



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 10/07/2025

ITEM NO: 5

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DATE: October 7, 2025  
TO: Mayor and Town Council  
FROM: Chris Constantin, Town Manager  
SUBJECT: **Authorize the Town Manager to Execute an Agreement with Kosmont Realty for Brokerage Services for the Disposition of the 4 Tait Avenue Property and Authorize Associated Budget Adjustments**

**RECOMMENDATION:** Authorize the Town Manager to execute an agreement for services (Attachment 1) with Kosmont Realty for brokerage services for the disposition of the 4 Tait Avenue property for an amount not to exceed three percent of the property sale price; authorize a revenue budget adjustment in an amount up to the property sale price; and authorize an expenditure budget adjustment in an amount up to three percent of the property sale price.

**FISCAL IMPACT:**

The proposed brokerage agreement includes a 3% commission for Kosmont Realty upon sale of the Property with a minimum commission requirement of \$40,000. Due to the complexity of the property, the agreement includes preliminary due diligence for up to \$5,000, which will be reimbursed as a credit on the commission upon sale of the property. During the last appraisal in 2024, the property was appraised at approximately \$3 million. As an example, to show the order of magnitude, assuming a sale price of \$3 million, this would result in a commission cost of \$90,000; however, the actual commission will be based off of the actual sale price. The revenue from the sale will fund the commission.

**STRATEGIC PRIORITY:**

The sale of the 4 Tait Avenue property supports the strategic priority of prudent financial management.

**PREPARED BY:** Katy Nomura  
Assistant Town Manager

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

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BACKGROUND:

The Town owns real property located at 4 Tait Avenue (Assessor's Parcel No. 510-44-054), which is improved with a building of approximately 2,525 square feet and an ancillary outbuilding originally constructed as a fire station and later used as a museum. The museum use was discontinued several years ago. The building and outbuilding are currently unoccupied. The Town is exploring the disposition of the property.

The State Surplus Land Act, which is codified in Government Code Sections 54220 (hereinafter referred to as the "Act"), applies when a local agency disposes of land that is surplus and not necessary for the agency's use. The Act requires local agencies to declare land as "surplus land" or "exempt surplus land" prior to disposition. Land that is less than ½ acre or 21,780 square feet and not adjacent to land owned by a state or local agency used for open space or low and moderate-income housing is exempt from provisions of the Act.

On January 21, 2025, the Town Council adopted a resolution declaring Town-owned property at 4 Tait Avenue to be exempt surplus land pursuant to the state Surplus Land Act [Government Code Section 54221(f)(1)(B)] and authorizing the Town Manager to pursue disposal of the property. The Town has received HCD's approval of the resolution declaring the property exempt surplus land.

DISCUSSION:

Due to the historic nature of the 4 Tait Avenue property (Property), there is additional complexity involved. Kosmont Realty has extensive experience working with public agencies to provide such broad services, including Surplus Land Act compliance, asset valuation and strategy, real estate transactions/brokerage services, and economic development/municipal advisement, among other services. In addition, Kosmont has significant experience with conservation easements and handling historic property sales where maintaining the historic nature of the property is a priority. For these reasons, staff recommends contracting with Kosmont on a single source basis to manage the disposition of the Property through a brokerage agreement, where they will receive a three percent commission. Due to the complexity of the property, the agreement includes preliminary due diligence for up to \$5,000, which will be reimbursed as a credit on the commission upon sale of the Property.

CONCLUSION:

Staff recommends contracting with Kosmont Realty to manage the disposition of the Property through a brokerage agreement.

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SUBJECT: 4 Tait Broker Agreement with Kosmont Realty

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ENVIRONMENTAL ASSESSMENT:

In accordance with CEQA Guidelines Section 15378, entry into the brokerage agreement is exempt from the California Environmental Quality Act ("CEQA") because it does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

1. Draft Brokerage Agreement