



CITY COUNCIL STAFF REPORT

TO: City Council

DATE: June 23, 2025

DEPARTMENT: Administration

PREPARED BY: Isaac Whippy, City Manager & Walter Kieser, EPS

PRESENTER: Isaac Whippy, City Manager & Walter Kieser, EPS

AGENDA TITLE: Update on the Mill Site Planning Program: Community Feedback on the Development Strategy Report and Invitation to the Council Study Session for Continued Public Engagement

RECOMMENDATION

Receive an update and provide feedback:

- (i) On the implementation of Phase 2 of the Mill Site Master Development Agreement (MDA) Planning Program, and note the upcoming City Council Study Workshop scheduled for Thursday, June 26, 2025, at 5:30 PM at Cotton Auditorium.
 - (ii) Set a date for the second Workshop in July for community feedback.
-

BACKGROUND

On [June 9, 2025](#), the City Council approved a resolution initiating Phase 2 of the Mill Site Master Development Agreement (MDA) Planning Program. The vote was not unanimous, with one member absent and one dissenting vote citing concern over the limited time provided for public review. This action accepted the Mill Site Development Strategy Report as a guiding document and directed staff and consultants to develop a work plan, budget, and schedule for preparing a non-binding Memorandum of Understanding (MOU) with Mendocino Railway. The Council also directed staff to schedule a City Council Study Session within 30 days to discuss overarching land use planning strategies for the Mill Site.

The Mill Site MDA Planning Program represents a strategic shift away from adversarial litigation toward a collaborative planning effort between the City and Mendocino Railway. It builds upon decades of community planning and is guided by objectives including expanded public access, protection of natural resources, downtown revitalization, diverse housing development, and economic opportunity.

DISCUSSION

AGENDA ITEM NO. 8A

UPDATE ON PHASE 2 IMPLEMENTATION

Since Council's approval on June 9, 2025, staff and consultants have worked closely with the City Council Ad Hoc Committee, Mendocino Railway, and legal counsel to initiate the following Phase 2 deliverables:

- **Refinement of the MOU Work Plan and Scope:** Work is underway to detail the framework and feasibility considerations for the proposed MOU. This includes land use, permitting pathways, infrastructure needs, and the regulatory interface between rail and non-rail uses.
- **Regulatory Coordination:** Staff has initiated early coordination with the California Coastal Commission and relevant state agencies to identify process pathways and integration with the upcoming Local Coastal Program (LCP) Amendment.
- **Technical and Community Engagement Planning:** The City is preparing targeted outreach activities and technical presentations to support community dialogue and Council review during the MOU preparation process.

CITY COUNCIL STUDY WORKSHOP – JUNE 26, 2025

To support ongoing public engagement and Council oversight, a City Council Study Workshop has been scheduled for:

Date: Thursday, June 26, 2025

Time: 5:30 PM

Location: Cotton Auditorium

This Workshop will provide an opportunity for the community to receive a progress update on the Mill Site planning program and share input on the proposed land use vision, regulatory approach, and planning framework being developed through the MOU. The event will be open to the public and livestreamed on the City's website, continuing the City's commitment to transparency and inclusive planning.

A press release announcing the Workshop was issued on June 16, 2025, and is available on the City's website and social media platforms.

The City is on track with Phase 2 of the Mill Site Master Development Agreement Planning Program. Staff and consultants are advancing technical work, coordinating with stakeholders, and preparing for upcoming community workshops and Council deliberations. The June 26 Study Workshop will be an important opportunity to further refine the planning approach based on public input and Council direction.

Staff will return to Council in late summer with a draft MOU for review and consideration.

FISCAL IMPACT

As previously reported, the estimated cost of Phase 2 is \$60,000, shared equally between the City and Mendocino Railway. The City's share of \$30,000 is funded through the FY 2024–25 legal services budget.

To date, the City has incurred more than \$480,000 in litigation costs related to the Mill Site, with expenses averaging an estimated \$40,000 per month leading up to trial. The decision to pursue a collaborative planning process reflects a fiscally responsible shift aimed at achieving productive outcomes and reducing continued legal exposure.

Any additional costs for technical consulting during the MOU process will be presented to the Council for approval as needed.

ATTACHMENTS

- Mill Site Development Strategy Report (June 2025)
- Press Release – June 16, 2025
- Resolution No. [4932-2025] – Initiating Phase 2 (Previously Adopted)