

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

March 10, 2026

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department

SUBJECT

Parcel Map No. 20561, Subdivision Improvement Agreement, and Declaration of Covenants, Conditions and Reciprocal Easements, Related to Entitlement and Option Agreement with Majestic Realty Co. in Chino

RECOMMENDATION(S)

1. Approve, in County's capacity as the property owner, Parcel Map No. 20561, to subdivide approximately 56.95 acres of County-owned property located in the City of Chino (Assessor's Parcel Numbers 1055-061-01, 1055-061-02, 1055-071-01, 1055-071-02, and portions of 1055-051-01 and 1055-051-02) into three parcels, comprising Parcel 1 of approximately 46 acres, Parcel 2 of approximately 3.74 acres, and Parcel 3 of approximately 7.21 acres, and dedicate a four-foot right of way to the City of Chino for street and public utility purposes, as depicted in said map.
2. Find that the conveyance of a four-foot right-of-way to the City of Chino for street and public utility purposes, as depicted in Parcel Map No. 20561 and identified in Recommendation No. 1, is in the public interest, that the interest to be conveyed is no longer necessary for County or other public purposes, and that the interest in land conveyed will not substantially conflict or interfere with the use of the property by the County.
3. Approve **Subdivision Improvement Agreement No. 26-132** among Majestic Chino Flight, LLC, as subdivider, the City of Chino, and San Bernardino County, as property owner, including non-standard terms, whereby San Bernardino County consents to the construction by Majestic Chino Flight, LLC, of certain public improvements associated with Parcel Map No. 20561 with the City of Chino to own said improvements upon completion and City's acceptance.
4. Approve Declaration of Covenants, Conditions and Reciprocal Easements for Majestic Chino Flight among Majestic Chino Flight, LLC, the City of Chino, and San Bernardino County, including non-standard terms, over the property described in Recommendation No. 1 for a term to commence on the date of a ground lease between Majestic Realty Co., a California corporation, or its permitted assignee, and San Bernardino County executed pursuant to Entitlement and Option Agreement No. 22-12 and to expire on the expiration or earlier termination of such lease.
5. Find that the conveyance of the interests described in the Declaration of Covenants, Conditions and Reciprocal Easements for Majestic Chino Flight to the future tenant of Parcel 1, are in the public interest, that the interests to be conveyed are no longer necessary for County or other public purposes, and that the interests in land conveyed will not substantially conflict or interfere with the use of the property by the County.
6. Delegate the Chief Executive Officer or the Director of the Real Estate Services Department as officials to provide County consent, approve administrative matters, and execute required non-substantive documents and amendments for the Subdivision Improvement Agreement

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in Recommendation No. 3, and the Declaration of Covenants, Conditions and Reciprocal Easements for Majestic Chino Flight in Recommendation No. 4.

7. Direct the Director of the Real Estate Services Department to transmit amendments to the Subdivision Improvement Agreement in Recommendation No. 3, and the Declaration of Covenants, Conditions and Reciprocal Easements for Majestic Chino Flight in Recommendation No. 4 to the Clerk of the Board of Supervisors within 30 days of execution (Presenter: Terry W. Thompson, Director, 387-5000)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Create, Maintain and Grow Employment Opportunities and Jobs and Economic Value in the County.

Operate in a Fiscally Responsible and Business-Like Manner.

Foster Sustainable Development Through Strategic Partnerships.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). There is no cost associated with approval of Parcel Map No. 20561 (Parcel Map), the Subdivision Improvement Agreement (SIA), and the Declaration of Covenants, Conditions and Reciprocal Easements (CCRs).

BACKGROUND INFORMATION

On January 11, 2022 (Item No. 32), the Board of Supervisors (Board) approved the Entitlement and Option Agreement (EOA) No. 22-12 with Majestic Realty Co. (Majestic), with an entitlement period of 24 months, commencing upon mutual execution, a payment of \$10 for the initial entitlement period, an initial lease deposit of \$1,000,000, an option to extend the entitlement period for 180 days for an additional deposit of \$250,000, and an option to enter into a Development Ground Lease (Lease) in substantially the form approved by the Board for an initial term of 65 years with two 17-year options to extend the term of the lease (for an aggregate term of 99 years if both options are exercised), with net revenue to be equally split between Majestic and the County, from the development of approximately 46 acres of vacant County land (Property). On January 8, 2024, Majestic exercised its option to extend the entitlement period for 180 days and paid an additional deposit of \$250,000, resulting in an entitlement period to expire on July 16, 2024.

