



AGENDA REPORT

TO: Jestin D. Johnson
City Administrator

FROM: Ashleigh Kanat
Director, Economic &
Workforce Development

SUBJECT: Transient Occupancy Tax Sharing
Agreement with the Oakland Roots &
Soul Soccer Club

DATE: October 9, 2025

City Administrator Approval


Jestin Johnson (Oct 17, 2025 10:08:23 PDT)

Date: Oct 17, 2025

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Negotiate And Execute A Transient Occupancy Tax Sharing Agreement With Oakland Pro Soccer LLC In An Amount Not-To-Exceed Three Hundred Thousand Dollars (\$300,000) To Support The Attraction Of A World Cup Team To The Oakland Roots & Soul Soccer Club Training Facility During The 2026 World Cup Tournament

EXECUTIVE SUMMARY

In June 2026, the International Federation of Association Football (FIFA) Men's World Cup Tournament (Tournament) will be held in North America. The Oakland Roots & Soul Soccer Club (Roots & Soul) is competing to have its training facility designated as a Team Base Camp training site. The main benefit to the host community and surrounding area of being selected as a Team Base Camp is the visitor activity and associated economic impact generated by the thousands of fans interested in following their team, especially one that is highly ranked. However, to be selected, the Roots & Soul, in their capacity as host, will be expected to carry costs estimated at approximately \$700,000, in addition to facility and field upgrades. This proposed resolution would enable the Roots & Soul to share up to a maximum of \$300,000 from the incremental Transient Occupancy Tax (TOT) anticipated to be generated in the City of Oakland (City) above a baseline amount of \$1,355,084 in the General Fund. Adoption of this item improves the competitiveness of the Roots & Soul proposal to FIFA by allowing them to finalize their financial plan and demonstrate readiness while allowing the City to benefit from direct and indirect economic benefits of a local Team Base Camp.

BACKGROUND / LEGISLATIVE HISTORY

In June 2026, the FIFA Men's World Cup Tournament will be held throughout North America in Canada, Mexico, and the United States. Roots & Soul has been approached by FIFA to have its training facility, the former Oakland Raiders Training Facility in Alameda, designated as a Team Base Camp training site. While the closest games will be played at Levi's Stadium in Santa

CED Committee
October 28, 2025

Clara, each World Cup team needs a Base Camp as a location to stay and train throughout the Tournament. With the sale of the Harbor Bay Facility finalized, the Roots & Soul now have a permanent home, known now as the UCSF Health Oakland Roots and Soul Performance Center. The Facility offers an 18,000-sq.ft. indoor training space and five acres of outdoor sports fields.

Given the East Bay's favorable climate, the Roots & Soul facility's close proximity to Oakland International Airport, the region's hotel capacity, a strong and engaged fan base, and a dynamic cultural landscape encompassing arts, food, and entertainment, FIFA representatives have indicated that the facility is well-positioned to attract a highly-seeded team that would utilize the site as a Base Camp for a significant portion of the Tournament.

The main benefit to the host community of being selected as a Team Base Camp is the visitor activity and associated economic impact generated by the thousands of fans interested in following their team, especially one that is highly ranked. Based on past World Cup events, FIFA projects an average of 30,000 hotel nights in the immediate vicinity of the training facility. This number is based on FIFA's experience for training facilities that are not particularly nearby to the game day venue, similar to the distance between Levi's Stadium and the Roots & Soul Facility.

Fans will also be drawn to at least one community-based event with the visiting team at the training facility, and depending on the selected team, likely other events that will be curated in partnership with the team. This is in addition to activities such as World Cup watch parties and Roots & Soul sponsored events.

While the presence of a Team Base Camp will provide economic opportunity to the community, hosting a team results in a significant financial cost to the Roots & Soul, as the organization would be responsible for providing a high level of service for the duration of the Tournament (24-7 security, elevated field maintenance, significant physical space and associated support, on-call technology support, maintenance and other services, etc.) that exceeds the compensation offered by FIFA. The Roots & Soul anticipate an operating cost gap of at least \$700,000 beyond their need to invest approximately \$5 million in field upgrades. They are therefore seeking partnership with the City and surrounding jurisdictions, including the City of Alameda and the County, to support and close the financial gap.

