



MEMORANDUM

August 8, 2025

TO: MEMBERS, PORT COMMISSION
Hon. Gail Gilman, President
Hon. Stephen Engblom, Vice President
Hon. Willie Adams
Hon. Steven Lee
Hon. Ken McNeely

FROM: Elaine Forbes
Executive Director

SUBJECT: Request approval of the First Amendment of and fee-waiver for License No. 17173 with Pacific Cruise Ship Terminals LLC for the periodic use of approximately 20,000 square feet of Pier 19 shed for terminal worker parking during cruise calls at Pier 27 with a remaining term of nine months.

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution No. 25-41

EXECUTIVE SUMMARY

Pacific Cruise Ship Terminals LLC (PCST) is a California limited liability company, which is the Port of San Francisco's (Port) cruise terminal operator under the terms of Terminal Management Agreement and License No. 15874 (TMA) dated September 17, 2014. Under the terms of the TMA, PCST operates the Port's cruise terminals, including the James R. Herman Memorial Cruise Terminal at Pier 27 (Cruise Terminal). In order to support the servicing of cruise ships berthed at Pier 27, Port and PCST negotiated a 21-month, non-exclusive license agreement for 20,000 rentable square feet of shed space at Pier 29 to allow PCST terminal workers to park their personal vehicles within the Pier 29 shed (Pier 29 License Area) during cruise calls at Pier 27 when the Pier 29 shed is not otherwise occupied by a Port tenant or used for revenue-generating purposes. That agreement was memorialized as Port License No. 17173 (the Original License).

Beginning in August 2025, a revenue-generating use has been identified for Pier 29, which requires the use of the space currently allocated for terminal workers. As such, the

terminal workers' use of Pier 29 shall be discontinued. The Port of San Francisco has identified alternative space of equivalent size for terminal worker parking in Pier 19 (Pier 19 License Area). Port staff now request approval of an amendment to the Original License to relocate the 20,000 sq. ft. of terminal worker parking from the Pier 29 License Area to the Pier 19 License Area, with a 100% license fee waiver so that PCST terminal workers may continue to park their vehicles without charge during cruise calls. The expiration date of the license will remain March 16, 2026, coterminous with the TMA.

STRATEGIC OBJECTIVE

The proposed agreement supports two key goals of the Port's Strategic Plan:

- *Engagement*: Promote the richness the Port has to offer through education, marketing, and maintaining strong relationships with Port users and stakeholders.
- *Economic Vitality*: Attract and retain maritime and non-maritime commerce to contribute to the long-term viability of the Port and the City.

BACKGROUND

On May 27, 2014, the Port Commission selected PCST as the Port's Cruise Terminal Operator and Port subsequently entered into the TMA, with a term of ten years and one five-year extension option. The Covid-19 Pandemic of 2020 resulted in the temporary, total halt of cruise ship operations worldwide. As such, Port and PCST approached the Port Commission in April 2021 to request an extension of the term of the TMA for the duration of the pandemic, which was granted under Resolution 21-23.

With the return of cruise ship operations post-pandemic, the Port of San Francisco is experiencing record numbers of vessel calls and cruise passengers at its facilities. The increased volume of cruise calls, and the associated need for terminal operations staff to support them, has highlighted a continued need for this space to accommodate the terminal workers' personal vehicles to support cruise terminal operations during cruise calls. PCST is in good standing under the TMA and has demonstrated to Port staff the proposed use of Pier 19 for terminal worker parking is consistent with the TMA and the Waterfront Land Use Plan's designation of Pier 27 as an active deepwater berth and the Port's goal to "[p]reserve and enhance the Port... by providing for the current and future needs of... Cruise Ships".

Port staff requests approval of a license fee waiver for PCST's license of the Pier 19 License Area for PCST terminal worker parking to facilitate Pier 27 cruise operations during periods when Pier 19 is not otherwise being used for revenue-generating activities. Any revenue-generating use of Pier 19 will have priority over parking of cruise terminal employees during cruise calls.

PROPOSED FIRST AMENDMENT TERMS

Basic Lease Information

The following sections of the Basic Lease Information shall be deleted and replaced with the following:

<i>License Area:</i>	Approx. 20,000 rentable square feet of shed space at the front end of the Pier 19 Shed, in its as-is condition
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RECOMMENDATION

Port staff recommends that the Port Commission approve the attached resolution authorizing the Executive Director to enter into proposed First Amendment to License No. 17173 with Pacific Cruise Ship Terminals, LLC on the terms and conditions described in this memorandum.

Prepared by: Demetri Amaro
Maritime Business Development Manager

For: Andre Coleman
Deputy Director, Maritime Division

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 25-41

- WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of the City and County of San Francisco; and
- WHEREAS, Pacific Cruise Ship Terminals, LLC is a California limited liability company (PCST or Licensee) and is the Port of San Francisco's cruise terminal operator under the terms of Terminal Management Agreement and License No. 15874; and
- WHEREAS, Port staff has previously negotiated the terms of a no fee license agreement (License No. 17173) (the Original License) for approximately 20,000 sq. ft. of shed space at Pier 29 for periodic use during cruise calls at the Justin R. Herman Cruise Terminal for parking by stevedores and other cruise terminal workers of their personal vehicles for a 21-month term commencing on June 15, 2024, and as further described in the memorandum accompanying this resolution; and
- WHEREAS, Licensee may use Pier 29 only if Port has previously approved such use for each particular cruise call and Pier 29 is not being used, needed or required for revenue-generating activities; and
- WHEREAS, Port staff has identified a revenue-generating use for Pier 29 beginning in August 2025 which necessitates the relocation of cruise terminal worker parking; and
- WHEREAS, Port staff has identified approximately 20,000 sq. ft. of shed space at Pier 19 to relocate cruise terminal worker parking for the remaining 9-month term ending on March 16, 2026, and as further described in the memorandum accompanying this Resolution, to be authorized pursuant to an amendment to the Original License (the First Amendment); and
- WHEREAS, Port staff recommends approval of the First Amendment on the terms and conditions described in the memorandum accompanying this Resolution; now, therefore be it
- RESOLVED, That the Port Commission hereby approves the terms of proposed First Amendment with Licensee on the terms and conditions described in the memorandum accompanying this Resolution; and be it further
- RESOLVED, That the Port Commission authorizes the Executive Director or her designee, to enter into any additions, amendments or other modifications to the First

Amendment that the Executive Director, in consultation with the City Attorney, determines are in the best interest of the Port, do not materially increase the obligations or liabilities of the Port or materially decrease the public benefits accruing to the Port, and are necessary and advisable to complete the transaction and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of any such documents.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of August 12, 2025.

Secretary