

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 23-0110

APPROVAL OF THE LEASE TERMINATION AGREEMENT FOR THE TERMINAL 2 SPECIALTY RETAIL CONCESSION LEASE NO. 5, LEASE NO. 18-0156 WITH XPRESSPA S.F. INTERNATIONAL, LLC

WHEREAS, on May 15, 2018, by Resolution No. 18-0156, the Airport Commission (Commission) awarded the Terminal 2 Specialty Retail Concession Lease 5 (Lease) to XpresSpa S.F. International, LLC (Tenant); and

WHEREAS, Tenant designed the premises but not commenced construction prior to the start of the COVID-19 pandemic, and construction never commenced as a result of the delays caused by the pandemic; and


WHEREAS, Tenant has requested to terminate the Lease, citing a significantly diminished business climate for spa services since the COVID-19 pandemic; and

WHEREAS, the Airport is agreeable to such termination pursuant to a Lease Termination Agreement that provides for Tenant to pay a termination fee in the amount of \$145,000.00, which is equal to one year of the Minimum Annual Guarantee rent payable under the Lease; and

WHEREAS, Staff believes this is a fair and reasonable amount that will compensate the Airport for the loss of revenue it will sustain as a result of such termination, and is confident that a new tenant with a more profitable concept can be identified through a future competitive process within the 12 month period for which the Airport is being compensated by the early termination fee; now, therefore, be it

RESOLVED, that this Commission hereby approves the Lease Termination Agreement for the Terminal 2 Specialty Retail Concession Lease 5, Lease No. 18-0156 with XpresSpa S.F. International, LLC dba XpresSpa and directs the Commission Secretary to forward the Lease Termination Agreement to the Board of Supervisors for approval pursuant to Section 9.118 of the City Charter.

I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of APR 18 2023


Secretary