



AGENDA REPORT

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

SUBJECT:

Eighteenth Amendment to an Option to Purchase Agreement with the County of San Diego for the Purchase of an Open Space Easement. (Parking Authority)

RECOMMENDATION:

Approve the Resolution Entitled “Resolution of the Parking Authority of the City of National City, California, Authorizing and Ratifying the Eighteenth Amendment to the Option to Purchase Agreement with the County of San Diego for the Purchase of an Open-Space Easement on a 15.08-acre Parcel of Land at the Southwest Corner of Sweetwater Road and Bonita Center Road that Extends the Escrow for Twelve Months after the Opening of Escrow.

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

On March 20, 2007, the Parking Authority of the City of National City (“Parking Authority” and “Optionee”) entered into an Option to Purchase Agreement (“Option Agreement”) with the County of San Diego to purchase an open-space easement attached to the 15.08-acre parcel of land located at the southwest corner of Sweetwater Road and Bonita Center Road (Parcel No. 564-471-11) to develop a commercial project.

The Option Agreement has been subsequently amended in 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020 each extending the term of the option Agreement for one year. In 2021 the option was extended for two years and was set to expire on December 31, 2023. The Seventeenth Amendment, dated December 18, 2023, extended the term of the Option Agreement for 30 days and the deadline to close escrow for 6 months after the opening of escrow.

On January 30, 2024, Parking Authority timely exercised its option under the Option Agreement and opened escrow on April 24, 2024, but was unable to meet the conditions for closing escrow. The Eighteenth Amendment would require escrow to close within twelve (12) months of the Opening of Escrow.

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:

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:

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 - Eighteenth Amendment to Option Agreement

Exhibit B - Resolution