



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/06/2023

ITEM NO: 14

DATE: May 16, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Provide Direction on Terms and Authorize the Town Manager to Execute a Use Agreement with Los Gatos-Saratoga Community Education and Recreation

RECOMMENDATION:

Provide direction on terms and authorize the Town Manager to execute a Use Agreement with Los Gatos-Saratoga Community Education and Recreation.

BACKGROUND:

Los Gatos-Saratoga Community Education and Recreation ("LGSR"), a joint powers agency of the Los Gatos Union School District, Saratoga Union School District, and Los Gatos-Saratoga Union High School District, was established in 1956 to ensure the effective and efficient provision of community education and recreation services to the residents of Los Gatos, Saratoga, Monte Sereno, and Santa Cruz Mountains communities.

In 2009, the Town entered into a lease agreement for 208 East Main Street with LGSR. The parties agreed that LGSR would provide programming for Town senior residents (age 55 years and older) in exchange for rent payments that were below market rate. LGSR has been generally providing those services ever since.

In 2014, the Town and LGSR entered into an agreement for recreation-based programming in certain Town Parks. The initial agreement was extended through May 31, 2020 (Attachment 1). In accordance with Council action taken on April 21, 2020 (item #12) regarding relief during the pandemic, use charges were waived during 2020, 2021, and the first six months of 2022. A use agreement renewal was not executed during that period.

PREPARED BY: Nicolle Burnham
Director, Parks and Public Works

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

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DISCUSSION:

The proposed Use Agreement (Attachment 2) provides LGSR the use of certain facilities at Blossom Hill Park, Creekside Park, La Rinconada Park, and Oak Meadow Park (collectively, the "Premises").

The main terms of the proposed agreement upon which both parties agree are as follows:

1. Length of Agreement: The term of the agreement is one year with nine additional one-year periods. Either party may terminate the agreement by providing written notice on or before February 1 of the calendar year.
2. Schedule of Use: LGSR shall provide a schedule for fall programming by June 30th of each calendar year for Fall session, by September 30th of Winter and Spring sessions, and February 28th for the Summer session. A sample of schedule for Summer 2023 is show in Attachment 3.
3. Annual Use Fee Adjustment: On each anniversary of the agreement (starting July 1, 2024), the Annual User Fee will be adjusted according to the percent change in the U. S. Department of Labor, Bureau of Labor Statistics Consumer Price Index, *All Items, All Urban Consumers, San Francisco-Oakland-San Jose, 1982-84-100 Index*.
4. Clean-Up: LGSR shall be responsible for general site clean-up including pick up and disposal of trash that may result from the approved use of the Premises.
5. Adherence to the Town Code and Rules: LGSR shall comply, without limitation, with all applicable provisions of the Los Gatos Town Code, with special attention to Chapter 19, Parks and Recreation provisions. LGSR shall also comply with any park rules and regulations established by the Director of Parks and Public Works pursuant to Section 19.10.025(17) of the Town Code, including those rules set forth in Town of Los Gatos Park Rules and Regulations.

REQUESTED DIRECTION

There are two agreement terms for which staff is seeking direction from Town Council. These are as follows and alternative language for each item is presented in the draft agreement in Attachment 2.

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DISCUSSION (continued):

Annual Use Fee

Staff has established a use fee of \$15,500 for the contract base year. This cost would provide for up to 4,607 hours of park use by LGSR for their programming. Los Gatos has a Use Fee for sport fields of \$95 per day for the first day of use plus \$55 per day after that, which is well below the current rates charged by neighboring communities.

Table 1 provides the use fee per hour for groups with which the Town has Park Use Agreements.

Table 1. Park Use Fees by User Group

User Name	Annual Use Fee (\$)	Annual Total Use Hours	Annual Fee Per Hour (\$/Hour)
Los Gatos United Soccer	21,590	1,865	11.58
Red Hawks Lacrosse	5,850	253	23.12
Los Gatos Little League	6,600	1,216	5.43
Los Gatos Saratoga Recreation	15,500	4,607	3.36

LGSR has discussed with staff the idea that there be no charge for senior programming provided in the Town Parks covered in this agreement. LGSR provides 671 hours of pickleball programming at the present time. While this is not specifically a senior program, many of the participants in this program are over 55, which is the assumed age that senior programming would target. Using the \$3.36 per hour use fee noted above, free pickleball programming would result in a net reduction in the Use Fee of \$2,254.56. The annual fee for 2023/24 would then be \$13,245.22, or \$2.88 per use hour.

Per the terms of the proposed agreement, the addition of future senior programming would not result in an increase in charges; however, the use would need to be provided to Town staff in the annual schedule. Staff would need to balance the community interest and public use of the park amenities with the additional programming requests made by LGSR, which is typical of all use agreements.

Facility Maintenance Fee

Past Use Agreements with LGSR have included a Facility Maintenance fee of \$2.00 per participant per session. With the renewal of agreements with Los Gatos Little League, Red Hawks Lacrosse, and Los Gatos United Soccer, a \$4.00 per participant per season Facility Maintenance Fee was included in the contract, and staff is suggesting the same for LGSR. Table 2 shows projected Facility Maintenance Fees for groups with which the Town has Use Agreements.

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DATE: May 16, 2023

DISCUSSION (continued):

Table 2. Project Facility Maintenance Fee by User Group

User Name	Facility Maintenance Fee (Per Attendee per Season or Session)	Approximate Number of Annual Users	Projected Facility Maintenance Fee to be Paid Annually (\$)
Los Gatos United Soccer	\$4.00	350	\$1,400
Red Hawks Lacrosse (the Club)	\$4.00	125	\$500
Los Gatos Little League	\$4.00	200	\$800
Los Gatos Saratoga Recreation	\$4.00	4,300	\$17,200

LGSR has asked that their Facility Maintenance Fee be retained at \$2.00 per participant and staff is seeking Town Council direction on this topic.

CONCLUSION:

Staff is asking that the Town Council provide direction on the Use Agreement between the Town of Los Gatos and Los Gatos-Saratoga Community Education and Recreation, specifically with regard to the Use Fee and Facility Maintenance Fees.

FISCAL IMPACT:

Approval of the Use Agreement with LGSR would result in annual revenue of \$15,500 (or \$13,245.22 if pickleball hours are provided at no charge to LGSR) beginning July 1, 2023. Each future year of the agreement the fee would increase as defined in the Agreement Terms. Additional revenue will be derived from the Facility Maintenance Fee, which will be paid to the Town on a semi-annual basis. The amount of revenue will depend on Council's direction on this issue.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Prior Use Agreement
2. Proposed Use Agreement between Town of Los Gatos and Los Gatos-Saratoga Community Education and Recreation