

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 19-0199

APPROVAL OF AMENDMENT NO. 1 TO THE TERMINAL 1 RETAIL CONCESSION LEASE 2 WITH PARADIES LAGARDERE @ SFO 2018, LLC DBA MILLS CARGO

WHEREAS, on July 10, 2018, by Resolution No. 18-0204, the Airport Commission (Commission) awarded the Terminal 1 Retail Concession Lease 2 (Lease) to Paradies Lagardere @ SFO 2018, LLC (Tenant); and

WHEREAS, the Lease has a term of seven years with two 1-year options, and Staff has determined that the development costs exceeded supportable underwriting standards related to sales projections, rent structure and the term of the Lease; and

WHEREAS, Staff proposes extending the Lease by two years to improve the financial health of the Lease by allowing for a longer development cost amortization period; and

WHEREAS, Tenant has agreed to enter into an amendment so extending the term of the Lease; now, therefore, be it

RESOLVED, that this Commission hereby approves Amendment No. 1 to the Lease with Paradies Lagardere @ SFO 2018, LLC, extending the base operating term of the Lease to July 31, 2028; and, be it further

RESOLVED, that the Commission Secretary is hereby directed to request approval of Amendment No. 1 to the Lease by Resolution of the Board of Supervisors pursuant to Section 9.118 of the Charter of the City & County of San Francisco.

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

at its meeting of _____ SEP 10 2019 _____

Secretary