

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 09-0119

AUTHORIZATION TO EXERCISE THE ONE TWO-YEAR OPTION UNDER DOMESTIC TERMINALS FOOD AND BEVERAGE LEASE NO. 03-0201 WITH EMPORIO RULLI, INC.

WHEREAS, by Resolution No. 03-0201, adopted February 23, 2003, the Airport Commission awarded a Domestic Terminals Food and Beverage Lease ("Lease") to Emporio Rulli, Inc., ("Tenant") with a base term of ten years with one option to extend the term by two years ("Option Term"); and

WHEREAS, the original 23 tenants under the Domestic Terminals Food and Beverage Redevelopment Program formed a multi-employer group known as the Airport Restaurant Employers Council of San Francisco ("Council") for the purposes of collective bargaining; and

WHEREAS, all food and beverage tenants under the Domestic Terminals Food and Beverage Redevelopment Program voluntarily entered into a Memorandum of Agreement with H.E.R.E. Union Local 340 (succeeded by UNITE HERE Local 2); and

WHEREAS, in 2006, UNITE HERE Local 2 negotiated a collective bargaining agreement that called for a wage and benefit package that increased food and beverage tenants' costs by 30%-40% over a three-year period, which the food and beverage tenants agreed to as a sign of good faith and in the hope that the Commission would exercise the two-year option; and

WHEREAS, the Airport staff recommends that the Commission exercise the Option Term and amends the Lease to include the following conditions:

- Tenant must be in good standing with the Council, which is defined as being a current party to collective bargaining agreements with UNITE HERE, Local 2, and who certify that Council membership will be maintained with full participation;
- Tenant shall be and remain a party to, and bound by, a collective bargaining agreement with Local 2 or any other lawful labor organization representing a majority of its employees in an appropriate bargaining unit during the Option Term; and
- The Airport reserves the right to terminate the Lease upon thirty (30) days written notice to the food and beverage tenant in the event the Airport determines, at its sole discretion, that Tenant is no longer in good standing with the Council;

now, therefore, be it,

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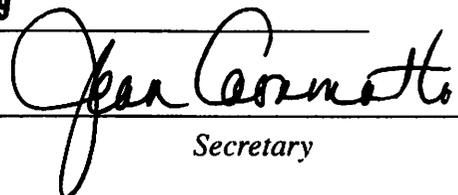
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RESOLVED, that this Commission exercises the sole option to extend the term for Domestic Terminals Food and Beverage Lease No. 03-0201 for two years subject to Emporio Rulli, Inc.'s compliance with the conditions noted above and in accordance with the staff memorandum on file with the Commission Secretary; and, be it further

RESOLVED, that this Commission authorizes the amendment of the Lease in compliance with the terms of this resolution.

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I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of MAY 22 2009


Secretary