



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 06/28/2022

ITEM NO: 1

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DATE: June 22, 2022  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Authorize the Town Manager to Negotiate and Execute a Lease Agreement with Anwar and Masoma Shoja, for 45 North Santa Cruz Avenue, in Substantially the Form Presented

**RECOMMENDATION:**

Authorize the Town Manager to Negotiate and Execute a Lease Agreement with Anwar and Masoma Shoja, for 45 North Santa Cruz Avenue, in substantially the form presented.

**BACKGROUND:**

On December 30, 2021, the Town completed the transfer of the Los Gatos Theatre property to the Town's ownership. The property acquisition included assuming landlord oversight and the two respective leases for the existing retail properties at 41 and 45 North Santa Cruz Avenue. The lease at 45 North Santa Cruz Avenue expired February 28, 2022 and has been month to month since.

The property consists of approximately four hundred twenty-five ( 425) square feet of space and is currently utilized for the sale of high-end designer clothing. The current tenant requested to continue leasing the space and as such staff is bringing forward a new lease agreement (Attachment 1).

**DISCUSSION:**

Provided on the following page are the salient elements of the draft Lease Agreement (Agreement) staff is recommending.

**PREPARED BY:** Arn Andrews  
Assistant Town Manager

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Reviewed by: Town Manager, Town Attorney, and Finance Director

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DISCUSSION (continued):

| Agreement Elements                        | Comments                                                       |                   |                  |
|-------------------------------------------|----------------------------------------------------------------|-------------------|------------------|
| Term                                      | Three (3) year initial agreement with one (2) two-year option. |                   |                  |
| Base Rent Schedule<br>(@ \$7.0 per sq ft) | Year                                                           | Monthly Base Rent | Annual Base Rent |
|                                           | Year 1<br>(Months 1-12)                                        | \$2,975.00        | \$35,700.00      |
|                                           | Year 2<br>(Months 13-24)                                       | \$3,064.00        | \$36,768.00      |
|                                           | Year 3<br>(Months 25-36)                                       | \$3,156.00        | \$37,872.00      |

CONCLUSION:

The current tenant has an established business which complements the reactivation of the Los Gatos Theatre well. Staff recommends maintaining Anwar and Masoma Shoja, as tenants for 45 North Santa Cruz Avenue.

COORDINATION:

This staff report was coordinated with the Town Manager, Town Attorney, Finance Director, and Economic Vitality Manager

FISCAL IMPACT:

Income derived from this agreement will be deposited to a Special Revenue Fund and would be utilized for the ongoing capital needs of the Theatre.

ENVIRONMENTAL ASSESSMENT:

In accordance with CEQA Guidelines Section 15301, this lease is categorically exempt from CEQA because it is a lease of an existing structure and will involve negligible expansion of an existing structure.

Attachment:

1. Draft Lease Agreement