

SAN LUIS OBISPO COUNCIL OF GOVERNMENTS

STAFF REPORT

MEETING DATE:	FEBRUARY 7, 2024	ITEM F-2
SUBJECT	Supplemental Funding Update: Draft Investment Plan, Engagement Results, and Next Steps	
Staff Contact:	James Worthley	

SUMMARY

Transportation funding for future infrastructure falls well short of the need. A dedicated, local transportation sales tax is an invaluable tool that 25 California county transportation authorities use to deliver timely, cost-efficient transportation improvements to their communities. Adding San Luis Obispo County to the list of California's [self-help counties](#) would help unlock hundreds of millions of dollars in additional transportation funding, guaranteeing, and delivering much-needed transportation improvements and repairs for our residents and to our communities.

A two-thirds vote is a challenging threshold. Successful Investment Plans contain funding distributions and investments that are grounded in polling results, focus groups, and stakeholder input. The desired result is an equitable distribution of investments with a wide-range of investments to address multiple concerns. The member agencies must come together to identify a distribution of funds and investments that is fair and understandable by the voters.

A San Luis Obispo regional, ½ cent sales tax for transportation would:

- Generate \$35M annually, escalating each year (or \$700M over 20 years without escalations)
- Reclaim \$0.8M to \$1M, annually, from State funds
- Collect a \$3M to \$5M one-time windfall from State funds
- Qualify the region to receive our fair-share of State and Federal funds

RECOMMENDATIONS

- Staff:**
- 1) Receive and Comment
 - 2) Adopt Distribution Formulas
 - 3) Direct Staff to Present Draft Investment Plan to Member Agencies and Seek Comments and Feedback and Proceed with Development/Refinement of Draft Materials
 - 4) Amend Consultant Contract to Extend the Polling Contract (No increased funding)
 - 5) Direct Staff to Return on May 1 for SLOCOG Board Determination of Next Steps.

TTAC: Support Staff Recommendation.

CTAC: Support Staff Recommendation.

SSTAC: Support Staff Recommendation.

City Managers: Reviewed/Supported the Distribution Formulas

DISCUSSION

To have a reasonable chance of passage by 2/3rd of voters, a measure must focus on the projects and improvements that voters identify as their priorities and be accompanied by robust community and leader engagement, education, and communication to raise awareness of the region's transportation challenges and build community consensus around a proposal. Staff worked with its consultants, gained input from community groups/organizations, responded to media inquiries and interviews, and hosted a website with information and a survey to gain input from the public.

Benefits of a Dedicated Transportation Sales Tax

Transportation investments improve the region's: safety, reliability, mobility, goods movement, and economic vitality; and a sales tax is paid by all users of the transportation system, including tourists. Regions ([self-help counties](#)) with more local funding have a competitive advantage: they are better able to build and maintain infrastructure and services, recapture competitive funds (our paid taxes), and have more flexibility to build partnerships and prepare for new technologies and future challenges.

Our jurisdictions require new funds to repair our roadways, to deliver regional improvements, to improve transportation overall, and to offer as a match in order to capture competitive State or Federal funds. Higher funding leverages or 'wins' more funds from Sacramento. Without our own dedicated transportation sales tax, we are effectively providing a 'tax holiday' to our tourists that come from the 25 counties with it.

Ability to Leverage

Comparing one investment category (Active Transportation), Santa Cruz recently 'won' \$147m from Sacramento using their 2016 sales tax measure funds. The Santa Cruz region has another \$53m remaining in measure funds to use as leverage for more Active Transportation grants. In comparison, SLOCOG's long range plan projects \$184m for Active Transportation in our region between 2023 and 2045. Monterey will spend \$600m from their 2016 measure funds on road maintenance and improvements in the coming decades. This is on top of their local jurisdictions' annual investments and state or federal allotments, and they will use some of it to leverage or 'win' State and Federal funds, outpacing our region.

With the failure of Measure J in 2016, the region lost out on over \$180M in the last 6 years and this could have easily doubled by capturing grants and competitive funds returned to the region. The impact of a dedicated transportation sales tax for successful measure counties is evident. Those counties deliver more projects and investments, faster, and at a lower cost.

Shrinking Fuel Tax

Reliant on the fuel tax, locally, we have a funding problem. Most of our jurisdictions have pavement conditions that are too low which cost more to maintain at a low level than to maintain at a 'very good' level and do not have a path to reach it. Our primary artery, U.S. 101 has recurring congestion in South County and emerging congestion in North County and we do not have the funding necessary to address its existing or emerging congestion or safety issues.

