

# MIAMI BEACH

## COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Eric Carpenter, City Manager

DATE: December 20, 2024

TITLE: DISCUSS THE CREATION OF INCENTIVES TO ESTABLISH MIAMI BEACH AS THE LOCAL HUB FOR WORLD CUP 2026

### **RECOMMENDATION**

The Administration recommends that the Finance and Economic Resiliency Committee support the creation of incentives to establish Miami Beach as the local hub for World Cup 2026. Incentives may include waivers of special event fees, City services, square footage fees, a zone of exclusivity, and cash sponsorships in amount of \$1.5 Million.

### **BACKGROUND/HISTORY**

On July 24, 2024, at the request of Commissioner Joseph Magazine, the Mayor and City Commission approved a dual referral (C4 M) to the Finance and Economic Resiliency Committee (FERC) and the Public Safety and Neighborhood Quality of Life Committee (PSNQLC) to discuss the creation of incentives to establish Miami Beach as the local hub for World Cup 2026.

This item was discussed at the September 18, 2024 PSNQLC meeting. At that time, the committee members asked that the item be brought back at the November 2024 PSNQLC meeting to discuss possible updates from the event organizers. During the November 13, 2024 PSNQLC meeting, this item was deferred to the December meeting.

This item was also discussed at the November 8, 2024 FERC meeting. At that time, committee members requested that staff negotiate terms for an agreement with the event organizers and return to FERC when appropriate.

### **ANALYSIS**

The Fédération Internationale de Football Association (FIFA) oversees international soccer and is responsible for organizing the FIFA World Cup, which takes place every four years. As the premier global men's soccer tournament featuring 48 national teams, the FIFA World Cup is the largest sporting event in the world, surpassing the Summer Olympics, UEFA Champions League, Tour de France, Formula 1, Super Bowl, and Rugby World Cup combined in terms of audience. For the first time in history, the organization of the biggest football tournament will be divided among three (3) North American countries, the United States, Mexico and Canada. In total, 16 cities will host matches. Most of them (11) are in the USA: Seattle, San Francisco, Los Angeles, Dallas, Houston, Kansas City, Philadelphia, Atlanta, Miami, Boston and New York. The Mexican headquarters will be in Monterrey, Guadalajara and Mexico City. Finally, the Canadian venues are Vancouver and Toronto. The final is scheduled to take place on July 19, 2026.

For the 2026 FIFA World Cup, Miami-Dade County is set to host seven (7) matches at Hard Rock Stadium in Miami Gardens. These will include group stage games, a quarterfinal, and the third-place match, all scheduled between June 15, 2026 and July 18, 2026.

Beyond the matches in Miami Gardens, other venues in Miami-Dade County—such as the Miami Beach Convention Center in Miami Beach, Bayfront Park in Miami, and Barry University in Miami Shores—are expected to hold official World Cup events and activities.

This monumental event is projected to draw over 600,000 visitors to Miami-Dade County and generate a direct economic impact exceeding \$500 million. The influx of tourists and global media coverage will not only boost the local tourism industry but also provide Miami-Dade County with significant international exposure.

The Greater Miami Sports Commission, Inc. (the “Host Committee”), a Florida not-for-profit corporation, with a board of directors consisting of community and business leaders from Miami-Dade County, was formed to submit the County’s bid to host the 2026 World Cup matches and is now tasked with meeting the bid obligations.

On May 21, 2024, the Miami-Dade County Board of County Commissioners passed Resolution No. 24-0871 providing funding support during Fiscal Years 2024-25 and 2025-26 to the Host Committee for expenditures related to the FIFA 2026 World Cup matches to be held in Miami-Dade County in 2026 in an amount not to exceed \$21,000,000.00 in financial support (representing \$3,000,000.00 for each of the seven 2026 World Cup matches taking place in Miami-Dade County), an amount not to exceed \$25,000,000.00 for legally available in-kind services from certain County departments and for public safety services from the Miami-Dade County Sheriff’s Office subject to negotiations with the Office of the Sheriff in January 2025.

