



City of Oceanside

300 North Coast Highway,
Oceanside, California 92054

Staff Report

File #: 25-709

Agenda Date: 4/23/2025

Agenda #: 6.

DATE: April 23, 2025

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

TITLE: AMENDMENT 2 TO THE PROPERTY USE AGREEMENT WITH WEST COAST TOMATO GROWERS, INC., FOR USE OF 9.2 ACRES OF CITY-OWNED PROPERTY FOR AGRICULTURAL FARMING

RECOMMENDATION

Staff recommends that the City Council approve Amendment 2 to the Property Use Agreement with West Coast Tomato Growers, Inc., for the non-exclusive use of 9.2 acres of City-owned property for agricultural farming, extending the term of the agreement through June 30, 2028, for a three-year minimum total revenue of \$18,000, and authorize the City Manager to execute the amendment upon receipt of all supporting documents.

BACKGROUND AND ANALYSIS

On September 16, 2015, West Coast Tomato Growers, Inc. ("Permittee") entered into a Property Use Agreement ("Agreement") with the City of Oceanside ("City") for use of 9.2 acres of unimproved land within the City of Oceanside, and generally located at the intersection of the terminus of North Santa Fe Avenue and Mission Avenue, and more particularly described as being a portion of Lot 3 of the partition of Rancho Guajome ("Premises") for agricultural farming. The Agreement was for a five-year term, through June 30, 2020, and provided for one five-year extension option, which was exercised through Amendment 1, extending the term of the Agreement through June 30, 2025. At this time Permittee has requested an additional extension, for a three-year term, with one additional three-year extension option at the City's sole discretion.

The proposed Amendment 2 ("Amendment") extends the term of the Agreement for three years, commencing on July 1, 2025 and expiring on June 30, 2028. Permittee will pay annual rent ("Rent") of \$6,000 for use of the Premises, which is an increase over the existing annual rent and necessary to adjust the current rent to market rent. Per the Agreement, the Rent is to be adjusted annually on July 1, based on the semi-annual All Urban Consumer Price Index ("CPI") for the preceding twelve-month period prior to the adjustment date. In addition, both parties retain the ability to terminate the Agreement by providing 30-day written notice.

FISCAL IMPACT

The Amendment will result in Rent for the use of the Premises, over the three-year term in the

minimum amount of \$18,000 and will be deposited to city account 1101.4351. The rent will be adjusted annually based on the semi-annual CPI.

Description	1 st Year Annual Revenue Amount	3-Year Term Revenue Amount	Revenue Account
West Coast Tomato Growers, Inc. Annual Rent Revenue	\$6,000	\$18,000	PM R&L - City 1101.4351

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

Prepared by: Bryan Smithwick, Property Agent I
Reviewed by: Hamid Bahadori, Public Works Director
Submitted by: Jonathan Borrego, City Manager

ATTACHMENTS:

1. Staff Report
2. Amendment 2
3. Property Use Agreement
4. Amendment 1
5. Aerial Photo