

## MEMORANDUM

**TO:** City Council

**FROM:** Matthew Downing, City Manager

**BY:** Aleah Bergam, Management Analyst

**SUBJECT:** Confirm Direction on a “Buy Local Program”

**DATE:** April 8, 2025

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### **RECOMMENDATION:**

Confirm staff’s direction on a “Buy Local Program” administered by the South County Chambers of Commerce to support Village businesses impacted during the Traffic Way Bridge Replacement Project.

### **IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

Pursuant to a December 2016 Settlement Agreement between Pacific Gas & Electric (PG&E) and the local San Luis Obispo County governmental entities and, later, SB 1090, the City has received one-time Economic Development Funds (EDF) of \$747,422 to support the City’s economic development needs in light of the planned closure of the Diablo Canyon Power Plant. On March 9, 2021, the Council allocated a portion of these funds to a COVID Relief Program, one component of which included a Grant Program administered by the Chamber. At the FY 2024-25 First Quarter Status Report, the Council approved the reallocation of \$21,500 from the retraining scholarship program funded by SB 1090 funds to support a future “Buy Local Program.”

The South County Chambers of Commerce has agreed to administer the program on behalf of the City. The City will pay a small administrative fee to the Chambers of Commerce as well as pay for marketing material that can be absorbed within the current budget. The City will contribute staff time as needed to help with administrative duties.

### **BACKGROUND:**

On January 29, 2025, staff met with owners of many of the Village Businesses to gather feedback on the Traffic Way Bridge Replacement Project as the City approaches a construction start date. Construction will require the full closure of Traffic Way at the current Traffic Way Bridge segment, the closure of Nevada Street, as well as traffic circulation modifications, which can be seen in Figures 1 and 2 below. At the meeting, a

**Item 9.e.**

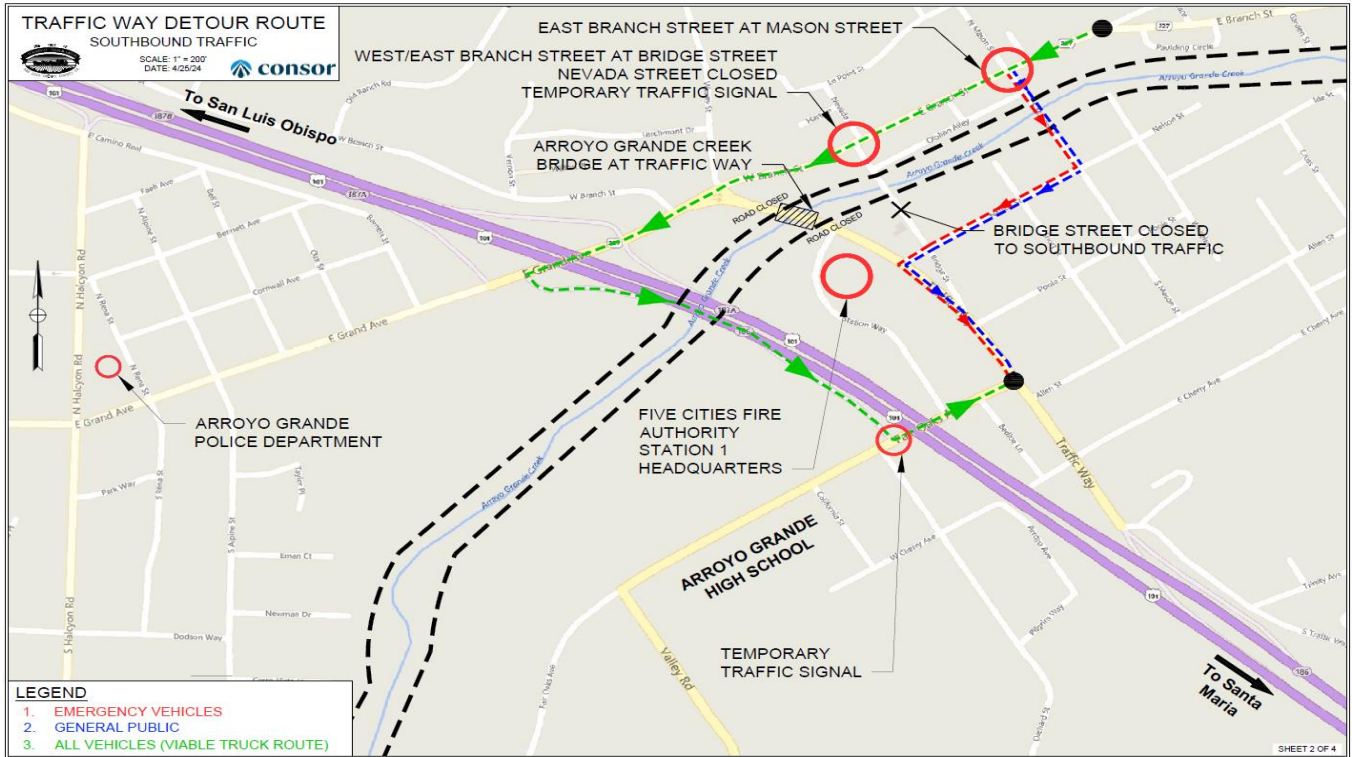
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possible “Buy Local Program” was discussed, and the majority of attendees expressed interest in the City pursuing this program.

