



# AGENDA REPORT

**Department:** Housing Authority  
**Prepared by:** Greg Rose, Property Agent  
**Meeting Date:** Tuesday, November 19, 2024  
**Approved by:** Benjamin A. Martinez, City Manager

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**SUBJECT:**

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

**RECOMMENDATION:**

Approve the Resolution Entitled “Resolution of the Parking Authority of the City of National City, California, Authorizing and Ratifying the Eleventh Amendment to the Option to Purchase Agreement Between the Parking Authority and CarMax Auto Superstores California, LLC, a Virginia Limited Liability Company, Providing Six Months from Execution of the Eleventh Amendment to Process and Record a Final Parcel Map and Requiring Escrow to Close Two Days after Recording the Final Parcel Map.”

**BOARD/COMMISSION/COMMITTEE PRIOR ACTION:**

Not Applicable.

**EXPLANATION:**

The Parking Authority of the City of National City (“Parking Authority” or “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 approximately 7.19 acres of the Property to develop a CarMax Superstore and conduct on-site environmental mitigation and required infrastructure on the Parcel’s remaining 7.89 acres.

CarMax is currently working to process and record a Final Parcel Map to create a legal parcel capable of being conveyed by the Authority to CarMax at Closing (“CarMax Property”), based upon the approved Tentative Parcel Map. The Eleventh Amendment (“Amendment”) would provide six additional months from October 22, 2024 to record the final map and for the Close of Escrow on the CarMax Property to occur two days after recording the Final Parcel Map.

The Eleventh Amendment also gives CarMax a 21-day termination period which gives CarMax the right to cancel escrow by November 14, 2024. However, the Parking Authority received a letter from CarMax’s legal counsel on November 4, 2024 waiving their right to cancel under the Amendment, attached as Exhibit “B.”

**FINANCIAL STATEMENT:**

CarMax will pay the City \$2,100,000 for approximately 7.19 acres of the 15.08 acres owned by the Parking Authority. The City will immediately pay the County of San Diego the \$2,100,000 to purchase the open space easement on the 15.08-acre parcel, allowing CarMax to construct their facility. A Fiscal and Economic Analysis conducted in 2016 found that the CarMax Superstore could generate from \$886,000 to \$1,342,000 per year in sales tax revenue.

**RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:**

Balanced Budget and Economic Development

**ENVIRONMENTAL REVIEW:**

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

**PUBLIC NOTIFICATION:**

The Agenda Report was posted within 72 hours of the meeting date and time in accordance with the Ralph M. Brown Act.

**ORDINANCE:**

Not Applicable

**EXHIBITS:**

Exhibit A – Eleventh Amendment

Exhibit B – Letter Waiving Cancellation

Exhibit C – Resolution