

1 [Lease Amendment - Smarte Carte, Inc - Airport Luggage Cart and Operating - Charge for
2 Luggage Carts in the Federal Inspection Service Area]

3 **Resolution approving Amendment No. 2 to the Airport Luggage Cart Lease and**
4 **Operating Agreement No. 19-0069 between Smarte Carte, Inc., as tenant, and the City**
5 **and County of San Francisco, acting by and through its Airport Commission, to**
6 **change the luggage cart service in the Federal Inspection Service (FIS) area from a**
7 **free service to a paid service, give the Airport Director authorization to reinstate the**
8 **provision of free carts in the FIS and resume payment of the Annual Service Fee, at**
9 **the Airport Director’s discretion, and exercise the one three-year option for a total**
10 **term of January 1, 2020, through December 31, 2025, to commence following Board**
11 **approval.**

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13 WHEREAS, On April 2, 2019, by Resolution No. 19-0069, the Airport Commission
14 (Commission) awarded the Airport Luggage Cart Lease and Operating Agreement
15 No. 19-0069 (the Lease) to Smarte Carte, Inc. (Tenant) to provide luggage carts service in
16 both Domestic and International Terminals of the San Francisco International Airport (the
17 Airport); and

18 WHEREAS, On September 24, 2019, by Resolution No. 409-19, the Board of
19 Supervisors approved the Lease; and

20 WHEREAS, On October 6, 2020, by Resolution No. 20-0180, the Commission
21 approved the COVID-19 Emergency Relief Program for Airport Concession Operators, which
22 was set forth in Amendment No. 1 to the Lease; and

23 WHEREAS, On January 5, 2021, by Ordinance No. 5-21, the Board of Supervisors
24 approved the COVID-19 Emergency Relief Program for Airport Concession Operations; and

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1 WHEREAS, Because of the severe impact of the COVID-19 outbreak on Airport
2 operating revenues and the reduction in travel, and in order to reduce spending and generate
3 additional revenues for the Airport, Staff recommends changing the luggage cart service in the
4 Federal Inspection Service (FIS) area from a free service to a paid service; and

5 WHEREAS, On March 16, 2021, by Resolution No. 21-0089, the Commission
6 approved Amendment No. 2 to the Lease which provides for (i) the exercise of the one 3-year
7 option, (ii) a fee based structure for the provision of luggage carts in the FIS area and the
8 termination of the Airport's payment of the Annual Service Fee to Tenant, and (iii) gives the
9 Airport the right, acting through the Airport Director in his discretion, to reinstate the provision
10 of free carts in the FIS area and resume paying the Annual Service Fee to Tenant if business
11 conditions merit such a change; now, therefore, be it

12 RESOLVED, That this Board of Supervisors approves Amendment No. 2 to the Airport
13 Luggage Cart Lease and Operating Agreement No. 19-0069 with Smarte Carte, Inc., a copy
14 of which is on file with the Clerk of the Board of Supervisors in File No. 210372; and, be it

15 FURTHER RESOLVED, That within thirty (30) days of the amendment being fully
16 executed by all parties, the Airport Commission shall provide the final amendment to the Clerk
17 of the Board for inclusion into the official file.

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