

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 26-0077

**APPROVAL OF LEASE TERMINATION AGREEMENT FOR THE HARVEY MILK
TERMINAL 1 FOOD AND BEVERAGE CONCESSION LEASE 12, LEASE
NO. 20-0042 WITH HFF SFO TWO, LLC**

WHEREAS, on March 17, 2020, by Resolution No. 20-0042, the Airport Commission (Commission) awarded the Harvey Milk Terminal 1 Food and Beverage Concession Lease 12 (Lease) to HFF SFO Two, LLC (Tenant) which planned to construct and operate a Balboa Café restaurant in the Lease premises; and

WHEREAS, since the Lease was awarded, construction costs are estimated to have increased 22% and labor costs are estimated to have increased 10-15%, rendering the Lease no longer financially viable; and

WHEREAS, Tenant has designed the Balboa Café premises, but construction has not started; and

WHEREAS, Airport and Tenant have negotiated a Lease Termination Agreement which includes no payment or reimbursement to either party, and provides for the Tenant to surrender the premises; and

WHEREAS, Staff believes recapturing the premises will provide the Airport with an opportunity to re-lease the premises for a higher and better use to better serve the traveling public; now, therefore, be it

RESOLVED, that this Commission hereby approves the Lease Termination Agreement for the Harvey Milk Terminal 1 Food and Beverage Concession Lease 12, Lease No. 20-0042 with HFF SFO Two, LLC, and directs the Director of Commission Affairs to seek approval of the agreement from the Board of Supervisors for approval pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

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

APR 7 2026


Director of Commission Affairs