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DEPARTMENT OF
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DOANE LIU
EXECUTIVE DIRECTOR

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February 7, 2018

The Honorable City Council
City of Los Angeles
City Hall, Room 395
Los Angeles, California 90012

Dear Honorable Members:

**SUBJECT: 2026 FÉDÉRATION INTERNATIONALE DE FOOTBALL ASSOCIATION (FIFA)
WORLD CUP / BID (CF 17-1424)**

The Department of Convention and Tourism Development (CTD) respectfully submits for consideration the attached report regarding the 2026 Fédération Internationale de Football Association (FIFA) World Cup / Bid (Council File 17-1424). This report, prepared by CTD's contractor, the Los Angeles Tourism & Convention Board, presents the projected benefits and other impacts associated with being a host city to the FIFA World Cup.

Sincerely,

DOANE LIU
Executive Director

ATTACHMENT

DL:kn
Exec. Ref. No. 18-015

February 7, 2018

To: CTD & Los Angeles City Council

Re: 2026 FIFA WORLD CUP BID – LOS ANGELES

BACKGROUND

The two final competitors for the 2026 FIFA World Cup are Morocco and North America, with a decision to be awarded by FIFA in June 2018. In the event that neither Morocco or North America meet the minimum acceptable standards with their bid documents, FIFA will open up the bidding to other continents.

The City of Los Angeles is one of 32 cities in the North American bid from United States, Mexico, and Canada which have been invited by the United Bid Committee (UBC) to participate as a host city for the 2026 FIFA World Cup. FIFA requires that each host city of the North American bid, working through the United States Soccer Federation, must execute a certain mandated set of agreements including, without limitation, a Host City Agreement. The Host City Agreement, along with a Legal Opinion is due to the UBC no later than February 12, 2018.

Also required from invited Host Cities by the UBC is an Airport Agreement and a Legal Opinion signed and submitted separately by Los Angeles World Airports.

The UBC has narrowed the list of eligible U.S. cities to 25 and will submit its bid to FIFA in early March 2018. The cities are: Atlanta, Baltimore, Boston, Charlotte, Cincinnati, Chicago, Dallas, Denver, Detroit, Houston, Kansas City, Las Vegas, Los Angeles, Miami, Minneapolis, Nashville, New York/New Jersey, Orlando, Philadelphia, Phoenix, Salt Lake City, San Francisco Bay Area, Seattle, Tampa, Washington D.C.

STATUS

To ensure that Los Angeles is considered among the United States' top cities to host the 2026 FIFA World Cup, and to deliver a timely and complete submission of a Los Angeles bid, the Los Angeles Tourism & Convention Board (LATCB) has agreed to submit the Host City Agreement on behalf of the City of Los Angeles, provided that a Memorandum of Understanding (MOU) between LATCB and the City can be approved by the City of Los Angeles. To this end, the Los Angeles Tourism & Convention Board has already paid for and received the required Legal Opinion which accompanies the Host City Agreement which will be acceptable to the UBC.

Together with the Los Angeles Sports & Entertainment Commission (LASEC), the Los Angeles Tourism & Convention Board has engaged the Los Angeles Department of Convention & Tourism Development (CTD) and has received support letters from surrounding cities of Inglewood, signed by Mayor James Butts, and City of Pasadena, signed by Mayor Terry Torneck.

As a leading U.S. global gateway, the Los Angeles World Airport's Board of Airport Commissioners (BOAC) unanimously approved the Airport Agreement on February 1, 2018 because it recognized the potential economic benefits to the region and determined that "the potential benefits to LAWA and the City of Los Angeles in hosting the 2026 FIFA World Cup would outweigh the risks presented." BOAC report further states that "the limited liability clauses in the agreement would insulate LAWA from obligations it could not meet due to conflicting laws, regulations, policies, financial limitations, existing agreements with third parties and physical inability to meet the obligations."

LOS ANGELES – INTEGRAL TO NORTH AMERICAN BID

As a host city to previous FIFA World Cup games, it is difficult to imagine that a North American bid, featuring 10-12 cities within the United States, might not include Los Angeles.

Los Angeles has a proud tradition of excellence and long history of hosting major sporting events including the 1984 World Olympics, 1994 FIFA World Cup™, 1999 FIFA Women's World Cup™, and 2015 Special Olympics World Summer Games. Further, LA's recent selection as host of the 2022 Super Bowl, 2023 College Football Playoff National Championship and the 2028 Summer Olympics illustrates Los Angeles' status as the epicenter for the grandest sporting events in the world!

Los Angeles competed and won the opportunity to host these global events because of the scope and quality of its newly developed sports facilities, its wealth of entertainment, retail and dining options, state-of-the-art venues and endless sunshine year-round.

Los Angeles boasts one of the largest population of soccer aficionados in the U.S., and is one of the most internationally diverse cities in North America, offering a warm and inclusive welcome to fans from around the world.

It is the understanding of LASEC, that all of the 25 U.S. finalist cities (related entities) have submitted Host City Agreements to the UBC with the exception of Los Angeles and Washington D.C. While challenging for cities, it has been communicated that many cities have deemed the risk of liability to be very low and the potential economic benefits very high as to out-weigh the risk.

