

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 14-0168

APPROVAL OF AMENDMENT NO. 1 TO THE DOMESTIC TERMINAL FOOD AND BEVERAGE LEASE NO. 03-0201 WITH EMPORIO RULLI, INC. FOR ADDITIONAL PREMISES, AND TO SEEK A WAIVER FROM THE COMPETITIVE SELECTION PROCESS UNDER ADMINISTRATIVE CODE 2A.173, AND BOARD OF SUPERVISORS APPROVAL OF THE LEASE AMENDMENT.

- WHEREAS, pursuant to Resolution No. 03-0201, adopted September 29, 2003, the Airport Commission (“Commission”) awarded a Domestic Terminal Food and Beverage Lease (“Lease”) to Emporio Rulli, Inc., with a base term of ten (10) years, and one option to extend the term by two (2) years (“Option Term”); and
- WHEREAS, pursuant to Resolution No. 09-0119, adopted May 22, 2009, the Commission authorized the Option Term; and
- WHEREAS, Emporio Rulli, Inc.’s Gran Caffé, located at the Thumb of Boarding Area F in Terminal 3, has sustained significant lost sales over a nearly two (2) year period due to construction and gate reassignments in Boarding Area F by United Airlines; and
- WHEREAS, to balance the financial hardship Emporio Rulli Inc. has experienced from September 2012 through the present and allow for its continued successful tenancy, staff proposes allowing Emporio Rulli, Inc. an additional location at the Terminal 3 Hub food court (the “Additional Premises”), pursuant to Amendment No. 1 to the Lease (“Amendment”); and
- WHEREAS, the Airport is required to competitively award concession leases; and
- WHEREAS, for the reasons stated in this resolution and the memorandum on file with the Airport Commission Secretary, the Airport believes forgoing the competitive process for the Additional Premises is justified; and
- WHEREAS, to effectuate the addition of the new location, the Airport seeks a waiver from the competitive leasing requirement under Administrative Code Section 2A.173; and
- WHEREAS, staff and Emporio Rulli, Inc. have negotiated the terms and conditions for Amendment No. 1 to the Lease; and

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WHEREAS, Emporio Rulli, Inc. agrees to waive any right to any future claims associated with this Lease as a condition of including the Additional Premises; now, therefore, be it

RESOLVED, that the Airport Commission hereby approves Amendment No. 1 to the Domestic Terminal Food and Beverage Lease No. 03-0201, with Emporio Rulli, Inc., on the terms and conditions specified on accompanying Director's Memorandum; and, be it further

RESOLVED, that this Commission authorizes staff to seek a waiver from the competitive selection requirement under Administrative Code Section 2A.173; and, be it further

RESOLVED, that this Commission directs the Commission Secretary to forward the Lease Amendment to the Board of Supervisors for approval, in accordance with City Charter Section 9.118.

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

AUG 19 2014

Secretary