

1 [Lease Termination Agreement - Terminal 3, Boarding Area F Food and Beverage
2 Concession Lease 6 - Gate 74, Inc.]

3 **Resolution approving the Lease Termination Agreement for Terminal 3, Boarding**
4 **Area F Food and Beverage Concession Lease 6, Lease No. 16-0341 between Gate 74,**
5 **Inc. and the City and County of San Francisco acting by and through its Airport**
6 **Commission, effective upon approval of this Resolution.**

7
8 WHEREAS, On December 6, 2016, by Resolution No. 16-0314, the Airport
9 Commission (Commission) awarded the Terminal 3 Boarding Area F Food and Beverage
10 Concession Lease 6, Lease No. 16-0314 (Lease) to Gate 74, Inc. dba Pie Five Pizza (Tenant)
11 with an initial minimum annual guarantee of for \$250,000 and a six-year term, with two one-
12 year options to extend the term exercisable by the Commission at its sole and absolute
13 discretion; and

14 WHEREAS, On May 16, 2017, by Resolution No. 185-17, the Board of Supervisors
15 approved the Lease; and

16 WHEREAS, On November 1, 2023, the Airport continued the Lease on a month-to-
17 month holdover basis; and

18 WHEREAS, Due to the requirements of SFO's Terminal 3 West Modernization Project,
19 the Airport closed the original premises, and rather than terminating the Lease, Airport staff
20 relocated the premises pursuant to the terms of the Lease to a new location under the
21 concept of Sushirrito in the Terminal 3 hub food court to preserve needed food and beverage
22 service in Boarding Area F, in anticipation of increased flight activity in the terminal; and

23 WHEREAS, On August 20, 2024, by Resolution No. 24-0187, the Commission
24 exercised the first of two one-year options to extend the term of the Lease through October
25 31, 2025; and

1 WHEREAS, On February 18, 2025, by Resolution No. 25-0030, Airport Commission
2 authorized a one-time reimbursement amount of \$320,891.70 in the form of rental credit to
3 Tenant in connection with the cost of relocation; and

4 WHEREAS, On August 19, 2025, by Resolution No.25-0139 the Commission exercised
5 the second and final one-year option to continue the term of the Lease through October 31,
6 2026; and

7 WHEREAS, On March 3, 2026, Tenant informed Airport Staff that the Sushirrito's San
8 Francisco franchisor entity was closing permanently and filing for bankruptcy, with Tenant
9 unable to receive brand items, operational or supply chain support from the appropriate
10 source, rendering continued operations at SFO impossible; and

11 WHEREAS, The ongoing construction of Terminal 3 Modernization Project in the
12 surrounding area has also resulted in Sushirrito underperforming on a sales per square foot
13 basis since opening in that location; and

14 WHEREAS, Due to these difficulties, the Airport and Tenant have negotiated a Lease
15 Termination Agreement which provides for a termination of the Lease and for the Tenant to
16 surrender the premises;

17 WHEREAS, On April 7, 2026, by Resolution No. 26-0078, the Commission approved
18 the Lease Termination Agreement; now, therefore, be it

19 RESOLVED, That this Board of Supervisors hereby approves the Lease Termination
20 Agreement for the Terminal 3 Boarding Area F Food and Beverage Concession Lease 6,
21 Lease No. 16-0314 to Gate 74, Inc, a copy of which is on file with the Clerk of the Board of
22 Supervisors in File No. _____; and, be it

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