The Insufficient Status Quo

The region's current funding path relies not only on stable state and federal fund sources but also aspires to win competitive state and federal transportation grants. Every two years, SLOCOG programs its formula allotment of state and federal transportation funds. In January, the SLOCOG Board approved the 2024 RTIP, a five-year capital investment program (FY 24/25 through FY 28/29).

The investment portfolio contains past and present funding secured and allotted by State and Federal sources. SLOCOG received \$33.9M (new funding) to program in the outer years. Half of this amount was to address cost increases on six projects that were either "fully funded" in the 2020 fund cycle or realized project-cost increases. In order to complete all 20 projects (only 7 are now fully funded), \$298M is still needed to close the shortfall. This equates to 17+ years based on status quo funding (\$34M every two years) without State and/or federal grants or any additional project cost increases.

Projects are Cheaper Now than Tomorrow

Regions with a sales tax have a significant advantage over those without. When their new improvements are 'fully funded' but run into unexpected project escalations or inflation, these regions can use sales tax revenues to close the gap rather than losing the project (sometimes grant funded) or delaying for several months or years to await additional funding (and incurring further cost escalations). All regions are susceptible to State budget cuts (i.e., the 2024 proposed 50% cut to REAP funding in the State) but measure counties are better equipped to backfill and deliver improvements in spite of the state cuts.

We are Better Together

Setting aside our own self-interests can be challenging, but a regional approach helps to build the infrastructure for today and the next generation. There is a holistic benefit of a regional measure. City measures collect and spend only within their borders, yet, our residents travel beyond the singular bubbles of each city, whether for commuting, shopping, or entertainment. We all do better when *everyone* does better. An increase of transportation funding across the region provides benefits (safety, access, mobility, cost-savings, etc.) to each individual, community, and jurisdiction. With both local needs and regional needs, collaboration and coordination would be a key aspect if both a regional measure and a local measure were on the same ballot.

Draft Local Roads Repair & Transportation Safety Investment Plan: Attachment 1

The draft investment plan identifies how 20 years of collected, unescalated, revenues would be allocated. Staff, working with its consultants and considering all feedback to date, developed a draft (20-year, 1/2 cent sales tax) Investment Plan based on the following distribution premises.

1. Distribute all collected revenues by (4) subregions based on population. (i.e., 35% of the population resides in the North County and 35% of the funds would be used in the North County)
2. Within each subregion, distribute 66% of funds to its jurisdictions for Road Repairs & Community Road Safety & Congestion Improvements based on relative population (with a \$3m increase to the four smallest cities).
 - a. Two Local Investment categories are: Road Repairs and Community Road Safety & Congestion Improvements.
 - b. Respective investment levels are to be customized to the needs and priorities of each city and community (pending City Council, staff, and public feedback.)
3. Within each subregion, distribute 34% of funds for Regional Road Safety & Congestion Improvements and for Mobility for All.
 - a. Two Regional Investment categories are: Regional Road Safety Improvements and Mobility for All (i.e., transit, senior services, and active transportation).
 - b. Regional Investment categories are to be customized to the needs of each subregion. (pending additional feedback).

Staff reviewed various data metrics (including Population, Sales Taxes collected, Road miles, and Employment by city and subregion) and various combinations with the City Managers in January 2024 and received concurrence for the previously described funding distribution methodology.

Key Questions for a Transportation Measure

1. Is there an unfunded need?
2. Is a dedicated transportation sales tax the best option?
3. Is it fair and understandable?
4. Does it improve your travel?
5. Is it protected?
6. Is it supportable?

1. Is there an unfunded need? Yes

Outreach and Engagement

SLOCOG staff engaged our community groups and organizations to give citizens the opportunity to provide input to the needs of their communities. SLOCOG hosted four focus group meetings and developed a website with a public survey. The message that ‘there are needs’ resounds at every level.

Engagement Meetings

Staff and SLOCOG’s Engagement Consultant were invited to present a 20-minute PowerPoint discussion to 26 community groups and organizations over the past 6 months. In addition to these presentations, staff, or the consultant, made a 3-minute comment at nine public meetings, engaged with six media outlets garnering local press, and held four regional focus groups.

Focus Groups

In Fall 2023, four regional Focus Groups were held and facilitated by SLOCOG’s Consultant, MMKelly Consulting. Staff used voter files to identify an ideal representation (political party, location, age (<25, 25-44, 45-65, 65+) and gender). Staff used a random selection tool to fill the categories until a representative balance was achieved with confirmations of 12 members for each subregion’s focus group. Each Focus Group was held and notes were drafted to include: General Views, Identified Transportation Needs and Improvements, Funding Issues & Feedback, and Additional Insights. The Consultant’s memo is [Attachment 2](#).

