



SFMTA

Tad's Amended and Restated Lease Agreement

at SFMTA's Ellis O'Farrell Garage

BOS Budget and Finance Committee

June 3, 2026

File No. 260500

Background: Key Terms of Lease Signed May, 2019

- Term: 10-year term with two five-year options
- Tenant Improvements: Tenant completed \$2.7 million restaurant renovation in March 2020
- Rent Relief: Due to City pandemic relief policies, rent was restructured to 8% of gross revenues & tenant agreed to minimum hours of operation

Fiscal Year	Annual Rent Paid
FY 2022-23	\$223,138
FY 2023-24	\$252,180
FY 2024-25	\$248,526
3-year Average	\$241,281



Key Provisions of Proposed Restated & Amended Lease

- Term: Retains original lease terms:
 - Expires April 30, 2029
 - Includes two 5-year options to extend
- Rent:
 - Continues Percentage Rent at 8% of gross revenues until end of initial term
 - Converts to fixed rent if tenant exercises option to extent
- Rental revenue:
 - Projected to be \$241,281 annually
 - Equivalent to \$44.95 per square foot per year which exceeds fair market comparable of \$43.03

