

1 [Airport Lease Agreement - J. Avery Enterprises]

2  
3 **Resolution approving Amendment No. 1, retroactive to April 14, 2011, to Domestic**  
4 **Terminal Food and Beverage Lease No. 03-0192 with J. Avery Enterprises, dba Klein's**  
5 **Deli, and the City and County of San Francisco, acting by and through its Airport**  
6 **Commission.**

7  
8 WHEREAS, The Airport intends to close Boarding Area B in or around May 2011 for an  
9 unknown period; and

10 WHEREAS, The Airport will close Boarding Area E for approximately one year for  
11 major renovations; and

12 WHEREAS, J. Avery Enterprises operates Klein's Deli in Boarding Areas B and E  
13 ("Original Premises"); and

14 WHEREAS, The closures of Boarding Areas B and E also requires the closure of the  
15 Original Premises; and

16 WHEREAS, The Airport Commission approved the terms for Amendment No. 1 to the  
17 Lease by Resolution No. 11-0084, which includes a change in the Premises, suspension and  
18 reinstatement of the Minimum Annual Guarantee and Tenant Infrastructure Fee, an extension  
19 of the Lease Term, and a reimbursement to the Tenant for unamortized cost of improvements  
20 for the Original Premises; now, therefore, be it

21 **RESOLVED**, That the Board of Supervisors hereby approves Amendment No. 1,  
22 retroactive to April 14, 2011, to Lease No. 03-0192 with J. Avery Enterprises, as follows:

- 23 1. The Boarding Area E Renovation Period commences on April 14, 2011 and ends  
24 when the Airport Director, in his sole and absolute discretion, determines that the  
25 renovations are complete.

1           2. Premises

- 2           • Expansion in Boarding Area E location from 642 square feet to 1,323 square  
3           feet;  
4           • Relocation of 518 square feet in Boarding Area B to 998 square feet in Boarding  
5           Area F.

6           3. Replacement of the existing ten (10) year term with a new ten (10) year term, which  
7           commences on the earlier of (i) the date both the Boarding Area E and Boarding  
8           Area F locations are both open to the public, or (ii) airline tenants occupy the  
9           majority of gates in Boarding Area E.

10          4. A reimbursement of unamortized construction costs calculated at \$136,576 for  
11          Boarding Area B, and \$157,427 for Boarding Area E.

12          5. Minimum Annual Guarantee ("MAG")

- 13          • Termination of the MAG associated with Boarding Area B;  
14          • Suspension of the MAG associated with Boarding Area E and its reinstatement  
15          upon the first day that airline tenants reoccupy the majority of gates at Boarding  
16          Area E.  
17          • Commencement of the MAG for Boarding Area F on the earlier of (i) the date the  
18          space opens for business, or (ii) one hundred and twenty (120) days after  
19          construction commences.

20          6. Tenant Infrastructure Fee

- 21          • Termination of the Tenant Infrastructure Fee associated with Boarding Area B.  
22          • Suspension of the Tenant Infrastructure Fee during the Renovation Period and  
23          its reinstatement upon the first day that airline tenants reoccupy the majority of  
24          gates at Boarding Area E.  
25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

FURTHER RESOLVED, That the Airport Director shall take all steps necessary to implement such Amendment No. 1 to the Lease, including execution of the appropriate documents.



**City and County of San Francisco**  
**Tails**  
**Resolution**

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

**File Number:** 110542

**Date Passed:** May 24, 2011

Resolution approving Amendment No. 1, retroactive to April 14, 2011, to Domestic Terminal Food and Beverage Lease No. 03-0192 with J. Avery Enterprises, dba Klein's Deli, and the City and County of San Francisco, acting by and through its Airport Commission.

May 18, 2011 Budget and Finance Committee - RECOMMENDED

May 24, 2011 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

File No. 110542

I hereby certify that the foregoing  
Resolution was ADOPTED on 5/24/2011 by  
the Board of Supervisors of the City and  
County of San Francisco.

Angela Calvillo  
Clerk of the Board

Mayor Edwin Lee

5/24/2011

Date Approved