

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 17-0238

**AWARD OF THE INTERNATIONAL TERMINAL "A" FOOD HALL AND CAFÉ  
CONCESSION LEASE TO SSP AMERICA, INC.**

WHEREAS, by Resolution No. 17-0047 adopted on March 7, 2017, the Airport Commission ("Commission") authorized staff to commence the competitive selection process and issue a Request for Proposals ("RFP") for the International Terminal "A" Food Hall and Café Concession Lease ("Lease"); and

WHEREAS, by Resolution No. 17-0130 adopted June 6, 2017, the Commission approved the minimum qualification requirements and lease specifications, and authorized staff to accept proposals for the Lease; and

WHEREAS, on July 7, 2017, staff received three proposals for the Lease from the following proposers: MRMG, LLC; SSP America, Inc.; and Tastes On The Fly, San Francisco, LLC; and

WHEREAS, a three-member panel reviewed the qualifying proposals and determined SSP America, Inc. to be the highest-ranking, responsive, and responsible proposer; now, therefore, be it

RESOLVED, that this Commission hereby awards the International Terminal "A" Food Hall and Café Concession Lease to SSP America, Inc., under the conditions set forth in the staff memorandum on file with the Commission Secretary, including, but not limited to, a term of ten years with two one-year options exercisable at the sole and absolute discretion of the Commission, and a Minimum Annual Guarantee of \$495,000.00 for the first year of the Lease, and subject to its compliance with the Nondiscrimination in Employment Program and Equal Benefits Ordinance; 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. Guggenhime  
Hon. Peter A. Stern

17-0238  
OCT 03 2017

FROM: Airport Director

SUBJECT: Award of the International Terminal "A" Food Hall and Café Concession Lease to SSP America, Inc.

DIRECTOR'S RECOMMENDATION: (1) AWARD THE INTERNATIONAL TERMINAL "A" FOOD HALL AND CAFÉ CONCESSION LEASE TO SSP AMERICA, INC.; AND (2) DIRECT THE COMMISSION SECRETARY TO REQUEST APPROVAL OF THE LEASE FROM THE BOARD OF SUPERVISORS.

Executive Summary

The proposal evaluation process for the International Terminal "A" Food Hall and Café Concession Lease (the "Lease") has concluded and award is recommended to SSP America, Inc. ("SSP"). The Lease has a term of ten years, with two one-year options to extend exercisable at the sole discretion of the Airport Commission (the "Commission"), and an initial Minimum Annual Guarantee ("MAG") of \$495,000.00.

Background

By Resolution No. 17-0047 adopted on March 7, 2017, the Commission authorized staff to commence the competitive selection process for the Lease, through a Request for Proposals ("RFP"). The Lease is comprised of a food hall located post-security of International Terminal "A", and a café located in the new Consolidated Administrative Campus on West Field Road.

The RFP required proposers to offer at least three distinct concepts which are currently in operation within San Francisco and represent the cultural diversity of the city. Additionally, proposers were asked to discuss how the brands chosen offer a "best of" San Francisco experience. Considering that most of our guests reside outside the Bay Area, allowing them to experience San Francisco's rich cultural diversity and restaurant scene is fundamental in maximizing both revenue and customer satisfaction.

THIS PRINT COVERS CALENDAR ITEM NO. 4

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

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

Staff conducted an informational meeting 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. 17-0130 adopted June 6, 2017, the Commission approved the minimum qualification requirements and lease specifications, and authorized staff to accept proposals. In response to the RFP, the Airport received three proposals by the July 7, 2017 Submittal Deadline. Staff determined that all three proposals met the RFP's minimum qualifications. A three-member evaluation panel was convened to review and score the proposals. The evaluation panel selected SSP as the highest ranking, responsive, and responsible proposer for this Lease. The proposers for this Lease, along with their proposed concepts, are as follows:

PROPOSER	CONCEPTS	Score
Highest Ranking: SSP America, Inc.	<p><i>The Manufactory Food Hall:</i></p> <ul style="list-style-type: none"> <li>• Tartine Bakery</li> <li>• Cala Taqueria</li> <li>• Kin Khao Thai Eatery</li> </ul> <p><i>Café:</i></p> <ul style="list-style-type: none"> <li>• Marina's Cafe</li> </ul>	102.33
Tastes On The Fly, San Francisco, LLC	<p><i>SF Eats Food Hall:</i></p> <ul style="list-style-type: none"> <li>• Out the Door</li> <li>• Equator Coffee</li> <li>• Lemonade</li> <li>• Tony's of North Beach</li> <li>• Dosa</li> <li>• SF Craft Brew Bar</li> </ul> <p><i>Café:</i></p> <ul style="list-style-type: none"> <li>• Klein's Deli</li> </ul>	95.67
MRMG, LLC	<p><i>The American SFO Food Hall:</i></p> <ul style="list-style-type: none"> <li>• The American Grilled Cheese Kitchen</li> <li>• San Francisco Noodle Factory</li> <li>• Sea Cliff Coffee House</li> </ul> <p><i>Café:</i></p> <ul style="list-style-type: none"> <li>• Sea Cliff Coffee House</li> </ul>	62.00

The term for the Lease is ten years, with two one-year options to extend exercisable at the sole discretion of the Commission. The base rent is the greater of the MAG of \$495,000.00 or the following percentage rent structure:

- 6% of Gross Revenues achieved up to and including \$2,500,000.00; plus
- 8% of Gross Revenues achieved from \$2,500,000.01 up to and including \$3,000,000.00; plus
- 10% of Gross Revenues achieved over \$3,000,000.00.

