



MEMORANDUM

April 7, 2026

TO: AIRPORT COMMISSION
Hon. Malcolm Yeung, President
Hon. Susan Leal, Vice President
Hon. Jose F. Almanza
Hon. Mark Buell
Hon. Nancy Tung

26-0078

APR 7 2026

FROM: Airport Director

SUBJECT: Approval of Lease Termination Agreement for the Terminal 3, Boarding Area F Food and Beverage Concession Lease 6, Lease No. 16-0314, with Gate 74, Inc. dba Sushirrito

DIRECTOR'S RECOMMENDATION: APPROVE THE LEASE TERMINATION AGREEMENT FOR THE TERMINAL 3, BOARDING AREA F FOOD AND BEVERAGE CONCESSION LEASE 6, LEASE NO. 16-0314, WITH GATE 74, INC. DBA SUSHIRRITO, AND DIRECT THE DIRECTOR OF COMMISSION AFFAIRS TO SEEK APPROVAL OF THE AGREEMENT FROM THE BOARD OF SUPERVISORS PURSUANT TO SECTION 9.118 OF THE CHARTER OF THE CITY AND COUNTY OF SAN FRANCISCO.

Executive Summary

Staff seeks approval from the Airport Commission (Commission) to enter into a termination of lease agreement (Lease Termination Agreement) with Gate 74, Inc. (Tenant) for its Terminal 3, Boarding Area F Food and Beverage Concession Lease 6, Lease No. 16-0314, that operates as Sushirrito (Lease). Tenant franchised the Sushirrito concept and received its product from Sushirrito. The Lease expires on October 31, 2026, but Tenant closed the location on March 6, 2026, due to the sudden Sushirrito bankruptcy filing and discontinuance of its supply chain.

Background

On December 6, 2016, by Resolution No. 16-0314, the Commission awarded the Lease to Tenant for a term of six years, with two 1-year options to extend the term exercisable at the sole and absolute discretion of the Commission. The base term of the Lease expired on October 31, 2023. On November 1, 2023, the Airport continued the Lease on a month-to-month holdover basis through October 31, 2024, with the option terms remaining in effect. The original Lease premises were comprised of one quick service restaurant under the concept and name Pie Five with approximately 761 square feet located in the Terminal 3 hub food court.

Due to the requirements of the Terminal 3 West Modernization Project, the Airport closed the original premises. The Airport relocated the premises to a new space in the Terminal 3 hub food court and rebranded under the concept Sushirrito, as a grab-and-go unit. The brand Sushirrito was licensed by Tenant from Buddha Boy Foods, Inc., a local franchising company from San Francisco.

THIS PRINT COVERS CALENDAR ITEM NO. 12

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

DANIEL LURIE MAYOR MALCOLM YEUNG PRESIDENT SUSAN LEAL VICE PRESIDENT JOSE F. ALMANZA MARK BUELL NANCY TUNG MIKE NAKORNKHET AIRPORT DIRECTOR

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Members, Airport Commission

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On August 20, 2024, by Resolution No. 24-0187, the Commission exercised the first of two 1-year options to continue the term of the Lease through October 31, 2025.

On February 18, 2025, by Resolution No. 25-0030, the Commission authorized a one-time reimbursement amount of \$320,891.70 in the form of rental credit to Tenant in connection with the cost of relocation.

On August 19, 2025, by Resolution No. 25-0139, the Commission exercised the second of two 1-year options to continue the term of the Lease through October 31, 2026.

On March 3, 2026, Tenant informed Airport Staff that Sushirrito's San Francisco corporate franchisor was closing permanently and filing for bankruptcy. With the bankruptcy filing, Tenant is unable to receive brand items, operational or supply chain support. Further, the ongoing construction of the Terminal 3 Modernization Project in the surrounding area has resulted in Sushirrito underperforming on a sales-per-square-foot basis since opening.

Airport staff now seeks approval of the early Lease Termination Agreement. Tenant has removed all inventory, fixtures, and furnishings not affixed to the terminal building after their closure on March 6, 2026.

Proposal

Staff recommends that the Commission approve the Lease Termination Agreement with Tenant. If approved, the Lease Termination Agreement would become effective as of Tenant's last day of operations in the Premises, March 6, 2026.

Recommendation

I recommend the Commission adopt the attached resolution approving the Lease Termination Agreement for the Terminal 3, Boarding Area F Food and Beverage Lease 6, Lease No. 16-0314, with Gate 74, Inc. dba Sushirrito, and directing the Director of Commission Affairs to seek approval of the agreement from the Board of Supervisors pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

Sincerely,

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Mike Nakornkhet
Airport Director

Prepared by: Kevin Bumen
Chief Commercial Officer

Attachments

Attachment 1

TERMINAL 3, BOARDING AREA F FOOD AND BEVERAGE CONCESSION LEASE 6, LEASE NO. 16-0314, WITH GATE 74, INC. DBA SUSHIRRITO

