

RESOLUTION NO. 2024-

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 EXTENDS THE PERMITTING PERIOD SIX MONTHS FROM THE DEPOSIT OF THE PURCHASE PRICE INTO ESCROW

WHEREAS, 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"); and

WHEREAS, the Authority entered into an Option to Purchase Agreement ("Original Agreement") with CarMax Auto Superstores California, LLC ("CarMax") on August 18, 2015; and

WHEREAS, CarMax intends to use part of the Property to build a CarMax Superstore ("Project"), which also provided for on-site mitigation; and

WHEREAS, the total purchase price in the Original Agreement was not to be less than \$3,500,000 for 9.5 acres; and

WHEREAS, on May 3, 2016, the Authority adopted Resolution No. 2016-1 entering into a First Amendment to the Option Agreement to extend the Feasibility Period, and

WHEREAS, the Second Amendment to the Option Agreement was approved and executed in August 2016, to extend the Feasibility Period; and

WHEREAS, on December 6, 2016, the Authority adopted Resolution No. 2016-3 approving the Third Amendment to the Option Agreement, amending the total purchase price to \$1,500,000 for 7.7 acres, or \$4.40 per square foot, contingent on a reduction of the sales price for the County of San Diego Open Space Easement, and allowing the size and dimension of the Property to be determined by CarMax based upon the total size needed for the CarMax Project; and

WHEREAS, on September 5, 2017, the Authority adopted Resolution No. 2017-2 approving the Fourth Amendment to the Option Agreement, which reduced the sales price to \$1,500,000 for 7.63 acres, giving CarMax until September 14, 2018 to obtain all necessary permits, approvals, and the tentative parcel map (the "Permitting Period"), and CarMax would have the right to extend the Permitting Period by up to three (3) successive one (1) month periods, upon prior written notice to the Authority; and

WHEREAS, on December 6, 2018, the City Manager executed the Fifth Amendment, as authorized by the Fourth Amendment, to extend the Permitting Period to February 25, 2019; and

WHEREAS, on February 19, 2019, the City Manager executed a Sixth Amendment to the Option Agreement to extend the Permitting Period from February 25, 2019 to December 4, 2019, with the close of escrow occurring two (2) weeks after the expiration of the Permitting Period, or December 28, 2019; and

WHEREAS, on November 19, 2019, the City Manager executed a Seventh Amendment to extend the Permitting Period from December 4, 2019 to December 31, 2020, with the close of escrow occurring two (2) weeks after the expiration of the Permitting Period, or January 14, 2021; and

WHEREAS, on December 1, 2020, the Authority adopted Resolution No. 2020 - 2 approving the Eighth Amendment to the Option Agreement, which amended the total purchase price to \$2,100,000 for 7.19 acres, amended the definition of "Property" to delete entirely the definition of "Residual Parcel" and extended the permitting period from December 31, 2020 until December 31, 2021, giving CarMax time to obtain all necessary permits and approvals; and

WHEREAS, on December 7, 2021, the Authority adopted Resolution No. 2021- 3 approving the Ninth Amendment to the Option Agreement, which extended the permitting period from December 31, 2021 to December 31, 2023; and

WHEREAS, the Tenth Amendment to Option Agreement amends the Original Agreement by extending the option period for 30 days from December 31, 2023, requires the deposit of the full purchase price into escrow within 90 days of written notice of exercise of the option, and extends the permitting period for six months from depositing the purchase price into escrow.

NOW, THEREFORE, THE PARKING AUTHORITY OF THE CITY OF NATIONAL CITY, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1: The Parking Authority of the City of National City authorizes and ratifies the Tenth Amendment to the Option to Purchase Agreement between the Parking Authority and CarMax Auto Superstores California, LLC, extending the option period for 30 days from December 31, 2023, requiring the deposit of the full purchase price of \$2,100,000 into escrow within 90 days of written notice of exercising the option to purchase, and extending the Permitting Period for six months from depositing the Purchase Price into Escrow.

Section 2: The Secretary shall certify the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED and ADOPTED this 16th day of January 2024.

Ron Morrison, Chairman

ATTEST:

Benjamin A. Martinez, Secretary

APPROVED AS TO FORM:

Barry J. Schultz, Legal Counsel