

[Lease Termination Agreement - HFF SFO TWO, LLC - Harvey Milk Terminal 1 Food and Beverage Concession Leases in Phases 3 and 4 - Lease 12]

Resolution approving the Lease Termination Agreement for the Harvey Milk Terminal 1 Food and Beverage Concession Leases in Phases 3 and 4 - Lease 12, Lease No. 20-0042 between HFF SFO TWO, LLC, as tenant, and the City and County of San Francisco, acting by and through its Airport Commission.

WHEREAS, On March 17, 2020, by Resolution No. 20-0042, the Airport Commission awarded the Harvey Milk Terminal 1 Food and Beverage Concession Leases in Phases 3 and 4 - Lease 12, Lease No. 20-0042 (Lease) to HFF SFO TWO, LLC for a term of 12 years with one two-year option to extend at the Airport's sole discretion, and an initial minimum annual guarantee of \$545,000; and

WHEREAS, On December 14, 2021, by Resolution 560-21, the San Francisco Board of Supervisors approved the Lease; and

WHEREAS, Since the Lease was awarded construction costs are estimated to have increased 22% and labor costs are estimated to have increased 10-15% rendering the Lease no longer financially viable; and

WHEREAS, Airport staff believes recapturing the premises will provide the Airport with an opportunity to re-lease the premises for a higher and better use to better serve the traveling public; and

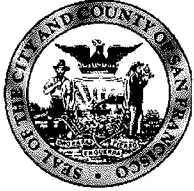
WHEREAS, The Airport and Tenant have negotiated a Lease Termination Agreement which provides for the Tenant to surrender the premises; and

WHEREAS, On April 7, 2026, by Resolution No. 26-0077, the Commission approved the Lease Termination Agreement; now, therefore, be it

RESOLVED, That this Board of Supervisors hereby approves the Lease Termination

1 Agreement for the Harvey Milk Terminal 1 Food and Beverage Concession Leases in Phases
2 3 and 4 - Lease 12, Lease No. 20-0042, a copy of which is on file with the Clerk of the Board
3 of Supervisors in File No. 260441; and, be it

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



City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 260441

Date Passed: June 02, 2026

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May 20, 2026 Budget and Finance Committee - RECOMMENDED

June 02, 2026 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Chen, Dorsey, Mahmood, Mandelman, Melgar, Sauter, Sherrill,
Walton and Wong
Excused: 1 - Fielder

File No. 260441

I hereby certify that the foregoing
Resolution was ADOPTED on 6/2/2026 by
the Board of Supervisors of the City and
County of San Francisco.

Angela Calvillo
Clerk of the Board

Daniel Lurie
Mayor

6 / 5 / 26

Date Approved