



Ermina Karim,
President/CEO

895 Monterey St.
San Luis Obispo,
CA 93401

805.786.2763

slochamber.org
visitslo.com

January 5, 2017

City Council
City of San Luis Obispo
990 Palm St.
San Luis Obispo, CA 93401

Subject: City Budget Goal Setting Process 2017-19

Dear Mayor Harmon and Council Members:

For your consideration, the San Luis Obispo Chamber of Commerce Board of Directors respectfully submits our recommendations for the City's 2017-19 Major City Goals. Consistent with input that the Chamber has provided in recent years, these key business community priorities were determined after extensive work, discussion and evaluation by multiple Chamber committees and our Board, involving more than 80 member volunteers.

Our top priorities focus on investments that unlock our ability to build a more complete, safe and fiscally sustainable community that houses more of its workforce. Much of the substance of our recommendations is driven by the planned closure of Diablo Canyon Power Plant which will have a profound impact on the City's economy in terms of head-of-household jobs, business retention and growth, regional wealth and spending, local real estate values and charitable contributions. It's time to rethink our approaches towards our economic future as what got us to where we are today may not work going forward.

It is more critical than ever to actively create the economic future we seek to have by making important investments in the community infrastructure and fiscal choices that will allow San Luis Obispo to move its efforts forward for new economic growth and improvements to enhance the City's genuine character.

Our recommendations for the City's investment of time, money and resources during the 2017-19 budget cycle include:

1. Seek bond funding or other creative funding strategies to pay for key transportation infrastructure that facilitates housing and business development and safe multi-modal movement

Why:

- Residents overwhelmingly want transportation improvements as indicated through the initiatives set forth in the 2015-2025 Land Use and Circulation Element (LUCE) and the majority of city residents voted in support of Measure J, the countywide sales tax measure to fund transportation needs
- Community-benefiting road infrastructure for multi-modal transportation is the key that releases critical development to occur for the safety and quality of life for all residents
- Infrastructure investments address the top contributor to regional greenhouse gas emissions by reducing the time people spend in their cars on the road driving between where they work and where they live
- Investing in infrastructure builds more complete communities by providing greater opportunities to both live and work in San Luis Obispo

How:

- Invest Measure G revenues towards its intended uses for traffic relief, safety and bike improvements
- Build the Infrastructure Investment Capital Fund
- Continue to seek grant funding and/or matching grant funds for bike and pedestrian improvements
- Continue to research federal and local funding opportunities, and partnerships with private developers, for transit services and projects
- Aggressively work towards the implementation of the City's 2012 Climate Action Plan, including support of mixed use projects and alternative modes of travel, creating more ease in getting to jobs, goods and services with less time in the car

2. Grow investment in economic development in order to start, grow and attract businesses

Why:

- This sustainably increases our city's base of revenues so city services can be preserved and enhanced
- It supports the retention and growth of businesses and the pool of head-of-household jobs
- Continually strengthening our local economy enhances community vibrancy for professionals and residents of all ages

How:

- Increase staff resources in the Economic Development department
- Update the Economic Development Strategic Plan in preparation for a post-Diablo economy with a continued focus on the conditions that support head-of-household job creation and workforce housing
- Update the City's development fee structure that considers both size and timing of fees
- Modernize the City's zoning code to create greater flexibility for commercial and housing development, such as tiny houses
- Lead an assessment and refinement of the City's Advisory Bodies to address time and scope challenges

- Consider targeted incentive grants or business loans to support the development of jobs
- Work with other economic development partners, including the county and other cities, to prioritize job matching for trailing spouses and to support initiatives for job creation and attraction
- Continue key investments in the SLO HotHouse and other entrepreneurial programs

3. Pay down the City's unfunded liabilities and address escalating costs

Why:

- To improve the City's long-term fiscal health
- To actively control costs in order to successfully meet the current and future needs and priorities of the community
- Continuing to pay down the City's unfunded liabilities will enhance transparency to how the City is addressing this challenge

How:

- Continue to implement the objectives of the Fiscal Responsibility Philosophy
- Appoint an independent 5-7 member task force composed entirely of business and municipal finance professionals to recommend how to move forward
- Assess opportunities for facilities and infrastructure improvements that yield substantial cost savings into the future

Thank you for your consideration of these suggested Major City Goals and for inviting input from the business community. The Chamber's recommendations reflect our continued focus on making long-term investments and informed fiscal decisions that are intended to support a balanced and prosperous community for generations to come.

We look forward to participating in the Community Forum on January 10 and believe these priorities will ensure a sustainable and prosperous economic future for those who live and work here.

Sincerely,

Ryan Caldwell

Ryan Caldwell
Chair of the Board 2017