Subsequently, the County’s original item was amended to reflect that the cash support to be provided by the County for the FIFA 2026 World Cup matches be amended to \$10.5 million during Fiscal Year (FY) 2024-25, and that it be granted to the Greater Miami Convention and Visitors Bureau (GMCVB) for Fan Fest activations, the volunteers program, transportation services, and other public safety activations associated with the FIFA 2026 World Cup matches in the County. As a condition of the \$10.5 million cash support grant, the Grant Agreement with the GMCVB shall require focus on funding local programs with local businesses in the County and to provide a report to the Board on fundraising and activities. The County has also provided that the GMCVB be the sole authorizer and recipient of funds under the agreement. Additionally, the County will be scheduling calls with municipal teams (Miami Beach included) and FIFA event organizers to begin discussions on the 2026 event.

Currently, the Tourism and Culture Department has received a Special Event Permit application from the FIFA World Cup 2026 Miami Host Committee to hold a series of events both private and public on the Lummus Park beachfront during various weekends of World Cup 2026.

On November 15, 2024, City staff met with representatives of the FIFA 2026 World Cup Host Committee to begin negotiation discussions on the sponsorship request for the 2026 event.

Below are examples of the sponsorship and incentives discussed/requested:

#### City Sponsorship and Incentives

Based on discussions with the Host Committee team and previous City Sponsorships of large-scale events such as NFL Super Bowl, South Beach Wine and Food (SOBEWFF) and Hyundai Air and Sea Show the following incentives and sponsorship benefits may be considered:

#### City Partnership Benefits

- **Global Exposure:** Inclusion in promotional videos and b-roll, shared with over 250 international media outlets, enhancing Miami Beach’s visibility as a premiere tourist destination worldwide.

- Branding: Brand alignment with FIFA World Cup to enhance the City's brand prestige and connecting Miami Beach with the energy and excitement of one of the world's most-viewed sporting events.
- Destination Marketing: Feature in FIFA's official "Know Before You Go," Cities Guide. Positioning Miami Beach as a must-visit destination within FIFA's trusted guide, offering fans essential travel tips, highlights, and recommendations, ensuring Miami Beach is top of mind for global visitors planning their World Cup Experience. The "Cities Guide" will be available to South Florida residents and over 700,000 visitors.
- Media Row: Designate official FIFA World Cup 2026 remote broadcast locations in Lummus Park for live broadcasts (like the media outlets positioned in Miami Beach during the 2020 NFL Super Bowl). The expected credential media attendance is estimated at 5,000 to 20,000 (with final numbers in early 2026).
- Official sanctioning of FIFA and Host Committee requested corporate or special events. The Host Committee will provide sanctioning and Host Committee World Cup logo limited usage for corporate partners to host events on Miami Beach. This effort will drive preferred events to Miami Beach

#### Miami Beach Public Benefits

- FIFA World Cup Miami Launch Weekend Kickoff Concert
  - The Host Committee will produce an opening kickoff concert with top national/international talent on Friday, June 12, 2026, as the inaugural weekend of the first World Cup game played in Miami-Dade County. The concert will be free and open to the public and take place on the Lummus Park beachfront. A designated amount of resident front row/area seating to be provided.
- Official Watch Party Location
  - Designating the City of Miami Beach as an official FIFA World Cup Watch Party location. FIFA Broadcaster partner Telemundo will provide the clean feed for all games required.
- Legacy Project
  - The Host Committee is investing in two key legacy pillars-, Access to Play & Sustainability, to benefit the local community long after the tournament. The Host Committee will work to leverage fundraising and sponsorship efforts to offset the City's cost to build a high-quality pitch soccer field within the City to provide accessible spaces to youth and promote community engagement in sports. The Host Committee's financial support for the Legacy Project will be based on its fundraising activity and ability to secure a private-sector sponsor in accordance with the City's rules and procedures.
  - In coordination with the City's Parks and Recreation Department and based on current needs, the following three (3) public parks are being considered for the Legacy Project, Flamingo Park (South Beach), Fairway Park (North Beach), and Normandy Park (North Beach). Conceptual project details and preliminary budgets for each proposed park location is outlined below.
    - Flamingo Football Artificial Turf:
      - Total Estimated Cost: \$915,000
        - Only the replacement of the existing artificial turf and padding will be needed at this location.
      - Total Estimated Timeline: 18 weeks, (4.5 months)
        - Procurement – 6 weeks
        - Manufacturing Lead Time – 6 weeks

