

MEMORANDUM

April 15, 2025

TO:

AIRPORT COMMISSION

Hon. Malcolm Yeung, President

Hon. Jane Natoli, Vice President

Hon. Jose F. Almanza

Hon. Mark Buell

Hon. Susan Leal

25-0061

APR 1 5 2025

FROM:

Airport Director

SUBJECT: Award of the Direct Current Fast Charging Hub Lease to SkyChargers, LLC

DIRECTOR'S RECOMMENDATION: (1) AWARD THE DIRECT CURRENT FAST CHARGING HUB LEASE TO SKYCHARGERS, LLC, AND (2) DIRECT THE DIRECTOR OF COMMISSION AFFAIRS TO REQUEST APPROVAL OF THE LEASE FROM THE BOARD OF SUPERVISORS PURSUANT TO SECTION 9.118 OF THE CHARTER OF THE CITY AND COUNTY OF SAN FRANCISCO.

Executive Summary

The competitive selection process for the Direct Current Fast Charging Hub Lease (Lease) has concluded and award is recommended to SkyChargers, LLC (SkyChargers). The Lease requires SkyChargers to construct and operate an electric vehicle charging station capable of simultaneously charging up to 24 vehicles. The Lease has a 14-year term, plus one 2-year option to extend exercisable at the sole discretion of the Commission. The Premises is comprised of approximately 28,200 square feet of space on Plot 3F, located on South McDonnell Road. Rent will be the greater of the Minimum Annual Guarantee (MAG) of \$190,000 or Percentage Rent. Staff recommends awarding the Lease to SkyChargers.

Background

On September 17, 2024, by Resolution No. 24-0207, the Airport Commission (Commission) authorized Staff to commence the competitive selection process and issue a Request for Proposals (RFP) for the Lease for the construction and operation of an electric vehicle charging facility. The site is currently occupied by Trillium, a compressed natural gas fueling facility, the lease for which has expired and has continued on a month-to-month basis. The Lease has a 14-year term, plus one 2-year option to extend the term exercisable at the sole and absolute discretion of the Commission. The Base Rent shall be the higher of the MAG of \$190,000 or Percentage Rent, as follows: 5% of gross revenues achieved up to and including \$5,000,000, plus 7% of gross revenues achieved over \$5,000,000.

THIS PRINT COVERS CALENDAR ITEM NO



AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

DANIEL LURIE

MAYOR

MALCOLM YEUNG PRESIDENT JANE NATOLI VICE PRESIDENT JOSE F. ALMANZA

MARK BUELL

SUSAN LEAL

MIKE NAKORNKHET AIRPORT DIRECTOR On November 12, 2024, Staff conducted an informational conference. Ten persons representing seven interested companies attended the conference. There were no material changes to the proposed business terms. The Airport received one proposal from SkyChargers, LLC by the submittal deadline. Staff determined that SkyChargers met the RFP's minimum qualifications.

Recommendation

I recommend that this Commission (1) award the Direct Current Fast Charging Hub Lease to SkyChargers, LLC, and (2) direct the Director of Commission Affairs to request approval of the Lease from the Board of Supervisors pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

Sincerely,

Mike Nakornkhet Airport Director

Prepared by: Kevin Bumen

Chief Financial and Commercial Officer

Attachments

Attachment 1

Direct Current Fast Charging Hub Lease

