COVID-19 Update to the Local Revenue Measure Annual Community Report

Dear Community Member,

On behalf of the City of San Luis Obispo, we are pleased to provide you the 2018-19 Local Revenue Measure Annual Report in Brief. This report highlights the revenue and uses of the Local Revenue Measure for fiscal year covering the time from July 2018 to June 2019 – several months before the coronavirus (COVID-19) pandemic began and the social and economic impacts on our community. The impacts of this emergency will be reflected in the current fiscal year (July 2019 – June 2020) and for years to come.

The City has implemented a number of immediate actions in response to COVID-19 including employee furloughs and limits on any hiring and purchases that are not involved in the delivery of essential services to the community. Due to the economic impacts, City revenues, including the Local Revenue Measure, are projected to be significantly lower in the current year and for future years. At the same time, the demand for essential City services remains high and the costs of providing some of these, such as public safety and emergency response, have increased due to new health and safety equipment and protocols.

In light of this, adjustments will need to be made to the revenue projections and planned uses of the Local Revenue Measure. The use of this revenue will need to be moderated and focused on the highest priorities within the community and will be reflected in future reports. Maintaining essential services and facilities has been and will remain the purpose of the Local Revenue Measure.

The City will continue to inform the community of the status of its financial situation and steps taken to mitigate the economic impacts of COVID-19 on delivering essential services to the community.

Thank you,

Chris Coates, Chair
On behalf of the Revenue Enhancement Oversight Commission

Derek Johnson
City Manager
**WHAT IS THE LOCAL REVENUE MEASURE?**

The Local Revenue Measure – also known as Measure G – is a one-half percent local sales tax approved by City voters in November 2006. It protects and maintains essential services and facilities, such as open space preservation, bike lanes and sidewalks, public safety, neighborhood street paving and code enforcement, flood protection, senior programs, and other vital services and capital improvement projects. The Local Revenue Measure is subject to voter extension by March 31, 2023.

These community spending priorities help guide the Citizens’ Revenue Enhancement Oversight Commission (REOC) when making recommendations to the Council about Local Revenue Measure uses. The Council uses the REOC’s input, and additional public feedback, to prioritize use of the Local Revenue Measure funding as part of the City’s two-year financial planning process.

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**2018–19 Local Revenue Measure funds were used on the following Council-adopted priorities:**

- **39% NEIGHBORHOOD STREET PAVING** (includes improvements to bike lanes) $3.2 million
- **15% FLOOD PROTECTION** $1.2 million
- **11% PUBLIC SAFETY** $928,000
- **10% OPEN SPACE PRESERVATION** $787,000
- **9% PARKS AND RECREATION/SENIOR PROGRAMS AND FACILITIES** $720,000
- **8% BICYCLE AND PEDESTRIAN IMPROVEMENTS** $655,000
- **3% CODE ENFORCEMENT** $269,000
- **3% OTHER VITAL SERVICES AND CAPITAL PROJECTS** $202,000
- **2% TRAFFIC CONGESTION RELIEF/SAFETY IMPROVEMENTS** $176,000

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**Open Space**

The Local Revenue Measure was used to acquire an additional 266 acres of open space east of Cal Poly, on the Miossi Brothers La Cuesta Ranch property, bringing the City’s total open space to over 4,000 acres. The funding was used to leverage additional state grant funding to purchase the land.

**Public Safety**

The Local Revenue Measure funded patrol officers and a Sergeant, including the Downtown Metro Bicycle Officers. Downtown patrol has been instrumental in being a visual deterrent and enforcement option in the downtown core to keep residents, businesses and visitors safe.

**Flood Protection**

The Ellen Way storm drain improvement project included the replacement of outdated storm drain pipelines to improve stormwater management and to reduce the potential for flooding.

**City/County Library Roof Replacement**

The City-County Public Library required a roof replacement and drainage improvements as part of the second phase of the remodel, major maintenance and ADA compliance project.
Local one-half-percent sales tax revenue totaled $8.4 million in 2018–19, which added approximately 12 percent to the general fund. The Local Revenue Measure has generated more than $79.4 million since its original adoption in November 2006.

For every $1 of revenue generated by the Local Revenue Measure, approximately 70¢ is paid by visitors and 30¢ is paid by City residents. (Based on a retail sales analysis completed in Feb. 2020. These figures and overall revenue will change significantly in the current and future fiscal years due to impacts from the COVID-19 emergency on our community)

Operating Uses ($2.1M) // 26% – Funds positions that provide services
Examples of these costs include funding for positions such as police officers and flood control staff.

Capital Uses ($6M) // 74% – Funds construction and investment in equipment
The largest capital expenditures funded by the Local Revenue Measure in 2018–19 were neighborhood street paving projects (including bike lane improvements), flood protection and open space preservation.

Laurel Lane Complete Streets Project
More than 180 people cross Laurel Lane every day: school children and parents going to the elementary school and Sinsheimer park, seniors accessing senior living and transit services, and neighbors accessing the Sinsheimer Park Baseball Stadium and the SLO Swim Center. The Laurel Lane Complete Streets and Roadway Maintenance Sealing project included pedestrian, bicyclist and vehicle safety improvements. Roadway maintenance helps decrease vehicle operations costs by fixing potholes and other street repairs. The 2015 Traffic Safety Report identified the intersection of Laurel Lane and Southwood Drive as the highest-ranking intersection for pedestrian collisions on City maintained streets.

Sidewalk Replacement
Sidewalk replacements improve accessibility for pedestrians by replacing defective sidewalks with upgrades including curb ramps, tree grates and storm water drainage. Sidewalks on Broad, High, Walker, Marsh and Fredricks Streets were replaced and improved.

Pedestrian Crossing
With the completion of the project, pedestrian crossings at the intersection increased by 11%, vehicle speeds decreased by 7%, and total collision risk decreased by 28%.