Website

Staff developed and hosted its website, www.localroadsfirst.com and developed content to include FAQs, meeting information, past projects completed by SLOCOG in each subregion, and developed a simple online survey tool. Responses were collected (through November) and the following figures show results, by subregion, of which investment type garnered the highest support. Investment types

were ranked 1-10 and included: Improve Highways and Interchanges; Improve Local Road Intersections; Repair Roads, Potholes and Bridges; Build More Safe Routes to School and Pedestrian Improvements; Extend Bike Lanes or Trails; Expand Buses or Senior Transportation Options; and Safety Improvements. Additionally, an open-ended question offered respondents to share what transportation improvements are needed (included as [Attachment 3](#)). Results of this survey were shared and discussed with consultants.



North County Survey Results

Average	7.2	7.9	9.2	7.4	5.7	6.7	7.4
	Hwys & I/C	I/S's	Potholes	SRTS/Ped	Bike	Bus/Sen'r	Safety
Atascadero	7.6	8.3	9.2	7.5	6.1	7.0	7.9
Paso Robles	7.2	7.9	9.3	7.4	5.9	6.7	7.5
San Miguel	7.8	9.8	10.0	5.8	5.3	4.5	6.0
Templeton	6.8	7.1	8.8	7.9	5.4	6.6	6.8
Shandon	4.0	9.0	10.0	3.0	1.0	3.0	4.0
Santa Margarita	7.7	8.7	9.2	7.8	4.8	7.0	8.8
Creston	7.0	9.0	10.0	7.5	4.0	6.5	5.5
Other	6.4	6.3	9.4	5.1	4.4	5.3	5.4

North Coast Survey Results

Average	6.5	7.7	8.6	7.4	6.1	7.1	7.8
	Hwys & I/C	I/S's	Potholes	SRTS/Ped	Bike	Bus/Sen'r	Safety
Morro Bay	6.3	8.0	8.9	6.8	5.6	6.7	7.7
Cambria	6.6	7.4	9.3	7.1	4.6	7.4	7.9
Cayucos	7.7	8.6	8.0	9.2	7.3	7.0	7.1
San Simeon	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Los Osos	6.3	7.5	8.3	7.5	6.7	7.1	7.8

South County Survey Results

Average	7.4	7.7	9.1	7.1	5.9	6.8	7.5
	Hwys & I/C	I/S's	Potholes	SRTS/Ped	Bike	Bus/Sen'r	Safety
Arroyo Grande	7.7	8.0	9.5	7.4	6.1	7.0	8.1
Grover Beach	7.0	7.4	8.9	6.6	4.9	6.6	6.8
Pismo Beach	6.8	6.9	7.7	6.2	5.7	6.3	6.5
Oceano	7.1	7.4	9.6	7.2	6.1	7.4	7.1
Nipomo	7.6	7.7	9.3	7.3	5.7	7.1	7.5
Avila Beach	5.3	8.1	7.7	6.7	7.4	6.0	7.3
Other	8.0	8.0	10.0	6.0	3.0	2.5	6.0

Central County Survey Results

Average	6.9	7.5	8.6	7.2	5.9	6.9	7.5
	Hwys & I/C	I/S's	Potholes	SRTS/Ped	Bike	Bus/Sen'r	Safety
San Luis Obispo							

Pavement Conditions Index (PCI)

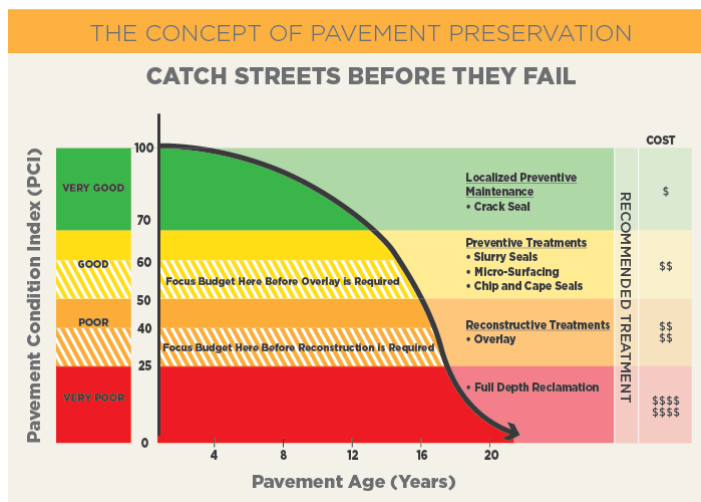
A few jurisdictions are doing well, or making strides, but most are not keeping up. A few examples are:

