

1 [Waiving Competitive Process Requirement - Lease Amendment - Emporio Rulli, Inc. -
2 Domestic Terminal Food and Beverage - \$140,353 Minimum Annual Guarantee]

3 **Ordinance waiving the competitive process requirement of Administrative Code,**
4 **Section 2A.173, and approving Amendment No. 1 to the Domestic Terminal Food and**
5 **Beverage Lease No. 03-0201 between Emporio Rulli, Inc., and the City and County of**
6 **San Francisco, acting by and through its Airport Commission, for a second lease space**
7 **with an additional Minimum Annual Guarantee of \$20,322 for a new total Minimum**
8 **Annual Guarantee of \$140,353 for the lease term through November 18, 2018.**

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10 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
11 **Additions to Codes** are in *single-underline italics Times New Roman font*.
12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
13 **Board amendment additions** are in double-underlined Arial font.
14 **Board amendment deletions** are in ~~strikethrough Arial font~~.
15 **Asterisks (* * * *)** indicate the omission of unchanged Code
16 subsections or parts of tables.

17 Be it ordained by the People of the City and County of San Francisco:

18 Section 1. Background and Findings.

19 (a) This ordinance concerns the food and beverage concession location in the kiosk
20 space of the hub food court of Boarding Area F in Terminal 3 (the “Hub Food Court”) of the
21 San Francisco International Airport (“SFO”). This location will become available in or around
22 May 2015, when the current tenant’s lease will expire. The effect of this ordinance will be to
23 permit Emporio Rulli, Inc. (“Emporio Rulli”) to operate a food and beverage concession at this
24 location for a period of time after the existing tenant vacates the space.

25 (b) On September 29, 2003, the Airport Commission (“Commission”) adopted
Resolution No. 03-0201, awarding a Domestic Terminal Food and Beverage Lease for a

1 location in Boarding Area F (the “Lease”) to Emporio Rulli for a term of ten years with one two-
2 year option to extend. By Resolution No. 775-03 adopted on December 9, 2003, the Board of
3 Supervisors approved the Lease. The location covered by the Lease is in the “thumb” area of
4 Boarding Area F. Emporio Rulli has operated its concession under the Lease in the “thumb”
5 area of Boarding Area F since 2004.

6 (c) On May 22, 2009, the Commission adopted Resolution No. 09-0119, exercising
7 the two-year option to extend the Lease. Accordingly, the Lease will expire on or about
8 November 18, 2018.

9 (d) In 2012, United Airlines relocated flights from the gates surrounding Emporio Rulli’s
10 existing lease space in the “thumb” area to other parts of Terminal 3 and Terminal 1, and
11 certain construction activities were undertaken in the area. As a result, Emporio Rulli has
12 experienced a significant loss of business at its existing concession in Boarding Area F.

13 (e) On August 19, 2014, the Commission adopted Resolution No. 14-0168, a copy of
14 which is on file with the Clerk of the Board of Supervisors in File No. _____, conditionally
15 awarding an amendment of the Lease to add the kiosk concession location at the Hub Food
16 Court (“Amendment No. 1”). The Commission found that awarding the additional space to
17 Emporio Rulli was the proper course of action because Emporio Rulli’s existing location in
18 Boarding Area F had experienced a significant loss of business due to the relocation of United
19 Airlines gates and certain construction work. The Commission awarded Amendment No. 1 to
20 Emporio Rulli subject to Board of Supervisors’ approval under Section 9.118 of the Charter
21 and waiver of the competitive process requirement of Administrative Code, Section 2A.173.
22 The Board of Supervisors concurs in the Commission’s finding.

23 (f) Amendment No. 1 adds the second lease space under the Lease comprised of an
24 approximately 405 square foot kiosk in the Hub Food Court and increases the rental required
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1 under the Lease in proportion to the additional square footage. Amendment No. 1 does not
2 affect the duration of the term of the Lease.

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4 Section 2. Waiver of Competitive Process Requirement and Approval of Amendment
5 No. 1 to the Lease. The Board of Supervisors hereby waives the competitive process
6 requirement of Administrative Code, Section 2A.173 for the food and beverage concession
7 location at the Hub Food Court of Terminal 3 and approves Amendment No. 1 to the Lease
8 pursuant to Charter Section 9.118. This waiver and approval is granted for the sole and
9 limited purpose of effectuating Amendment No. 1 to the Lease as awarded by the
10 Commission under its Resolution No. 14-0168.

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12 Section 3. Effective Date. This ordinance shall become effective 30 days after
13 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
14 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
15 of Supervisors overrides the Mayor's veto of the ordinance.

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17 APPROVED AS TO FORM:
18 DENNIS J. HERRERA, City Attorney

19 By: _____
20 Luke Bowman
21 Deputy City Attorney
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