

File No. 240032

Committee Item No. 15

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

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Completed by: Brent Jalipa Date January 18, 2024,

Completed by: Brent Jalipa Date \_\_\_\_\_



January 9, 2024

Supervisor Connie Chan  
Chair, Budget and Finance Committee

Dear Supervisor Chan,

In November, San Francisco hosted the 30th Asia-Pacific Economic Cooperation (“APEC”) Leaders’ Summit, the largest gathering of international leaders in San Francisco since the signing of the U.N. Charter in 1945. The Special Events Committee, a 501(c)(3) nonprofit dedicated to planning, supporting, and implementing special events in San Francisco raised over \$20 million in donations to host APEC. To date, the Committee has expended around \$14 million and the remaining amount will be granted to the City through an Accept & Expend resolution introduced by the Mayor today.

This grant will cover a portion of costs City departments incurred in supporting APEC. Departmental costs not absorbed within operating budgets total around \$12.8 million:

<b>Direct City Costs Not Absorbed by Departments</b>	
Police Overtime	8,784,000
Sheriff Staffing	1,940,000
Additional Ambulance Units (DEM)	415,000
Other SFPD Costs - Transportation, Food Per Diem, Mutual Aid Per Diem, IT Equipment, Staging Areas	1,671,000
<b>Total</b>	<b>\$12,810,000</b>

To cover the balance, I respectfully request the release of \$6.5 million budgeted in General City Responsibility from Budget and Finance Committee reserve and to schedule the A&E by no later than January 24.

<b>Sources Available to Cover City Costs</b>	
Gift from APEC Special Events Committee (A&E)	6,286,293
Release of General Fund on Committee Reserve	6,523,707
<b>Total</b>	<b>\$12,810,000</b>



As you know, \$10 million in total was appropriated in the FY 2023-24 budget to help the City cover costs related to the APEC. Because the specific events, schedule, and requirements of the City for APEC were still in preliminary planning stages at the time the Mayor's budget was introduced in June, these funds were placed on Committee reserve pending further detail. This fall, you agreed the reserve funds would be released following the event when a final accounting of costs incurred by City departments could be presented.

Now that the event has concluded, these funds will be allocated to City departments, including the San Francisco Police Department, the Sheriff, and the Department of Emergency Management.

We look forward to using this opportunity to share more information about this unprecedented international event, the participation of City departments, and the benefits it brought to San Francisco.

Sincerely,

A handwritten signature in cursive script that reads "Anna Duning".

Anna Duning  
Budget Director, Mayor's Office

<b>Item 15</b> <b>File 24-0032</b>	<b>Department:</b> Mayor’s Office
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**EXECUTIVE SUMMARY**

**Legislative Objectives**

- The requested release of reserves authorizes \$6,523,707 in spending from General City Responsibility funds reserved for Asia-Pacific Economic Cooperation conference (APEC) expenditures. The funding would be transferred to the Police, Sheriff, and Department of Emergency Management.

**Key Points**

- APEC took place in over a week in November 2023. Event costs totaled \$14.2 million and were funded by private donations to the San Francisco Special Events Committee, a non-profit responsible for arranging large civic events in the City. The Committee raised \$20.5 million, therefore a sum of \$6.3 million remains as a gift available to the City. A companion resolution (File 24-0025) would authorize the Police Department to accept and expend those funds.
- Net costs incurred by City Departments totaled \$25.4 million, of which \$21 million was primarily funded by the General Fund. The FY 2023-24 budget set aside \$10 million in General Fund monies, of which \$6.5 million is being requested for release to reimburse costs incurred by the Police, Sheriff, and Emergency Management.

**Fiscal Impact**

- The Mayor’s Office has determined that the Sheriff, Police, and Department of Emergency Management incurred expenditures beyond typical operations, totaling \$12,810,000, of which \$6,523,707 would be compensated by the requested release reserves and the remaining \$6,286,293 will be funded by funds donated by the Special Events Committee.

**Policy Consideration**

- Three City Departments generated revenue from APEC: the Port and Moscone Center generated rental income, and the Airport estimates that incremental revenue from APEC visitors partially covered the associated increase in Airport costs. Our review did not uncover any Citywide agreements for reimbursing City costs. The federal grant program that reimbursed other cities that hosted similar events is no longer available.
- If the requested \$6,523,707 release of reserved funds is approved, there will be a remaining reserve balance in the General City Responsibility Fund of \$3,476,293. The Board could consider budgeting the funds in next year’s budget, increasing reimbursements to City Departments, or providing funds to businesses that can demonstrate financial losses due to APEC.

