

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

January 23, 2024

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

**Subject: Approval of, and Authorization for the Director of the Public Works Agency (Director) or Designee to Sign, a Five-Year Lease Agreement (Lease) with Holladay Organics, Inc., a California Corporation, for Fifty Usable Acres of Farmland Located on the County-Owned Todd Road Jail Property at 600 Todd Road, Santa Paula with Annual Rent of \$15,000; Finding that the Lease is Categorically Exempt from the California Environmental Quality Act; Authorization for the Director to Approve Minor Modifications to the Lease; Authorization for Auditor Controller to Process the Necessary Accounting Transactions; Supervisorial District No. 3. (RECOMMENDATION NO. 4 REQUIRES 4/5THS VOTE)**

**Recommendations:**

1. Approve, and authorize the Director of the Public Works Agency (Director) or designee, to sign the Lease Agreement (Lease) (Exhibit 3) with Holladay Organics, Inc., a California corporation, for fifty usable acres of farmland located on the County-owned Todd Road Jail property at 600 Todd Road, Santa Paula with annual rent of \$15,000.
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 modifications are consistent with the original purpose of the Lease, does not result in additional costs to the County, and is reviewed and approved as to form by the County Counsel's Office.



4. Authorize the Auditor-Controller to process the necessary budgetary adjustments to increase appropriations and unanticipated revenues (requires 4/5th vote):

**Todd Road Jail – Fund G001, Division 2550**

INCREASE 2550-2561 Revenue From Use of Money and Property	\$6,250
INCREASE 2550-2561 Services and Supplies	\$6,250

**Fiscal/Mandates Impact:**

Mandatory: No  
Source of Funding: Holladay Organics, Inc  
Funding Match Required: None  
Impact on Other Department(s): None

**Summary of Revenue and Total Costs:**

	<b><u>FY 2023-24</u></b>	<b><u>FY 2024-25</u></b>
Revenue:	\$ 6,250	\$ 15,000
Costs:		
Direct	\$ 6,250	\$ 15,000
Indirect – Agency/Dept.		
Indirect – County CAP		
Total Costs	\$ _____	\$ _____
Net Costs	\$ 0	\$ 0
Recovered Indirect Costs	\$	\$

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

<b>Current FY 2023-24 Budget Projection for Sheriff's Detention Services - Division 2550</b>				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated Savings/(Deficit)
Appropriations	\$135,613,272	\$143,236,708	\$143,236,708	\$0
Revenue	\$61,934,849	\$67,793,351	\$67,793,351	\$0
Net Cost	\$73,678,423	\$75,443,357	\$75,443,357	\$0



**Discussion:**

In 1991, your Board approved the acquisition of 157 acres of farmland for the future construction of the Todd Road Jail facility. After construction of the jail, there were approximately 100 acres of the lemon orchard remaining. The Sheriff's Office worked with a local agricultural management company to maintain the lemon orchard until 2012.

In 2012, the lemon orchard was removed, and the farmland was leased to a local farmer. The term of the lease was for ten years and ended in 2022. The farmland at the Todd Road Jail has been unleased since that time.

Earlier this year, Holladay Organics, Inc., a California corporation, inquired about leasing a portion of the farmland property from the County. After several site tours and discussions, Holladay Organics, Inc. and Public Works Agency (PWA) agreed on the attached Lease Agreement (Lease) for fifty acres of usable land (Property). Holladay Organics, Inc. intends to use the Property to grow alfalfa not for human consumption.

The guaranteed revenue from this lease would generate \$15,000 a year for the 5-year term of the Lease.

The salient terms of the Lease are as follows:

TENANT:	Holladay Organics, Inc., a California corporation
PREMISES:	Fifty (50) usable acres of farmland located on the County-owned Todd Road Jail property.
RENT:	Rent will be \$300.00 per acre, which is \$15,000 annually. The rental payments will be made in advance semi-annually.
TERM:	The term of the Lease shall be five (5) years. The Lease shall commence on February 1, 2024 and terminate on January 31, 2029.
INSURANCE:	Tenant shall provide a policy of general commercial liability insurance and workers' compensation coverage.
UTILITIES:	Tenant shall be responsible for payment for all utilities serving the Premises including any surcharges for water from the agricultural well used to irrigate the Premises.



The proposed Lease is exempt from competitive bidding requirements pursuant to Ventura County Ordinance 4573 where, as here, the monthly rent does not exceed \$40,000, the term of the Lease does not exceed 10 years and the Lease is not renewable. Also, in compliance with Government Code section 25537(b), prior notice of the proposed Lease was published in the newspaper and posted in the office of the Clerk of the Board of Supervisors.

**Strategic Plan:**

This item contributes to your Board's 2024-2027 strategic priorities to be fiscally responsible and create sustainability. It currently costs the County over \$30,000 a year to maintain the subject farmland property due to landscaping and weed control. If approved, the Tenant under this Lease Agreement would be responsible for maintaining the property, including landscaping and weed control. This would not only relieve the County's financial and labor burden, but also create a long-term sustainable solution for use of the property, while generating revenue for the County.

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 item has been reviewed by the County Executive Office, the Auditor-Controller's Office, and County Counsel.

If you have any questions concerning this item, 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

