Port of Seattle

COMMISSION
AGENDA MEMORANDUM

ACTION ITEM

Item No. 8f

Date of Meeting November 11, 2025

DATE: October 14, 2025

TO: Stephen P. Metruck, Executive Director

FROM: Jeffrey Wolf, Director, Aviation Commercial Management
Khalia Moore, Assistant Director Airport Dining and Retail

SUBJECT: **Lease and Concession Termination Agreement**

ACTION REQUESTED

Request Commission authorization for the Executive Director or his designee to (1) execute the Termination Agreement with HG SEA C-1 Retail Concessions LLC; (2) include the location into the upcoming Request for Proposal (approved by Commission on April 22, 2025).

EXECUTIVE SUMMARY

HG SEA C-1 Retail Concessions LLC (Concessionaire) provided a response to Concourse C Expansion (CCE) Request for Proposal (RFP) 24-1 Package SR1 and was the selected proposer and entered into a Lease and Concession Agreement with the Port of Seattle (Port) on January 8, 2025. As part of their response, Concessionaire proposed a Cobbs Popcorn for location CT-07.

Concessionaire notified the Port on September 5, 2025, that they could not come to terms with the proposed brand through a license agreement. As such, they are requesting to terminate their Lease and Concession Agreement and return the space back to the Port to re-release.

JUSTIFICATION

Concessionaire submitted the Cobbs Popcorn concept as part of CCE RFP 24-1 Package SR1. Compared to other responses for this package, the proposed concept scored high. As such, Concessionaire was awarded the location and entered into a Lease and Concession Agreement with the Port.

Concessionaire has worked with the Port on getting the design completed on time to be reviewed by the Port’s Building and Fire Departments. On September 5, 2025, Concessionaire notified Airport Dining and Retail (ADR) staff, the negotiations for a license agreement between Concessionaire and the proposed concept had come to a standstill. ADR staff encouraged Concessionaire to continue with negotiations.

Subsequently, Concessionaire notified ADR staff that they could not come to an agreement with the proposed brand and requested to terminate the Lease and Concession Agreement and return the space to the Port for future redevelopment.

In keeping with the validity of the RFP process, staff believe terminating and re-leasing is the best course of action and requests authorization for the Executive Director or his designee to execute the Termination Agreement; and for Commission to provide authorization to include this location with the other locations Commission has authorized for Request for Proposal on April 22, 2025.

FINANCIAL IMPLICATIONS

Under the original planned redevelopment of this space associated with the CCE project, there was an anticipated break in revenue from November 2025 through June 2026, which will now not occur, allowing for continued revenue generation with the current operator during this timeframe.

This location will now be part of an upcoming RFP process as mentioned above, scheduled for Q1 2026. The space will not close until the selected operator has obtained the required permits to begin construction, which is estimated to be Q2 2027. At that time, there will be a break in revenue to the Port until the unit is re-opened, estimated in Q4 2027.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Allow Concessionaire to maintain the space and propose a different concept for ADR staff to approve.

Pros:

(1) Concessionaire retains a location they were awarded through a competitive process.

Cons:

(1) Does not keep with the original concept the Concessionaire proposed as was awarded as part of the process.

(2) Sets a precedent for future RFP awardees that they could change proposed concepts after award.

This is not the recommended alternative.

Alternative 2 – Authorize the termination and direct ADR staff to negotiate directly with another business for this location.

Pros:

(1) May reduce the downtime the space will be vacant.

Cons:

(1) Does not follow the competitive process Commission has authorized.

(2) Could open the Port up to legal challenges by unawarded bidder from the RFP process if not chosen.

This is not the recommended alternative.

Alternative 3 – Authorize the signing of the Termination Agreement and include the location in the next RFP.

Pros:
(1) Maintains the transparency of open solicitation.
(2) Continues the current revenue stream until a new operator begins construction.

Cons:
(1) Space will remain without a new concept for a longer period.

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

(I) Previously Approved Memo, April 22, 2025

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None