**Recommendation**

- Approve the requested release of reserves.

**MANDATE STATEMENT**

City Administrative Code Section 3.3(j) states that the Budget and Finance Committee of the Board of Supervisors has jurisdiction over the City’s budget and may reserve proposed expenditures to be released at a later date subject to Board of Supervisors approval. The practice of the Board of Supervisors is for the Budget and Finance Committee to approve release of funds placed on reserve by the Committee, without further Board of Supervisors approval.

**BACKGROUND**

In November 2022, San Francisco was selected to be the host city for the 30<sup>th</sup> Asia-Pacific Economic Cooperation (APEC) Economic Leaders’ Summit. The summit was anticipated to be the most high-profile diplomatic event in San Francisco in nearly 80 years, drawing leaders from 21 economies surrounding the Pacific Rim.

**Preparation**

In the year leading up to APEC, the San Francisco Special Events Committee<sup>1</sup> and the Mayor’s Office of Protocol worked closely with the United States Secret Service, State Department, and select City departments to arrange APEC events for the week of the summit. In June 2023, the Mayor’s Office anticipated potential costs to City departments at \$29 million. Given APEC 2023’s designation as a National Special Security Event (NSSE), half of the anticipated costs to host were attributed to security and incident management. The \$29 million in anticipated costs included \$12 million to cover the food, lodging, and overtime of an additional 2,000 law enforcement personnel in addition to the \$4 million in overtime expenditure estimates for San Francisco Police and Sheriff.

To cover these costs, the FY 2023-24 – FY 2024-25 budget proposed to the Board of Supervisors included a \$10 million set aside General City Responsibility funds to reimburse departments for costs incurred above and beyond typical operations. The appropriation was subsequently approved and placed on Budget & Finance Committee Reserve. Furthermore, the Board of Supervisors approved a resolution in May 2023 (File 23-0507) to provide a Behested Payment Waiver for the Mayor, Chief of Protocol, and officers from the Mayor’s Office and Office of Economic and Workforce Development to solicit private donations for APEC costs. By the time APEC occurred, the Special Events Committee had raised \$20.4 million in private funds.

**APEC Events**

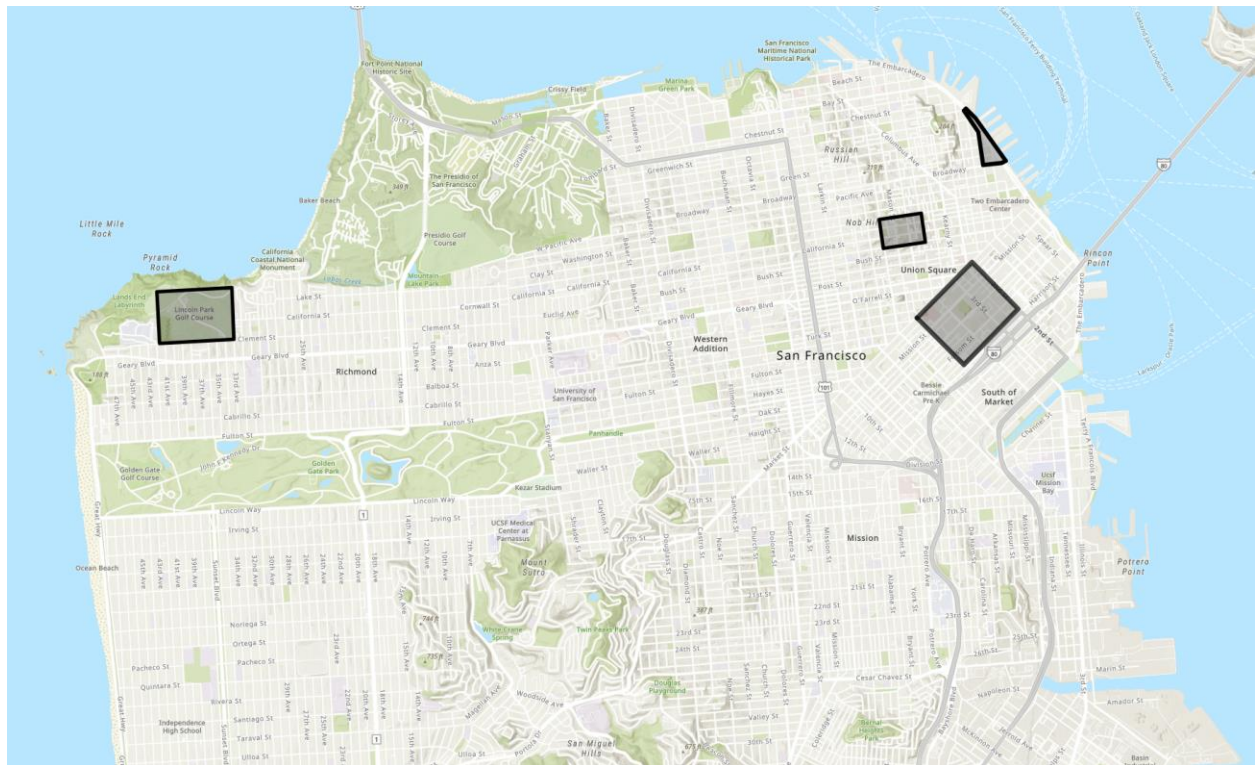
APEC took place from November 11 through November 17, 2023, with events sponsored by the Host Committee throughout the week. Gatherings between guest foreign dignitaries were the

