

Memorandum



CITY OF DALLAS

DATE November 13, 2009

TO Honorable Mayor and Members of the City Council

Thru: *RSE* Ryan S. Evans
First Assistant City Manager

SUBJECT November 18, 2009 City Council Briefing
"2018/2022 FIFA World Cup"

Attached is a copy of the "2018/2022 FIFA World Cup" briefing which will be presented to the City Council on November 18, 2009. This briefing is provided as background for the 2018/2022 FIFA World Cup November 18 agenda item submitted for your consideration.

Please contact Ryan Evans or me if you have any questions.

A handwritten signature in blue ink that reads "Paul D. Dyer".

Paul D. Dyer, Director
Park and Recreation Department

c: Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Thomas P. Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Judiciary
C. Gonzalez, Assistant City Manager
Jill A. Jordan, P. E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Dave Cook, Chief Financial Officer
Helena Stevens-Thompson, Assistant to the City Manager

2018/2022 FIFA World Cup

City Council Briefing
November 18, 2009



BACKGROUND

- Federation Internationale de Football Association (FIFA) is the governing body for international soccer
- FIFA World Cup is the world's largest sports event
 - Global cumulative television audience of over 26 billion
 - 64 soccer matches, with 32 national teams played in 10 to 14 venues
 - Tournament played in June/July over 30 days every four years
- FIFA is currently seeking host countries for the 2018 and 2022 World Cup

BACKGROUND

- 1994 FIFA World Cup held in the USA
 - \$4 billion in economic impact
 - Still holds the record for total number of spectators, 3.6 million, representing 96% of the capacity for all U.S. host stadiums
- In addition to Dallas, there were eight other host cities
 - Boston, Chicago, Detroit, Los Angeles, New York, Orlando, San Francisco and Washington D.C
- The Cotton Bowl Stadium at Fair Park hosted six matches
 - Including a quarter final match between The Netherlands and Brazil
- The International Broadcast Center for all 1994 World Cup games was located at Fair Park
 - Operated for six months and hosted 10,000 worldwide television broadcast representatives

BACKGROUND

- The USA Bid Committee (USABC) is submitting a bid to FIFA to host the games in the United States in 2018 or 2022
- Host countries for 2018 and 2022 will be selected by FIFA in December 2010
- U.S. cities solicited by the USABC and interested in hosting matches must submit detailed proposals supporting the USABC efforts to bring the games to the United States
- USABC is requiring interested U.S. cities to deliver executed FIFA-specified Host City and Stadium Agreements by November 30, 2009

BACKGROUND

- Per the Economic Research Associates' economic impact study completed in 2009 for the 2018 World Cup games:
 - Total economic impact for one Host City is projected to be \$300 - \$500 million
 - Job creation for a Host City is projected to be 5,000 - 8,000 for two to eight months

CHRONOLOGY OF EVENTS

- April 15, 2009
 - City of Dallas, through the Dallas Convention and Visitors Bureau (DCVB) responds to USABC indicating potential interest in bidding to host World Cup matches in 2018 or 2022
- July 19, 2009
 - USABC conducts site visit at the Cotton Bowl and Cowboys Stadium
- July 29, 2009
 - DCVB submits proposal to the USABC to host the FIFA World Cup in 2018 or 2022
- August 19, 2009
 - USABC informs the Mayor's Office that of 59 entries, Dallas has been selected along with 26 other cities to advance to the next stage
 - Other cities include Atlanta, Baltimore, Boston, Denver, Charlotte, Chicago, Cleveland, Detroit, Houston, Indianapolis, Jacksonville, Kansas City, Los Angeles, Miami, Nashville, New York, Oakland, Orlando, Philadelphia, Phoenix, San Diego, San Francisco, Seattle, St. Louis, Tampa and Washington, D.C

CHRONOLOGY OF EVENTS

- September 10, 2009
 - USABC informs Mayor's Office that in order for a city to be considered as a finalist in the bid book, FIFA requires that the city enter into FIFA-specified Host City Agreement and Stadium Agreement
- November 3, 2009
 - Mayor Leppert appoints James P. Graham to lead the Dallas Bid Committee
 - Graham chaired the Dallas Bid Committee and subsequent Host Committee for 1994 World Cup in Dallas
- November 10, 2009
 - Dallas delegation attends the USABC Host City Workshop in New York City

