

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 17-0239

AWARD OF THE INTERNATIONAL TERMINAL "A" HISTORIC RESTAURANT CONCESSION LEASE TO ANDRE-BOUDIN BAKERIES, INC.

WHEREAS, by Resolution No. 17-0031, adopted February 21, 2017, the Airport Commission ("Commission") authorized staff to commence the Request for Proposals process for the International Terminal "A" Historic Restaurant Concession Lease (the "Lease") and conduct an informational conference; and

WHEREAS, by Resolution No. 17-0129, adopted June 6, 2017, the Commission authorized staff to accept proposals for the Lease; and

WHEREAS, on July 7, 2017, staff received two proposals for the Lease; and

WHEREAS, a three-member panel evaluated the proposals and determined Andre-Boudin Bakeries, Inc. to be the responsible proposer submitting the highest-ranking responsive proposal; now, therefore, be it

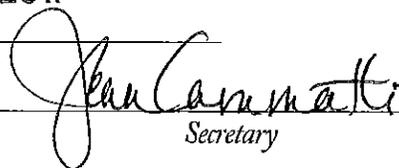
RESOLVED, that this Commission hereby awards the International Terminal "A" Historic Restaurant Concession Lease to Andre-Boudin Bakeries, Inc. on the terms set forth in the staff memorandum on file with the Commission Secretary, which include, but are not limited to, a lease term of ten years, with two one-year options to extend exercisable at the sole and absolute discretion of the Commission and a Minimum Annual Guarantee of \$330,000.00 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 03 2017


Secretary



San Francisco International Airport

MEMORANDUM

October 3, 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

17-0239

OCT 03 2017

FROM: Airport Director

SUBJECT: Award of the International Terminal "A" Historic Restaurant Concession Lease to Andre-Boudin Bakeries, Inc.

DIRECTOR'S RECOMMENDATION: (1) AWARD THE INTERNATIONAL TERMINAL "A" HISTORIC RESTAURANT CONCESSION LEASE TO ANDRE-BOUDIN BAKERIES, INC.; 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" Historic Restaurant Concession Lease (the "Lease") has concluded and award of the Lease is recommended to Andre-Boudin Bakeries, Inc. The Lease has a term of ten 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 \$330,000.00.

Background

By Resolution No. 17-0031, adopted February 21, 2017, the Commission authorized staff to commence the competitive proposal process and issue a Request for Proposals ("RFP") for the Lease. The creation of a lease specifically for a "historic restaurant" was inspired by the legacy business registry established by the San Francisco Board of Supervisors and in an effort to provide our guests the opportunity to dine with iconic restaurateurs. Proposers were required to propose concepts which had 1) operated at least 28 of the last 30 years in San Francisco; 2) contributed to the culture of San Francisco and the neighborhood within which they reside; and, 3) established a strong brand identity both locally and beyond the Bay Area.

On April 5, 2017, Airport staff conducted an informational conference for this Lease, along with the International Terminal "A" Coffee Kiosk Concession Lease and the International Terminal "A" Food Hall and Café Concession Lease. Over 90 attendees representing 57 business entities were in attendance (the "Interested Parties"). After reviewing the comments from the Interested Parties, Airport staff did not make any changes to the minimum qualifications or proposal requirements.

THIS PRINT COVERS CALENDAR ITEM NO. 5

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE LARRY MAZZOLA LINDA S. CRAYTON ELEANOR JOHNS RICHARD J. GUGGENHIME PETER A. STERN IVAR C. SATERO
MAYOR PRESIDENT VICE PRESIDENT AIRPORT DIRECTOR

By Resolution No. 17-0129, adopted June 6, 2017, the Commission authorized staff to accept proposals for the Lease. In response to the RFP, the Airport received two proposals for the Lease on July 7, 2017. Staff determined that each proposal met the minimum qualification requirements set forth in the RFP. A three-member panel was convened to evaluate the 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 panel determined Andre-Boudin Bakeries, Inc. to be the responsible proposer submitting the highest-ranking responsive proposal. The proposers, proposed concepts and corresponding evaluation panel scores, are as follows:

PROPOSER	CONCEPT NAME	SCORE
Andre-Boudin Bakeries, Inc.	Boudin SF	102.00
Midfield Concession Enterprises, Inc.	Gold Dust Kitchen & Lounge	66.33

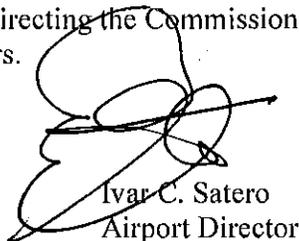
Andre-Boudin Bakeries, Inc. has proposed "Boudin SF", a casual sit-down restaurant featuring sourdough bread, organically sourced meats, salads, fruits and vegetables, and cold pressed juices. The term of the Lease is ten years with two one-year options to extend, exercisable by the Airport Commission in its sole and absolute discretion. The premises comprise approximately 2,000 square feet in Boarding Area A of the International Terminal. The MAG for the first lease year is \$330,000.00. The annual base rent is the greater of the MAG or the sum of the following:

- 8% of Gross Revenues achieved up to and including \$1,000,000.00; plus
- 10% of Gross Revenues achieved between \$1,000,000.01 and \$1,500,000.00; plus
- 12% of Gross Revenues achieved over \$1,500,000.00.

Andre-Boudin Bakeries, Inc. is headquartered in San Francisco and known for its world famous Original San Francisco Sourdough. The company has over 40 years of experience operating restaurant locations throughout the San Francisco Bay Area.

Recommendation

I recommend awarding the International Terminal "A" Historic Restaurant Concession Lease to Andre-Boudin Bakeries, Inc., 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

Attachment

Attachment 1

INTERNATIONAL TERMINAL "A" HISTORIC RESTAURANT CONCESSION LEASE
ANDRE-BOUDIN BAKERIES, INC.