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<sup>1</sup> The San Francisco Special Events Committee is a 501(c)(3) nonprofit public benefit corporation that oversees planning, support, and implementation of San Francisco special events of civic or cultural importance. The SEC is a separate entity from the honorary APEC Host Committee.

most impactful to the City, given the amount of planning, security, and resources required to host events in compliance with U.S. Secret Service and State Department mandates. As pictured in Exhibit 1 below, the City implemented security zones throughout San Francisco to establish secure perimeters for special events. The Moscone Center served as the nexus for most APEC-sponsored gatherings over the week at the Legion of Honor, Pier 29, and City Hall hosted supplementary meetings and events for APEC officials. The Fairmont Hotel, which lodged several high-profile guests throughout the week, also maintained an established security perimeter for the summit.

**Exhibit 1: APEC Security Zones**



Source: BLA

Notes: Security zones are marked in black and grey.

As shown in Exhibit 2 below, the San Francisco Special Events Committee spent \$14,173,707 on APEC-related expenditures in preparation for and during the November 2023 summit. The expenses were funded by privately-raised funds, which totaled \$20,460,000, therefore a sum of \$6,286,293 remains as a gift available to the City.<sup>2</sup>

<sup>2</sup> Per the Mayor’s Office, up to \$6.5 million could be made available pending final invoices.

**Exhibit 2: Actual APEC Expenditures**

<b>Cost</b>	<b>Amount</b>
Hotels for First Responders	\$949,062
State Department Advance Trip	77,689
Events	8,350,112
Consulting	785,800
Marketing & Printing	1,374,268
Delegate Hospitality	743,753
Project Management	405,440
Volunteer Support	112,133
Administrative Support	150,000
CEO Summit Tickets	300,000
APEC Community Building Events	100,000
Moscone Leaders Summit Meals	300,000
Contingency	525,450
<b>Total</b>	<b>\$14,173,707</b>
<b>Total Fundraised</b>	<b>\$20,460,000</b>
<b>Total Available Gift to City</b>	<b>\$6,286,293</b>

Source: Mayor's Office

A companion resolution (File 24-0025) would authorize the Police Department to accept and expend a grant in two payment installments in the sum of up to \$6.5 million from the San Francisco Special Events Committee to partially reimburse Police overtime expenses. The proposal outlines an initial payment of \$5 million would be paid to the Police Department shortly following the resolution, and up to \$1.5 million would be made available once final invoices have been paid for by the Special Events Committee.

### DETAILS OF PROPOSED LEGISLATION

The requested release of reserves authorizes \$6,523,707 in spending from General City Responsibility funds reserved for APEC expenditures. The Mayor's Office plans to work order the funding to City departments with APEC-related expenditures above and beyond their expected operating obligations.

#### Departmental Expenditures and Activities

Estimated actual expenditures incurred by the City for services in support of hosting APEC total \$26.3 million, as shown in Exhibit 3 below. Consistent with cost estimates from the preparation phase of the summit, the majority of City APEC expenditures fall under law enforcement and emergency preparedness. Cost estimates may not include all planning activities.

