MEETING DATE: 10/03/11
ITEM NO: 2
DESK ITEM

COUNCIL AGENDA REPORT

DATE: OCTOBER 3, 2011

TO: MAYOR AND TOWN COUNCIL

FROM: GREG LARSON, TOWN MANAGER

SUBJECT: AUTHORIZE THE TOWN MANAGER TO EXPLORE CONTINUED LEASING OR SALE OF TOWN PROPERTIES PENDING FURTHER DIRECTION FROM TOWN COUNCIL

The purpose of this Desk Item is to communicate additional information regarding the 4 New York Avenue property currently leased by A Place for Teens for use as a teen center:

Based on a request from a Youth Park board member received orally on Saturday, October 1, and in writing today, October 3 (Attachment 2), staff is recommending that the Youth Park be added to the list of "Potentially Interested Parties" with which it can negotiate.

Also attached is e-mail correspondence received Monday, October 3, from Chris Miller (Attachment 3).

Attachments:
2. Correspondence from Marshall Smith
3. Correspondence from Chris Miller

PREPARED BY: Regina A. Falkner
Deputy Town Manager

Reviewed by: RSJ Assistant Town Manager GL Town Attorney _____Finance

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ATTACHMENT 2

Greg Larson

From: Marshall Smith <marshall@mbmsmith.com>
Sent: Monday, October 03, 2011 12:21 PM
To: Greg Larson
Subject: Council Meeting Tonight Agenda item 2 - specifically 4 New York Avenue

Dear Mr. Larson,

The Los Gatos Youth Park would like to be considered for a long term lease or other agreement with the Town regarding the 4 New York Avenue property. This property is adjacent to the Youth park property and seems reasonable, given we serve the Youth of Los Gatos, that we would be a likely candidate to maintain the property for the youth of Los Gatos.

Thank You,

LOS GATOS YOUTH PARK
Marshall Smith
Board Member
3 New York Avenue
Los Gatos CA 95030
(408)866-2603

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Regina Falkner

From: camillerlg@aol.com
Sent: Saturday, October 01, 2011 5:54 PM
To: Steve Rice; BSpector; Steve Leonardis; Diane McNutt; Joe Pirzynski
Cc: Greg Larson; Steve Rauwolf; Regina Falkner
Subject: Agenda Item #2
Attachments: APFTLease.pdf

Dear Los Gatos Council Members,

I hope you are having a wonderful weekend. It was great to see some of you at the youth park ceremony on Saturday morning--thanks for your support of the program.

I am writing in relation to agenda item #2 on the Oct. 3 town council meeting--continued leasing or sale of town properties. I read the report with great interest, given my role as past president of A Place for Teens, current board member of the Los Gatos Youth Park, member of the LGUSD school board, and general supporter of town youth (although please note I am not representing any of these organizations in this email).

On page 2 of the report, under 4 New York Avenue, I was glad to read, "The current lease expires February 2012 (actually, the lease expires on March 3, 2012--see attached first two pages of the lease document dated Jan. 28, 1992) and staff anticipates entering into a long-term lease or other agreement with A Place for Teens, the High School, and/or LGS Recreation for the ongoing provisions of youth and teen services at no cost to the Town." I believe the use of the property at 4 New York Avenue ought to continue to serve our youth population, including teenagers, as stipulated in the CUP for the property, dated Feb. 26, 1992. Indeed, in the 2010-2020 General Plan, under Goal HS-4, the town is committed "to offer a wide range of youth programs and services within the town."

That said, I encourage the town to think outside of the box in relation to future lease agreements and/or sale of this property, so as to maximize the use of the facility for all of our town's youth, including teenagers. LGS Recreation has a proven track record of successful programming with local citizens--indeed, the town currently leases the adult recreation center and the youth recreation center to LGS Recreation. I could see a LGS Rec. Dept. run teen recreation center at the 4 New York Avenue property, and/or a lease agreement with the LGSUHSD for use of the building by LGHS for their educational purposes, such as a student union or a non-traditional educational classroom, which would still comply with the current CUP of use of the property for the town's youth.

I am happy to share my thoughts with any of you in person or over the phone.

Thanks for your service to our town.

Sincerely,

Chris Miller
408-395-7949

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ATTACHMENT 3

BID: _____

LEASE AGREEMENT BY AND BETWEEN THE TOWN OF LOS GATOS AND A PLACE FOR TEENS

This Lease, is entered into by and between the TOWN OF LOS GATOS, a municipal corporation of the State of California, ("Town") and A PLACE FOR TEENS, a nonprofit organization, ("Tenant") this 3rd day of March, 1992.

RECITALS

WHEREAS, Town, members of the community, and Tenant have spent thousands of hours and great personal effort and expense to create a Teen Center for the benefit of the public; and

WHEREAS, these efforts have been maintained and put forward over a period of several years; and

WHEREAS, a center for teens will serve a demonstrated public need; and

WHEREAS, Town owns undeveloped real property on New York Avenue in the Town of Los Gatos, more particularly described in Exhibit A attached hereto and incorporated herein by reference ("the Property"), and wishes to lease the Property to a nonprofit community service organization that will assist the Town in serving the needs of its residents; and

WHEREAS, Tenant desires to use the Property to construct and operate "A Place for Teens" ("the Center") where local youths can gather and engage in activities; and

WHEREAS, A Place for Teens and the Town have committed substantial financial resources; and

WHEREAS, Tenant has agreed to raise funds and additional contributions necessary to construct and operate the Center.

IT IS MUTUALLY AGREED by the parties as follows:

1. **Leasing:** Town hereby leases to Tenant, and Tenant hereby leases from Town the Property.

2. Term: The lease term shall commence on execution of this Agreement provided, however, Tenant shall have no right to possession of the Property until it has completed performance of the requirements of paragraph 11 (b) (3) below. This lease shall continue for twenty (20) years unless earlier terminated under the provisions of this Agreement. On written notice by the tenant given ninety (90) days before expiration of the original term, this lease may be renewed for additional terms of five years, subject to all the provisions of this lease with such additional insurance requirements as may then be consistent with the Town's standard requirements, so long as Tenant operates the Center and provides activities for the Town's youth as provided in this lease Agreement, and is not in breach of this lease Agreement.

3. Consideration: Tenant shall pay one dollar ($1.00) per year due and payable upon occupancy and January 1st each year thereafter.

4. Taxes: Tenant shall pay all taxes incurred as a result of Tenant's use and occupancy of the building. Tenant shall not be responsible for any taxes which do not result from Tenant's use or occupancy of the building. Tenant shall make all such payments direct to the charging authority at least 30 days before delinquency and before any fine, interest, or penalty shall become due or be imposed by operation of law for their nonpayment. Tenant shall furnish to Town, at least 25 days before the date when any tax, assessment, or charge would become delinquent, receipts establishing their payment.

5. Services and Fees: At Tenant's request, the Town agrees to co-operate with Tenant in evaluating the feasibility of the Town's providing services such as insurance and maintenance. Tenant shall pay the full cost for any services which Tenant requests and receives from the Town.

6. Use of Premises: Tenant shall use the Property only to construct and operate the Center for the benefit of the Town's youth, as a place for them to gather and associate. Anticipated uses include supervised recreational and informational activities, social events,