

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

June 14, 2022

FROM

TERRY W. THOMPSON, Director, Real Estate Services Department
BEAHTA DAVIS, Director, Regional Parks Department

SUBJECT

Amendment to Revenue Ground Lease Agreement with 30 West Pershing, LLC for Use of Land in Cucamonga-Guasti Regional Park

RECOMMENDATION(S)

Approve **Amendment No. 2 to Revenue Ground Lease Agreement No. 19-279** with 30 West Pershing, LLC to reset the rent commencement date from the earlier of the date Tenant opens its golf entertainment facility at the Premises to the public or January 24, 2022, to a fixed date of April 1, 2022, for a 20-year term ending on March 31, 2042, for approximately 13.70 acres of vacant land located at the southeast corner of Archibald Avenue and Fourth Street (portions of Assessor Parcel Numbers 0210-181-34 and 0210-181-45), comprising a portion of Cucamonga-Guasti Regional Park, in the City of Ontario, for no additional revenue.
(Presenter: Terry W. Thompson, Director, 387-5000)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). There is no revenue or cost associated with Amendment No. 2 to Ground Lease Agreement No. 19-279 (Lease) to reset the rent commencement date.

BACKGROUND INFORMATION

The recommended action will approve Amendment No. 2 to the Lease with 30 West Pershing, LLC, (30 West), as assignee of Topgolf USA SBD, LLC (Topgolf), to reset the rent commencement date from the earlier of the date Tenant opens its golf entertainment facility at the Premises to the public or January 24, 2022, to a fixed date of April 1, 2022.

On April 30, 2019 (Item No. 63), the Board of Supervisors (Board) approved the Lease with Topgolf for approximately 13.70 acres of vacant land located at the southeast corner of Archibald Avenue and Fourth Street in the City of Ontario, comprising a portion of the Cucamonga-Guasti Park, for Topgolf's development and operation of a golf entertainment facility. The original term of the Lease was for the period from April 30, 2019 through 20 years after the rent commencement date, which was defined as the earlier of public opening of the Topgolf facility or 365 days after the end of the due diligence period. While the due diligence period ended on March 20, 2020, the COVID-19 pandemic created a force majeure delay.

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Pursuant to the Chief Executive Officer's authority granted by the Board on January 26, 2021 (Item No. 67) for non-standard contract terms, in response to the worldwide health threat related to the Novel Coronavirus, or COVID-19, the Chief Executive Officer executed Amendment No. 1 to the Lease on January 29, 2021 to confirm the end of the due diligence period as of March 20, 2020, memorialize the force majeure delay period as lasting from March 21, 2020 through January 25, 2021, reset the rent commencement date to occur on the earlier of the public opening of the Topgolf facility or January 24, 2022, and set the performance bond, as required by the Lease, in the amount of \$1,125,609. The Board ratified Amendment No. 1 on May 18, 2021 (Item No. 34).

On December 21, 2021, Topgolf assigned its interest in the Lease to 30 West, as permitted by the Lease. Concurrently, 30 West and Topgolf entered into a Sublease Agreement wherein Topgolf subleases the Premises from 30 West.

Topgolf completed construction of its facility and opened its business to the public on March 11, 2022. Pursuant to the terms of the Lease, since the opening date is later than January 24, 2022, the rent commencement date would be January 24, 2022. However, for administrative ease and to more closely align the rent with the opening date, the parties desire to reset the rent commencement date to April 1, 2022. As a result, the expiration date of the Lease will be March 31, 2042. Any rents paid to date will be credited against an April 1, 2022 rent commencement date.

The Board previously adopted a Mitigated Negative Declaration Monitoring and Reporting Program on April 30, 2019 (Item No. 63) and the Notice of Determination was posted.

PROCUREMENT

Not applicable.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Agnes Cheng, Deputy County Counsel, 387-5455) on May 19, 2022; Regional Parks Department (Beahta Davis, Director, 387-2886) on May 24, 2022; Purchasing Department (Bruce Cole, Supervising Buyer, 387-2148) on April 19, 2022; Finance (Elias Duenas, Administrative Analyst, 387-4052, and Carl Lofton, Administrative Analyst, 387-5404) on May 24, 2022; and County Finance and Administration (Diana Atkeson, Deputy Executive Officer, 387-5423) on May 25, 2022.

(BJO: 659-4676)

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June 14, 2022**

Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

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

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: June 14, 2022



cc: RESD - Thompson w/agree
 Contractor - C/O RESD w/agree
 File - w/agree
CCM 06/24/2022