**Exhibit 3: Summary of City Department APEC Spending and Revenues**

<b>Department</b>	<b>Spending</b>	<b>Revenue</b>	<b>Net Costs</b>
Administrative Services*	\$1,214,101	\$2,059,817	(\$845,716)
Airport*	\$464,187	\$350,000	\$114,187
Emergency Management	\$1,018,925	\$0	\$1,018,925
Public Health	\$115,360	\$0	\$115,360
Public Works	\$2,609,170	\$0	\$2,609,170
Economic & Workforce Dev.	\$134,552	\$0	\$134,552
Fire	\$927,679	\$0	\$927,679
Police	\$13,853,085	\$0	\$13,853,085
Police – Airport*	\$1,298,072	\$0	\$1,298,072
Port*	\$175,891	\$528,255	(\$352,364)
Recreation & Parks	\$3,178	\$0	\$3,178
Sheriff	\$1,983,519	\$0	\$1,983,519
Technology	\$279,814	\$0	\$279,814
MTA*	\$2,248,556	(\$1,963,553)	\$4,212,110
<b>Total</b>	<b>\$26,326,089</b>	<b>\$974,519</b>	<b>\$25,351,571</b>

Source: BLA survey of City departments

Notes: Departments with a "\*" indicates primarily non-General Fund spending. The Port and City Administrator (the Moscone Center operator) received more revenue than they spent, indicated by negative net expenditures.

As shown above, Citywide net costs incurred by City Departments total \$25.4 million, of which \$21 million was primarily funded by the General Fund.

Details regarding department spending and revenues are included in an Appendix to this report.

**Citywide Revenue**

A full understanding of Citywide revenue from hosting APEC will not be available until at least March 2024, once sales tax data for November 2023 has been confirmed and reported by the Controller's Office. However, according to the San Francisco Travel Association, hotel revenue from the week of APEC totaled \$54 million, representing a 46 percent revenue increase from the same week in November 2022. The incremental hotel tax revenue generated and directed to the General Fund is \$2.4 million. Furthermore, additional visitors and movement within the city during the time in which APEC took place is expected to have an impact on tax revenue. Crossing data from the Bay Bridge revealed a 3.3 percent decrease (or 114,000 fewer trips) in car traffic into the city during November 2023 versus November 2022. BART daily station exit data for San Francisco showed an 8.1 percent increase in trips (31,000 more trips) for November 11 through 17, 2023, relative to the same week in 2022. Additionally, the Airport reported an additional 30,000 increase in visitors relative to the week prior to APEC.



**FISCAL IMPACT**

The Mayor’s Office has determined that the Sheriff, Police, and Department of Emergency Management incurred expenditures beyond typical operations, totaling \$12,810,000, of which \$6,523,707 would be compensated by the requested release reserves and the remaining \$6,286,293 will be funded by funds donated by the Special Events Committee.

**Exhibit 4: Proposed Sources for Departmental APEC Reimbursement**

Source	Amount
<b>Sources</b>	
Special Events Committee (File 24-0025)	\$6,286,293
Requested Release of Reserved Funds (File 24-0032)	\$6,523,707
<b>Total Sources</b>	<b>\$12,810,000</b>

Source: Mayor’s Office

Exhibit 5 below shows the planned allocation of the departmental reimbursements.

**Exhibit 5: Proposed Reimbursements for Departmental APEC Spending**

Department	Net Expenditures	Proposed Reimbursement	Unreimbursed Costs
Airport*	\$114,187		\$114,187
Emergency Management	\$1,018,925	\$415,000	\$603,925
Public Health	\$115,360		\$115,360
Public Works	\$2,609,170		\$2,609,170
Economic & Workforce Dev	\$134,552		\$134,552
Fire	\$927,679		\$927,679
Police	\$13,853,085	\$10,455,000	\$3,398,085
Police – Airport*	\$1,298,072		\$1,298,072
Recreation & Parks	\$3,178		\$3,178
Sheriff	\$1,983,519	\$1,940,000	\$43,519
Technology	\$279,814		\$279,814
MTA*	\$4,212,110		\$4,212,110
<b>Total</b>	<b>\$26,549,651</b>	<b>\$12,810,000</b>	<b>\$13,739,651</b>

Source: Mayor’s Office, BLA Survey of Department Spending

Notes: Departments with a “\*” indicates primarily non-General Fund spending. The City Administrator and Port are excluded from this table because they did not have unreimbursed costs.

Of the \$13.7 million in unreimbursed costs, we estimate that approximately \$8.1 million was funded by the General Fund. Including the \$6.5 million intrafund transfer from the City’s General Fund APEC Reserve, APEC events cost the City \$14.6 million in General Fund costs.

**POLICY CONSIDERATION**

**No Citywide Reimbursement Agreements**

Three City Departments generated revenue from APEC: the Port and Moscone Center generated rental income, and the Airport estimates that incremental revenue from APEC visitors partially covered the associated increase in Airport costs. The remaining City Department net expenditures total \$26.6 million, which will be reduced to \$20.3 million following the \$6.3 million donation from the Special Events Committee. Our review did not uncover any Citywide agreements for reimbursing City costs. Instead, the FY 2023-24 budget set aside \$10 million in General Fund monies, of which \$6.5 million is being requested to reimburse costs incurred by the Police, Sheriff, and Emergency Management.