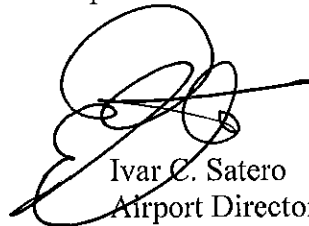
SSP is a global leader in the airport food and beverage industry and currently operates four restaurants at the Airport. They have partnered with Marina's Café, a local business enterprise currently operating at the Airport as well as an Airport Concessions Disadvantaged Business Enterprise (ACDBE), Sarah Levy of S. Levy Foods, LLC, and Martin Cabrera of Cielo Concessions LLC, both of whom are also ACDBE certified partners for this Lease.

SSP along with its ACDBE partners have chosen the following San Francisco brands for their food hall and café:

- Tartine Bakery
- Cala Taqueria
- Kin Khao Thai Eatery
- Marina's Café (Consolidated Administrative Campus Café)

### **Recommendation**

I recommend that the Commission (1) award the International Terminal "A" Food Hall and Café Concession Lease to SSP America, Inc.; and (2) direct the Commission Secretary to request approval of the Lease from the Board of Supervisors.



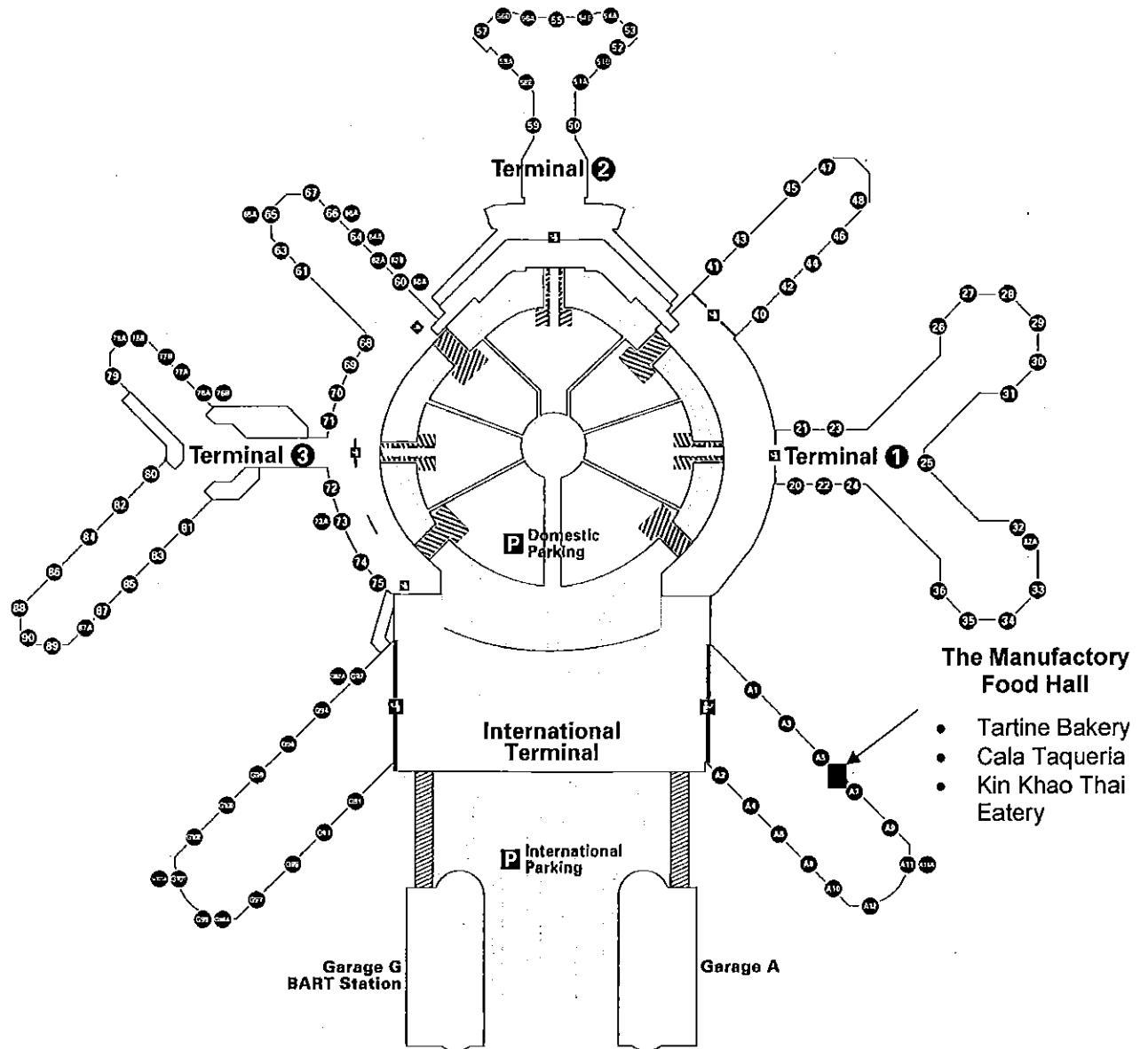
Ivar C. Satero  
Airport Director

Prepared by: Leo Fermin  
Chief Business & Finance Officer

Attachments

# Attachment 1

## THE INTERNATIONAL TERMINAL "A" FOOD HALL AND CAFÉ CONCESSION LEASE



# Attachment 1

## THE INTERNATIONAL TERMINAL "A" FOOD HALL AND CAFÉ CONCESSION LEASE

