

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 16-0229

CONSENT TO THE ASSIGNMENT OF THE INTERNATIONAL TERMINAL FOOD AND BEVERAGE CONCESSION LEASE NO. 3 – LEASE 16-0014 FROM TASTES ON THE FLY SAN FRANCISCO, LLC TO TASTES ON THE FLY SFO INTERNATIONAL, LLC

- WHEREAS, pursuant to Resolution No. 16-0014, adopted January 19, 2016, the Airport Commission (“Commission”) awarded the International Terminal Food and Beverage Concession Lease No. 3 – Lease 16-0014 (“Lease”) to Tastes on the Fly San Francisco, LLC (“Tenant”); and
- WHEREAS, Tenant’s ownership structure is 20% by Michael Levine, 20% by Darren Lewis, 20% by Scott Rodrick, 20% by Larry Garnick and 20% by Carmen Mayo; and
- WHEREAS, Tenant desires to assign the Lease to Tastes on the Fly SFO International, LLC, a newly-formed entity with the same ownership structure as Tenant; and
- WHEREAS, such Lease assignment is subject to Commission approval; and
- WHEREAS, Tastes on the Fly SFO International, LLC will remain subject to all existing terms, covenants, and conditions of the Lease; now, therefore, be it
- RESOLVED, that this Commission hereby consents to the assignment of the International Terminal Food and Beverage Concession Lease No. 3 – Lease 16-0014 from Tastes on the Fly San Francisco, LLC to Tastes on the Fly SFO International, LLC, a California limited liability company, under the existing terms and conditions of the Lease.

I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of _____

AUG 23 2016


Secretary



MEMORANDUM

August 23, 2016

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenhome
Hon. Peter A. Stern

16-0229

AUG 23 2016

FROM: Airport Director

SUBJECT: Assignment of the International Terminal Food and Beverage Concession Lease No. 3 –Lease No. 16-0014 from Tastes on the Fly San Francisco, LLC to Tastes on the Fly SFO International, LLC

DIRECTOR’S RECOMMENDATION: CONSENT TO THE ASSIGNMENT OF THE INTERNATIONAL FOOD AND BEVERAGE CONCESSION LEASE NO. 3 – LEASE NO. 16-0014 FROM TASTES ON THE FLY SAN FRANCISCO, LLC TO TASTES ON THE FLY SFO INTERNATIONAL, LLC.

Executive Summary

Tastes on the Fly San Francisco, LLC (“Tenant”) seeks the Airport’s consent to assign its interest in the International Terminal Food and Beverage Concession Lease No. 3 - Lease No. 16-0014 (“Lease”) to Tastes on the Fly SFO International, LLC (“Tastes on the Fly SFO International”). The Lease covers the operation of a Napa Farms Market, a Samovar Tea Lounge, and a Mustards Grill in the International Terminal. Airport staff recommends consenting to the assignment based on the ownership remaining the same and the success of those owners in their operation of other concepts at San Francisco International Airport.

Background

Pursuant to Resolution No. 16-0014, adopted January 19, 2016, the Airport Commission (“Commission”) awarded the Lease to Tenant. The managing members of Tenant have created a new entity, Tastes on the Fly SFO International, to operate the concessions under the Lease. Tastes on the Fly SFO International is a California limited liability company formed in 2016. The ownership structure is as follows: 20% by Michael Levine; 20% by Darren Lewis; 20% by Scott Roderick; 20% by Larry Garnick; and 20% by Carmen Mayo. Tenant presently operates Il Fornaio Caffè del Mondo in the International Terminal Boarding Areas A and G, Yankee Pier in Terminal 3, and Perry’s in Terminal 1. Tenant also operates Lark Creek Grill and Napa Farms Market in Terminal 2.

THIS PRINT COVERS CALENDAR ITEM NO. 5

Proposal

By letter dated April 20, 2016, Tenant notified the Airport of its desire to assign only its International Terminal Lease to Tastes on the Fly SFO International, LLC.

Airport's Approach Towards Lease Assignments

As a general practice, proposed assignments of concession leases are approved after the following criteria have been met:

- The assignee's experience and financial capability in operating the type of concession to be assigned is deemed sufficient by the Airport. In this case, the managing members of Tastes on the Fly SFO International are the same as Tenant.
- Any plans by assignee to re-concept, and the appropriateness and desirability of such concept change, and the business terms between the assignor and assignee are considered. Tastes on the Fly SFO International has no plans to re-concept under this Lease.
- The status of tenant's current standing with the Airport is considered. While operations under the Lease have not commenced, Tenant is current with its financial obligations to the Airport and is operating all of its other locations in concert with the terms of those leases.

Recommendation

I recommend that the Commission adopt the attached resolution consenting to the assignment of the International Food and Beverage Concession Lease No. 3 – Lease No. 16-0014 from Tastes on the Fly San Francisco, LLC to Tastes on the Fly SFO International, LLC, under the existing terms and conditions of the Lease.



Ivar C. Satero
Airport Director

Prepared by: Leo Fermin
Chief Business and Finance Officer

Attachments

Attachment A

Premises under International Terminal Food and Beverage Concession Lease No. 3 --
Lease No. 16-0014