**Other Municipalities**

The Budget and Legislative Analyst conducted a review of major diplomatic international events hosted by U.S. cities to compare how other municipalities structured their funding sources and uses. The most recent relevant examples include APEC 2011 in Honolulu, Hawaii, and NATO 2012 in Chicago, Illinois. Following their respective events, both municipalities received between \$7-\$15 million in federal reimbursement for costs associated with directing city resources to provide labor and security for the event. However, it appears that the relevant grant program is no longer funded in the federal budget.

**Remaining Reserve Funds**

If the requested \$6,523,707 release of reserved funds is approved and directed to the Police Department, the Sheriff’s Office, and the Department of Emergency Management as intended, there will be a remaining reserve balance in the General City Responsibility Fund of \$3,476,293. The Board of Supervisors may consider the following actions related to that reserve balance: (1) do not spend the remaining \$3.4 million funds and allow them to be carried over to the following fiscal year; (2) increase departmental reimbursements to cover a greater proportion of the unreimbursed costs incurred by APEC that are not included in the Mayor’s reimbursement plan; and (3) allocate funding to small businesses in the APEC security zones that can demonstrate reduced revenues due to security challenges and fewer patrons.

**RECOMMENDATION**

Approve the requested release of reserved funds.

**Appendix: City Department Spending Detail****Exhibit 6: Actual Expenditures for the Sheriff's Office**

Dept.	Cost	Offset Amount	Offset Description	Activities
Sheriff	\$1,983,519	\$1,940,000	* Reimbursement from reserve fund	* Event staffing * Overtime

Source: BLA survey of City departments

APEC-related expenses incurred by the Sheriff's Office (SHF) total \$1,983,519. Ninety-seven percent of these expenditures were allocated to salaries and mandatory fringe benefits, and a total of \$929,022 was spent on overtime hours. SHF Chief Financial Officer Patrick Leung reported that Sheriff Deputies were deployed to staff APEC-sponsored events, provide security detail for guest dignitaries, and facilitate crowd control throughout the city, as needed. The remaining 3 percent of SHF expenditures include costs for electrical maintenance, food, and garage rentals.

All SHF APEC expenditures were sourced from the department's General Fund account. The Mayor's Office intends to reimburse SHF for \$1,940,000, effectively decreasing APEC costs to the Sheriff to \$43,519.

**Exhibit 7: Actual Expenditures for the Police Department**

Dept.	Cost	Offset Amount	Offset Description	Activities
Police	\$13,853,085	\$10,455,000	* Up to \$6.5 million SEC reimbursement * 4.2 million from reserve fund	* Event staffing * Overtime

Source: Mayor's Office

SFPD did not submit APEC expenditures to the Budget and Legislative Analyst or provide the requested mutual aid agreements with other law enforcement agencies. The \$13.8 million in incurred costs shown above represent data from the City's financial system and include overtime (\$7.8 million), other wage and benefits (\$4.3 million), and non-personnel costs (\$1.7 million) for meals for San Francisco and mutual aid law enforcement officers and preparation of staging areas for crowd control. According to the Police Department, the City's mutual aid agreements with the California Highway Patrol, which provided 1,100 officers, and other law enforcement agencies, as well as its labor agreement with the San Francisco Police Officers Association, all required meals and/or per diem benefits for officers working this special event.

**Exhibit 8: Actual Expenditures for the Department of Emergency Management**

Dept.	Cost	Offset Amount	Offset Description	Activities
Em. Mgmt.	\$1,098,462	\$415,000	* Reimbursement from reserve fund	* Providing additional ambulance units * Staffing and overtime

Source: BLA survey of City departments

As shown above, the Department of Emergency Management (DEM) incurred APEC-specific costs totaling \$1,018,925. Approximately half of these expenses are attributed to the Memorandum of Understanding (MOU) between DEM and the State of California Emergency Medical Services Authority, which provided DEM with additional emergency services personnel and ambulances. The final invoice from EMSA has not yet been calculated and shared with the BLA. However, the MOU indicates the final amount incurred by DEM is not to exceed \$550,000. The remaining expenditures include costs of labor, non-personnel services, and materials for additional DEM administration, emergency services, and communication that took place during the week of APEC.

