



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/17/2025

ITEM NO: 21

DATE: June 9, 2025
TO: Mayor and Town Council
FROM: Chris Constantin, 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

RECOMMENDATION:

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

FISCAL IMPACT:

This lease will generate approximately \$40,000 in revenue annually. Income derived from this agreement will continue to be deposited to a Special Revenue Fund to be utilized for the ongoing capital needs of the Los Gatos Theatre.

STRATEGIC PRIORITIES:

This item is connected to the Town's Core Goal of Community Character and the Strategic Priority of fostering the economic vitality of businesses in Town.

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 of the two leases for the existing retail properties at 41 and 45 North Santa Cruz Avenue.

On June 28, 2022, the Council authorized the Town Manager to execute a Lease Agreement with Anwar and Masoma Shoja dba Franco Masoma, for 45 North Santa Cruz Avenue,

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Senior Management Analyst

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

commencing on July 1, 2022, and extending for a term of 36 months through June 30, 2025 (Attachment 1).

With the expiration of the current Lease Agreement, staff is bringing forward a new proposed lease agreement (Attachment 2).

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.

DISCUSSION:

Staff is recommending entering into another three-year agreement and keeping the terms of the current Lease Agreement, including the 3% escalator annually. The salient elements of the proposed Lease Agreement are as follows:

| Agreement Elements | Comments | | |
|--|--|-------------------|------------------|
| Term | Three (3) year initial agreement with one (2) two-year option. | | |
| Base Rent Schedule (@ \$7.65 per sq ft in first year) | Year | Monthly Base Rent | Annual Base Rent |
| | Year 1 (Months 1-12) | \$3,251 | \$39,012 |
| | Year 2 (Months 13-24) | \$3,349 | \$40,188 |
| | Year 3 (Months 25-36) | \$3,449 | \$41,388 |

CONCLUSION:

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

COORDINATION:

This staff report was coordinated with the Town Manager's Office, Town Attorney's Office, and Finance Department.

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SUBJECT: Draft Lease Agreement 45 North Santa Cruz

DATE: June 17, 2025

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.

Attachments:

1. Current Lease Agreement
2. Proposed Lease Agreement