

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 17-0254

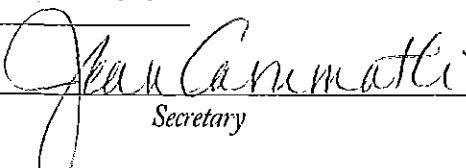
**AWARD OF THE INTERNATIONAL TERMINAL "A" COFFEE KIOSK
CONCESSION LEASE TO BLACK POINT COFFEE SFO, LLC DBA BLACK
POINT CAFÉ**

- WHEREAS, by Resolution No. 17-0037, adopted February 21, 2017, the Airport Commission ("Commission") authorized Staff to commence the Request for Proposals process for the International Terminal "A" Coffee Kiosk Concession Lease (the "Lease") and conduct an informational conference; and
- WHEREAS, by Resolution No. 17-0135, adopted June 6, 2017, the Commission authorized Staff to accept proposals for the Lease; and
- WHEREAS, on July 7, 2017, Staff received ten proposals for the Lease; and
- WHEREAS, a three-member panel evaluated the proposals and determined Black Point Coffee SFO, LLC to be the responsible proposer submitting the highest-ranking responsive proposal; now, therefore, be it
- RESOLVED, that this Commission hereby awards the International Terminal "A" Coffee Kiosk Concession Lease to Black Point Coffee SFO, LLC on the terms set forth in the Staff Memorandum on file with the Commission Secretary, which include, but are not limited to, a lease term of eight years, with two one-year options to extend exercisable at the sole and absolute discretion of the Commission and a Minimum Annual Guarantee of \$165,000.00 for the first year of the lease term; and, be it further
- RESOLVED, that the Commission Secretary is hereby directed to request approval of the Lease by Resolution of the Board of Supervisors pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

OCT 17 2017


Secretary



MEMORANDUM

October 17, 2017

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenlime
Hon. Peter A. Stern

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FROM: Airport Director

SUBJECT: Award of the International Terminal "A" Coffee Kiosk Concession Lease to Black Point Coffee SFO, LLC dba Black Point Café

DIRECTOR'S RECOMMENDATION: (1) AWARD THE INTERNATIONAL TERMINAL "A" COFFEE KIOSK CONCESSION LEASE TO BLACK POINT COFFEE SFO, LLC DBA BLACK POINT CAFÉ; AND (2) DIRECT THE COMMISSION SECRETARY TO REQUEST APPROVAL OF THE LEASE FROM THE BOARD OF SUPERVISORS.

Executive Summary

The competitive proposal process for the International Terminal "A" Coffee Kiosk Concession Lease (the "Lease") has concluded and award of the Lease is recommended to Black Point Coffee SFO, LLC dba Black Point Café ("Black Point Coffee SFO, LLC"). The Lease has a term of eight years, with two one-year options to extend exercisable by the Airport Commission (the "Commission"), and a Minimum Annual Guarantee ("MAG") for the first lease year of \$165,000.00.

Background

By Resolution No. 17-0037, adopted February 21, 2017, the Commission authorized Staff to commence the competitive proposal process and issue a Request for Proposals ("RFP") for the Lease.

Staff conducted an informational conference wherein the Lease was presented to the interested parties. Staff gathered feedback from potential proposers and clarified or changed business terms where appropriate.

By Resolution No. 17-0135, adopted June 6, 2017, the Commission approved the minimum qualification requirements and lease specifications and authorized Staff to accept proposals.

THIS PRINT COVERS CALENDAR ITEM NO. 7

In response to the RFP, the Airport received 10 proposals by the July 7, 2017 Submittal Deadline. The following proposal was deemed nonresponsive:

1. MRMG, LLC – submittal was rejected for not including a Proposal Bond

Staff determined that the remaining 9 proposals met the RFP's minimum qualifications. A three-member evaluation panel was convened to review and score the qualifying proposals. The panel consisted of the following: a former Airport Commission Staff Member, a Customer Service Executive at a local technology firm, and an Assistant Director from the Public Utilities Commission. The evaluation panel's selection for the highest ranking, responsive, and responsible proposer is identified below, along with all other responsive proposers for the Lease.

PROPOSER	CONCEPT NAME	Score
<u>Highest Ranking:</u>		
Black Point Coffee SFO, LLC	Black Point Café	91.00
SSP America, Inc.	Tartine Bakery & Café	87.67
Amoura International, Inc.	Amoura Coffee	82.00
Emporio Rulli, Inc.	Bancarella	75.67
Green Beans Coffee Company USA, LLC	Green Beans Coffee	74.33
Canonica New York, LLC	Graffeo Coffee & Pastries	71.00
Rylo Management, LLC	Harvest	64.33
Gate 74, Inc.	Café Roma	56.00
Trish's Dishes	Trish's Mini Donuts	35.67

Black Point Coffee SFO, LLC has been identified as the highest ranking, responsive, and responsible proposal. The base rent under the Lease is the greater of the MAG or the following tiered percentage rent:

- 6% of gross revenues achieved up to and including \$1,000,000.00; plus
- 8% of gross revenues achieved between \$1,000,000.01 up to and including \$1,500,000.00; plus
- 10% of gross revenues achieved over \$1,500,000.00.

Black Point Coffee SFO, LLC, which proposed Black Point Café, is 70% owned by the operators of Dogpatch Bakehouse & Caffé, Rita Bhasker and David Sterling, with two locations at SFO, and 30% owned by the local ACDBE operators of Marina's Café at SFO's rental car center,

Gerges and Irma Issa. Black Point Café is a San Francisco neighborhood concept with local ownership rooted in San Francisco for 35 years. It is located at the corner of Larkin and Northpoint Streets near Ghirardelli Square.

Recommendation

I recommend awarding the International Terminal "A" Coffee Kiosk Concession Lease to Black Point Coffee SFO, LLC, and directing the Commission Secretary to request approval of the Lease from the Board of Supervisors.



Ivar C. Satero
Airport Director

Prepared by: Leo Fermin
Chief Business & Finance Officer

Attachments

Attachment 1

INTERNATIONAL TERMINAL "A" COFFEE KIOSK CONCESSION LEASE
BLACK POINT COFFEE SFO, LLC DBA BLACK POINT CAFÉ