A total of \$1,018,925 in expenditures and encumbrances were charged to the department’s General Fund, and an additional \$79,537 was sourced from DEM’s Homeland Security special revenue fund. DEM expects to receive \$415,000 in reimbursements from the APEC reserve fund.

**Exhibit 9: Actual Expenditures for the Department of Public Works**

Dept.	Cost	Offset Amount	Offset Description	Activities
Public Works	\$2,609,170	None	None	* Building maintenance * Street cleaning and inspection * Landscaping and beautification

Source: BLA survey of City departments

The Department of Public Works (DPW) reported APEC-related incurred costs totaling \$2,609,170. Estimates shared by Deputy Director Bruce Robertson indicate expenses are attributed to labor and materials for street cleaning (\$777,626), street inspection (\$2,872), the emergency operations center (\$14,253), greening and landscaping (\$316,716), building maintenance (268,691), and graffiti removal/beautification (\$306,084). Mr. Robertson further reported to the BLA that DPW continues to process all non-labor invoices, so the estimates are subject to revision. 74 percent of reported actual expenditures were funded from General Fund accounts with the remaining 26 percent funded by a state grant. DPW did not share how these costs will be absorbed into the budget but notes that the street cleaning expenditures given include typical cleaning crew expenses.<sup>3</sup>

<sup>3</sup> In a phone conversation with the BLA, Deputy Director Robertson clarified that while additional street cleaning services were provided in preparation for and during APEC, street cleaning expenses shown are for Zone B, where main APEC activities occurred, and where cleaning services would be performed regardless.

**Exhibit 10: Actual Expenditures for the Office of the City Administrator**

Dept.	Cost	Offset Amount	Offset Description	Activities
Administration	\$1,214,101	\$2,059,817	* Moscone Center revenue	* Staffing Moscone

Source: BLA survey of City departments

As shown above, the City Administrator (ADM) incurred a total of \$1,214,101 in APEC-related expenses. Deputy City Administrator Katharine Petrucione informed the BLA that ADM spent a total of \$211,907 in staff time on APEC-related activities and, additionally, reimbursed the Moscone Convention Center Operator for \$1,002,194 in costs. ADM did not provide a detailed accounting of these reimbursed expenses. ADM reported \$2,059,817 in revenue from the Moscone Convention Center following the summit and generated a net revenue of \$845,716.

Ms. Petrucione further indicated that ADM's FY 2023-24 budget included \$414,676 in costs and \$957,800 in revenue.

**Exhibit 11: Actual Expenditures for the Department of Public Health**

Dept.	Cost	Offset Amount	Offset Description	Activities
Public Health	\$115,360	None	None	* Additional staffing * Extended service hours

Source: BLA survey of City departments

The Department of Public Health (DPH) incurred a total of \$115,360 in APEC-related costs. According to DPH manager Emily Gibbs, 100 percent of these expenses are attributed to additional program and project staffing. In preparation for and during APEC, DPH: (1) extended hours at the Maria X Martinez Health Resource Center;<sup>4</sup> (2) coordinated additional staff hours to support the Departmental Operations Center and Emergency Operations Center; (3) employed additional street teams hours to provide direct support for people experiencing homelessness in APEC areas; and (4) designated additional public health inspectors to ensure safety of food and street vendors at and around APEC. There was no pre-approved budget for APEC and DPH plans to absorb all costs into their overall budget.

**Exhibit 12: Actual Expenditures for the Department of Technology**

Dept.	Cost	Offset Amount	Offset Description	Activities
Technology	\$279,814	\$21,224	* Pending SFPD reimbursement	* Staffing

Source: BLA survey of City departments

As shown above, the Department of Technology (DT) incurred \$279,814 in costs associated with APEC. According to DT Budget Manager Karina Yip, all of the department's expenditures are from

<sup>4</sup> The Maria X Martinez Health Resource Center provides low-barrier urgent care and transitional primary care for individuals experiencing homelessness. The program is part of DPH's Whole Person Care Initiative.

salaries and mandatory fringe benefits required to staff APEC-specific projects. Of these expenses, \$258,590 in work order hours were charged to the department’s annual authority control. An additional \$21,224 in work hours were attributed to labor costs for the Police Department. Ms. Yip reported that these costs are expected to be reimbursed by SFPD depending on available funds. If SFPD is unable to issue a fund transfer, DT will absorb the costs under their General Fund continuing authority control account.

