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World Cup could cost Santa Clara \$38M after 49ers' opaque deals, city attorney warns council

By Lance Williams, [Ron Kroichick](#) May 17, 2024

Santa Clara stands to lose up to \$38 million hosting the World Cup at Levi's Stadium in 2026 because of deals signed by [San Francisco 49ers](#) president Al Guido, the city attorney warned City Council members.

Until now, Santa Clara officials balked at revealing how they plan to pay for hosting six World Cup matches at the publicly owned stadium, releasing only heavily redacted financial documents and rebuffing requests for information under the state Public Records Act.

But city attorney Glen Googins privately told council members this month that Santa Clara faces multimillion-dollar losses on the event, according to city records and a Chronicle source familiar with internal communications.

Googins believes FIFA, soccer's world governing body, obtained highly favorable deals from the city and the Bay Area Host Committee, according to the source, who asked not to be identified given the sensitive nature of the information. The host committee, a 49ers-affiliated nonprofit, sponsored the region's World Cup bid.

The city will rent the stadium to FIFA for \$12 million to \$14 million under terms of the deal, Googins reported to the council. But the cost of hosting the matches could reach \$50 million, he warned, including an estimated \$14 million for police services alone.

There's no easy way for Santa Clara to close the deficit. A local ordinance, Measure J, bars spending city funds to underwrite stadium events.



Fans watch during a 49ers game at Levi's Stadium in Santa Clara in 2017. The venue is set to host six soccer matches for the 2026 World Cup.
Tony Avelar/Associated Press

Googins told council members he believes he can solve the problem, the source said, by negotiating a deal with the Bay Area Host Committee under which it would receive the \$12 million to \$14 million in stadium rent. Then the nonprofit would guarantee the police costs and agree to pay for all other World Cup expenses, possibly through fundraising.

If no deal can be reached with the host committee, Googins suggested to the council, the city could withdraw from the World Cup at the risk of being sued for breach of contract by FIFA. City Manager Jovan Grogan and the 49ers both have said the city will be reimbursed for any costs incurred in hosting the World Cup.

Googins, in a statement emailed Friday to the Chronicle, described "active negotiations" with the Bay Area Host Committee, the 49ers and FIFA regarding the costs for World Cup events. He said the host committee has

agreed to reimburse the city for public safety costs, “with the details for this and many other terms still under negotiation.”

Googins also promised the terms of any agreement would be presented to the City Council, with the opportunity for public input.

In its own statement, the Bay Area Host Committee said it has been working with city staff for 13 months on an agreement “to protect the city’s finances consistent with Measure J,” according to spokesperson Mitch Germann. The statement also said the organization “looks forward to finalizing that process soon.”

A 49ers spokesperson did not respond to a request for comment from Guido.

The city’s World Cup commitments involve two agreements with FIFA, both signed in 2018 and revised four years later. During that time, Guido also was president of the 49ers’ stadium management company, which runs Levi’s Stadium under contract with the city, and president of the host committee. He signed the 2022 amendment on behalf of both entities.

Guido is no longer president of the host committee, though he still serves as president of the organization’s board of directors.

For years, 49ers critics have complained that Guido’s multiple roles amounted to an illegal conflict of interest when it came to the World Cup agreements. Last month, three of those critics wrote to Santa Clara County District Attorney Jeff Rosen, urging him to investigate Guido for alleged conflicts. The DA said he would gather information about the issue.

The deal with FIFA setting the stadium rent at \$12 million to \$14 million is called the stadium agreement. Though the deal appears to commit the city to renting the stadium at the agreed price, the terms of the agreement were never presented to the City Council for approval, Googins reminded council members, according to the source.

Santa Clara Mayor Lisa Gillmor, after receiving a heavily redacted copy of the stadium agreement in September, said she feared the city might face “millions of dollars” in World Cup expenses. At the time, Gillmor accused the 49ers’ stadium management company of withholding crucial financial information about hosting the soccer matches.

A month later, in October, the Chronicle reported on a proposed “Information Sharing and Event Cooperation Agreement” between the 49ers, FIFA and the city designed to keep key World Cup financial documents from public view.

Under its terms, City Council members cannot view documents unless they sign a pledge to “protect” the information from public disclosure. Gillmor and council member Kathy Watanabe, both longtime 49ers critics, refused to sign.

Gillmor declined to discuss information she received on a “confidential matter,” but she did echo her previous reservations about the World Cup deal.

“It’s no secret I share the public’s concerns about the financial risks and conflicts of interest for the World Cup,” Gillmor told the Chronicle. “It is important those issues be discussed publicly with our residents.”

Watanabe said she didn’t know about the World Cup loss projections. “I didn’t sign the NDA,” she said, referring to the non-disclosure agreement.

Santa Clara’s other relevant deal with FIFA is the host city agreement. Googins has told council members little about its contents, but FIFA has sought to make other World Cup cities pay for a long list of expensive services.

In Los Angeles, FIFA asked the city to pay for all police, fire, security and medical services — not only at the stadium, but also at team training sites and team hotels, according to an unsigned copy of that host city agreement. Los Angeles also was asked to pay for a World Cup fanfest and provide free public transit for FIFA officials, reporters and ticket holders on game days.

New York/New Jersey’s agreements with FIFA include providing police escorts for teams, referees and FIFA President Gianni Infantino, the Athletic reported last week. The owner of MetLife Stadium in New Jersey, site of the 2026 final, also must “meet deadlines for upgrades or construction to get the venue ready for the tournament, at no cost to FIFA,” according to the report.

Cost estimates are available for only a handful of other host cities, and they vary widely. Vancouver, British Columbia, expects net costs up to \$145 million Canadian (roughly \$106.5 million U.S.), a Canadian government official said last month. Toronto officials estimated their World Cup expenses at \$380 million (about \$279 million U.S. dollars) earlier this month.

FIFA contends the World Cup generates millions in revenues for businesses in host regions and creates thousands of jobs, but it’s also expensive to stage. A 2018 report by city of Los Angeles analysts cited estimates a city could expect some \$480 million in “new economic activity” from hosting the event, but at a potential cost of more than \$100 million.

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