Item 25-1017: SkyStar Wheel, LLC Lease Renewal

Informational Presentation regarding a proposed renewal lease with SkyStar Wheel, LLC, for an 18-month extension with one 18-month extension option including a waiver of any applicable requirements of the competitive bidding process

October 29, 2025

Presented by: Scott Landsittel, Deputy Director, Real Estate & Development

PORT OF SAN FRANCISCO

SkyStar Lease L-17322 – Background

SkyStar Wheel looking North - Aerial

SkyStar Wheel looking West - Aerial

- SkyStar Wheel since November 2023
- Lease expires October 31, 2025
- Through August 2025, SkyStar hosted 621,000 riders and produced $761,000 revenue for the Port
- 2,400 complimentary tickets to disadvantaged communities
- A competitive bidding process is unlikely to generate a competing investment interest
- Port cannot offer a long term for any new lease due to Fisherman's Wharf Revitalized proposed development
- Competitive bidding is *impractical*
- Port staff worked with SkyStar on the terms for the renewal.

PORT OF SAN FRANCISCO

Proposed Terms

The main terms of the renewal Lease L-17322 include:

Term: New, 18-month term commencing on November 1, 2025, and expiring on April 30, 2027 and one 18-month option to renew that would extend the term to October 31, 2028. Port has the right to terminate the Lease on 90-days’ notice to accommodate Fisherman's Wharf Revitalized physical development

Rent: New Monthly Base Rent will be $11,000 and increases to $11,550 effective November 2026. Percentage rent increases from 5.00% to 8.00%. SkyStar will continue to pay both Base Rent and Percentage Rent

Security Deposit: Increase to $100,000 to help ensure Port can address any lingering physical issues after SkyStar vacates the site at lease expiration.

Holdover: If SkyStar does not vacate at the expiration or early termination of the lease holdover rent increases to from 200% of base plus percentage rent for the first month and 500% thereafter.

The Port Commission approved the proposed lease on August 8, 2025 under Resolution 25-49