

Central Services
Joan Araujo, Director

Engineering Services
Anastasia Seims, Director

Roads & Transportation
Anitha Balan, Director

Water & Sanitation
Vacant, Director

Watershed Protection
Jeff Palmer, Director

September 24, 2024

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

Subject: **Approval of, and Authorization for the Public Works Agency Director (Director) or Designee to Sign, a Second Amendment to Lease Agreement (Second Amendment) with Centerpoint Mall, LLC, a Delaware Limited Liability Company, for the Medical Office Space Located at 325 W. Channel Islands Boulevard in the City of Oxnard for the Health Care Agency, for Monthly Rent of \$30,877.50; Find that the Second Amendment is Exempt from the California Environmental Quality Act; Authorization for the Director to Approve Minor Modifications to the Second Amendment; Supervisorial District No. 5.**

Recommendations:

1. Approve and authorize the Public Works Agency Director or designee to sign the attached Second Amendment to Lease Agreement (Second Amendment) with Centerpoint Mall, LLC, a Delaware limited liability company, for the medical office space located at 325 W. Channel Islands Boulevard in the City of Oxnard for the Health Care Agency, for monthly rent of \$30,877.50.
2. Find that your Board's approval of the Agreement is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 as an action solely to lease existing facilities, and that no exceptions set forth in CEQA Guidelines section 15300.2 preclude use of this exemption.
3. Authorize the Director to approve minor modifications to the Second Amendment provided that any such modification is consistent with the original purpose of the Second Amendment, does not result in additional costs to the County of Ventura and is reviewed and approved as to form by the County Counsel's Office.



Fiscal/Mandates Impact:

Mandatory: No
Source of Funding: VCMC Operating Revenues/Collections
Funding Match Required: None
Impact on Other Department(s): None

Summary of Annual Revenues and Costs Under the Agreement:

	<u>FY 2024-25</u>	<u>FY 2025-26</u>
REVENUE:	\$375,162	\$386,417
DIRECT COSTS:	\$375,162	\$386,417
INDIRECT COSTS:	Minor	Minor
NET REVENUE <COST>	\$0	\$0

Current Fiscal Year (FY) Budget:

Current FY 2024-25 Budget Projections for Ventura County Medical System – Division 3300				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Expenditures	\$720,985,484	\$720,985,484	\$720,985,484	\$0
Revenue	\$721,404,225	\$721,404,225	\$721,404,225	\$0
Operational Income/(Loss)	\$418,741	\$418,741	\$418,741	\$0

Sufficient revenue and appropriations are included in the FY 24-25 budget. The operational income includes "Operating Transfers In" that are primarily attributed to County contribution.

Discussion:

The Health Care Agency (HCA) has occupied 13,425 square feet of medical office space at 325 W. Channel Islands Boulevard in the City of Oxnard (the "Premises") since October 1, 2010 under the current Lease Agreement; see Exhibits 1 and 2, Vicinity and Location Maps. HCA has been on a month-to-month holdover since December 1, 2023 while negotiations were completed. As detailed below, the term of the Second Amendment to Lease Agreement (Second Amendment) (Exhibit 3) would commence retroactively on February 1, 2024 with monthly rent of \$30,877.50.



HCA has occupied the Premises since 1991 when it was home to the original Las Islas Family Medical Group that provided primary care services to the South Oxnard area. In 2008 Las Islas relocated to a new building at Centerpoint Mall and Las Islas Family Medical Group South (Las Islas South) opened at the Premises.

Since the transition in 2008, some primary care services have remained at the Premises with the addition of urgent care and specialty care services such as orthopedics, diabetic care, wound care, and podiatry. Las Islas South has seven Full-Time Equivalent (FTE) medical providers who provide over twenty-four thousand visits annually.

The proposed Second Amendment would extend the lease term for 60 months with a new expiration date of January 31, 2029.

The salient terms of the proposed Second Amendment are as follows:

- LESSOR:** Centerpoint Mall, LLC, a Delaware limited liability company
- PREMISES:** The entirety of a one-story standalone medical office building consisting of approximately 13,425 square feet of medical office space within the Centerpoint Mall in the building commonly known as 325 W. Channel Islands Boulevard, Oxnard, California.
- RENT:** Rent shall be \$30,877.50 per month, modified gross, for the first 12 months of the term. This rent reflects a rate of \$2.30 per square foot per month which Real Estate Services has determined to be representative of fair market rent for such space in Oxnard. The rent shall increase 3% at the beginning of month thirteen of the term and annually on each anniversary date thereafter.
- UTILITIES:** County shall pay for all utilities, including, water, gas, and electrical serving the Premises. Lessor shall provide trash service.
- JANITORIAL:** County shall provide its own janitorial service to the Premises.
- TERM:** The term of the Agreement shall be 60 months, commencing on February 1, 2024, and terminating on January 31, 2029.

Your Board's approval of the Second Amendment, the project, is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 as an action to lease existing facilities. Staff has also determined that no unusual circumstances or other facts set forth in CEQA Guidelines section 15300.2(c) preclude use of this categorical exemption.



Strategic Plan Priority:

This item contributes to the Board of Supervisors (Board's) 2024-2027 strategic priority to provide:

- I. Healthy, safe, and resilient communities through
 1. Providing equitable and timely access to quality healthcare, mental health, and public health services.

This letter and the Second Amendment have been reviewed by the Health Care Agency, the County Executive Office, the Auditor-Controller's Office, and County Counsel.

If you have any questions regarding fiscal or discussion portions of this letter, please contact Lizeth Barretto at 805-677-5291. If you have questions regarding the Second Amendment, please contact George Andrade, Manager of the Real Estate Services Division, at 805-654-2402, or the undersigned at 805-654-2084.

Sincerely,



Joan Araujo
Director, Central Services

Attachments:

- Exhibit 1 – Vicinity Map
- Exhibit 2 – Location Map
- Exhibit 3 – Second Amendment to Lease Agreement