- Morro Bay's PCI dropped 15 points in 2023.
- Atascadero's 2022 Road Report identified its PCI reached 49 (2 points higher than 2015) with 25% of all roads rated as 'Failed' (16% failed in 2015)
- For the San Luis Obispo County unincorporated areas, the PCI was:
 - 63 in 2013
 - 64 in 2017
 - 60 in 2020
 - 60 in 2022

2023 RTP Figure 5-3: 2022 Local Infrastructure Conditions

JURISDICTION	ROAD MILES (STREET CENTERLINE)	PAVEMENT CONDITION INDEX	
		EXISTING	TARGET
Arroyo Grande	67.5	56	70
Atascadero	145.0	49	75
Grover Beach	45.0	52	60
Morro Bay	53.5	63	70
Paso Robles	149.4	57	62
Pismo Beach	37.0	67	72
San Luis Obispo	135.1	70	70
Incorporated Cities	632.5	59	68
San Luis Obispo County	1,099.5	60	65
Regional Total *	1,732.0	59	68

Note: Data collection from individual jurisdictions within SLOCOG's area of influence began in 2021 and ended in 2022. Data may vary across jurisdictions based upon reporting times and when the data was available.



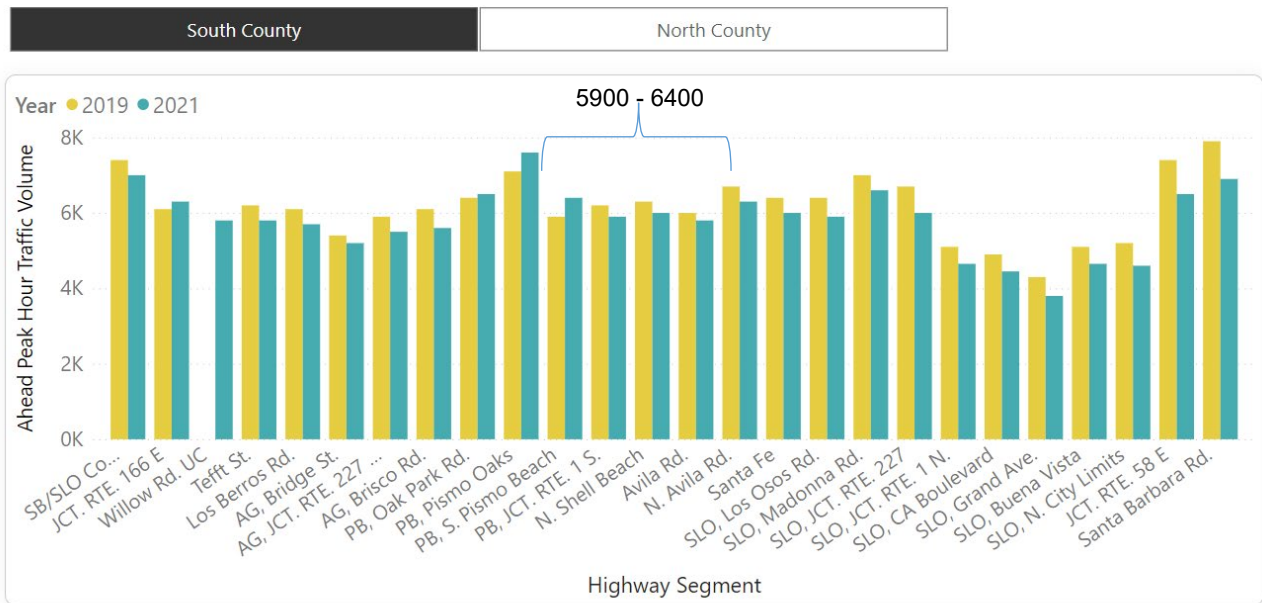
Fuel Taxes

Existing State and Federal funding are based upon an antiquated system of cents per gallon of fuel. The system predated the proliferation of mileage improvements, hybrids, ethanol fuels, and electric vehicles. The Federal gas tax has had no adjustment in over 30 years. Further, 20% of all new cars sold in CA in 2022 were electric and this market share will grow. Fuel taxes have not kept up and will only diminish over time. A local solution is required to address our current and future local problems to protect our quality of life.

