

December 15, 2009

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

Watershed Protection District
Norma J. Camacho, Director

Transportation Department
Wm. Butch Britt, Director

Engineering Services Department
Phillip L. Nelson, Director

Water & Sanitation Department
R. Reddy Pakala, Director

Central Services Department
Janice E. Turner, Director

Subject: Approval of and Authorization for the Director of the Public Works Agency, or Designee, to Sign a Lease Agreement with Centro Property Owner I, LLC, for Retail Space Located at 570 W. Main Street in the City of Santa Paula for the Health Care Agency; Supervisorial District No. 3

Recommendation:

Approve and authorize the Director of the Public Works Agency, or his designee, to sign the attached Lease Agreement with Centro Property Owner I. LLC for the property located at 570 W. Main Street, Santa Paula for the Health Care Agency.

Fiscal/Mandates Impact:

Mandatory:	No
Source of Funding:	Ventura County Medical Center (VCMC) Operating Revenues/Collections/General Fund
Funding Match Required:	None
Impact on Other Departments:	N/A

Lease payments will be made from VCMC Budget Account 5210-2281, Rents and Leases. The cost of this lease is offset by the current and additional revenue from services rendered and is included in the FY 2009-10 budget. VCMC will include the annual lease payment in their annual budget for the term of the lease, subject to receipt of necessary approval by the Board of Supervisors.



Summary of Annual Revenues and Costs:	<u>FY 2009-10</u>	<u>FY 2010-11</u>
Revenue	\$ 22,376.25	\$ 53,703
Direct Costs:	\$ 22,376.25	\$ 53,703
Indirect Costs:	Minor	Minor
Net revenue <cost>	\$ 0	\$ 0

CURRENT FISCAL YEAR BUDGET PROJECTIONS:

Current FY 2009-10 Budget Projections for Ventura County Medical Center				
	Adopted Budget	Adjusted Budget	Projected Budget	Estimated (Savings/Deficit)
Expenditures	\$ 258,770,205	\$ 263,165,730	\$ 258,770,205	\$ 4,395,525
Revenue	\$ 254,791,706	\$ 254,791,706	\$ 254,791,706	\$-0-
Operational Loss*	\$ 3,978,499	\$ 8,374,024	\$ 3,978,499	\$ 4,395,525

* The operational loss projected, which includes contributions, is primarily attributable to the increasing cost of providing health care.

Discussion:

The proposed Lease Agreement presented to your Board for approval is for Outpatient Physical and Occupational Therapy Services. The property is located at 570 W. Main Street in the City of Santa Paula and will provide for 3,315 of usable square feet for outpatient rehabilitation services for our communities including Santa Paula, Fillmore and Piru.

Santa Paula Hospital (SPH) continues to grow and develop with increased demand for all services. The Santa Paula Hospital facility does not have necessary space to meet the growing demand for Outpatient Physical and Occupational Therapy services. Access to outpatient rehab services is extremely important for our patients and our local health care providers in the Santa Clara Valley as such services are very limited. This location will provide much needed access for all patients, public and private, including Medicare, Medi-Cal, private insurance, and self-pay. VCMC/SPH will also be contracting with the local Independent Practice Association to further ensure local access for all of our patients and community providers.

The current and projected demand for Outpatient Physical and Occupational Therapy services in the Santa Clara Valley are anticipated to fully offset the cost of this project through VCMC/SPH operating revenues. The revenue and appropriations are included in the FY 2009-10 Board approved budget.

The salient terms of the proposed Lease Agreement are as follows:

LESSOR: CENTRO PROPERTY OWNER I, LLC

PREMISES: Approximately 3,315 square feet of retail space in the Santa Paula Shopping Center in the suite commonly known as 570 W. Main Street, Santa Paula, California.

RENT: Rent shall be \$4,475.25 per month, modified gross. County shall pay for its own utilities and janitorial. There shall be no rent increases during the term of the lease. This rent reflects a rate of \$1.35 per square foot, which Real Estate Services has determined to be representative of fair market rent for such space in Santa Paula.

TERM: The term of this Agreement shall be thirty-six months, commencing upon Delivery of the Premises by the Lessor. Delivery shall occur after mutual execution of this Agreement by County and Lessor. The Agreement shall terminate on the last day of the thirty-sixth (36th) month therefrom.

This letter and the Lease Agreement have been reviewed by the Health Care Agency, the County Executive Office, the Auditor-Controller's Office, and County Counsel. In conformance with section 25351 of the Government Code, prior notice of the proposed Lease transaction was provided to the City of Santa Paula.

If you have any questions regarding fiscal or discussion portions of this letter, please contact Paul Lorenz of VCMC at 652-6058. If you have questions regarding the Lease Agreements, please contact Keith Filegar Real Estate Services Manager at 654-2402 or the undersigned at 654-2084.



Janice Turner
Director, Central Services Department

Attachment – Lease Agreement