



Council Agenda Report

From: Paul Sloan, Economic Development Manager

Subject: Approval of a Lease Agreement with the Office of Congressman Jimmy Panetta for a Congressional District Office located at the Train Station at 800 Pine Street

CEQA Determination: The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.

Date: January 31, 2023

Facts

1. The City of Paso Robles owns and maintains property located at 800 Pine St., also known as the Train Station.
2. The office of Congressman Jimmy Panetta has submitted a proposal to lease a portion of the office space at the Train Station for a period of 23 months as a local Congressional District Office beginning February 01, 2023 (see Exhibit A of Attachment 1).
3. On [August 17, 2021](#), Council approved a Short-term Lease Agreement with the County of San Luis Obispo for a temporary COVID-19 testing center at the site and subsequent Amendments to the Short-Term Lease Agreement were approved on [February 15, 2022](#) and [August 16, 2022](#), with options to extend the lease through December 31, 2022.
4. The County exercised the options to extend the lease through December 31, 2022 and was issued a Holdover Letter to occupy the property through January 31, 2023 (see Attachment 2).
5. The County notified the City that State funding for the COVID-19 testing center has been terminated and that the County would be closing the COVID-19 testing center and vacating the Train Station by January 31, 2023.
6. The space subject to this proposed lease agreement is available.

Options

1. Take no action;
2. Approve the lease with Congressman Jimmy Panetta for commercial space at 800 Pine Street;
3. Provide alternative direction to staff.

Analysis and Conclusions

Congressional redistricting divided San Luis Obispo County into two parts with northern San Luis Obispo County becoming part of District 19 for the 118th Congress. The Office of Congressman Jimmy Panetta, the elected U.S. Representative for District 19, has submitted a proposal for leasing a portion of the office space at the Train Station for a period of twenty-three (23) months as a local Congressional District Office. The lease proposal is for approximately 385 square feet of office space leaving approximately 1,865 square feet of space available for potential lease by the City to an additional tenant or tenants (see Exhibit B of Attachment 1). The Congressman currently has two field offices in Santa Cruz and Monterey.

If the lease is not approved, the Congressman would likely seek an alternate location for a District Office in northern San Luis Obispo County, potentially outside the City of Paso Robles. Additionally, taking no action will mean the commercial space will not have a tenant for an undetermined period thereafter, until alternate action is taken.

Approving the lease of the space to Congressman Panetta for a Congressional District Office will not only provide rent revenue for the City, but also convenient access to congressional staff for residents.

The City will continue to market the space being vacated by the County to interested parties and ensure any future tenant has compatible uses between the Congressman's office and the surrounding uses.

The disposition of property is subject to the requirements of the Surplus Land Act. The California Department of Housing and Community Development Surplus Land Act Guidelines provides that a lease for a term that is less than 5 years is not a disposition under the Surplus Land Act (Guidelines Section 102(h)(1)).

Fiscal Impact

The terms of the lease agreement \$969.95 per month for access to office space at the commercial site, including utilities, for a period of 23 months. As a result, the City will receive \$22,308.85 over the next two years should the Office of Congressman Panetta utilize the full term of the lease.

Recommendation (Option 2)

Approve Resolution 23-XXX, accepting Congressman Panetta's proposal for the commercial property 800 Pine Street attached hereto as Exhibit A, authorizing the City Manager to execute leasing agreements, subject to any minor, technical, or non-substantive changes approved by the City Attorney and consistent with Council's intent.

Attachments

1. Resolution 23-XXX
 - a. Exhibit A – U.S. House of Representatives District Office Lease Proposal
 - b. Exhibit B – Floorplan of Premises
2. County of San Luis Obispo Holdover Letter - Executed