



AGENDA REPORT

Department: Housing Authority
Prepared by: Carlos Aguirre, Director
Meeting Date: Tuesday, January 16, 2024
Approved by: Benjamin A. Martinez, City Manager

SUBJECT:

Tenth Amendment to an Option to Purchase Agreement with CarMax. (Parking Authority)

RECOMMENDATION:

Adopt the Resolution Entitled “Resolution of the Parking Authority of the City of National City, California, Authorizing and Ratifying the Tenth Amendment to the Option to Purchase Agreement between the Parking Authority and CarMax Auto Superstores California, LLC, a Virginia Limited Liability Company, Extending the Option Period for 30 days from December 31, 2023, Requiring the Deposit of the Full Purchase Price of \$2.1 Million within 90 days after Exercising the Option to Purchase, and Extending the Permitting Period Six Months from the Deposit of the Purchase Price into Escrow.”

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

The Parking Authority of the City of National City (“Authority”) owns a 15.08-acre parcel located at the southwest corner of Sweetwater Road and Plaza Bonita Center Way (“Property”). The Authority entered into an Option to Purchase Agreement (“Original Agreement”) with CarMax Auto Superstores California, LLC, (“CarMax”) on August 18, 2015. CarMax intends to use part of the Property to build a CarMax Superstore and provide on-site mitigation.

CarMax is currently working on obtaining permits from the State resource agencies, but it will take additional time to secure the approvals. The Tenth Amendment (“Amendment”) extends the Option Agreement 30 days from December 31, 2023. The Amendment also requires that CarMax deposit the full purchase price into Escrow within 90 days after exercise of the Option to Purchase under the Option Agreement. CarMax will then have six months to obtain all necessary permits, approvals, and complete the tentative parcel map required to close escrow and complete the development.

FINANCIAL STATEMENT:

CarMax will pay the Parking Authority \$2,100,000 for the property. The Authority will immediately pay the County of San Diego the \$2,100,000 to purchase the open space easement on the property, allowing CarMax to construct their facility. The sale of cars will increase the City’s sales tax base and there is no other impact on the City’s General Fund at this time.

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Housing and Community Development

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review. CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

Agenda Report posted within 72 hours of meeting date and time in accordance with Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A - Agreement

Exhibit B - Site Plan

Exhibit C - Resolution