

1 [Asia-Pacific Economic Cooperation - Behested Payment Waiver]

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3 **Resolution authorizing the Office of the Mayor, Office of Economic and Workforce**
4 **Development, and Chief of Protocol to solicit donations from various private entities**
5 **and organizations to support the City hosting the Asia-Pacific Economic Cooperation**
6 **Summit, notwithstanding the Behested Payment Ordinance.**

7

8 WHEREAS, San Francisco will serve as the host city for the 30th Asia-Pacific
9 Economic Cooperation (“APEC”) Leaders’ Summit, in November, 2023, to be attended by
10 President Biden, various heads of state, and other officials from around the world; and

11 WHEREAS, APEC consists of 21 member economies and is the leading forum in the
12 Pacific Rim for promoting trade, investment, economic growth and cooperation throughout the
13 region; and

14 WHEREAS, The economies that will be represented in this year’s APEC Leader’s
15 Summit include the United States, Canada, China, the Philippines, Japan, Singapore and
16 Thailand; the Summit will focus on regional economic issues, including sustainability,
17 digitalization, women’s economic empowerment, trade facilitation, energy security, food
18 security, and health; the APEC meetings will also include the APEC CEO Summit, bringing
19 together company CEOs, thought leaders and other stakeholders together with political
20 leaders from the region for three days of robust dialogue and engagement on global
21 challenges including climate change, equitable growth and supply chain resilience; and

22 WHEREAS, APEC members account for approximately 40 percent of the global
23 population and nearly half of global trade; as of 2021, fellow APEC members were the
24 destination for more than 60 percent of U.S. goods exports; in addition, seven of the top 10
25 U.S. overall trading partners are also members; and

1 WHEREAS, San Francisco is widely recognized as a gateway to the Asia-Pacific
2 region, with long-standing and extensive economic, cultural and academic connections to the
3 region; and

4 WHEREAS, Asian Americans account for about a third of San Francisco's total
5 population, and San Francisco has Sister City relationships with cities throughout the region,
6 including Osaka, Seoul, Ho Chi Minh, Manila, Sydney, and Shanghai; San Francisco's
7 Chinatown is the first in North America and one of the largest Chinese communities outside of
8 Asia; and

9 WHEREAS, San Francisco currently hosts over 75 consulates, representing the
10 government interests of virtually all major countries around the world; over half of the APEC
11 member economies have a consulate or trade office in San Francisco; and

12 WHEREAS, San Francisco is a premier destination for foreign direct investment from
13 the Asia Pacific region; each year, the San Francisco Customs District logs about \$100 billion
14 dollars from two-way shipping with APEC members; northern California firms sell an
15 estimated \$60 billion dollars of goods and services to APEC buyers; and

16 WHEREAS, The APEC Summit is estimated to generate nearly \$37 million dollars in
17 economic benefit to San Francisco; the APEC Summit will be held at the newly renovated
18 Moscone Center and will draw thousands of attendees from around the world; and

19 WHEREAS, The COVID-19 pandemic took a great toll on San Francisco's economy,
20 particularly in terms of international travel; as of February 2023, San Francisco International
21 Airport (SFO) reported international checkpoint numbers at only 80% of pre-pandemic levels;
22 travel from Asia has been particularly impacted; calendar year enplanements from Asia to
23 SFO in 2022 were down 59.6% from 2019; flights from Asia have the highest economic
24 impact on the Bay Area with the top markets in Asia exceeding the economic impact of top
25 markets in Europe by over 50% per flight; and

1 WHEREAS, It is expected that around 10,000 people will come to San Francisco for
2 APEC, almost entirely on overseas flights; San Francisco Travel estimates that 6,000 San
3 Francisco hotel rooms will be used by APEC participants alone, excluding journalists and
4 other visitors; and

5 WHEREAS, APEC will generate significant business for San Francisco's hotels,
6 restaurants, shops, and arts and cultural centers, providing a boost to San Francisco's
7 economic recovery; APEC will also deepen San Francisco's ties to the Asia Pacific region and
8 further promote San Francisco as a global capital of trade, technology, policy innovation, and
9 culture; and

10 WHEREAS, The Office of the Mayor, the Office of Economic and Workforce
11 Development and San Francisco Chief of Protocol and War Memorial Trustee Maryam
12 Muduroglu are working with San Francisco Travel and other civic leaders to help organize an
13 APEC Host Committee to prepare for the Summit and position the City for the opportunities it
14 presents, including by hosting related events such as receptions for foreign leaders and
15 officials, conference panels and other meetings for participants to discuss policy and trade;
16 and

17 WHEREAS, The APEC Host Committee would operate as a nonprofit entity and
18 fundraise from firms, foundations and other organizations that will participate in the APEC
19 Summit or are otherwise APEC stakeholders; and

20 WHEREAS, The Office of the Mayor and the Office of Economic and Workforce
21 Development both partner with organizations, including potential APEC stakeholders, often
22 through grant agreements; and

23 WHEREAS, The Office of the Mayor, the Office of Economic and Workforce
24 Development and Chief of Protocol Maryam Muduroglu seek a waiver of the City's Behested
25 Payment Ordinance (Campaign and Governmental Conduct Code, Sections 3.600 et seq.) to

1 the extent it restricts the Mayor, Chief of Protocol Muduroglu and officers and employees of
2 the Office of the Mayor and the Office of Economic and Workforce Development from
3 soliciting financial support or in-kind goods or services, from persons or entities that would be
4 considered interested parties, for the APEC Host Committee or to otherwise support the
5 APEC Summit; now, therefore, be it

6 RESOLVED, That under Section 3.620(f) of the Campaign and Governmental Conduct
7 Code, the Board of Supervisors hereby waives application of the Behested Payment
8 Ordinance as to the Mayor, Chief of Protocol Maryam Muduroglu and officers and employees
9 of the Office of the Mayor and the Office of Economic and Workforce Development so that
10 they may solicit donations from private organizations and philanthropists to support the APEC
11 Summit; and, be it

12 FURTHER RESOLVED, That granting this waiver serves the public interest by
13 promoting economic growth, innovation and tourism in San Francisco and strengthening the
14 connection between San Francisco and the Asia Pacific region; and, be it

15 FURTHER RESOLVED, That granting this waiver does not create an appearance of
16 impropriety.