



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 03/14/2022

ITEM NO: 8

DATE: March 3, 2022
TO: Finance Commission
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive Report on the Disposition/Lease of Town Owned Properties

RECOMMENDATION:

Receive report on the disposition/lease of Town owned properties.

BACKGROUND:

To date, the Town has pursued a property strategy which focuses on finding long-term solutions for the disposition/lease of Town-owned properties either through pursuit of public purpose, monetization, or a hybrid of both. Following are disposition and lease arrangements approved by the Town Council to date:

- October 2018 entered into an Exclusive Negotiating Agreement with Sarah Chaffin for the siting and development of affordable (teacher) housing at 20 Dittos Lane – Public Purpose
- March 2019 entered into an Exclusive Negotiating Agreement with Imwalle Asset Management for 4 Tait Avenue and Forbes Mill - Monetization/Public Purpose
- May 2019 sale of 148000 Winchester Blvd to Santa Clara County Fire District ("County Fire") for \$1.9 million – Monetization/Public Purpose
- April 2020 sale of 14850 Winchester Blvd to Santa Clara County Fire District ("County Fire") for \$1.2 million – Monetization/Public Purpose
- August 2020 entered into a Master Lease Agreements with Tait Firehouse LLC and Forbes Mill LLC wherein Imwalle would be 100% responsible for all costs related to the project of rehabilitation, build out, leasing, and ongoing management and maintenance of the properties – Monetization/Public Purpose

The Discussion section of this report will outline the remaining Town owned properties.

PREPARED BY: Arn Andrews
Assistant Town Manager

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

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SUBJECT: Disposition/Lease of Town Owned Properties

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DISCUSSION:

In addition to the aforementioned properties the Town has one remaining property identified as surplus for disposition.

The 4 New York Avenue ("Venue") property consists of approximately 75,000 square feet, or 1.71 acres (Attachment 1). The subject property is currently zoned Resource Conservation. The site is an irregularly shaped parcel with a vacant 3,720-square foot building which was built in 1994. On September 13, 2016, the Town Council declared 4 New York Avenue as surplus property and directed staff to pursue disposition options. Over the years the Town and Los Gatos-Saratoga Union High School District (LGSUHSD) have discussed Venue property options due to its adjacency to School District property and the potential for possible student uses.

On October 2, 2018, staff provided Council with a staff report which outlined additional options for the Venue property after receiving communication from LGSUHSD that they were no longer an interested party. In attendance at the Council meeting was the new High School Superintendent who requested that he have an opportunity to resurrect discussions prior to any direction on disposition of the Venue. Council directed staff to re-engage in negotiations with the Los Gatos-Saratoga Union High School District (LGSUHSD) for the acquisition of 4 New York Avenue. Since that date staff has engaged in exclusive negotiations with LGSUHD. In addition, Council has considered the item in Closed Session on multiple occasions since the 2018 Council meeting including as recently as February 14, 2022.

CONCLUSION:

Receive the staff report and staff will be available for questions.