



Agenda Item

City Council

Item #: 3.9.

7/23/2024

File #: 24-0443

TO: Honorable Mayor and Members of the City Council

THRU: Tom Kisela, City Manager

FROM: Mike Vigliotta, City Attorney

1. SUBJECT

Extension of Tolling Agreements between the City and Milan REI X, LLC to further evaluate non-residential uses for the “Brandman site” and the “Creekside Village site.”

2. SUMMARY

On February 23, 2024, the City and Milan REI X, LLC entered into “Tolling Agreements” in order to continue to evaluate non-residential uses for the “Brandman site” and the “Creekside Village site”. The City and Milan REI X, LLC, seek to extend the Tolling Agreements for an additional six months (which will extend relevant statutes of limitation to file applications and/or lawsuits regarding development applications for the two sites).

3. RECOMMENDED ACTION

Approve the extension of the Tolling Agreements with Milan REI X, LLC, for six months; and authorize the City Manager to execute the agreements on behalf of the City.

4. FISCAL IMPACT

None.

5. STRATEGIC PLAN GOALS

Goal 2: Be a Fiscally Healthy Community

d. Effectively manage and develop City assets.

e. Create an environment to attract, retain and expand economic opportunities.

6. DISCUSSION AND BACKGROUND

Milan REI X, LLC (Milan) owns the real property at 6146 Santiago Canyon Road (the “Brandman site”) and the real property located along Santiago Canyon Road with the Assessor’s parcel numbers of 370-011-08, 370-041-12, 370-011-18, 370-011-22, 370-041-25, 093-280-07, 093-280-27, 093-280-29, 093-280-30, and 093-280-07 (the “Creekside Village site”) to be henceforth referred to as “Sites”.

The City and Milan (Parties) currently have different interpretations of relevant state law, in part, concerning the processing of the applications, including the scope of the materials Milan must provide to the City and the City’s duty to process and approve the proposed development projects.

The Parties entered into Tolling Agreements (Agreements) to have time to further evaluate non-

residential uses for the Sites, including, but not limited to, recreational and sport uses, educational institution uses, acquisition by the City or a third party, or other paths for non-residential uses that may be acceptable to both Parties. In the absence of the time provided by these Agreements, the Parties (and in particular, Milan) may be forced to seek relief through the courts. The Parties believe it is in their best interests to avoid the time, expense, and risk of such litigation for the period identified by these Agreements. The initial term of the Agreements is set to expire on August 23, 2024. Parties wish to extend the term of the Agreements for an additional six months.

7. ATTACHMENTS

- Extension of Tolling Agreement with Milan REI X, LLC (Brandman site)
- Extension of Tolling Agreement with Milan REI X, LLC (Creekside Village site)