

Central Services  
**Joan Araujo**, Director

Engineering Services  
**James O'Tousa**, Director

Roads & Transportation  
**Anitha Balan**, Director

Water & Sanitation  
**Joseph Pope**, Director

Watershed Protection  
**Vacant**, Director

February 27, 2024

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

**Subject:**     **Approval of, and Authorization for the Director of the Public Works Agency or Designee to Sign, a Lease Agreement (Lease) with Ventura County Credit Union for office space located at 2575 Vista Del Mar Drive, in the City of Ventura, for the Health Care Agency, with Monthly Rent Starting at \$48,538.00; Finding that the Lease is Categorically Exempt from the California Environmental Quality Act; Authorization for the Director to Approve Minor Modifications to the Agreement; Supervisorial District No. 1.**

**Recommendations:**

1. Approve and authorize the Director of the Public Works Agency or designee to sign the attached Lease Agreement (Lease) with Ventura County Credit Union for office space located at 2575 Vista Del Mar Drive, in the city of Ventura, for use by the Health Care Agency.
2. Find that your Board's approval of the Lease is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15301 as an action solely to lease existing facilities.
3. Authorize the Director to approve minor modifications to the Lease provided that any such modification is consistent with the original purpose of the Lease, 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 Departments: None

**Summary of Revenue and Total Costs:**

		<b><u>FY 2023-24</u></b>		<b><u>FY 2024-25</u></b>
Revenue:	\$	0	\$	0
Costs:				
Direct	\$	106,014	\$	560,427
Indirect – Agency/Dept.	\$	0	\$	0
Indirect – County CAP	\$	0	\$	0
Total Costs	\$	106,014	\$	560,427
Net Costs	\$	106,014	\$	560,427
Recovered Indirect Costs	\$	0	\$	

**Current Fiscal Year (FY) Budget Projections:**

<b>Current FY 2023-24 Budget Projection for Health Care Agency - Unit 3301</b>				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Expenditures	\$592,989,389	\$592,989,389	\$592,989,389	\$0
Revenue	\$608,497,333	\$608,497,333	\$608,497,333	\$0
Net County Costs Income/(Loss)	\$15,507,944	\$15,507,944	\$15,507,944	\$0

There are sufficient appropriations and revenue included in the FY 2023-24 Budget.

**Discussion:**

The HCA Information Technology Services department (HCA ITS), currently located in trailer #402 and the Public Health building, both located on the Ventura County Medical



Center (VCMC) campus, has 70 information technology (IT) professionals responsible for supporting the Health Care Agency (HCA) and the mission critical medical systems serving the residents of Ventura County. Trailer #402 has been utilized on the VCMC campus since 1995 supporting various activities through the years. Trailer #402 has outlived its useful life with numerous structural issues and requires staff to operate with inadequate furnishings and an inflexible floorplan. It is also situated in the main parking lot of VCMC, taking away valuable parking spaces for patients and staff.

The lack of parking on the VCMC campus prevents patients from accessing care on the VCMC campus in a timely manner, negatively impacts patient care, and causes patient and community dissatisfaction. The rapid advancement of technologies in healthcare has also resulted in an increase in both the HCA IT workforce and increase in office space requirements.

To address the issues of space utilization and accessibility, and to be more competitive in recruiting the innovative talent needed to support the HCA's technological needs, HCA IT is working with the Public Works Agency's Real Estate Services Division, and has identified office space at 2575 Vista Del Mar that will meet the current and future needs of the HCA IT Department and allow HCA to utilize the current space for patient parking.

The Vista Del Mar building offers a total of 24,269 square feet, of which 875 square feet is for IT equipment storage, and the remaining usable 23,394 square feet is to house all current and future IT staff and contractors, hoteling spaces for other staff and vendors working on large projects, plus conference rooms and training rooms for projects as well as new employees training. The first floor has 16,794 square feet of office space which can accommodate current IT staff and contractors; the second floor has 6,600 square feet that will be available in late 2024 to be used for planned growth and training classrooms.

Rent for the first year will begin with the first floor at \$35,338 per month when the tenant improvements are substantially completed on April 1, 2024 and will increase to \$48,538 per month once the Tenant Improvements are substantially completed on the second floor on September 1, 2024.

A market comparison of commercial properties with similar attributes indicates a very favorable rate that is below market by 20 to 50 cents per square foot.

The HCA IT Department requests your Board's approval of the proposed cost-efficient Lease for office space so that the majority of HCA IT staff can be relocated to this new location. Additionally, freeing up the current trailer on VCMC campus will facilitate opportunities to create parking lots to better serve patients and the community.



**Lease Terms:**

Your Board is being requested to approve a Lease Agreement (Lease) for 24,269 square feet of office space in Ventura.

The salient terms of the proposed Lease are as follows:

**LESSOR:** Ventura County Credit Union

**PREMISES:** 24,269 sq. ft. of space in the multi-tenant office building commonly known and referred to as 2575 Vista Del Mar Drive, Ventura, defined as follows: 16,794 rentable square feet of improved office space on the Ground Floor, and approximately 6,600 rentable square feet of improved office space on the Second Floor, and approximately 875 square feet of warehouse space located on the Ground Floor.

**TERM:** The term of this Lease shall be ninety-two (92) months and shall commence upon substantial completion of turnkey tenant improvements by Lessor. Term commencement dates for the Ground Floor and the Second Floor shall be determined separately and may differ.

**RENT:** Rent shall be \$48,538.00 per month, modified gross, for the first 12 months of the term. This rent reflects a rate of \$2.00 per square foot which Real Estate Services has determined to be representative of fair market rent for such space in Ventura. The rent will increase annually thereafter by 3%, throughout the remaining term of the Lease and any subsequent renewal term resulting from County exercising its option to extend the term of the Lease.

**UTILITIES:** Lessor shall pay for all utilities serving the Premises, including water, sewer, gas, electricity, and trash service and shall make payments directly to the utility company furnishing same.

**JANITORIAL SERVICE:** County shall provide its own janitorial service to the Premises.



**MODIFICATIONS**

**BY LESSOR:**

Lessor shall, at its own cost and expense, provide turnkey tenant improvements to the premises in accordance with the Lease.

**OPTION**

**TO EXTEND:**

County shall have one (1), three-year option to extend the term of the Lease.

**Strategic Plan:**

The item presented in this Board letter supports the Reliable Infrastructure and Sustainability, the Diverse and Innovative Workforce Dedicated to Service Excellence, and the Healthy, Safe, and Resilient Communities strategic priorities of the County Strategic Plan as it is designed to provide robust infrastructure, facilities, technology to serve the needs of our communities, compete and recruit innovative talent needed to support the HCA's technological needs, and facilitate opportunities to create parking lots to better serve patients and the community.

Your Board's approval of the Lease is categorically exempt from 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) precludes use of this categorical exemption.

This letter and the Lease have been reviewed by the County Executive Office, the Auditor-Controller's Office, County Counsel, and the Health Care Agency. As required by section 25351 of the Government Code, prior notice of the proposed lease transaction was provided to the city of Ventura.

If you have any questions regarding the fiscal or discussion portions of this letter, please contact Bach Nguyen, Chief Information Officer, Ventura County Health Care Agency, at 805-652-5762. If you have questions regarding the Lease, 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 – Lease Agreement

