Approval of a First Amendment to Management Agreement 16114 with Pasha Automotive Services

San Francsico Board of Supervisors

Action Item

July 15, 2026

Presented By:

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2016 Original Agreement

- Effective: July 1, 2016, 15-year term with two 5-year extension options
- Management fee: Fixed $50,000 per month, paid to Pasha regardless of volume
- Revenue model: Shared tariff revenue on vehicles moved through Pier 80

- Peak Volume (2020/21) - 125,174 units

- Steady growth for five years, then an extreme drop beginning in 2021/22.

What Drove the Decline

- Broader economic shift: Post-2022 slowdown in new-vehicle imports and shipping demand
- EV global market demand: Faster-than-expected shift toward electric vehicles reshaped import flows
- Fremont factory: Growth in West Coast domestic vehicle production reduced import need
- Foreign factories: New overseas manufacturing hubs shortened and rerouted supply chains

Proposed Amendment

Three changes proposed to restore financial balance and add flexibility

1. Discontinue the Monthly Management Fee

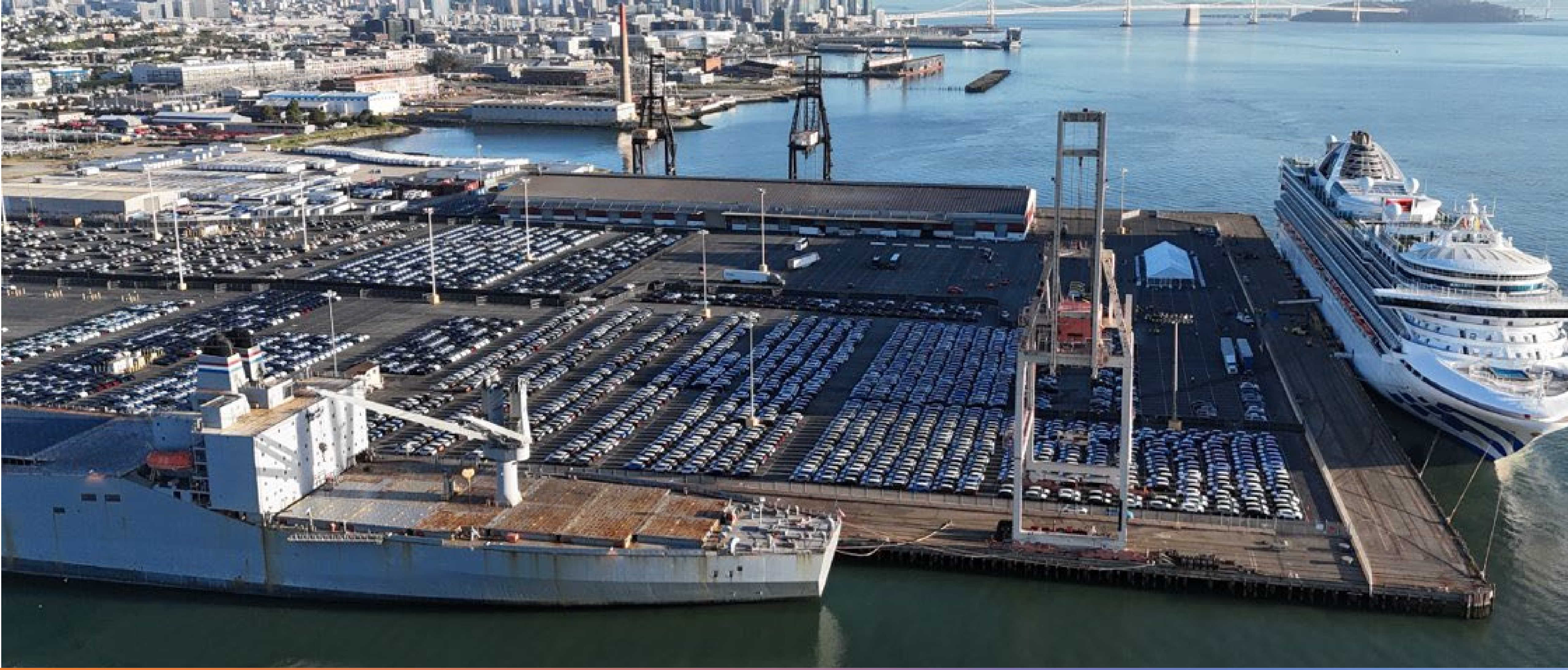
- Savings $600,000 saved per year, effective immediately
- Eliminates the fixed $50,000/month management fee paid to Pasha regardless of terminal performance.

2. New Revenue-Sharing & More Events

- Split 40 / 60 Port / Pasha split, up to $4.5M in tariff revenue
- Pasha keeps 100% of tariff revenue above $4.5M. Event revenue (including Portola) splits 50/50, encouraging more activations.

3. Restructured Exclusive Use

- Shared area 15 acres of Pier 80 opened to cruise operations
- Port and cruise operator Metro Services gain shared use of the terminal. Port credits Pasha up to $2,000 per cruise call for prep costs.



THANK YOU