FIFA held one of the most successful FIFA World Cups ever in Los Angeles in 1994 by collaboratively working with the City of Los Angeles, LAWA and venue partners. If FIFA selects Los Angeles as a host city, it is highly expected that FIFA will work with the City of Los Angeles and LAWA to negotiate acceptable solutions to make the FIFA World Cup games in L.A. to be successful.

PROJECTED BENEFITS

LATCB and LASEC, together with the City of Los Angeles, recognize the significant benefits of hosting major sporting events. Events such as the 2014 BCS National Championship Game in Los Angeles (\$130M), 2016 College Football Playoff National Championship Game in Phoenix (\$247M) and the 2017 Super Bowl in Houston (\$347M) have generated tremendous economic impact to local communities.

Economic Benefits:

While the actual number of 2026 FIFA World Cup matches to be awarded to Los Angeles is unknown, Los Angeles is experienced at accommodating a full schedule of sporting events year-round. Los Angeles could receive three games or more with strong potential to be selected for a semi-final or finals game, which would generate increased revenues.

FIFA and the UBC project a total economic impact of \$5 billion across North America. Until the selection process is completed, it is difficult to forecast total economic benefit specific to each host city, but the 2026 FIFA World Cup events will fill thousands of Los Angeles hotel rooms, with increased spending in L.A.'s many retail, entertainment and restaurant establishments by visiting spectators, visiting teams, organizational spending, sponsor and media spending.

A recent study conducted by the Boston Consulting Group for UBC in the fall 2017 estimates that a top tier city, labeled as a "Metropolitan Mecca, could expect to see \$620M in new economic activity from being a host city. This is estimated to translate to a net benefit of \$480M after accounting for incremental tax revenue and potential host city costs. The World Cup is also projected to support 4.5K new jobs, generating worker earnings of \$150M for Metropolitan Mecca cities.

An earlier analysis of forecasted economic impacts for the 2018/2022 FIFA World Cup bid, produced by the Economics practice at AECOM, indicated that the total economic impact projected for any one host city could generate approximately \$400-\$600M based on a selection of 12 cities.

Based on assumptions and information provided by UBC and other comparable events booked in Los Angeles, LATCB estimates that the City of Los Angeles will benefit directly from TOT collections of approximately \$ 7M based on the expected use of hotels within the City of Los Angeles for five group matches and one elite match (quarter-final, semi-final, third place match, or final)

The strong economic impact forecast for FIFA World Cup games is also due to the global fan base of soccer fans which attracts more international visitors than other major events. International visitors spend more as they stay longer (pre & post game periods), and spend more than domestic visitors in Los Angeles. LAX, as the west coast

International gateway, will also benefit from incremental passengers and associated spending at LAX concessions.

Brand Marketing Value:

As a host city to the FIFA World Cup, Los Angeles will receive global attention by millions of viewers delivering positive impressions of Los Angeles around the world - essential advertising money could not buy.

Soccer is considered the biggest sport in the world with over 3.5 billion soccer fans worldwide. The last FIFA World Cup in 2014 hosted in Brazil was watched by 3.2 billion television viewers which is nearly 50% of the world's population.

FIFA estimates that host cities for the 2026 FIFA World Cup will receive nearly \$4M+ in equivalent advertising value per televised match and if Los Angeles is successful in securing the matches outlined above, the total equivalent advertising value for Los Angeles would be \$24-26M which would be un-purchasable by any city destination.

Another important benefit to Los Angeles is the opportunity to harness incremental tourism momentum gained from being a host city. Boston Research Group reported that surveys from the 2010 FIFA World Cup in South Africa indicated that 90% of tourists would consider visiting again or recommend South Africa as destination to friends and family.

Additional Community Benefits:

The FIFA World Cup games will provide Los Angeles with a unique opportunity to inspire youth and new generations of soccer enthusiasts. The UBC's theme is Innovation, Sustainability and Human Rights which aligns with the DNA of Los Angeles and underscores Los Angeles' talents in innovation, technology and creativity, its commitment to the environment and Los Angeles' embracement of diversity, inclusivity and welcome.

The Host Committee will bring local leaders from government, communities, and a variety of industries to provide opportunities for youth engagement and to maximize the cultural and social benefits of being a host city.

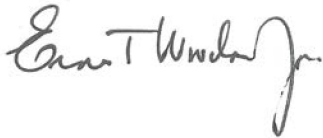
The Boston Research Group also sites the "measurable feel-good effect on host city locals with 77% of North Americans already in favor of hosting. Additional city benefits include raised international profile and a legacy of investment & innovation serving as a model for future events."

LOOKING FORWARD

The Los Angeles Tourism & Convention Board, together with the Los Angeles Sports & Entertainment Commission, look forward to supporting the City of Los Angeles' bid and the future Host Committee to enthusiastically welcome back FIFA to the Los Angeles community.

LATCB and LASEC are honored to partner with the City of Los Angeles in participating in the unprecedented Canada – Mexico – United States bid for the 2026 FIFA World Cup.

Sincerely,

A handwritten signature in black ink, reading "Ernest Wooden Jr." in a cursive script.

Ernest Wooden Jr.
President & CEO
Los Angeles Tourism & Convention Board