

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 19-0311

APPROVAL OF AMENDMENT NO. 1 TO TERMINAL 3 BOARDING AREA F FOOD AND BEVERAGE CONCESSION LEASE 4 WITH AMOURA INTERNATIONAL, INC., AND REPLACEMENT OF PRIOR APPROVED RESOLUTION NO. 19-0206

WHEREAS, on December 6, 2016, by Resolution No. 16-0312, the Airport Commission (Commission) awarded the Terminal 3 Boarding Area F Food and Beverage Concession Lease 4 (Lease) to Amoura International, Inc. (Tenant); and

WHEREAS, the Lease has a term of six years with two 1-year options, and Staff has determined that the development costs exceeded supportable underwriting standards related to sales projections, rent structure and the term of the Lease; and

WHEREAS, Staff had proposed extending the Lease by two years to improve the financial health of the Lease by allowing for a longer development cost amortization period; and

WHEREAS, Tenant had agreed to enter into an amendment so extending the term of the Lease; and

WHEREAS, on September 10, 2019, by Resolution No. 19-0206, this Commission approved Amendment No. 1 to Terminal 3 Boarding Area F Food and Beverage Concession Lease 4 with Amoura International, Inc., dba Amoura Café, to extend the base Operating Term of the Lease to March 31, 2028; and

WHEREAS, the expiration date of March 31, 2028 was misstated in Resolution No. 19-0206, and the correct expiration date is March 31, 2026; and

WHEREAS, Staff is seeking Commission authorization to correct the expiration date from March 31, 2028 to March 31, 2026 and replace Resolution No. 19-0206 with this Resolution; now, therefore, be it

RESOLVED, that this Commission hereby (i) confirms its approval of Amendment No. 1 to the Lease with Amoura International Inc. extending the base operating term of the Lease to the corrected expiration date of March 31, 2026; and (ii) directs the Commission Secretary to request approval of Amendment No. 1 to 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.

RESOLVED, that this Resolution replaces Resolution No. 19-0206.

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

 DEC - 3 2019


Secretary



MEMORANDUM

December 3, 2019

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenlime
Hon. Malcolm Yeung

19-0311

19-0312

DEC - 3 2019

FROM: Airport Director

SUBJECT: Correction of Two Resolutions For Recently Approved Concession Lease Extensions Related to Higher than Anticipated Construction Costs to Replace Resolution Nos. 19-0206 and 19-0220

DIRECTOR'S RECOMMENDATION: ADOPT THE ACCOMPANYING REPLACEMENT RESOLUTIONS TO (1) CORRECT THE EXPIRATION DATE FOR THE CONCESSION LEASE AMENDMENT NO. 1 WITH AMOURA INTERNATIONAL, INC., AS APPROVED IN RESOLUTION NO. 19-0206; AND (2) CORRECT THE COMPANY NAME FOR THE CONCESSION LEASE AMENDMENT NO. 1 WITH TASTES ON THE FLY SFO INTERNATIONAL, LLC, AS APPROVED IN RESOLUTION NO. 19-0220.

Executive Summary

Staff is seeking Airport Commission (Commission) authorization to: (1) correct Commission Resolution No. 19-0206 to restate the expiration date for Amendment No. 1 to Terminal 3 Boarding Area F Food and Beverage Concession Lease 4 with Amoura International, Inc. from March 31, 2028 to March 31, 2026; and (2) correct Commission Resolution No. 19-0220 to restate the company name for Amendment No. 1 to International Terminal Food and Beverage Concession Lease 3 from "Tastes on the Fly San Francisco, LLC" to "Tastes on the Fly SFO International, LLC."

Background

On September 10, 2019, by Resolution No. 19-0206, the Commission approved Amendment No. 1 to Terminal 3 Boarding Area F Food and Beverage Concession Lease 4 with Amoura International, Inc., dba Amoura Cafe, to extend the base Operating Term of the Lease to March 31, 2028. The expiration date was incorrectly stated. Staff is seeking Commission authorization to correct the expiration date from March 31, 2028 to March 31, 2026.

On September 10, 2019, by Resolution No. 19-0220, the Commission approved Amendment No. 1 to International Terminal Food and Beverage Concession Lease 3 with Tastes on the Fly San Francisco, LLC dba Napa Farms Market, Mustards Grill, and Samovar Tea to extend the base Operating Term of the Lease to July 31, 2030 for two post-security locations and June 30, 2026 for one pre-security location. The tenant name was misstated. Staff is seeking Commission authorization to correct the company name from "Tastes on the Fly San Francisco, LLC" to "Tastes on the Fly SFO International, LLC."

THIS PRINT COVERS CALENDAR ITEM NO. **24**

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

LONDON N. BREED MAYOR LARRY MAZZOLA PRESIDENT LINDA S. CRAYTON VICE PRESIDENT ELEANOR JOHNS RICHARD J. GUGGENHIME MALCOLM YEUNG IVAR C. SATERO AIRPORT DIRECTOR

Recommendation

I recommend adoption of the attached Resolutions that (1) confirm the approval of Amendment No. 1 to Terminal 3 Boarding Area F Food and Beverage Concession Lease 4 with Amoura International, Inc., which now reflects the correct expiration date of the Lease of March 31, 2026, and which resolution replaces Resolution No. 19-0206; and (2) confirm the approval of Amendment No. 1 to International Terminal Food and Beverage Concession Lease 3 with “Tastes on the Fly SFO International, LLC,” which now reflects the correct name of the tenant, and replaces Resolution No. 19-0220.



Ivar C. Satero
Airport Director

Prepared by: Leo Fermin
Chief Business & Finance Officer

Attachments