



**MEMORANDUM**

August 15, 2023

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

23-0198

- AUG 15 2023

FROM: Airport Director

SUBJECT: Award of the Foreign Currency Exchange Services Lease

DIRECTOR'S RECOMMENDATION: (1) AWARD FOREIGN CURRENCY EXCHANGE SERVICES LEASE TO LENLYN LTD. DBA ICE CURRENCY SERVICES USA, 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 bid evaluation process for the Foreign Currency Exchange Services Lease (Lease) has concluded and award is recommended to Lenlyn LTD. dba ICE Currency Services USA (Lenlyn). The Lease has a four-year base term, with two 1-year options to extend exercisable at the sole discretion of the Commission. Rent will be the greater of the Minimum Annual Guarantee (MAG) of \$1,000,000.00 or Percentage Rent.

**Background**

On March 21, 2023, by Resolution No. 23-0075, the Airport Commission (Commission) authorized Staff to commence the competitive process and issue a Request for Bids (RFB) for the Lease. As proposed, the Lease has a four-year base term, with two 1-year options to extend exercisable at the sole discretion of the Airport Commission.

On May 3, 2023, Airport staff conducted an informational conference and presented the proposed lease terms to the interested parties. Staff gathered feedback from potential proposers and clarified or changed business terms where appropriate.

On June 20, 2023, by Resolution No. 23-0167, the Commission approved the revised lease specifications and authorized Staff to accept bids in response to the RFB.

THIS PRINT COVERS CALENDAR ITEM NO. 8

In response to the RFB, the Airport received two bids by the submittal deadline of July 19, 2023. Staff reviewed the bid submittals and determined Lenlyn to be the responsive and responsible bidder with the highest offer of Percentage Rent, making it the successful bidder under the RFB.


The Percentage Rent financial offer submitted by Lenlyn is structured as follows:

- 5% of Gross Revenues achieved up to and including \$10,000,000.00; plus
- 10% of Gross Revenues achieved from \$10,000,000.01 up to and including \$20,000,000.00; plus
- 15% of Gross Revenues achieved over \$20,000,000.00.

<b>PROPOSER</b>	<b>Scored Percentage Rent</b>
<u>Highest Ranking:</u>	
Lenlyn LTD.	\$14,899,999
The Change Group New York, LLC	\$10,610,599

### **Recommendation**

I recommend that this Commission (1) award the Foreign Currency Exchange Services Lease to Lenlyn LTD. dba ICE Currency Services USA; 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.



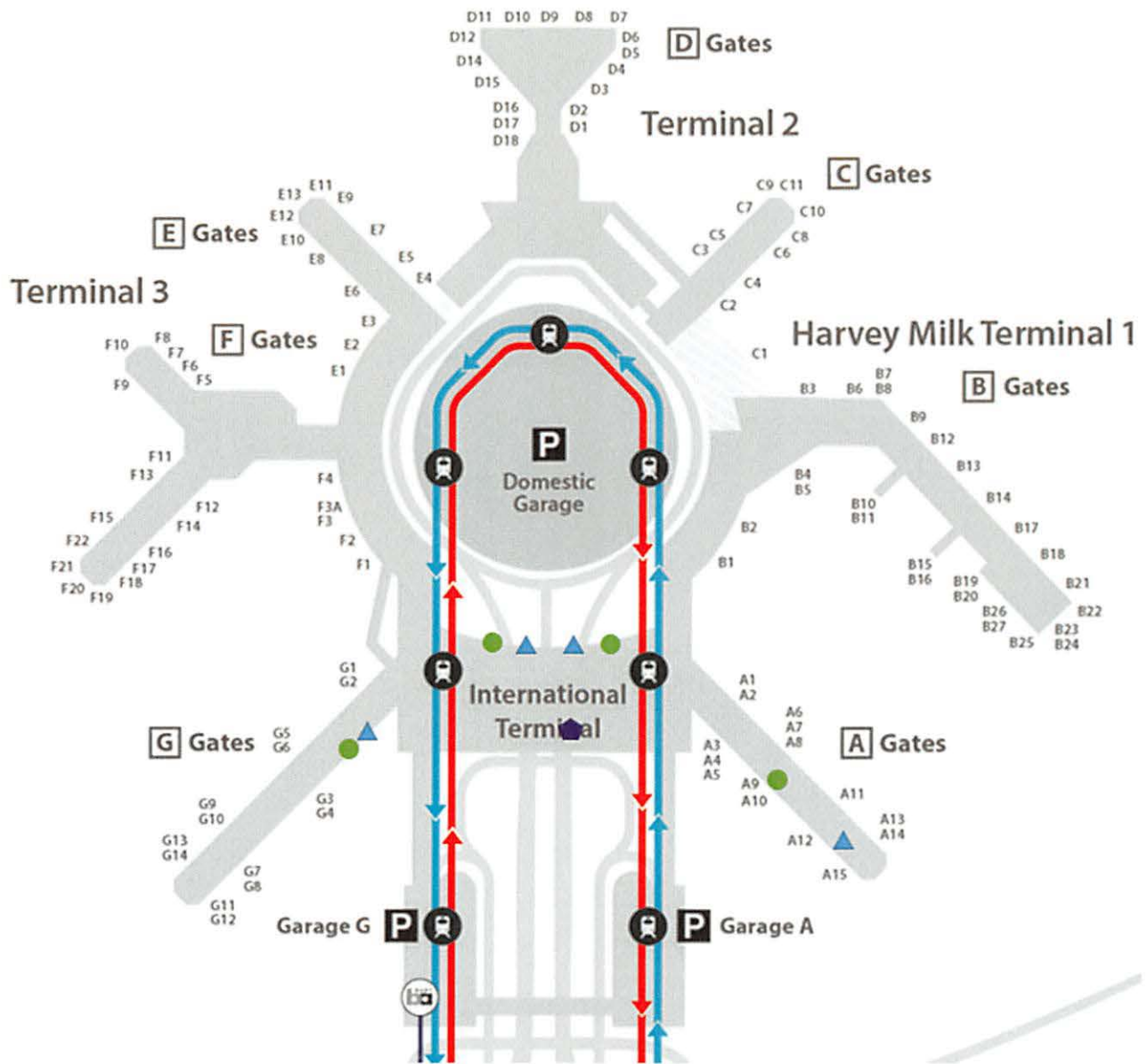
Ivar C. Satero  
Airport Director

Prepared by: Kevin Bumen  
Chief Financial and Commercial Officer

Attachments

# Attachment 1

## Foreign Currency Exchange Services Lease Locations



### Key

- Four In-line Currency Exchange Facility (Departures level)
- ▲ Four Foreign Currency ATM (Departures level)
- ◆ One In-line Currency Exchange Facility (Arrivals level)