

**DRAFT****RESOLUTION 20xx-xxx**

**PRESENTATION ON TOPGOLF INTERNATIONAL,  
INC. DBA TOPGOLF ENTERTAINMENT GROUP AND  
RESOLUTION WAIVING THE REQUIREMENT FOR A  
COMPETITIVE SOLICITATION PROCESS, AS  
PERMITTED BY BOARD OF PORT  
COMMISSIONERS POLICY NO. 360, AND  
DIRECTING STAFF TO NEGOTIATE AND ENTER  
INTO AN EXCLUSIVE NEGOTIATING AGREEMENT  
WITH TOPGOLF INTERNATIONAL, INC. DBA  
TOPGOLF ENTERTAINMENT GROUP, TO RUN  
THROUGH DECEMBER 31, 2020**

**WHEREAS**, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Act); and

**WHEREAS**, Board of Port Commissioners (BPC) Policy No. 360 provides that all development proposals be subject to a competitive process, unless the BPC expressly waives (by a majority affirmative vote of four (4) or more), the requirement for a competitive process; and

**WHEREAS**, in July 2015, the BPC directed staff to issue a Solicitation of Interests, Qualification and Vision (SOIQV) for East Harbor Island to transition the site from its historically industrial use to commercial mixed-use including hospitality, retail and attractions; and

**WHEREAS**, the SOIQV was issued on October 26, 2015, and sought development ideas to reimagine all or a portion of the 42 acres of land and 13 acres of water overlooking San Diego Bay (EHI Redevelopment Site); and

**WHEREAS**, on December 29, 2015, staff received six (6) submittals in response to the SOIQV, including a submittal from Topgolf International, Inc. dba Topgolf Entertainment Group (Topgolf); and

**WHEREAS**, the submittals were subsequently narrowed down to finalists OliverMcMillan, Inc. (OM) and Sunroad Enterprises (Sunroad); and

**WHEREAS**, OM was selected for redevelopment of the East Basin Industrial Subarea, as defined in the existing Port Master Plan (PMP), portion of the EHI Redevelopment Site; and Sunroad was selected for redevelopment of the seven (7)

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acre land parcel adjacent to the East Basin Industrial Subarea, commonly known as the “Elbow Parcel”; and

**WHEREAS**, the BPC encouraged OM and Sunroad to incorporate Topgolf into their projects or to set aside land in their proposals for the District to work directly with Topgolf; however, neither developer chose to incorporate Topgolf or set land aside for the District; and

**WHEREAS**, the District entered into Exclusive Negotiating Agreements (ENAs) with both OM and Sunroad; and

**WHEREAS**, the ENA with OM was voluntarily terminated by OM in February 2019 and no project moved forward on the East Basin Industrial Subarea of the EHI Redevelopment Site; and

**WHEREAS**, staff has made significant progress toward understanding the development potential of the EHI Redevelopment Site; and

**WHEREAS**, the Port Master Plan Update (PMPU) process has progressed considerably since the SOIQV was issued; and

**WHEREAS**, the vision for Harbor Island reflected in the PMPU Discussion Draft is one of balanced uses that “improve the year-round experience of Harbor Island for all visitors”; and

**WHEREAS**, for the northern area of the EHI Redevelopment Site (generally the East Basin Industrial Subarea in the current PMP), the PMPU Discussion Draft proposes an overlay designation that reflects planned development – the East Harbor Island Planning Area; and

**WHEREAS**, the East Harbor Island Planning Area is intended to “redevelop underutilized and vacant areas into a distinctive and attractive waterfront” and may include “restaurant, retail, attractions and other activating uses” and there is significant stakeholder interest in bringing new attractions to the region, and Topgolf proposes to redevelop a portion of the East Harbor Island Planning Area with a proven, successful attraction; and

**WHEREAS**, staff believes the District has a rare opportunity to bring a best-in-class operation that also fits within the BPC’s vision for adding new attractions to the East Harbor Island Planning Area; and

**WHEREAS**, Topgolf has nearly two decades of experience developing and operating its unique concept, a proven track record of stimulating growth and development adjacent to its projects, analytics that demonstrate the economic benefit to the District and job growth to the region, and support from stakeholders; and

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**WHEREAS**, Topgolf is also consistent with the policies of the PMPU Discussion Draft; and

**WHEREAS**, an economic impact study prepared by London Moeder concludes that Topgolf would result in a significant regional benefit and direct economic benefit to the District; and

**WHEREAS**, based on staff's experience over the last few years, the direction of the PMPU Discussion Draft, Topgolf's proven track record, and progress made with Sunroad on potential development of a 450 room hotel, staff believes that development of a Topgolf facility could not only be a significant attraction in its own right but could also induce demand for other development and de-risk future development within the balance of the EHI Redevelopment Site; and

**WHEREAS**, for these reasons, staff recommends the BPC waive the requirements for a competitive process as permitted by BPC Policy No. 360 and direct staff to negotiate and enter into an ENA with Topgolf; and

**WHEREAS**, the ENA with Topgolf to cover approximately 7 acres of the eastern portion of the East Harbor Island Planning Area.

**NOW THEREFORE, BE IT RESOLVED** that the Board of Port Commissioners of the San Diego Unified Port District, hereby waives BPC Policy No. 360 and authorizes and directs the District's Executive Director or her designee to negotiate and enter into an Exclusive Negotiating Agreement with Topgolf International, Inc. dba Topgolf Entertainment Group to run through December 31, 2020.

APPROVED AS TO FORM AND LEGALITY:  
GENERAL COUNSEL

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By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 5<sup>th</sup> day of November 2019, by the following vote: