

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 24-0025

**AWARD OF THE HARVEY MILK TERMINAL 1 MUSEUM STORE LEASE TO LOVE FROM USA GROUP, INC.**

WHEREAS, on April 4, 2023, by Resolution No. 23-0085, the Airport Commission (Commission) authorized Staff to commence a Request for Proposals (RFP) process for the Harvey Milk Terminal 1 Museum Store Lease (Lease); and

WHEREAS, on August 15, 2023, by Resolution No. 23-0204, the Commission approved revised proposal requirements and authorized Staff to accept proposals for the Lease; and

WHEREAS, on September 20, 2023, Staff received one qualified proposal for the Lease from Love From USA Group, Inc.; and

WHEREAS, an evaluation panel reviewed the proposal and determined Love From USA Group, Inc. to be the highest ranking responsive and responsible proposer; now, therefore, be it

RESOLVED, that this Commission hereby awards the Harvey Milk Terminal 1 Museum Store Lease to Love From USA Group, Inc. on the terms set forth in the Director's memorandum on file with the Commission Secretary, which include, but are not limited to, a term of seven years with two 1-year options to extend exercisable at the sole and absolute discretion of the Commission and a Minimum Annual Guarantee of \$205,000.00 for the first year of the Lease; and, be it further

RESOLVED, that the Commission Secretary is hereby directed 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.

*I hereby certify that the foregoing resolution was adopted by the Airport Commission*  
— FEB 20 2024  
*at its meeting of* \_\_\_\_\_

\_\_\_\_\_  
*Secretary*



San Francisco International Airport

**MEMORANDUM**

February 20, 2024

TO: AIRPORT COMMISSION  
Hon. Malcolm Yeung, President  
Hon. Everett A. Hewlett, Jr., Vice President  
Hon. Jane Natoli  
Hon. Jose F. Almanza  
Hon. Mark Buell

24-0025

= FEB 20 2024

FROM: Airport Director

SUBJECT: Award of the Harvey Milk Terminal 1 Museum Store Lease to Love From USA Group, Inc.

DIRECTOR'S RECOMMENDATION: (1) AWARD THE HARVEY MILK TERMINAL 1 MUSEUM STORE LEASE TO LOVE FROM USA GROUP, INC. AND (2) DIRECT THE COMMISSION SECRETARY 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 proposal evaluation process for the Harvey Milk Terminal 1 Museum Store Lease (Lease) has concluded, and Staff recommends award of the Lease to Love From USA Group, Inc.

**Background**

On April 4, 2023, by Resolution No. 23-0085, the Airport Commission (Commission) authorized Staff to commence the competitive selection process for the Lease through a Request for Proposals (RFP).

Staff issued the RFP and conducted an informational conference at which the Lease opportunity was presented to the interested parties. Staff gathered feedback from those in attendance and evaluated requests for changes to business terms where appropriate.

On August 15, 2023, by Resolution No. 23-0204, the Commission approved the revised proposal requirements and authorized Staff to accept proposals. In response to the RFP, the Airport received one proposal by the September 20, 2023 submittal deadline.

A four-member evaluation panel was convened to review and score the qualifying proposal. The panel consisted of the following: a Manager from SFO Marketing and Communications, a Manager from SFO Terminal Systems and Wayfinding, a Senior Aviation Commercial Planning Manager from ICF International, Inc., and a Property Manager from SFO Aviation Management.

THIS PRINT COVERS CALENDAR ITEM NO. 4

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

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PRESIDENT

EVERETT A. HEWLETT, JR.  
VICE PRESIDENT

JANE NATOLI

JOSE F. ALMANZA

MARK BUELL

IVAR C. SATERO  
AIRPORT DIRECTOR

The evaluation panel's score is presented below:

PROPOSER	CONCEPT NAME	SCORE
Love From USA Group, Inc.	The Bay Collection	87.67

Love From USA Group, Inc. will operate its location as The Bay Collection and will feature merchandise from local Bay Area museums such as the Asian Art Museum of San Francisco, Contemporary Jewish Museum, Museum of the African Diaspora, and California Academy of Sciences in addition to its own curated collection. The Minimum Annual Guarantee (MAG) for the first lease year is \$205,000.00. Base rent is the greater of the MAG (adjusted annually) or the following tiered percentage rent:

- 8% of Gross Revenues achieved up to and including \$1,000,000.00, plus
- 10% of Gross Revenues achieved over \$1,000,000.00.

The term is for seven years, plus two 1-year options exercisable at the sole and absolute discretion of the Commission.

Love From USA Group, Inc. is an established 100% Airport Concession Disadvantaged Business Enterprise, woman-owned business with more than 45 years of specialty retail, travel, news, and convenience experience. It is headquartered in Minneapolis, Minnesota with distribution centers in Chicago and the Minneapolis/St. Paul region and operates 19 retail locations in airports and tourist areas in Minnesota, Illinois, Florida, and Colorado.

### **Recommendation**

I recommend the Commission award the Harvey Milk Terminal 1 Museum Store Lease to Love From USA Group, Inc. and direct the Commission Secretary 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.



Ivar C. Satero  
Airport Director

Prepared by: Kevin Bumen  
Chief Financial and Commercial Officer

Attachments

# Attachment 1

## HARVEY MILK TERMINAL 1 MUSEUM STORE LEASE

