[Lease Termination Agreement - Minute Suites Travelers Retreat SFO, LLC - Harvey Milk Terminal 1 Retail Concession Lease 8 - Termination Fee \$75,000]

Resolution approving Lease Termination Agreement for the Harvey Milk Terminal 1
Retail Concession Lease 8 at San Francisco International Airport, Lease No. 20-0045,
between Minute Suites Travelers Retreat SFO, 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. 20-0045, the Airport Commission (Commission) awarded the Airport Harvey Milk Terminal 1 Retail Concession Lease 8 – (Lease) to Minute Suites Travelers Retreat SFO, LLC (Tenant); and

WHEREAS, By Resolution No. 525-20 adopted on November 20, 2020, this Board of Supervisors approved the Lease, a copy of which is on file with the Clerk of the Board in File No. 201082; and

WHEREAS, Tenant never commenced construction or opened for business as a result of the COVID-19 pandemic; and

WHEREAS, Tenant has requested to terminate the Lease, citing significantly increased costs since the Lease was executed and a decrease in sales nationwide for spa services in airports due to a significantly diminished business climate for spa services in airports resulting from the pandemic; and

WHEREAS, The Airport is agreeable to such termination pursuant to a Lease
Termination Agreement that provides for Tenant to pay a termination fee in the amount of
\$75,000 which is equal to one half of the Minimum Annual Guarantee rent payable under the
Lease (Lease Termination Agreement); and

WHEREAS, Airport staff believes this is a fair and reasonable amount that will compensate the Airport for the loss of revenue it will sustain as a result of such termination,

and is confident that a new tenant with a more profitable concept can be identified through a competitive process; and

WHEREAS, On August 20, 2024, by Resolution No. 24-0189, the Commission approved the Lease Termination Agreement; now, therefore, be it

RESOLVED, That this Board of Supervisors hereby approves the Lease Termination Agreement for the Harvey Milk Terminal 1 Retail Concession Lease 8, Lease No. 20-0045 with Minute Suites Travelers Retreat SFO, LLC, a copy of which is on file with the Clerk of the Board of Supervisors in File No. 240923; and, be it

FURTHER RESOLVED, That within 30 days of the Lease Termination Agreement being fully-executed by all parties, the Airport Commission shall provide the final lease termination agreement to the Clerk of the Board for inclusion into the official file.



City and County of San Francisco Tails

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

Resolution

File Number: 240923

Date Passed: February 25, 2025

Resolution approving Lease Termination Agreement for the Harvey Milk Terminal 1 Retail Concession Lease 8 at San Francisco International Airport, Lease No. 20-0045, between Minute Suites Travelers Retreat SFO, LLC, as tenant, and the City and County of San Francisco, acting by and through its Airport Commission.

February 12, 2025 Budget and Finance Committee - RECOMMENDED

February 25, 2025 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Chen, Dorsey, Engardio, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill and Walton

File No. 240923

I hereby certify that the foregoing Resolution was ADOPTED on 2/25/2025 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

Daniel Lurie Mayor Date Annroyed