- Installation – 6 weeks (*Installation would have to be scheduled with vendor and coordinated with Recreation*)
- Fairway Park Artificial Turf:
  - Total Estimated Cost: \$821,000
    - This install would entail an all new install to include turf drainage and artificial turf
  - Total Estimated Timeline: 34 weeks, (*8.5 months*)
    - Procurement – 6 weeks
      - *Manufacturing in this scenario, would be concurrent to design/permitting and would be completed prior to end of permitting*
    - Design – 10 weeks (*5 weeks for survey, 5 weeks for design plans*)
    - Permitting – 6 weeks
    - Installation – 10-12 weeks (*Installation would have to be scheduled with vendor and coordinated with Recreation*)
- Normandy Isle Artificial Turf:
  - Total Estimated Cost: \$691,000
    - This install would entail an all new install to include turf drainage and artificial turf
  - Total Estimated Timeline: 34 weeks, (*8.5 months*)
    - Procurement – 6 weeks
      - *Manufacturing in this scenario, would be concurrent to design/permitting and would be completed prior to end of permitting*
    - Design – 10 weeks (*5 weeks for survey, 5 weeks for design plans*)
    - Permitting – 6 weeks
    - Installation – 10-12 weeks (*Installation would have to be scheduled with vendor and coordinated with Recreation*)

#### City Sponsorship

- Event Sanctioning
  - Establish a Miami Beach FIFA “Clean Zone,” also known as a zone of exclusivity to provide the FIFA World Cup 2026 Miami Host Committee with approval rights for any proposed events in the established Clean Zone to insure against ambush marketing and clean zone adherence. The Clean Zone will have the following borders (Exhibit A):
    - East to West from Washington Avenue to the beachfront
    - North to South from 5 Street to 22 Street
    - 15 Street to Jefferson Avenue to Dade Boulevard (including Lincoln Road)
    - Harding Avenue east to the beachfront between 70 to 75 streets (including the Miami Beach Bandshell and Sand Bowl)
- Waiver of Special Event Fees
  - Waiver of special event application fees, permit fees, vehicle beach access pass fees, square footage fees, Lummus Park user fees, Police Department off-duty administrative fees, Fire Department off-duty administrative fees, and the beach concession fees.
- Sponsorship of City Services
  - In-kind services of up to \$500,000 to include Miami Beach Police, Fire, Sanitation, and other event related city services
- Cash Sponsorship
  - An amount of up to \$1.5 million in sponsorship funding
  - It is proposed that 50% (\$750,000) be provided in Fiscal Year 2025 and the

remaining 50% (\$750,000) be budgeted and appropriated for Fiscal Year 2026.

- Waiver of Pouring Rights Exclusivity
  - Provide a waiver of the Pepsi Co pouring rights during the FIFA World Cup activations on Miami Beach

Should the Mayor and City Commission wish to create incentives for the FIFA World Cup 2026, funding would need to be identified and appropriated in the FY 2025 and/or FY 2026 budget.

### **FISCAL IMPACT STATEMENT**

The proposed special event sponsorship includes \$500,000 in in-kind services; waivers of special event fees; and a cash sponsorship in the amount of \$1.5 million over Fiscal Years 2025 and 2026. Funding for incentives has not been identified within the FY 2025 Budget. The Host Committee is also committed to engaging in fundraising activities to identify a private sponsor to offset the City's costs related to a Legacy Project to improve a City park facility and promote soccer.

### **Does this Ordinance require a Business Impact Estimate?** (FOR ORDINANCES ONLY)

The Business Impact Estimate (BIE) was published on .

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

### **FINANCIAL INFORMATION**

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### **CONCLUSION**

The Administration recommends that the Finance and Economic Resiliency Committee (FERC) discuss and support the creation of incentives to establish Miami Beach as the local hub

for the FIFA World Cup 2026. Incentives may include waivers of special event fees, City services, square footage fees, in amount not to exceed \$500,000 in in-kind services and cash sponsorships in an amount not to exceed \$1.5 million.

### **Applicable Area**

South Beach

**Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?**

No

**Is this item related to a G.O. Bond Project?**

No

**Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying?** No

If so, specify the name of lobbyist(s) and principal(s):

### **Department**

Tourism and Culture

**Sponsor(s)**

Commissioner Joseph Magazine

**Co-sponsor(s)**

**Condensed Title**

Discuss Creation of Incentives to Establish Miami Beach as Local Hub for World Cup 2026