Volumes on US 101

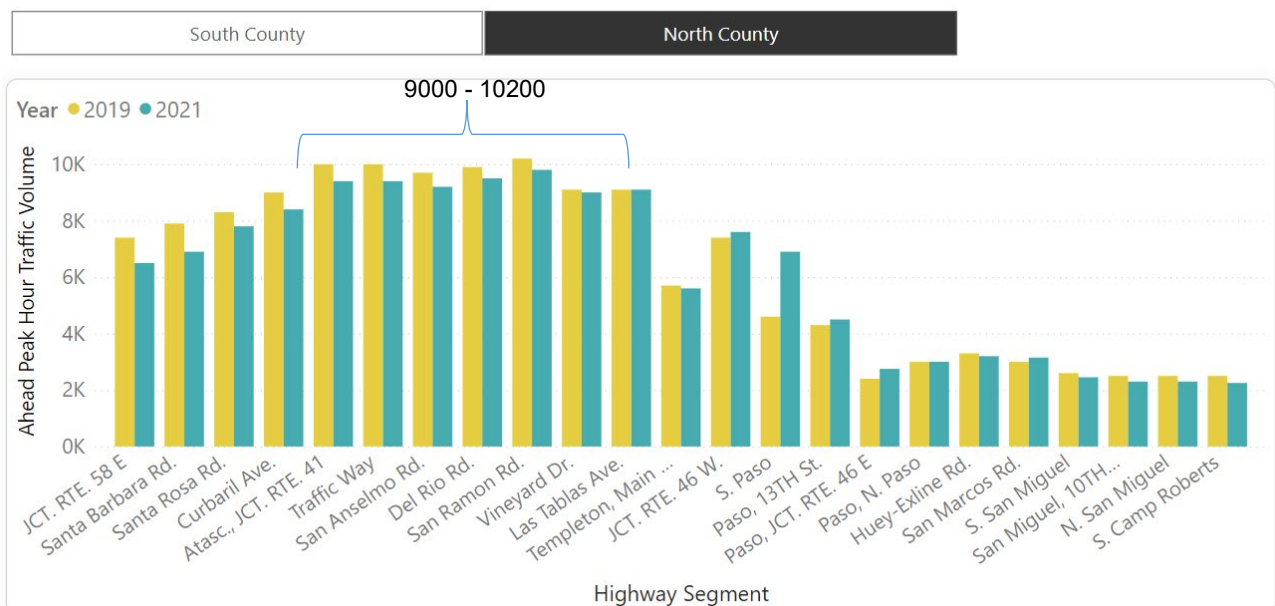
U.S. 101 is our major artery, connecting six of our cities, and many unincorporated communities. Twice in 25 years, SLOCOG has been fortunate to leverage State grants for its improvement. In the late 1990s a grant award funded Cuesta Grade to be widened and improved with truck climbing lanes with construction completed in 2003. Two decades later, a new State grant was awarded to improve U.S. 101 in a four-mile section (southbound only) in the Shell Beach area. The Shell Beach Straits has long been the most regularly congested and problematic section. However, over the past decade, volumes on U.S. 101 have been growing in the North County with peak hour numbers higher than that in Shell Beach. (See Figures below). In several sections, 2021 Peak Hour volumes match and surpass those of 2019; 2022 volumes are not yet available.

US 101 Traffic Volumes: Ahead Peak Hour 2019 and 2021



Data Source: [Caltrans Traffic Census Program \(2019 and 2021\)](#)

