



**SUPPLEMENTAL AGENDA ITEM
AGENDA STAFF REPORT**

Control: 26001317

MEETING DATE: 05/19/2026

LEGAL ENTITY TAKING ACTION: Orange County Flood Control District

BOARD OF SUPERVISORS DISTRICT(S): All Districts

SUBMITTING AGENCY/DEPARTMENT: County Executive Office

DEPARTMENT CONTACT PERSON(S): Thomas Miller, 714-834-6019
Brian Bauer, 714-834-5663

REASON ITEM IS SUPPLEMENTAL: CEO Real Estate experienced delays in finalizing the MOU, which was originally negotiated in 2021, due to the recent reevaluation and required updates to the document. As a result, this Agenda Staff Report and attachments were finalized after the filing deadline to the Clerk of the Board.

JUSTIFICATION: The City of Chino approved the Majestic Chino Heritage, LLC’s Vesting Parcel Map No. 20071 and associated Subdivision Improvement Agreement as part of the Project entitlements on May 5, 2026. The MOU is a required component of this action, as it fulfills specific conditions of the City’s approval of the parcel map.

SUBJECT: Memorandum of Understanding with the City of Chino

CEO CONCUR	COUNTY COUNSEL REVIEW	CLERK OF THE BOARD
Concur	Approve agreement to form	DISCUSSION 3 Votes Board Majority

Budgeted: Yes	Current Year Cost: N/A	Annual Cost: N/A
Staffing Impact: No		Sole Source: No
Current Fiscal Year	Funding Source: N/A	County Audit in Last 3 years: No
Revenue: See Financial Impact Section		
Levine Act Review Completed? N/A		

Prior Board Action: 4/22/2025 #12, 10/25/2016 #S49G

RECOMMENDED ACTION(S):

Acting as the governing board of the Orange County Flood Control District:

1. Approve and authorize the Chief Real Estate Officer, or designee, on behalf of the Orange County Flood Control District, to execute the Memorandum of Understanding with the City of Chino to facilitate the City’s acquisition of easements, right of way and a fill dirt agreement necessary for city road improvement projects in the Prado Dam area.
2. Authorize the Chief Real Estate Officer or designee, on behalf of the Orange County Flood Control District, to execute any and all necessary documents related to the Memorandum of Understanding

and its exhibits, and to execute subsequent amendments and documents that make non-monetary changes that do not materially increase District costs, with approval of County Counsel, and perform all collateral activities required of the District under the terms of the agreement.

3. Authorize the acceptance of \$1,041,938, from Majestic Chino Heritage, LLC, and \$902,916, from the City of Chino, in connection with the acquisition of the Orange County Flood Control District's right of way to the City of Chino.
4. Authorize the issuance of a license to the City of Chino in the form of a County Public Property Permit through the OC Public Works/Public Property Permits process, at no cost to the City of Chino, to allow for the excavation and transfer of fill dirt from District property identified as Borrow Site No. 1, pursuant to grading plans approved by the District and in accordance with the Agreement Regarding Fill Dirt and Release.

SUMMARY:

Approval and execution of the Memorandum of Understanding and its associated documents between the Orange County Flood Control District and City of Chino will fulfill a condition of approval for the entitlements for the Majestic Chino Heritage project and enable the City to acquire the necessary easement rights and right of way for various roadway improvements in the Prado Dam area, supporting the Santa Ana River Mainstem/Prado Dam Project.

BACKGROUND INFORMATION:

The Orange County Flood Control District (District) owns an approximately 95-acre vacant parcel (Property) located in the City of Chino (City), at the southeast corner of Mountain Avenue and Bickmore Avenue, within the Prado Flood Control Basin.

On October 25, 2016, in response to a Request for Qualifications, the Board of Supervisors (Board) selected Majestic Realty Co. (Majestic) to develop the site pursuant to an Option Agreement and Ground Lease Agreement (Lease) with the District. Majestic received City entitlement approvals for the Majestic Chino Heritage project on June 1, 2021, which include the construction of two industrial buildings totaling 2,082,174 square feet (Project).

In 2021, the District and City negotiated a Memorandum of Understanding (MOU), as part of the City's conditions of approval for the Project entitlements and in support of the District's Santa Ana River Mainstem/Prado Dam Project. The purpose of the MOU is to enable the City to acquire the necessary easement rights and purchase of right of way from the District and to allow temporary construction use and acquisition of District property needed for the City's various required roadway improvements to improve street access in the Project area. The MOU also addresses the City's acquisition of fill dirt from District property, which is addressed below.

Because the District may only convey right of way for fair market value (FMV), the District and City worked together to establish the applicable FMV for these easements and right of way set forth in the MOU. The District determined FMV for the easements is \$1,944,854. Under the MOU and its Offer and Agreement to Purchase Real Property (Exhibit A to Attachment A), the City's consideration is set at \$902,916 (Exhibit E to Attachment A). Majestic has agreed to pay the District the remaining \$1,041,938, as its fair-share portion of the FMV for this dedication, which is required pursuant to the Option Agreement

between the District and Majestic. Majestic will remit this payment, and upon receipt the funds will be considered a Project Cost as defined under Majestic's Lease.

On August 27, 2024 upon fulfillment of the conditions in the Option Agreement, Majestic Chino Heritage, LLC (Majestic's development entity) and the District executed the Lease, which included a Fill Dirt License Agreement allowing Majestic the right to excavate and remove fill dirt from certain District properties (Excess Fill Dirt Sites). On April 22, 2025, the Board approved an Agreement Regarding Fill Dirt and Release (Exhibit G to Attachment A) for property identified as Borrow Site Number 2, which provided the City with a license to excavate 10,820 cubic yards of fill dirt. In return, the City agreed to pay the District \$10 per cubic yard for this dirt for a total amount of \$108,200. This Fill Dirt Agreement was executed and utilized to support the City's Pine Avenue improvement plans, to improve traffic flow and circulation to the surrounding area and the Project.

The District, as part of the MOU being considered herein and the conditions of approval for the Project, also negotiated an additional fill dirt agreement with the City of Chino to permit access to District-owned property along Pine Avenue identified as Borrow Site No. 1. The Agreement Regarding Fill Dirt and Release (Exhibit F to Attachment A) will allow the City the ability to excavate 46,000 cubic yards of fill dirt at no cost to the City for its County property permit or for the cost of the fill dirt for the purposes of completing adjacent City road projects and in consideration for the entitlement approvals for the Project. The City plans to present the Majestic Parcel Map and related documents to the City Council for approval on May 5, 2026.

The MOU provides support for the Project entitlements and development and ensures that necessary roadway improvements can proceed without compromising flood control operations, provides a clear framework for conveying District property interests at FMV, and supports continued coordination with the City on activities that directly benefit the Santa Ana River Mainstem/Prado Dam Project.

FINANCIAL IMPACT:

The District will receive a one-time payment from the City of \$902,916 as consideration for the sale of the easements associated with the right of way conveyances. Additionally, the District will receive a one-time payment of \$1,041,938 from Majestic, representing the difference between the District's FMV determination of \$1,944,854 and the City's consideration amount of \$902,916.

These proceeds should be received and recorded into Orange County Flood Control District Fund 400.

STAFFING IMPACT:

N/A

REVIEWING AGENCIES/DEPARTMENTS:

OC Public Works

ATTACHMENTS:

Attachment A-MOU between OCFCD and the City of Chino