

1 [Lease Amendment No. 4 - World Duty Free Group North America, LLP - Terminal 2
2 Newsstands, Coffee and Specialty Store Lease No. 10-0232 - Reduction of Premises -
3 Reduction in the Minimum Annual Guarantee of \$302,625]

4 **Resolution approving Amendment No. 4 to the Terminal 2 Newsstands, Coffee and**
5 **Specialty Store Lease No. 10-0232, between World Duty Free Group North America,**
6 **LLP, as tenant, and the City and County of San Francisco, acting by and through its**
7 **Airport Commission, for a reduction in the total leasehold square footage of the**
8 **demised premises by approximately 20% which results in a reduction in the**
9 **Minimum Annual Guarantee of \$302,625 with no change to the term of May 1, 2011,**
10 **through June 30, 2023, effective upon approval of this Resolution.**

11
12 WHEREAS, On July 6, 2010, by Resolution No. 10-0232, the Airport Commission
13 (Commission) awarded the Terminal 2 Newsstands, Coffee and Specialty Store Lease No.
14 13-0136 (Lease) to Host International Inc. (Original Tenant) for five facilities located in
15 Terminal 2 of the San Francisco International Airport (Airport); and

16 WHEREAS, On September 14, 2010, by Resolution 417-10, the Board of Supervisors
17 approved the Lease; and

18 WHEREAS, On December 6, 2011, by Resolution No. 11-0296, the Commission
19 approved Amendment No. 1 to the Lease; and

20 WHEREAS, On December 8, 2015, by Resolution No. 489-15, the Board of
21 Supervisors approved Amendment No. 1 to the Lease; and

22 WHEREAS, On November 20, 2012, by Resolution No. 12-0263A, the Commission
23 approved assigning the Lease from Original Tenant to World Duty Free Group North America,
24 LLP (Tenant); and

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1 WHEREAS, On January 5, 2021, by Ordinance No. 5-21, the Board of Supervisors
2 approved the COVID-19 Emergency Relief Program for Airport Concession Operations, which
3 was set forth in Amendment No.2 to the Lease; and

4 WHEREAS, Staff has determined that, due to the COVID-19 pandemic and the
5 resulting severe decline in enplanements and concession traffic, commencing a new Request
6 for Proposals process for this Lease would not be prudent because there would not be
7 sufficient interest to conduct a strong competitive process; and

8 WHEREAS, On December 15, 2020, by Resolution No. 20-0252, the Commission
9 approved Amendment No. 3 to the Lease to extend the term of the Lease to no later than
10 June 30, 2023 to maintain concession operations, preserve customer service, and maintain
11 revenue; and

12 WHEREAS, On May 11, 2021, by Resolution No. 220-21, the Board of Supervisors
13 approved Amendment No. 3 to the Lease; and

14 WHEREAS, Staff believes it would be better for the Airport, both operationally and
15 financially, to reclaim the part of the demised premises designated as a coffee cafe facility and
16 issue a request for proposals for a new long-term lease with a new operator for such space;
17 and

18 WHEREAS, On June 21, 2022, by Resolution No. 22-0110, the Commission approved
19 Amendment No. 4 to the Lease, removing from the demised premises the space designated
20 as a coffee cafe; and

21 RESOLVED, That this Board of Supervisors approves Amendment No. 4 to the
22 Terminal 2 Newsstands, Coffee and Specialty Store Lease No. 10-0232 in Terminal 3 with
23 World Duty Free Group North America, LLP to reduce the total leasehold square footage of
24 the demised premises by approximately 20% which will result in a reduction in the Minimum
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1 Annual Guarantee of \$302,625.00, a copy of which is on file with the Clerk of the Board of
2 Supervisors in File No. 220845; now therefore be it

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

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