ANALYSIS AND POLICY ALTERNATIVES

Given the potential economic benefits and fiscal impact to the City from visitor activity if the Root & Soul facility is selected as a Team Base Camp training site, staff estimates there could be a significant increment in TOT revenue above the June 2025 General Fund baseline of \$1,355,084, as discussed below. The month of June was selected as a baseline because while the tournament officially begins on June 11, 2026, teams report to their Team Base Camp training sites about two weeks ahead of the start. The last local game will be played at Levi Stadium on July 1, 2026. To support staff's ability to easily measure the impact, the month of June is selected.

While there are several ways to structure a tax sharing agreement, staff recommends sharing up to \$300,000 above the June 2025 baseline. If the increment is less than \$300,000, all of the increment would go to the Roots & Soul, but the City would not be committing to filling the gap. If the increment is more than \$300,000, the City would share back the first \$300,000 to Roots & Soul and the rest would go to the City's General Fund.

By specifying a baseline amount of TOT revenue to the City's General Fund, this proposal does not adversely impact the City's financial situation relative to June 2025 conditions. Furthermore, this analysis and recommendation is solely based on the base TOT rate of 11%. The City's full TOT rate is 14%, comprised of the base 11% that goes to the General Fund pursuant to Ord. 11629 C.M.S. established in 1993 plus a 3% surcharge that was approved through Measure C to fund arts and tourism as directed by Resolution 81855 C.M.S. adopted in 2009. Only the base 11% that goes to the General Fund would be used for the tax sharing agreement, since the 3% surcharge is a special tax designated only for the following arts and tourism entities: 50% to the Oakland Convention and Visitors Bureau and 12.5% each to the Oakland Zoo, Oakland Museum of California, Chabot Space & Science Center, and Cultural Arts Programs & Festivals.

Staff worked with Roots & Soul, consulted with Visit Oakland and analyzed a range of baseline and incremental possible increases in TOT revenue. Staff concluded that a reasonable maximum amount of TOT increment to share back with Roots & Soul is \$300,000, as discussed below.

TOT Baseline and Increment Scenarios

FIFA estimates demand for 30,000 hotel nights in the immediate vicinity of the training facility during the month-long Tournament. In the larger City market, there are approximately 15,000 hotel rooms, approximately 5,000 of which are located in the City. Conservatively speaking, only about 20% to 30% of the City's room inventory, or 1,000 to 1,500 rooms are considered "premium" quality — the kind most desired by international visitors and World Cup fans.

To estimate an appropriate not-to-exceed amount, staff evaluated a range of scenarios. **Table 1** below shows that Oakland's supply of "premium" rooms is 45,000 room nights for the approximate duration of the Tournament (1,500 rooms x 30 days) and more than enough to meet the demand of the Tournament. The baseline occupancy experienced in June 2025 was approximately 65%, according to Visit Oakland, and the full 14% baseline TOT for June 2025 consisting of 11% General Fund (1010) and 3% Measure C TOT Fund (2419) amounts to \$1,724,683.19. While achieving 100% occupancy is not realistic, the *potential* increment is 35%. With a nightly room supply of 1,500 *premium* rooms and incremental occupancy of potential of 35% for a 30-day tournament, the number of incremental room nights could be as high as 15,750. **Table 1** documents the TOT yield assuming 50%, 75%, and 100% occupancy of the premium rooms and a nightly room rate range of between \$200 and \$250 as suggested by Visit Oakland.

Table 1 Illustrative Fiscal Impact

"Premium" Inventory in Oakland	1,500	rooms	
Incremental Occupancy Potential	35%	based on June 2025 occupancy of 65%	
Duration of Tournament	30	days	
Incremental Room Nights	15,750	room nights	
Supply Capacity	45,000	room nights	
Demand Based on FIFA Estimate	30,000	room nights	

Capture of Incremental Room Nights Number of Room Nights	Scenarios		
	50%	75%	100%
	7,875	11,813	15,750
Average Rate @ \$200/room night	\$200	\$200	\$200
Room Revenue	\$1,575,000	\$2,362,500	\$3,150,000
TOT Base Rate @ 11%	\$173,250	\$259,875	\$346,500
Average Rate @ \$250/room night	\$250	\$250	\$250
Room Revenue	\$1,968,750	\$2,953,125	\$3,937,500
TOT Base Rate @ 11%	\$216,563	\$324,844	\$433,125

Sources: FIFA; Visit Oakland; EWDD.

