

RESOLUTION NO. _____

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

WHEREAS, in February 2015, the City Council authorized the purchase of a 0.14-acre parcel at 224 Third Avenue, directly north of the Vogue Theater, for a purchase price of \$260,000, with the intent of holding the property for future use as an economic incentive to encourage redevelopment of the adjacent Vogue Theater property; and

WHEREAS, Tecture Red, LLC. (“Buyer”) expressed interest in purchasing the subject property for use in the redevelopment and revitalization of the Vogue Theater; and

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

WHEREAS, Buyer offered to purchase the Property from City for \$210,000, a cost determined to be fair market value at the time the parties negotiated the agreement, subject to the conditions to be set forth in the agreement to ensure timely completion of the project; and

WHEREAS, in April 2019, the City Council approved the Purchase and Sale Agreement and Joint Escrow Instructions by and between the City and Tecture Red, LLC, with an escrow close date of November 29, 2020 and time certain deadlines for Buyer to submit complete construction documents and pull permits for the project; and

WHEREAS, on December 1, 2020, due to circumstances related to the COVID-19 pandemic, the City Council approved an amendment to the agreement to extend the escrow close date and other time periods for Buyer to satisfy performance measures in the agreement, and to add additional performance measures for the benefit and protection of the City; and

WHEREAS, Buyer has represented to City staff that due to the continuing hardships caused by COVID-19 pandemic it has not been able to timely satisfy the performance measures set forth in the agreement, and has requested an additional amendment to further extend the close of escrow date and the deadlines for Buyer to satisfy those performance measures; and

WHEREAS, the proposed third amendment to the agreement would allow for an additional 12-months for Buyer to submit complete construction documents until November 29, 2022, an additional 6-months to pull permits until May 31, 2023, and would extend the close of escrow until June 30, 2023.

Resolution No.

Page 2

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it approves Third Amendment to Real Property Purchase and Sale Agreement 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 the same.

Presented by

Approved as to form by

Eric Crockett
Deputy City Manager

Glen R. Googins
City Attorney