**Exhibit 13: Actual Expenditures for the Office of Economic & Workforce Development**

Dept.	Cost	Offset Amount	Offset Description	Activities
Economic & Workforce Dev	\$134,552	None	* 95,000 reimbursement from SF Port	* Staffing * Ambassador services

Source: BLA survey of City departments

The Office of Economic and Workforce Development (OEWD) incurred a total of \$134,552 in APEC-related costs. Additional department staffing comprises \$35,552 of these expenditures while the remaining \$99,000 was spent to provide ambassador services to support large-scale downtown events and bring foot traffic to the waterfront. OEWD reports they will receive full reimbursement from the Port for these ambassador services and will absorb the remaining expenses into their operating budget.

**Exhibit 14: Actual Expenditures for Non-General Fund Departments**

Dept.	Cost	Offset Amount	Offset Description	Activities
Airport	\$464,187	\$350,000 <sup>1</sup>	* Revenue from APEC visitors	* Staffing * Additional security * Signage and marketing
Police – Airport	\$1,298,427	\$0	None	* Overtime
Port	\$175,891	\$528,255	* Pier 29 rent revenue	* Staffing * Additional security
MTA	\$4,212,110	None	None	* Staffing, maintenance, foregone garage and parking citation revenue

Source: BLA survey of City departments

Notes: <sup>1</sup> Projected estimate.

As shown above, the Airport and San Francisco Port incurred costs of \$464,187 and \$175,891, respectively during the week of APEC. Salaries and mandatory fringe benefits represented 85 percent of APEC-related expenditures for the Airport, which include labor and overtime attributed to additional staffing. Remaining expenditures are reported to come from costs for AirTrain wraps, marketing materials, signage for clear wayfinding, and additional safety and security set-up. In their response to the BLA, the Airport expects to generate \$350,000 in marginal revenue, based on an approximate 30,000 increase in passengers from the week prior to the

summit. Incurred costs not covered by additional revenue will be absorbed by the Airport's operating annual control fund. In addition, the Airport Police spent \$1.3 million, primarily on overtime.

Labor costs for event coordination, oversight, and cleanup make up 71 percent of the Port's APEC expenses. Remaining expenditures include \$20,000 in additional security for Fisherman's Wharf, \$11,000 in materials and supplies, and \$20,000 in communications infrastructure costs, all of which were paid from the Port's operating fund. Additionally, the U.S. Secret Service entered into a lease with the Port to host a reception at Pier 29 for President Biden and other distinguished guests. The event generated nearly \$530,000 in revenue for the department.

The Municipal Transportation Agency reported \$1.8 million in staffing costs, \$0.5 million in community ambassadors and towing costs, \$0.4 million in foregone garage revenue, and \$1.6 million in foregone parking citation revenue related to APEC.

### **Other Departments**

We also requested information from Recreation and Parks Department (RPD) and Fine Arts Museum (FAM) regarding their APEC spending, but they did not respond to our inquiries. We consulted information from the financial system, which we included in the body of our report and which indicates that RPD spent \$3,178 in staffing costs. FAM did not track any APEC spending despite holding an event at the Legion of Honor.

# Asia-Pacific Economic Cooperation

| APEC  
SF23 |



Photo by Sheng L



## What is APEC?

- The Asia-Pacific Economic Cooperation, or APEC, is the leading forum in the Asia-Pacific to facilitate trade and investment, economic growth, and regional cooperation.
- In 2023, the United States government served as chair economy for the Asia-Pacific Economic Cooperation (APEC) forum 2023. San Francisco was the host City.
- The meetings focused on regional economic issues, including sustainability, digitalization, women's economic empowerment, trade facilitation, energy security, food security, and health.

## What is the CEO Summit?

- The APEC CEO Summit 2023 occurred in San Francisco, November 15 – 17, overlapping with the APEC Leaders' Summit.
- The Summit brought 1,200 international CEOs, thought leaders, and other stakeholders together with political leaders from the Asia-Pacific for three days of robust dialogue and engagement on global challenges.

San Francisco Travel team received an email from the State Department requesting San Francisco to apply as the host City of 2023. SF Travel asked State Department to provide details on the opportunity and the other cities they were soliciting bids from. The list of other cities included:

- Chicago, IL
  - Honolulu, HI
  - Albuquerque, NM
  - Seattle, WA
  - Los Angeles, CA
- San Francisco was enthusiastically determined to host APEC 2023, aiming to reignite civic pride and revitalization after the challenges posed by COVID.
  - The goal was not only to host but to lead a narrative change, positioning San Francisco as a global hub of innovation, technology, and entrepreneurship.
  - We aimed to showcase our diverse and vibrant economy, embodying the spirit of the Asia-Pacific region, and to set a new standard for hosting international events.

