

1 [Lease Amendment - Marilla Chocolate Company, Inc. - Terminal 3 Boarding Area F Gourmet
2 Food and Gift Store Lease No. 10-0309 - Term Extension]

3 **Resolution approving Amendment No. 4 to the Terminal 3 Boarding Area F Gourmet**
4 **Food and Gift Store Lease No. 10-0309, between Marilla Chocolate Company, Inc., as**
5 **tenant, and the City and County of San Francisco, acting by and through its Airport**
6 **Commission, for an extension of the term to no later than June 30, 2023, with a**
7 **condition that the Airport Director, at his sole and absolute discretion, may terminate**
8 **earlier by providing six months' advance written notice, with no change to the**
9 **current Minimum Annual Guarantee, subject to adjustment in accordance with the**
10 **terms and conditions of the Lease, effective upon approval by the Board of**
11 **Supervisors.**

12
13 WHEREAS, On October 5, 2010, by Resolution No. 10-0309, the Airport Commission
14 (Commission) awarded the Terminal 3 Boarding Area F Gourmet Food and Gift Store Lease
15 No. 10-0309 (Lease) to Marilla Chocolate Company, Inc. (Tenant) for one facility located in
16 Terminal 3 of the San Francisco International Airport (Airport); and

17 WHEREAS, On March 5, 2019, by Resolution No. 19-0044, the Commission approved
18 Amendment No. 1 to the Lease, extending the Lease term to December 31, 2019; and

19 WHEREAS, On December 3, 2019, by Resolution No. 19-0306, the Commission
20 approved Amendment No. 2 to the Lease, extending the Lease term to May 31, 2020; and

21 WHEREAS, On October 6, 2020, by Resolution No. 20-0180, the Commission
22 approved the COVID-19 Emergency Relief Program for Airport Concession Operators, which
23 will be set forth in Amendment No. 3 to the Lease; and

24 WHEREAS, On January 5, 2021, by Ordinance No. 5-21, the Board of Supervisors
25 approved the COVID-19 Emergency Relief Program for Airport Concession Operations; and

1 WHEREAS, Staff has determined that, due to the COVID-19 pandemic and the
2 resulting severe decline in enplanements and concession traffic, (i) commencing a new
3 request for proposals process for this concession opportunity would not be prudent because
4 there would not be sufficient interest to conduct a strong competitive process, and (ii)
5 extending the existing Lease is in the best interest of the Airport in that such extension will
6 maintain concession operations, preserve customer service and maintain revenue; and

7 WHEREAS, On December 15, 2020, by Resolution No. 20-0251, the Commission
8 approved Amendment No. 4 to the Lease to extend the term of the Lease to no later than
9 June 30, 2023, with a condition that the Airport Director, at his sole and absolute discretion,
10 may terminate earlier by providing six months' advance written notice, with no change to the
11 current Minimum Annual Guarantee, subject to adjustment in accordance with the terms and
12 conditions of the Lease; now, therefore, be it

13 RESOLVED, That this Board of Supervisors approves Amendment No. 4 to the
14 Terminal 3 Boarding Area F Gourmet Food and Gift Store Lease No. 10-0309 with Marilla
15 Chocolate Company, Inc., a copy of which is on file with the Clerk of the Board of Supervisors
16 in File No. 210444; and, be it

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

20
21
22
23
24
25