed costs with opportunities including fundraisers and the FIFA World Cup Fan Festival. We also know that with the expansion from 32 teams to 48 teams in the 2026 tournament, Host Cities could host from three to five games throughout the tournament.

The City will not be the sole cost bearer and we would look to share in the potential costs for hosting the games. Specifically, there is widespread interest in creating a 501(c)(6) authority with other regional organizations and governments, which will oversee and inform the Host City Bid process. Following FIFA's selection of the US/Canada/Mexico UNITED Bid on July 30, the City and bid partners King County, Seattle Sports Commission, Sounders FC, and First & Goal met to discuss shared costs, practical and legal options for the formation of the local organizing committee, and which roles each organization should take once formed. The group will reconvene in October to review the legal options for the local organizing committee formation, and establish a timeline begin the formation process, which is anticipated to take 3-4 months.

One-time costs to the City may include waiving some City permitting fees, providing traffic management, and public safety costs (police escort and fire/ambulance). While every effort will be used to recoup these costs, including sharing of the burden with our regional partners and fundraising to mitigate the costs, there may be residual costs associated with hosting this event to consider. While these 2026 costs are not known at this time, OED and OFM will work with local organizing committee agencies, and the ASSET group prior to the host city selection, and subsequently with, the US Soccer Federation and FIFA if Seattle is selected as a host city, to collect more detailed information about impacts to the City for hosting the 2026 World Cup with respect to financial exposure. Specifically, OED and OFM staff will work with both the Seattle Police Department and Seattle Department of Transportation on traffic management and event planning, with Public Health-Seattle and King County and the Fire Department on medical planning for the event, with the Office of Emergency Management on public safety planning and preparedness, as well as understanding what additional permits, if any, may be needed from Seattle Department of Parks and Recreation as well as Seattle Department of Construction and Inspections. We will keep City Council Central Staff updated on this planning process, as it progresses, and include Council Staff on the FIFA planning meetings as they occur.

Attached is a brief snapshot of *preliminary* cost estimate projections of serving as a Host City for the 2026 FIFA World Cup. Projections are for game-day and event-day operations staffing based on current SPD and SFD staffing levels for projected Super Bowl size games, current City permit fee rates, recent similar permitted events with both Park and right of way use (Upstream Music Festival, Special Olympics USA Games), 2014 NFL Kick Off event with Pharrell and Soundgarden, and Special Event Olympics USA Closing Ceremony event production costs provided by the organizers. These projections are preliminary and not based on information given to us by FIFA or US Soccer Federation, but rather by reviewing similar historic events using institutional knowledge and estimates for stadium game day operations. Estimate projections for these and other ancillary work and staffing will be made during the bid planning and negotiation process, and expanded to include peer city and previous host city research.

Stadium and practice facility projections are fully recoverable from FIFA, and are included here to show full cost projections. Additionally, during the UNITED Bid process, the UNITED Bid committee indicated to potential host cities on several occasions that FIFA had reported to them, that for the first time during the 2026 cycle, FIFA would consider opportunities for host cities to potentially raise private funds through affiliated events and sponsorship to offset costs. That has not been confirmed from FIFA at this point, but is an assumption built into all potential host city planning assessments. For the purposes of

the current cost projection, the reimbursable amounts in the Fan Fest section are made presuming the entire Fan Fest financial exposure would be recoverable by raising these funds.

FIFA Process Timeline:

6/13/18 through mid-2020 (potentially as late as 2021) – With the UNITED Bid winning the 2026 World Cup, coordination and oversight for FIFA’s decision on final U.S. Host Cities (potentially 12 U.S., 3 Canada, 3 Mexico) has been transferred to the US Soccer Federation. Under its forthcoming timeline, the US Soccer Federation will work with each candidate host city to identify the actual practical execution level realities for each aspect of the bid. The UNITED Bid Committee has indicated that this period of time will be used to specifically negotiate those aspects in advance of submitting final host city list, so any issues at that point will be resolved in advance of FIFA’s approval of the host cities.

Mid-2020 (or 2021) through 2026 – The US Soccer Federation will likely take a step back to as-yet-to-be-formed organization by FIFA to operate the 2026 World Cup. While the US Soccer Federation and FIFA work to determine which cities will host FIFA World Cup matches, the City of Seattle will continue to work internally to assess the costs of potentially serving as a Host City. Below is a timeline of the City process to make those determinations, as well as the plans to keep City Council informed.

2018 City Process Timeline:

September 2018 – ASSET group convened and consulted. 2001 Council Resolution 30340 adopted a review process designed to identify major events, to timely obtain and share within the City information about such events, to include both the Executive and the City Council in the planning process for such events, to provide information on major events so that the City can purposefully plan for their fiscal impacts. Resolution 30340 advises consulting with Sports and Events Council of Seattle/King County (currently the Seattle Sports Commission) and the ASSET (A Seattle Special Events Team) group to gather information about other future major events as part of the coordination in considering major events like the 2026 FIFA World Cup. The Seattle Sports Commission submitted the 2017 RFI with Sounders FC and is a partner in Seattle’s Host City bid. After being dormant for several years, the ASSET group is in the process of reinstatement under the leadership of WFEA (Washington Festival and Events Association). ASSET anticipates designation of its chairperson and leadership board in October 2018, after which Special Event Committee Chair will begin City of Seattle interaction with ASSET regarding the 2026 FIFA World Cup Host City Bid.

October 2018 – Continue discussions on creating a 501(c)(6) Local Organizing Committee (LOC). Seattle and its partners (including King County, Port of Seattle, University of Washington, Seattle Sounders FC, First & Goal) are exploring the formation of a LOC to act as the official host entity and assume at least some of the obligations and commitments under any contracts with FIFA. Formation of a LOC was not feasible or advisable prior to the date the City’s bid had to be submitted, for a number of reasons, but it is something that we should be preparing to do relatively early in the process. The City Attorney’s Office is assisting in this effort.

October 2018 – Provide Council with update on known US Soccer Federation and FIFA expectations, particularly concerning financial costs (this memorandum).

Ongoing – Quarterly check-ins with Council Central Staff (Traci Ratzliff) on progress, highlighting any fiscal or policy concerns with planning for FIFA events in 2026. Future Council updates will be scheduled, as appropriate.

Much work remains to be done, but we are excited about the prospect of hosting several matches at one of the world's premiere sporting events in 2026. Please let us know if you would like to discuss further.