# The Special Events Committee

- The San Francisco Special Events Committee is a 501(c)(3) nonprofit dedicated to planning, supporting and implementing San Francisco special events of civic or cultural importance. The Committee is funded by private donations and receives no City funding.
- For the past 40 years, the Committee has partnered with the City to organize major iconic events such as Fleet Week and the Giants World Series Parade.
- The Committee works with the Office of Protocol to ensure the success of such events. The Office of Protocol is led by San Francisco Chief of Protocol Maryam Muduroglu. The Chief of Protocol is a volunteer position and was previously held by Charlotte Shultz. The Committee is led by Chair Thomas Horn.
- The Committee worked with various City officials to raise over \$20M in donations from philanthropic organizations and private companies in support of APEC. The Board of Supervisors approved this fundraising in a behested payments waiver, and sponsor donations are publicly reported.
- The Committee held the donations and collaborated with the City on spending the funds to provide event planning, consulting, logistics, and support for APEC participants and first responders.

# APEC Sponsors

<b>Total Fundraised</b>	<b>\$20,460,000</b>	
Apple	Graton	Orrick
Autodesk	Jennifer Fonstad	PG&E
Bank of America	John Pritzker Family Fund	Prologis
Barbro Osher	JP Conte	Ripple
Blue Diamond	Kaiser Permanente	Salesforce
California Chamber of Commerce	Lisa Pritzker	Street Media
Deloitte	Lyft	Sutter
Doordash	Martha Conte	SV Angel
East West Bank	MEBO	SV Angel
Emerson	Meg Whitman	Thomas Steyer
Emerson	META	United
Fisher Family	Mimi and Peter Haas	Visa
Florence Fang Family Foundation	NVIDIA Corporation	
Google	OpenAI	
Gordon Getty	OpenTable	

# Summary of APEC Funds and Costs

<b>Total Fundraised</b>	<b>\$20,460,000</b>
<b>Special Event Committee Costs</b>	
State Department Advance Trip	\$77,689
Hotels for First Responders	\$949,062
Events	\$8,350,112
Consulting	\$785,800
Marketing & Printing	\$1,374,268
Delegate Hospitality	\$743,753
Project Management	\$405,440
Volunteer Support	\$112,133
Administrative Support	\$150,000
CEO Summit Tickets	\$300,000
APEC Community Building Events	\$100,000
Moscone Leaders Summit Meals	\$300,000
Contingency*	\$525,450
<b>Total Special Events Committee Costs</b>	<b>\$14,173,707</b>
<b>Total Confirmed Available for Gift to City</b>	<b>\$6,286,293</b>

\*Up to \$6.5M Could be made available pending final invoices

# Summary of APEC Funds and Costs

<b>Direct City Costs not Absorbed by Departments</b>	
Police Overtime	\$8,784,000
Sheriff Staffing	\$1,940,000
Additional Ambulance Units (DEM)	\$415,000
Other SFPD Costs - Transportation, food per diem, mutual aid per diem, IT equipment, staging areas	\$1,671,000
<b>Total</b>	<b>\$12,810,000</b>

<b>Sources Available to Cover City Costs</b>	
Gift from APEC Special Events Committee (A&E)	\$6,286,293
Release of General Fund on B&F Committee Reserve	\$6,523,707
<b>Total</b>	<b>\$12,810,000</b>

## An important *historic* moment for San Francisco since 1945

- APEC 2023 was the first time this many foreign leaders were in San Francisco at one time since the 1945 signing of the UN Charter.
- APEC had a big impact on the city, not only in economic terms, but in solidifying our position as a global hub for investment and opportunity.
- APEC gave San Francisco the opportunity to promote the city to a global audience and build on this moment to continue to position San Francisco as a world class, innovative, and resilience city that can rise to the occasion when it come to welcoming events of this magnitude.

## Diplomatic and economic outcomes

- **Golden Gate Declaration:** The declaration emphasizes our commitment to a resilient and sustainable future for all member economies. This year, we're focusing on the US theme of 'Creating a Resilient and Sustainable Future for All,' addressing new challenges and exploring innovative responses.
- **CEO Summit** led to many important panel discussions and engagements establishing once again San Francisco as the heart of Innovation and AI Capital of the world.
- **Tourism Boost:** The success of APEC is expected to boost tourism to San Francisco from the Pacific Rim.
- **Economic Benefits for the City and its Businesses.**

Thank You & Questions



**Summary of APEC Costs and Funding Sources**  
**January 2024**

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