

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 17-0318

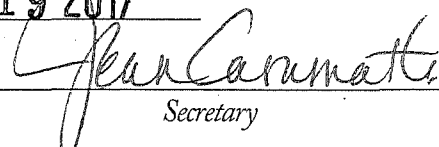
**APPROVAL OF AMENDMENT NO. 2 TO THE SPECIALTY COFFEE FACILITIES LEASE  
NO. 03-0069 WITH GOTHAM ENTERPRISES, LLC**

- WHEREAS, on April 15, 2003, by Resolution No. 03-0069, the Commission approved a settlement of unlitigated claims which included the assignment of the Specialty Coffee Facilities Lease ("Lease") from D. Mitchell Concessions, Inc. to Gotham Enterprises, LLC, to operate three Peet's Coffee & Tea facilities in Terminal 1 Boarding Area B and Terminal 3, for a term of approximately twelve years with one option to extend the term for two years; and
- WHEREAS, on May 22, 2009, by Resolution No. 09-0120, the Commission approved the early exercise of the sole option to extend the term of the Lease, thereby extending the term to November 8, 2017; and
- WHEREAS, on April 21, 2015, by Resolution No. 15-0100, the Commission approved Amendment No. 1 to the Lease, replacing the premises located in Terminal 1 Boarding Area B, and extending the term for the Terminal 1 Boarding Area B location to September 2019 when the present Terminal 1 Boarding Area B closes; and
- WHEREAS, Gotham Enterprises, LLC is currently operating its two coffee concessions in Terminal 3 on a month-to-month holdover status; and
- WHEREAS, the next planned Terminal 3 renovation will include a new concessions program in T3 West and between Gates 84 and 90 as part of the T3 West expansion project, and it is anticipated that base building work will commence in this area sometime between December 2018 and December 2020; and
- WHEREAS, given the impending T3 West project, commencing a competitive process to select new concessionaires is not practical, as there is not adequate time to amortize capital investment in a new build-out; and
- WHEREAS, extending the Lease for a limited period without interruption prior to the commencement of the T3 West project is necessary to preserve customer service and maintain revenue; now, therefore, be it
- RESOLVED, that this Commission hereby approves Amendment No. 2 to the Specialty Coffee Facilities Lease No. 03-0069 with Gotham Enterprises, LLC, extending the term of both Terminal 3 locations to December 31, 2020, with a condition that that the Airport Director, at his sole and absolute discretion, may terminate earlier by providing six months' advance written notice; and, be it further
- RESOLVED, that this Commission hereby directs the Commission Secretary to seek approval of Lease Amendment No. 2 from the Board of Supervisors pursuant to Section 9.1118 of the Charter of the City and County of San Francisco.

*I hereby certify that the foregoing resolution was adopted by the Airport Commission*

*at its meeting of* \_\_\_\_\_

DEC 19 2017

  
Secretary