**Figure 1: Northbound Traffic Detour**



Figure 2: Southbound Traffic Detour



**ANALYSIS OF ISSUES:**

Several cities in San Luis Obispo County have “Buy Local Programs,” which enable residents and visitors to support the local economy while also enjoying a shopping or dining experience. While there are many forms that these programs can take, one predominant form is a gift card program, where for specific dollar amounts spent at eligible businesses, customers receive a gift card to a qualifying restaurant, brewery, wine tasting, or retail establishment in the qualifying area.

**Program Administration**

Recently implemented “Buy Local Programs” were developed to support businesses during road construction. The South County Chambers of Commerce has administered the program on behalf of the agencies. While specific details of each program have been slightly different by jurisdiction, the predominant methodology has been that for every \$100 a person spends at participating businesses, that person receives a gift card to a restaurant, brewery, winery, or coffee shop. Multiple receipts can be combined to reach the \$100 goal. Any one single receipt over \$100 only counts for one gift card. Receipts must be from businesses within the program area. Receipts can be submitted online through the South County Chambers of Commerce website.

In addition, and to encourage local spending during the holiday season, another local community partnered with their Chamber of Commerce to launch a ‘Spend \$100, Get \$20’

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program, during which shoppers who spent \$100 or more at a qualifying local business could receive a \$20 gift card to a participating business. Receipts had to be itemized, dated within the program period, and exclude taxes, delivery fees, and shipping costs. Each household could earn up to two gift cards, which were distributed on a first-come, first-served basis while supplies lasted. Receipts were redeemed in person at the Chamber of Commerce.

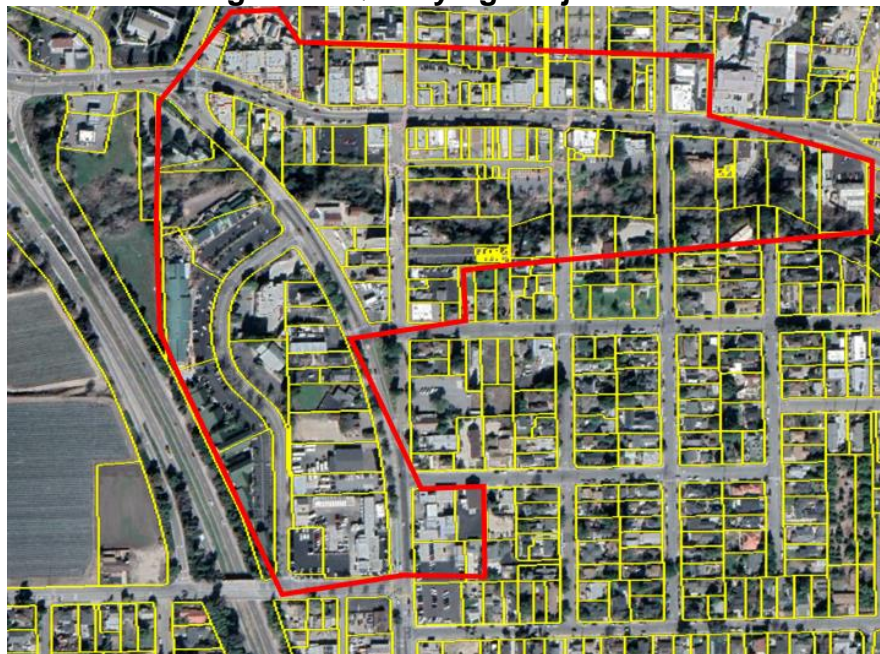
**Scope and Location**

Staff intends to implement a similar program structure to these examples. Staff has discussed this program with the South County Chambers of Commerce, who can administer the program on behalf of the City due to limited internal capacity to administer the program by City staff.

Based on reviewing other Buy Local Programs and conversations with the Village businesses, staff intends the following program specifics:

- For every \$100 spent within the Program boundaries, participants will be eligible to receive a \$20 gift card to a Village business, to be defined in the program guidelines.
- Multiple receipts can be combined to reach the \$100 goal. Any one single receipt over \$100 will only count for one \$20 gift card.
- Receipts must be from restaurants, breweries, wine tasting, coffee shops, salons, or other qualifying retail establishments doing business within the area displayed in Figure 3 below:

**Figure 3: Qualifying Project Area**



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**Timeline**

Staff intends to begin the program in May 2025, in consultation with and availability of the South County Chambers of Commerce. Additionally, staff intends to implement the program in phases, as this is the first Buy Local Program the City has undertaken. Implementing the program in phases allows the City and community to observe how successful the Program is and allows modifications to be made to continue to address the needs of the Village businesses. The first phase would end after half of the funds available have been distributed (\$10,000). Any suggested modifications or improvements will be made before disbursing the remaining \$10,000.

**ALTERNATIVES:**

The following alternatives are provided for the Council’s consideration:

1. Provide concurrence on the Program;
2. Provide direction on Program modifications; or
3. Provide other direction to staff.

**ADVANTAGES:**

Implementing a “Buy Local Program” supports local businesses impacted by street closures, traffic circulation modifications and construction activity during the Traffic Way Bridge Replacement Project.

**DISADVANTAGES:**

There are no disadvantages identified.

**ENVIRONMENTAL REVIEW:**

Authorizing a “Buy Local Program” is not a project subject to the California Environmental Quality Act (“CEQA”) because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment. (State CEQA Guidelines, §§ 15060 (c)(2) and (3), 15378.) Alternatively, implementing a “Buy Local Program” is exempt from CEQA on the basis that it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. (State CEQA Guidelines, § 15061, subd. (b)(3).)

**PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted at City Hall and on the City’s website in accordance with Government Code Section 54954.2.