

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

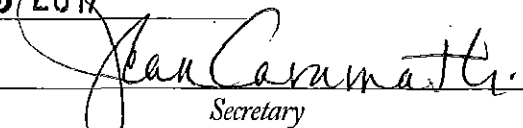
RESOLUTION NO. 17-0245

**ASSIGNMENT OF THE TERMINAL 3 BOARDING AREA F AND TERMINAL 1 BOARDING AREA C FOOD AND BEVERAGE CONCESSION LEASE NO. 8 - LEASE NO. 16-0316 FROM HIGH FLYING FOODS SFO, LLC TO HFF-BRH SFO, LLC**

- WHEREAS, pursuant to Resolution No. 13-0316, adopted December 6, 2016, the Airport Commission ("Commission") awarded the Terminal 3 Boarding Area F and Terminal 1 Boarding Area C Food and Beverage Concession Lease No. 8 - Lease No. 16-0316 ("Lease") to High Flying Foods SFO, LLC, for a term of seven years plus two one-year options to extend at the sole discretion of the Commission; and
- WHEREAS, High Flying Foods SFO, LLC has requested the Commission's consent to an assignment of the Lease to HFF-BRH SFO, LLC, of which High Flying Foods SFO, LLC holds 95% ownership interest and Black Rabbit Hospitality, Inc. holds 5% ownership interest; and
- WHEREAS, such Lease assignment is subject to Commission approval; and
- WHEREAS, Airport staff has reviewed HFF-BRH SFO, LLC's financial position and assignment agreement and found them to be satisfactory; and
- WHEREAS, HFF-BRH SFO, LLC will be subject to all existing terms, covenants, and conditions of the Lease; now, therefore, be it
- RESOLVED, that this Commission hereby consents to the assignment of the Terminal 3 Boarding Area F and Terminal 1 Boarding Area C Food and Beverage Concession Lease No. 8 - Lease No. 16-0316 from High Flying Foods SFO, LLC to HFF-BRH SFO, LLC, a California limited liability company, under the existing Lease terms and conditions.

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

OCT 03 2017

  
Secretary



Staff recommends that the Commission consent to the assignment in order to facilitate the Tenant's partnership with a small, local business.

### **Airport's Approach towards Lease Assignments**

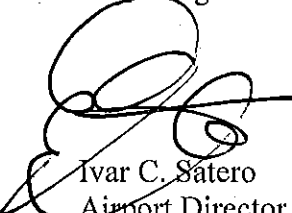
Proposed assignments of concession leases are generally approved if the following criteria are met:

- The assignee's experience and financial capability in operating the type of concession to be assigned is deemed sufficient. Airport staff has reviewed the financial documents provided and found HFF-BRH SFO, LLC to be financially sound.
- Any plans by assignee to re-concept, the appropriateness and desirability of such concept change, and the business terms between the assignor and assignee are considered. HFF-BRH SFO, LLC will operate farmerbrown, as proposed and approved by the Airport.
- The status of the tenant's current standing with the Airport is considered. The Tenant is current on its financial obligations to the Airport and has, thus far, abided by the terms of the Lease.

The assignment from the Tenant to HFF-BRH SFO, LLC meets the criteria outlined above, which have been used at the Airport over the last decade to evaluate requests for assignments.

### **Recommendation**

I recommend that the Commission adopt the attached resolution consenting to the assignment of the Terminal 3 Boarding Area F and Terminal 1 Boarding Area C Food and Beverage Concession Lease No. 8 - Lease No. 16-0316 from High Flying Foods SFO, LLC to HFF-BRH SFO, LLC, a California limited liability company, under the existing Lease terms and conditions.



Ivar C. Satero  
Airport Director

Prepared by: Leo Fermin  
Chief Business and Finance Officer

Attachment