US 101 Traffic Volumes: Ahead Peak Hour 2019 and 2021

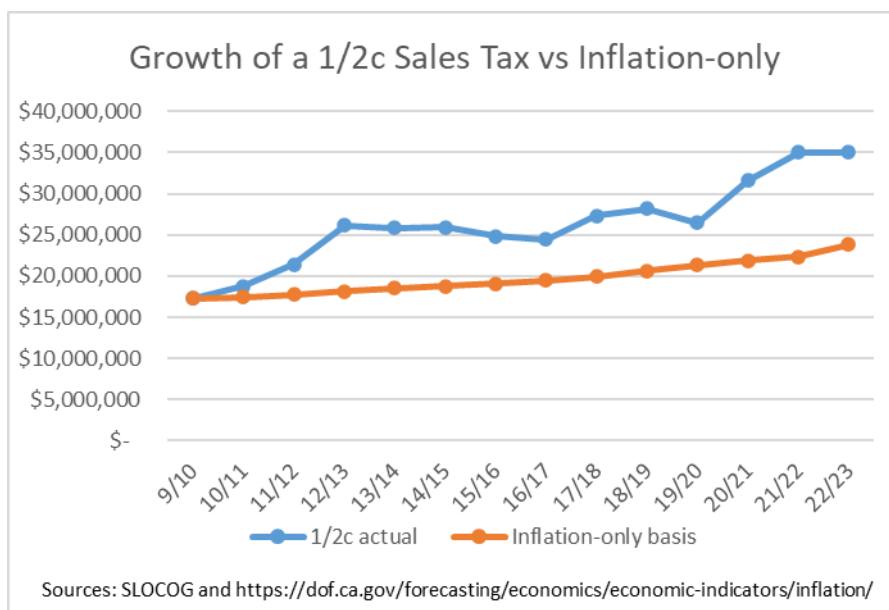


Data Source: [Caltrans Traffic Census Program \(2019 and 2021\)](#)

2. Is a dedicated transportation sales tax the best option? Yes.

The 2023 RTP examined potential funding sources specific for transportation, including – Fuel Tax, Vehicle Fees, Impact Fees or VMT fees, Bonds, and others. For a single improvement, bonds (repaid through income tax, local sales tax, local property tax, or other levied taxes) may offer a solution. Bonds significantly impact those that currently (or in the future) reside near the improvement, but it benefits everyone that uses it. A broader funding source is needed, that will not diminish over time (fuel tax) and that is paid for by all those that benefit, including tourists. The unfunded needs are across the region; the benefits of improvements would benefit all users and residents.

While the cents per gallon of fuel tax (for the State but not the nation) is indexed to inflation, EVs will erode the total gallons purchased affecting the total tax collected. In tourist-attracting regions, sales tax outperforms inflation. The adjacent chart shows the effects of inflation (orange line) on our region's sales tax (of what a ½ cent raises) originating in FY 09/10. The blue line follows the actual amount raised from a ½ cent sales tax. From 2010 to 2020, the region grew in population by less than 5%; inflation grew by 32%; sales taxes nearly doubled.



Monterey county (region) voters approved their sales tax in 2016 and began spending an additional \$13M annually (and growing) on road repairs – above their local, state, and federal allotments.

Santa Cruz County (region) voters also approved their transportation sales tax in 2016 and have successfully used it to leverage over \$100M in 2022 from a single State competitive pot. Our region is at a disadvantage to compete and capture State and Federal grant funds without our own dedicated sales tax.

The 25 counties with their transportation sales tax annually receive a direct allocation from statewide gas taxes. Annually, we lose out on this to a tune of \$0.8M to \$1M and cannot capture these funds. Essentially, the State competitive system is rigged to reward those with a dedicated transportation tax, and those regions without will continue to lose out and leave dollars on the table. Additionally, new transportation-specific voter-approved measures receive a one-time share of a \$20M set aside from the State, up to \$5M.

3. Is it Fair and Understandable? Yes.

The draft Investment Plan uses population percentages to distribute funds to each subregion – guaranteeing each a fair-share amount. One complaint heard and lesson learned from Measure J in 2016 was the need to be clearly fair in the distribution of revenues and to make the distribution easily understandable. Additionally, staff recognizes that ‘one size does not fit all’ and this is reflected within the draft investment plan where subregions differ in investment areas of focus.

Our economy and quality of life are dependent on not only a good transportation system but one that offers our residents and tourists options of travel. The transportation system benefits everyone: residents, commuters, shoppers, recreationalists, drivers, bus riders, cyclists, pedestrians, and tourists. State and federal transportation funding comes from a gas tax which is no longer a fair funding mechanism. EV owners pay no gas tax; the fee they pay for roads is far lower than an average vehicle's gas tax and is regardless of total miles traveled. Hybrid owners pay roughly half of their gasoline equivalents. All non-drivers benefit without paying a fuel tax. Tourists with gasoline and hybrid vehicles pay a gas tax, however, revenues that are generated by the fuel tax are deposited to the

State's Highway and Users Tax Account (HUTA) and its distribution of formula funds are largely based on population – which means our region receives the same proportion of fuel taxes whether we have 1,000 tourists or one million. 100% of a dedicated-transportation sales tax stays local for the betterment of our system and be paid by all users of the transportation system, including tourists.

4. Does it improve your travel? Yes.

The draft investment plan guarantees a wide-range of investments for:

- Rural areas and urban areas
- Personal vehicle drivers, and cyclists, and bus riders
- School aged children and senior mobility needs
- Road repairs and betterments
- Local roads and highways
- Safety and congestion relief
- Economic progress, accessibility, and mobility improvements.

Through polling, surveys, engagement meetings, and focus groups the list of needs is long. The investment plan includes many, but it cannot include all requests without sacrificing investments in another mode, community, or category.

