



Agenda Item

City Council

Item #: 3.3.

5/27/2025

File #: 25-0286

TO: Honorable Mayor and Members of the City Council

THRU: Tom Kisela, City Manager

FROM: Wayne W. Winthers, Interim City Attorney

1. SUBJECT

Third Extension of Tolling Agreements between the City and Milan REI, 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 90 days (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 90 days; and authorize the City Manager to execute the agreements on behalf of the City.

4. FISCAL IMPACT

None.

5. STRATEGIC PLAN GOALS

Goal 2: Enhance Economic Development and Achieve Fiscal Sustainability.

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 are engaged in discussions regarding a memorandum of understanding (“MOU”) concerning uses of the Property and other properties owned by Milan that would result in Milan moving forward with a residential project on the Property, among other projects, and wish to extend the Tolling Agreements to provide the Parties time to finalize and execute the MOU. In the absence

of the time provided by these Tolling 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 Tolling Agreements. The initial term of the Tolling Agreements was set to expire on February 23, 2025. Thereafter, the Parties agreed to extend the term of the Tolling Agreements to May 28, 2025. Now the Parties wish to extend the term of the Tolling Agreements for an additional ninety days from May 28, 2025 to August 27, 2025, at which time the Parties will further extend the Agreements consistent with the terms of the MOU.

7. ATTACHMENTS

- Extension of Tolling Agreement 90 days (Brandman site)
- Extension of Tolling Agreement 90 days (Creekside Village)