

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A SECOND AMENDMENT TO THE REAL PROPERTY PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS BETWEEN THE CITY OF CHULA VISTA AND TECTURE RED, LLC FOR THE SALE OF A 0.14-ACRE COMMERCIAL PROPERTY LOCATED AT 224 THIRD AVENUE

WHEREAS, in February 2015, the City Council of the City of Chula Vista (“City”) authorized the purchase of real property, a 0.14-acre parcel at 224 Third Avenue, directly north of the Vogue Theater (“Property”), for a purchase price of \$260,000; and

WHEREAS, the City’s acquisition was an open-market opportunity purchase made with the intent of holding the Property for future use as an economic incentive to encourage redevelopment of the adjacent Vogue Theater property which will further foster economic vitality on Third Avenue; and

WHEREAS, Tecture Red, LLC (“Tecture”) expressed interest in purchasing the Property for use in the redevelopment and revitalization of the Vogue Theater on the adjacent parcel located at 226 Third Avenue; and

WHEREAS, City staff determined that the sale of 224 Third Avenue would enable and incentivize Tecture. to redevelop and revitalize the adjacent Vogue Theater; and

WHEREAS, Tecture offered to purchase the Property from City for \$210,000, a cost determined to be fair market value, subject to the conditions set forth within the Real Property Purchase and Sale Agreement and Joint Escrow Instructions (“Agreement”) and City agreed to sell the Property to Tecture subject to those conditions; and

WHEREAS, in April 2019, the City Council approved the Agreement; and

WHEREAS, prior to the original date for close of escrow, November 29, 2020, Tecture was required to have submitted complete construction documents and pulled permits for the revitalization project; and

WHEREAS, due to difficulties caused by the COVID-19 pandemic, Tecture was unable to meet the deadlines in the Agreement; and

WHEREAS, the parties extended the close of escrow to December 30, 2020 to allow for City Council consideration of the second amendment to the Agreement; and

WHEREAS, the second amendment to the Agreement would provide for a two-year extension to the Agreement with the inclusion of performance measures to serve as a safeguard to the City's property and to encourage its future development; and

WHEREAS, such performance measures include: 1) an approximate 12-month timeframe from the date of the second amendment to submit complete construction documents to the City; 2) a 24-month timeframe from the date of the second amendment to pull permits and provide proof of financing to the City; and 3) an obligation for Tecture to maintain their adjacent property in such a manner to protect the public's health, safety, and welfare; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it approves the Second Amendment to the Real Property Purchase and Joint Escrow Instructions Between The City of Chula Vista and Tecture Red, LLC, in the form presented, with such minor modifications as may be required or approved by the City Attorney, a copy of which shall be kept on file in the office of the City Attorney, and authorizes and directs the City Manager, or designee, to execute same.

Presented by

Approved as to form by

Eric Crockett
Deputy City Manager

Glen R. Googins
City Attorney