New funds through a dedicated sales tax would become an added piece of the larger funding picture. Similar to other COGs, SLOCOG receives and invests over 20 state or federal revenue sources for transportation. New funding grows the pie for all things transportation in all areas of the region.

5. Is it protected? Yes.

As a 'Special Tax' a dedicated sales tax differs from a 'General Tax'. A special tax guarantees transportation investments where voters want, need, and expect them; effectively taking away any bait and switch actions or reprioritization by any future board or council. General taxes go into the local general fund, can go for any purpose for a city or county, and are determined annually by the (then) current elected officials. Voters must trust that general funds will be spent as they hoped, but every two years an election may replace three-fifths of the governing body.

Special taxes – like a dedicated transportation tax – go solely to improve transportation and the voter measure contains an Investment Plan that details exactly what and where the funds will go, and these funds do not go into a general fund. Our draft Investment Plan is attached and if sent to and approved by voters, distributions and expenditures would strictly adhere to it. Current and future elected officials, and staff, must follow it for all expenditures and distributions.

On an annual basis, the 25 counties (our population is greater than 6 of these counties) -which comprise 89% of the State's population- have dedicated transportation sales taxes that collectively raise more than the gas tax statewide. The San Luis Obispo region has less than 1% of the State's population; imposing or expecting change to transportation funding in Sacramento is pointless.

Our local funds would be required to be spent within our region – they cannot be borrowed, redirected, or stolen by Sacramento. Some counties have had their dedicated transportation sales tax for decades and voters have renewed these taxes (like in Santa Barbara) after realizing the benefits and recognizing the promises made were kept, and the funds cannot be stolen.

A voter measure would include **safeguards**, including an independent citizens' oversight committee, a sunset date, annual independent audits and reporting, a 1% administrative cap, and requirements for a local maintenance of effort and for new development. Safeguards would be drafted for review and input at the May SLOCOG Board.

6. Is it supportable? By the SLOCOG Board, City Councils, Supervisors, and Voters (TBD)

At this point, the draft investment plan is ready for review, for comments, and for modifications. Staff anticipates changes to occur to this draft investment plan over the coming months to improve it.

In 2016, Measure J received 66.3% support of voters. Transportation conditions and needs have not improved notably and transportation funding faces its latest challenge of a growing share of EVs.

Any future SLOCOG Measure would allow voters the final say on such a new tax; would increase their voice; would require the necessitated 2/3rd approval; would include accountability and transparency with no bait and switch; would have a sunset date; would have safeguards and be protected from Sacramento; and would dedicate its funds to improve our transportation system only.

Additional Requirements and Restrictions

If February Board direction is to proceed with the development of draft materials, all components (Ordinance, Safeguards, and Investment Plan) must be developed in time for the May 1st SLOCOG Board meeting. The draft sections of an ordinance will include:

1. **Draft Title:** An ordinance providing for the imposition of a one-half of one percent retail transactions and use tax by the San Luis Obispo County Local Transportation Authority for the San Luis Obispo County and Cities Road Repair, Traffic Relief, and Transportation Safety.
2. **Draft Compliance with CEQA:** All projects funded with these transportation sales tax funds will be required to complete appropriate California Environmental Quality Act (CEQA) and other environmental review as required.
3. **Draft Ballot Label:** Draft 75-word ballot labels shall be further tested in upcoming polling: The proposition to be placed may read as follows:

In order to repair and maintain local streets, highways, bridges, and infrastructure; fix potholes; improve highway and roadway safety; provide safe routes to schools; reduce traffic congestion; make pedestrian, bike, and transit improvements; and qualify for 900 million dollars in State and Federal grant funds; shall San Luis Obispo County's measure establishing a half cent sales tax for transportation improvements be adopted, providing approximately 35 million dollars annually for 20 years that cannot be taken by the State, with citizen oversight and all money locally-controlled?

