

1 [Lease Amendment - International Terminal Food and Beverage Lease 3, Lease No. 16-0014
2 - Tastes on the Fly SFO International, LLC - Reduction of Premises]

3 **Resolution approving Amendment No. 3 to the International Terminal Food and**
4 **Beverage Lease 3, Lease No. 16-0014, between Tastes on the Fly SFO International,**
5 **LLC, as tenant, and the City and County of San Francisco, acting by and through its**
6 **Airport Commission, for a removal of one restaurant facility from the lease premises,**
7 **resulting in a reduction in the total leasehold square footage of the demised**
8 **premises by approximately 43%, while maintaining the Minimum Annual Guarantee**
9 **of \$1,177,995.15, effective upon approval of this Resolution.**

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11 WHEREAS, On January 19, 2016, by Resolution No. 16-0014, the Airport Commission
12 (“Commission”) awarded the International Terminal Food and Beverage Lease 3, Lease No.
13 16-0014 (“Lease”) to Tastes on the Fly San Francisco, LLC (“Original Tenant”) for three
14 restaurant facilities: one pre-security location operated as a “Samovar Tea” restaurant
15 (“Samovar Tea Facility”) and two post-security locations in Boarding Area G of the
16 International Terminal; and

17 WHEREAS, On July 29, 2016, by Resolution 296-16, the Board of Supervisors
18 approved the Lease; and

19 WHEREAS, August 23, 2016, by Resolution 16-0229, the Commission approved an
20 assignment of the Lease from Original Tenant to Tastes on the Fly SFO International, LLC;
21 and

22 WHEREAS, On December 3, 2019, by Resolution No. 19-0312, the Commission
23 approved Amendment No. 1 to the Lease which extended the lease term for all three
24 restaurant facilities by two years due to construction costs greatly exceeding projections; and

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1 WHEREAS, On October 16, 2020, by Resolution No. 489-20, the Board of Supervisors
2 approved Amendment No. 1 to the Lease; and

3 WHEREAS, On October 6, 2020, by Resolution No. 20-0180, the Commission adopted
4 the COVID-19 Emergency Rent Relief Program for Airport Concessions Tenants, which was
5 memorialized in Amendment No. 2 to the Lease; and

6 WHEREAS, The Samovar Tea Facility has low sales due to its pre-security location,
7 and has not reopened due to its temporary use as a COVID-19 testing facility to meet the
8 needs of travelers in response to the COVID-19 pandemic; and

9 WHEREAS, An employee café lease was awarded for space in Terminal 2 of the
10 Airport, however, the Commission now desires lease the space for use as an airline lounge,
11 which will result in higher revenue to the Airport; and

12 WHEREAS, The recapture of the Samovar Tea Facility will permit the Commission to
13 relocate the employee café from Terminal 2 to the premises currently occupied by the
14 Samovar Tea Facility; and

15 WHEREAS, On March 21, 2023, by Resolution No. 23-0080, the Commission
16 approved Amendment No. 3 to the Lease, which recaptures and permanently closes the
17 Samovar Tea Facility; now, therefore, be it

18 RESOLVED, That this Board of Supervisors approves Amendment No. 3 to the Lease,
19 which recaptures and removes the Samovar Tea Facility from the Lease premises, maintains
20 the current Minimum Annual Guarantee, and reduces the Annual Promotional Charge from
21 \$12,570 to \$7,157; a copy of which is on file with the Clerk of the Board of Supervisors in File
22 No. 230341; and, be it

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