The analysis shows that if the City's "premium" rooms are 100% occupied at a room rate of \$200, the 11% TOT rate would generate \$346,000. At a room rate of \$250, 100% occupancy would yield \$433,000. If 75% of the incremental premium rooms are occupied, the TOT yield could range from \$259,875 to \$324,844. If only 50% of the incremental rooms are occupied, the TOT yield could range from \$173,250 to \$216,563. Visit Oakland anticipates that the City's supply of "premium" rooms would be very attractive to international travelers and World Cup fans, and while 100% occupancy is an aggressive assumption, it is not inconceivable given that the premium rooms would be among the first to be booked.

Based on this analysis, staff recommends an allocation of TOT to the Roots & Soul in an amount not-to-exceed \$300,000. Staff believes there is the strong possibility of upside to the City both in terms of incremental TOT relative to June 2025 conditions as demonstrated in **Table 1**, as well as additional economic benefit to the City in the form of increased spending at restaurants and shops and increased visibility of the City on an international stage.

As such, adopting this Resolution advances the Citywide priority of **housing, economic, and cultural security**.

Alternatives

There are at least three alternatives:

- 1) Adopt a resolution authorizing the City Administrator to negotiate and execute a Transient Occupancy Tax Sharing Agreement with Roots & Soul in an amount not-to-exceed \$300,000, consistent with staff recommendation.
- 2) Adopt a resolution authorizing the City Administrator to negotiate and execute a Transient Occupancy Tax Sharing Agreement with Roots & Soul in a different amount or according to different terms.
- 3) Do not adopt a resolution authorizing the City Administrator to negotiate and execute a Transient Occupancy Tax Sharing Agreement with Roots & Soul, which would leave the soccer club with financial obligation that would need to be addressed through other means (e.g., fundraising).

FISCAL IMPACT

The World Cup Tournament is planned to occur during the month of June 2026 (with the last local game played on July 1 in Levi Stadium). In any given year, June TOT is not due until July. There is usually some delay as paper renewals/ payments are put in system, but by the third week or so of July, the full increment, and thus the amount to be shared back to the Roots & Soul, will be known. As specified in the Resolution, the amount will not exceed \$300,000.

The assumption is that in the absence of another major visitor draw, any increment experienced in June 2026 is attributable to the World Cup Tournament activity, and but for the Roots & Soul's commitment to hosting a Home Base Team, the City would not benefit from the economic and fiscal benefits of the incremental visitor activity. Beyond the incremental TOT anticipated from hotel stays, the City's restaurants and retailers are expected to benefit, generating incremental sales tax as well. The TOT revenue generated for the June 2026 lodging will be booked in July 2026 (Period P01-27) and then, as has been standard practice, accrued back into Fiscal Year 2025-26.

PUBLIC OUTREACH / INTEREST

The Economic Workforce and Development Department worked with the Roots & Soul and Visit Oakland, the City's Visitor and Tourism Bureau, to prepare this analysis and report. Before granting an economic development subsidy in the amount of One Hundred Thousand Dollars (\$100,000) or more, each local agency shall provide public notice and a hearing regarding the economic development subsidy and shall prepare and place on file a summary of the transaction contemplated, pursuant to Section 53083 of the California Government Code. Members of the public will have the opportunity to comment on the recommendation at the Community & Economic Development Committee (CED) meeting on October 28, 2025.

COORDINATION

To prepare this agenda report, the Economic and Workforce Development Department coordinated with the City Administrator's Office, the Office of the City Attorney, and the Revenue Division of the Finance Department.

SUSTAINABLE OPPORTUNITIES

Economic: The primary reason for the recommended TOT sharing agreement is to help fund the investment that Roots & Soul will need to make to have their training facility selected as a Team Base Camp. This will allow the City and the surrounding area to benefit from the economic impact and visitor activity generated by thousands of traveling fans. FIFA estimates that hosting a Team Base Camp during the Tournament creates or sustains between 160 and 210 full-time-equivalent jobs.

Environmental: No direct environmental opportunities were identified.

Race & Equity: No direct race and equity opportunities were identified.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator To Negotiate And Execute A Transient Occupancy Tax Sharing Agreement With Oakland Pro Soccer LLC In An Amount Not-To-Exceed Three Hundred Thousand Dollars (\$300,000) To Support The Attraction Of A World Cup Team To The Oakland Roots & Soul Soccer Club Training Facility During The 2026 World Cup Tournament

For questions regarding this report, please contact ASHLEIGH KANAT, DIRECTOR, at (510) 238 - 4973.

Respectfully submitted,



Ashleigh Kanat (Oct 15, 2025 11:57:33 PDT)

ASHLEIGH KANAT
Director, Economic & Workforce
Development Department