4. Draft Investment Plan Amendments

- a. To address changing population: In FY2032/33, amend local distribution categories based on new population as determined by the 2030 Census. This would amend the four subregions' respective shares relative to each other and, within each subregion, the respective shares of jurisdictions while maintaining the \$3m increase to the 4 smallest cities.
 - b. To address new or changed laws, requirements, technologies, or needed investments: Amendments to the Plan would require a high threshold. No changes to the 66%:34% (local:regional split) would be accepted. No changes to the relative share of the four subregions or shares within each subregion (jurisdictional splits) with the exception of the 2030 Census noted above. Any changes within the Local Investment category would be allowed if supported by 2/3rd of the Independent Taxpayer Oversight Committee, a 2/3 approval by the Authority, AND majority-vote approvals from a majority of the city councils constituting a majority of the incorporated population, AND majority vote of the Board of Supervisors. Any changes within the Regional Investment category – while maintaining the promised share of funds within each subregion -- would be allowed if supported by 2/3rd of the Independent Taxpayer Oversight Committee, and a 2/3 approval by the Authority by a roll call vote, with prior notice (30-day) provided to all jurisdictions.
5. **Draft Cooperative Fund Agreements:** To maximize the effective use of funds, revenues may be transferred or exchanged between or among jurisdictions. Jurisdictions receiving funds may, by annual or multi-year agreement, exchange funds provided that the percentage of funds allocated as provided in the Investment Plan is maintained over the duration of the period of time the tax is imposed.

6. **Support for Local Job Creation and Contracts**

7. **Eligible Uses of Categories:** Investment categories are still undergoing refinement, but staff recommends that the following be applied:

Local Investments

Road Repairs:

- Potholes, repaving, repair, and maintenance,
- Maintaining, improving, or constructing streets, roads, bridges, and bicycle and pedestrian facilities (including maintenance of public docks),
- Safety Improvements,
- Storm damage repair to transportation facilities,
- Roadway drainage facilities,
- Traffic signal coordination, intersection and channelization,
- Traffic management,
- Landscaping Maintenance,
- And other transportation purposes as allowable under the Surface Transportation Program.

Community Road Safety & Congestion Improvements:

- Community Enhancements, such as downtown streetscapes, transportation enhancements, way finding, and accessibility improvements, street lighting, street furniture and trees
- Safety Improvements,
- Bus and rail transit services and support facilities,
- Programs that reduce transportation demand,
- Reduced transit fares for seniors, veterans, students, and persons with disabilities,
- Education and incentives designed to reduce single occupant auto trips,
- Downtown streetscapes and transportation enhancements, multiuse paths, sidewalks, Safe Routes to School, and ADA improvements.
- And other transportation purposes as allowable under the Surface Transportation Program.

Regional Investments

Regional Road Safety Improvements (\$ and % varies by subregional needs)

- Highways and Major Roadway improvements for: safety, congestion-relief, and mobility improvements. (i.e., US 101 Northbound offramp to Highway 46E)

Mobility for All (\$ and % varies by subregional needs)

- Public Transit investments (Seniors, Persons with Disabilities, Veterans, Fixed Route, etc.)
- Active Transportation (Bicycle and Pedestrian improvements on regional trail corridors, Boardwalks, Promenades, etc.)

Budget and Next Steps

Budget

The effort remains within the scope of the adopted FY 23/24 budget.

Polling

A new statistically valid poll (phone, cell, text, internet) is funded to occur in March with results to follow. True North Research will perform a full-size tracking poll, expecting over 900 responses using a statistically valid methodology. This poll will test success of recent public engagement efforts and public concern about transportation and awareness of needs; test support for transportation-related issues and quality of life investments; test support for a new tax, and related issues, such as taxpayer safeguards; and assess support for overall goals of a local sales tax plan. Staff, working with city managers, aim to add a question that also tests compatibility of regional and local measures. Top lines

will be produced and presented to the SLOCOG Board and a final report prepared. A contract amendment ([attached](#)) is necessary to extend the existing contract.

Engagement and Outreach

Staff will continue engagement with interested groups and organizations with the draft Investment Plan. (February – April). All engagement efforts will remain within the current budget.

Revised Investment Plan

Following meetings in February – April, and coupled with new polling results, staff will make necessary revisions to the draft Investment Plan and present changes to the SLOCOG Board on May 1st for the determination of the next step. Staff will also present draft ordinance language for review and comment.

Public Meetings: Review and Comment

March 11	City Council Meeting –Grover Beach
March 12	City Council Meeting –Arroyo Grande
March 19	City Council Meeting –San Luis Obispo
April 9	City Council Meeting –Atascadero
TBD	City Council Meeting –Morro Bay
TBD	City Council Meeting –Paso Robles
TBD	City Council Meeting –Pismo Beach
April 9	Board of Supervisors Meeting
May 1	SLOCOG Board Meeting – Approve/Deny Investment Plan; Review Polling results

ATTACHMENTS

1. [Draft Local Road Repair & Transportation Safety Investment Plan](#)
2. [Focus Group Summary Memo from MMK Consulting](#)
3. [Survey Responses: Open Ended \(North County, North Coast, Central County, South County\)](#)
4. [Contract Amendment #2 with True North Research](#)