The entitlement period was further extended due to Majestic's position that a force majeure delay had occurred under the EOA, which the County's Chief Executive Officer (CEO), by letter, acknowledged and did not dispute, resulting in an entitlement period to expire on January 14, 2027. On July 23, 2024 (Item No. 59), the Board ratified actions taken by the CEO. To date, Majestic has not yet exercised its option to lease the Property.

In processing entitlements for the intended development on the Property, Majestic's intended related entity, Majestic Chino Flight, LLC (MCF), has been conditioned by the City of Chino (City) to execute the SIA, CCRs, and the Parcel Map.

When the EOA was approved, the Board delegated authority to the CEO or the Director of the Real Estate Services Department (RESA) as the officials to execute required documents for the EOA. However, the EOA and any resulting Lease only apply to the Property, which expressly excludes the adjacent County-owned land of approximately 11 acres that is used as the

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Runway Protection Zone (RPZ Area) for Chino Airport. Given that the SIA, CCRs, and the Parcel Map will encumber both the Property and the RPZ Area (collectively, the Total County Land), includes right-of-way and public improvement dedication, and they include non-standard terms, Board approval is required for these agreements and Parcel Map.

The Parcel Map will subdivide the Total County Land into three parcels with the 46-acre Property as Parcel 1, a 3.74-acre portion of the RZP Area as Parcel 2, and a 7.21-acre portion of the RPZ Area as Parcel 3. It will also dedicate a four-foot right-of-way to the City for street and public utility purposes. The subdivision and the dedication will remain in effect even if Majestic does not exercise its option to lease the Property. Recordation of this Parcel Map will also abandon the City's interest in unimproved Baker Avenue.

The SIA to be executed among MCF, the City, and the County will provide the County's consent to MCF's construction of certain public improvements associated with the Parcel Map and the City's ownership of those improvements within the City right-of-way upon completion. The County is also required to provide a non-standard environmental warranty to the City regarding the Total County Land.

The CCRs to be executed among MCF, the City, and the County will govern the Total County Land, including common facilities to be constructed thereon, in the event a Lease for the Property is executed between the County and Majestic pursuant to the EOA. The CCRs will restrict the RPZ Area to RPZ use only. The City will have enforcement right against the County in the event of any breach. The County's standard terms do not include the County granting an indemnity to the other party. To the extent the parties may grant reciprocal easements to each other to facilitate common facilities, the CCRs include such easements. The non-standard terms include the following:

1. The CCRs include a mutual indemnification, which includes the County indemnifying MCF.
 - The County standard contract does not include the County indemnifying the other party.
 - Potential Impact: The potential risk for agreeing to such a term is that claims that may otherwise be barred could be brought by Majestic, and the County would be responsible for defending and reimbursing MCF for costs, expenses, and damages that could exceed the anticipated amounts to be received by County under the EOA.
2. The CCRs include insurance terms and limits that are different than those included in County Policy 11-07 SP.
 - The County standard contract includes insurance terms and limits consistent with those in County Policy 11-07 SP.
 - Potential Impact: This may impact insurance coverage in the event there is a loss.
3. The CCRs provide that dispute resolution is through binding arbitration.
 - The County standard contract does not include the parties agreeing to binding arbitration.
 - Potential Impact: By agreeing to this term, the County is waiving its right to resolve disputes through the courts.

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RESD recommends approval of the CCRs, including the non-standard terms, because it is a required entitlement conditioned by the City and is a prerequisite to the development of the Property.

Approval of this item will also delegate the CEO or the RESD Director as officials to provide County consent, approve administrative matters, and execute required non-substantive documents and amendments for the SIA, and CCRs.

The City of Chino is the lead agency for reviewing this project under the California Environmental Quality Act. If Majestic exercises its option to lease, the acreages to be set forth in the Lease will be adjusted to match the acreages in the Parcel Map as non-substantive changes, as permitted by the Board when it approved the EOA on January 11, 2022 (Item No. 32).

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Agnes Cheng, Deputy County Counsel, and Scott Runyan, Principal Assistant County Counsel, 387-5455) on March 6, 2026; Risk Management (Stephanie Mead, Staff Analyst II, 386-9044) on March 5, 2026; and County Finance and Administration (Eduardo Mora, Administrative Analyst, 387-4376) on March 5, 2026.

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Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: March 10, 2026



cc: RESD - Thompson w/agree for sign
Contractor - c/o RESD w/agree
File - w/agree w/declaration
MBA 03/11/2026