



Council Agenda Report

From: Paul Sloan, Economic Development Manager

Subject: Approval of a Lease Agreement with 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: February 21, 2023

Facts

1. The City of Paso Robles owns and maintains property located at 800 Pine St., also known as the Train Station.
2. 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.
3. 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.
4. The County notified the City that State funding for the COVID-19 testing center had been terminated and that the County would be closing the COVID-19 testing center and vacating the Train Station by January 31, 2023. As a result, the Train Station is currently vacant.
5. Congressman Jimmy Panetta has submitted a proposal to lease a portion of the office space at the Train Station for a period of twenty-two (22) months as a local Congressional District Office beginning February 22, 2023 (see Exhibit A of Attachment 1).

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

The lease agreement between the City and the County of San Luis Obispo expired on December 31, 2022, and the County was issued a Holdover Letter to occupy the property through January 31, 2023. The County notified the City that due to the ending of State funding the County would be closing the COVID-19 testing center located at the Train Station and would be vacating the premises by January 31, 2023, leaving the Train Station completely vacant without a tenant.

Congressional redistricting in 2022 divided San Luis Obispo County into two parts with northern San Luis Obispo County becoming part of District 19 for the 118th Congress which was sworn in on January 3rd, 2023.

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-two (22) months as a local Congressional District Office. The lease proposal is for approximately 1,100 square feet of office space leaving approximately 1,487 square feet of space available for potential lease by the City to an additional tenant or tenants (see Exhibit B of Attachment 1).

If the lease is not approved, the Congressman would need to find an alternate location for a District Office in northern San Luis Obispo County. 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 local residents.

Fiscal Impact

The terms of the lease agreement require Congressman Panetta to pay the City \$1,222 per month for access to office space at the commercial site. Should Congressman Panetta utilize all 22 months of the lease, the total additional revenue to the City is \$26,884.

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