



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 03/05/2024

ITEM NO: 6

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DATE: February 21, 2024  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Authorize the Town Manager to Execute a Second Amendment with Forbes Mill, LLC for 75 Church Street.

**RECOMMENDATION:**

Authorize the Town Manager to execute a Second Amendment to the Master Lease with Forbes Mill, LLC for 75 Church Street (Attachment 3) in substantially the form presented.

**BACKGROUND:**

In March 2019, the Town Council authorized an Exclusive Negotiating Agreement with Imwalle Asset Management, LLC, to help guide the negotiations of a Master Lease Agreement. On August 4, 2020, the Town Council authorized the Town Manager to execute a long term lease agreement with Forbes Mill, LLC for the property located at 75 Church Street (Attachment 1). While Forbes Mill, LLC is a unique entity, Imwalle Asset Management, LLC is the master tenant.

The decision to enter into long term leases was predicated on the fact that the approach would allow the property to remain in Town control, maintain the historic value of the property, require no monetary resources from the Town, and ultimately provide an annual revenue stream to the Town.

On February 7, 2023, the Town Council authorized a First Amendment (Attachment 2) to the lease to modify the provisions which stipulate that if lease up has not occurred within certain time periods, either party can terminate the leases. The modification extended the deadline for the master tenant to find a subtenant to January 1, 2024.

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

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DISCUSSION:

On December 22, 2023, Jim Foley (on behalf of Forbes Mill, LLC) contacted the Town to request an additional six-month extension to secure tenants. He explained that he has been trying to secure tenants in a challenging economic environment and expects to find a subtenant acceptable to the Town in the next six months.

Attachment 3 contains a draft Second Amendment to provide a six-month extension as of the date of Council action (March 5, 2024). This would give Forbes Mill, LLC until early September to secure a subtenant.

CONCLUSION:

Staff recommends that the Council authorize the Town Manager to execute a Second Amendment with Forbes Mill, LLC for 75 Church Street in substantially the form presented.

COORDINATION:

The preparation of this report and the draft Second Amendment were coordinated with the Town Attorney.

FISCAL IMPACT:

There is no fiscal impact with this Council action. Should Forbes Mill be successfully occupied consistent with the Master Lease, the Town would realize financial benefits as stated in the Master Lease.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Master Lease
2. First Amendment
3. Draft Second Amendment with Exhibit C Insurance Requirements