



MEMORANDUM

May 19, 2026

TO: AIRPORT COMMISSION
Hon. Malcolm Yeung, President
Hon. Susan Leal, Vice President
Hon. Jose F. Almanza
Hon. Mark Buell
Hon. Nancy Tung

26-0128

MAY 19 2026

FROM: Airport Director

SUBJECT: Repeal of Resolution No. 25-0044 Approving a Lease Termination Agreement for the Terminal 2 Casual Dining Food and Beverage Concession Lease 6, Lease No. 18-0074 with SSP America, Inc. and Approval of New Lease Termination Agreement with No Early Termination Fee

DIRECTOR'S RECOMMENDATION: REPEAL RESOLUTION NO. 25-0044 APPROVING A LEASE TERMINATION AGREEMENT FOR THE TERMINAL 2 CASUAL DINING FOOD AND BEVERAGE CONCESSION LEASE 6, LEASE NO. 18-0074 WITH SSP AMERICA, INC., APPROVE A NEW LEASE TERMINATION AGREEMENT FOR SUCH LEASE WITH NO EARLY TERMINATION FEE, AND DIRECT THE DIRECTOR OF COMMISSION AFFAIRS TO SEEK APPROVAL OF THE AGREEMENT FROM THE BOARD OF SUPERVISORS PURSUANT TO SECTION 9.118 OF THE CHARTER OF THE CITY AND COUNTY OF SAN FRANCISCO.

Executive Summary

Staff seeks repeal of Resolution No. 25-0044 and rescission of the Airport Commission's previous approval of a lease termination agreement for the Terminal 2 Casual Dining Food and Beverage Lease (Lease) with SSP America, Inc. (Tenant), which operates as Sweet Maple, and approval of a new lease termination agreement with no early termination fee (New Lease Termination Agreement). The New Lease Termination Agreement will replace the formerly approved but unexecuted agreement, which included a lease termination fee, but now the Airport no longer recommends assessing due to Tenant's extended operations in its premises.

Background

On March 20, 2018, by Resolution No. 18-0074, the Airport Commission (Commission) awarded the Lease to Tenant. The term of the Lease was 10 years, with a Minimum Annual Guarantee (MAG) of \$250,000 and a Lease deposit of half the MAG, or \$125,000.

THIS PRINT COVERS CALENDAR ITEM NO. 18

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

DANIEL LURIE MAYOR MALCOLM YEUNG PRESIDENT SUSAN LEAL VICE PRESIDENT JOSE F. ALMANZA MARK BUELL NANCY TUNG MIKE NAKORNKHET AIRPORT DIRECTOR

POST OFFICE BOX 8097 SAN FRANCISCO, CA 94128 TEL 650.821.5000 FLYSFO.COM

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On September 10, 2019, by Resolution No. 19-0204, the Commission approved Amendment No. 1, which extended the lease term by two years through April 30, 2031, to improve the financial health of the Lease by allowing for a longer development cost amortization period.

On October 6, 2020, by Resolution No. 20-0180, the Commission adopted the COVID-19 Emergency Rent Relief Program for Airport Concession Tenants, which included Sweet Maple and was memorialized in Amendment No. 2 to the Lease.

On September 5, 2023, by Resolution No. 23-0224, the Commission authorized Amendment No. 3, which added three years and six months to the operating term as part of the Airport's COVID-19 Lease Extension Program.

In the eight years of its operation, Sweet Maple has underperformed on a sales per square foot basis. A retail marketplace lease has been awarded for Terminal 2 in space temporarily being used by American Express for its Centurion Lounge. The space was formerly an Alaska Airlines Lounge, and before that, an American Airlines Admirals Club. With the rise in popularity of lounges in airports and with interest from both airline and common use lounge operators for tenancy in Terminal 2, it makes sense to: (1) close an underperforming food and beverage operation (Sweet Maple); (2) downsize and relocate an upcoming retail marketplace into the former Sweet Maple space, and (3) preserve space for a new lounge.

On March 4, 2025, by Resolution No. 25-0044, the Commission approved a lease termination agreement for Sweet Maple, which required a termination fee of \$125,000, paid through forfeiture of Tenant's security deposit of the same amount. However, shortly after such approval, Staff elected to pause on moving forward with final approval of the agreement by the San Francisco Board of Supervisors. At the time, the termination fee represented remuneration to the Airport for space that would sit idle for approximately one year. In discussions with the Airport, Tenant committed to continue operating in the premises until needed by the next tenant, estimated to be September 1, 2026, approximately a year longer than previously planned. This benefited the Airport by preserving concession services available to the traveling public, preserving revenue to the Airport, and providing continued employment for Sweet Maple staff.

Proposal

Because of this value provided by the Tenant by continuing to operate beyond the originally contemplated closing date, Staff recommends rescinding the previous approval of the lease termination agreement and approving the New Lease Termination Agreement, which does not include payment of a termination fee. The Lease termination is anticipated to take place on or about August 31, 2026.

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Recommendation

I recommend the Commission adopt the attached resolution repealing Resolution No. 25-0044 which approved a lease termination agreement for the Terminal 2 Casual Dining Food and Beverage Lease 6, Lease No. 18-0074 with SSP America, Inc., approving a new lease termination agreement for such lease with no early termination fee, and directing the Director of Commission Affairs to seek approval of the agreement from the Board of Supervisors pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

Sincerely,

DocuSigned by:

Mike Nakornkhet

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Mike Nakornkhet
Airport Director

Prepared by: Kevin Bumen
Chief Commercial Officer

Attachments

Attachment

Terminal 2 Casual Dining Food Beverage Concession
Lease 6, Lease No. 18-0074 with SSP America, Inc.

Sweet Maple
Casual Dining
Food and
Beverage

