



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 10/20/2026

ITEM NO: 8

DATE: October 20, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Authorize the Town Manager to Negotiate and Execute an Amendment to the Lease Agreement with the Friends of the Los Gatos Library**

RECOMMENDATION: Authorize the Town Manager to negotiate and execute an amendment to the Lease Agreement with the Friends of the Los Gatos Library.

FISCAL IMPACT:

This lease amendment allows the cost of utilities to be included in the Friends of the Los Gatos Library's (Friends) annual funding commitment rather than through separate payments. The current lease requires the Friends to provide an annual minimum funding commitment of \$35,000 and to separately pay the Town for their associated utility expenses through invoices the Town issues. The proposed amendment redefines the minimum funding commitment to be \$35,000 plus the cost of utilities so that utility costs can be covered through one annual contribution. There is no net difference in total revenue from the Friends to the Town with this amendment. The amendment will increase efficiency and reduce the administrative burden associated with invoicing and processing multiple payments.

STRATEGIC PRIORITY:

This item supports the strategic priority of prudent financial management, leveraging efficiencies and partnerships.

BACKGROUND:

The Friends of the Los Gatos Library (Friends) is a 501(c)3 non-profit organization with the dedicated mission of fundraising support for the Los Gatos Library. The Friends support this mission with an annual monetary donation to the Town to support the Library, including its

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Reviewed by: Town Manager, Town Attorney, and Administrative Services Director

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services and programs. The donation amount varies each year and has not been less than \$70,000 annually for the past eight years; however, this amount is not guaranteed, as the actual amount is tied to the success of their fundraising for each year.

The primary source of fundraising is generated through the operation of the Friends Bookstore. The Friends have been operating the Friends Bookstore at 108 East Main St in the Civic Center Complex as a tenant of the Town since July of 2015. This lease set the actual “rent” at \$1 per year with the understanding that the Friends would make a monetary donation to the Town for Library services of a minimum of \$35,000 per year.

On November 4, 2025, this amendment was originally published on the Town Council agenda but later removed as the Friends of the Library wished to discuss further.

DISCUSSION:

The proposed amendment (Attachment 1) allows the Friends to include their cost of utilities within their annual monetary donation. This change allows the Friends to provide a larger sum in their annual contribution while reducing utility invoicing and transaction processing by Town staff.

CONCLUSION:

Staff recommends authorizing the Town Manager to negotiate and execute the amendment to the lease agreement with the Friends of the Los Gatos Library.

COORDINATION:

This item was coordinated with the Library, the Town Attorney, the Town Manager’s Office, and the Friends of the Los Gatos Library.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Draft Amendment