OTHER CONSIDERATIONS

- Monica Paul, Director of Sports Marketing for DCVB, has been informed by USABC that the Dallas bid should include the Cotton Bowl and the Cowboys Stadium
- If any games are played at Cowboys Stadium, Dallas will still be considered the Host City

HOST CITY AGREEMENT

- The FIFA-specified contract language expects the Host City to provide, at its own expense, with no caps or exceptions
 - All infrastructure to support the games
 - Facilities for the media center and operations center
 - Stadium and training sites
 - Outdoor advertising and media
 - Traffic management system including public transportation access
 - Crowd management program
 - Safety, security and fire protection
 - Banners and decorations promoting the games
 - FIFA Fan Fest, a spectator event held in the Host City on every game day
 - Funding to support the events

HOST CITY AGREEMENT

- FIFA-specified Host City Contractual Terms
 - Indemnification of FIFA, media and all affiliates and acceptance of all liability
 - Governed by and interpreted in accordance with the laws of Switzerland
 - Binding arbitration in Zurich, waiving all governmental immunities
 - Contract will commence on the date of execution and expire on September 30th of the year of the games
 - If stadium not located within the sole municipal jurisdiction of Host City, then neighboring city must agree to terms and conditions of Host City

STADIUM AGREEMENT

- Stadium owner is expected to provide, at its own expense, with no caps or exceptions
 - Modifications as determined by FIFA
 - No other events at the stadium for two months prior to the first match
 - 5-8% of all seating in hospitality boxes
 - A venue free of advertising
 - Two giant video screens
 - Parking for up to 12,000 cars and 4,600 buses
 - Staffing for the facility
 - Two independent power supplies
 - No third party rights to stadium concessions
 - Stadium name is changed to World Cup Stadium for the duration of the event
 - General liability insurance policies

STADIUM AGREEMENT

- FIFA-specified Stadium Agreement Contractual Terms
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LEGAL AND BUSINESS ISSUES

- City of Dallas will propose modifications to the FIFA agreements which will add flexibility and stipulate that all provisions are subject to further agreement among the parties, applicable law, and future appropriations
- City of Dallas will seek to enter into negotiations regarding additional required contracts following notification that the U.S. has been chosen as the Host Country and Dallas as a Host City and will seek to cap:
 - Infrastructure costs
 - Hospitality box seating requirements and costs
 - Insurance coverage costs
 - Technological improvement costs
 - Other costs and expenses

FUNDING OPTIONS

- State of Texas Major Event Trust Fund
- Partner with the Dallas Host City Committee to raise funds to offset costs for hosting the games
- Partner with the USABC and/or other U.S. Host Cities to offset costs or liabilities for hosting the games
- Certificates of Obligation
- General Obligation bonds

HOST CITY ECONOMIC BENEFIT

- FIFA Fan Fest held in every Host City for 30 days, attracting millions of fans
 - 2006 World Cup in Germany had 50,000 fans per City per day
- One host city will be chosen as the site for the International Broadcast Center (IBC)
 - Fair Park hosted the IBC in 1994
 - IBC hosts 10,000 broadcast media representatives for six months
 - Approximately 172,200 room nights to Dallas
 - 1994 IBC economic impact calculated at \$26 million
 - 2018 IBC economic impact estimate is \$60 million
 - 2022 IBC economic impact estimate is \$65 million
- Economic Impact of World Cup Matches
 - Four to six games at approximately \$46 million per game
 - Total \$184 – \$276 million

NEXT STEPS

- November 18, 2009
 - Consider authorizing City Manager to enter into FIFA-specified Host City and Stadium Agreements
- November 30, 2009
 - FIFA-specified Host City and Stadium Agreements are due to the USABC
- December 2009
 - Cities are narrowed down to the final 18 that will be submitted in the USABC bid
- May 14, 2010
 - USABC Bid submission to FIFA
- August 2010
 - FIFA venue inspection tour
- December 2010
 - Final decision by FIFA for host of 2018 FIFA World Cup