



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 19-1045

Board Meeting Date: 11/5/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Manager

Subject: Lease Agreement with Thieves Market, LLC to Operate the Restaurant at the Half Moon Bay Airport Terminal Building (Lease No. 5405)

RECOMMENDATION:

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute a Lease Agreement with Thieves' Market, LLC for 4,101 square feet of lease space at Half Moon Bay Airport terminal building, for an initial term of five years, with one option to extend for an additional five years, at an initial monthly base rent of \$2,332; and
- B) County Manager or his designee to execute notices, options, and documents associated with the Lease including, but not limited to, extension or termination of the Lease under the terms set forth therein.

BACKGROUND:

From 1994 until March 2019, under two consecutive Agreements with the County, the Three Zero Café operated the cafe restaurant in a portion of the Half Moon Bay Airport Terminal Building ("the Cafe"). In 2015, the Café did not execute its option to extend the term but operated in holdover status until 2019. In 2019, the owner of the Three Zero Café notified the Airport that he would be retiring, and the Café was closed in March 2019.

In April 2019, a Request for Proposal was published to solicit a vendor to operate the café. After a thorough review process that included representatives from County Real Property, the Half Moon Bay Airport Pilots Association, and Midcoast Community Council, Thieves Market, LLC was selected as the new operator for the café providing the best value and experience.

DISCUSSION:

Real Property has negotiated a Lease Agreement with Thieves' Market, LLC for a portion of the Half Moon Bay Airport terminal building for a term of five years, with one option to extend for an additional

five years. The initial rate of \$2,332 per month is based on \$1.10 per square foot for the exclusive use of the restaurant and office, \$0.30 per square foot for non-exclusive use of the outside seating area, and \$0.20 per square foot for non-exclusive use of the restroom and lobby areas. Thieves' Market, LLC will also pay an annual rent increase of three percent, as well as pay for utilities, janitorial services, and for landscaping services for the exterior portions of the terminal building. Additionally, the restaurant will also be responsible for ensuring that no grease enters the septic system and the system remains fully operational.

County Counsel has reviewed and approved the agreement and resolution as to form. The Director of Public Works concurs in this recommendation.

FISCAL IMPACT:

Revenue to the Airport Enterprise Fund is estimated at \$12,826 for FY 2019-20, less deductions to account for tenant improvements. There is no impact to the General Fund.