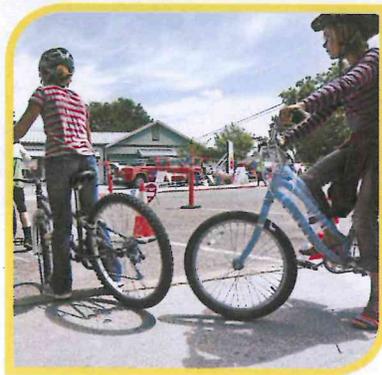


# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN



FPO  
[insert measure name/ letter]

[www.selfhelpslo.org](http://www.selfhelpslo.org)

3pm, June 1, 2016

# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN



State and federal transportation funding has dropped severely in recent years, with once dependable funds becoming increasingly unreliable. Transportation's primary fund source, the gas tax, hasn't been raised in 20 years and our cars are more fuel efficient than ever. Therefore, revenues available to operate, maintain and improve our local transportation system have not kept up with the needs of our community. Over the next decade, SLO County's population will continue to grow and our senior population will almost triple. This means without new funding San Luis Obispo County will have increased congestion, increasingly deteriorating roadways and fewer and more costly transportation services.

## ***A new, reliable source of transportation funding is needed to maintain our communities and quality of life.***

San Luis Obispo County voters are being asked to approve a 9-year, ½ cent sales tax to address these needs. Twenty other counties in California have already approved similar ballot measures making them 'Self-Help' Counties. With these voter-approved local transportation funds, Self-Help Counties are able to maintain and improve their transportation systems. They are also more successful in competing for funding and leveraging a larger share of state and federal dollars. Self-Help funds generated must stay local and can only be spent on transportation.

# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN

## INTRODUCTION

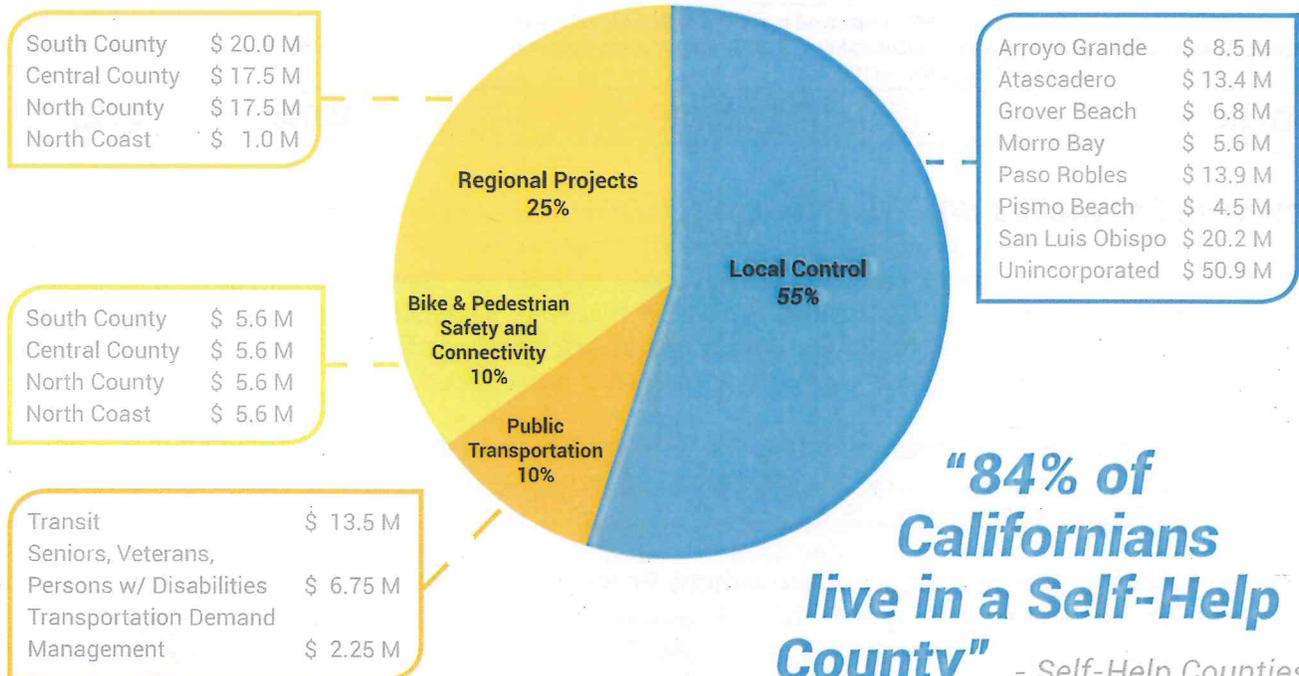
The San Luis Obispo County Self-Help Local Transportation Investment Plan was developed through a comprehensive public outreach program that asked residents to identify their priorities for future transportation programs and projects. Outreach included over 75 meetings with community organizations and leaders representing diverse viewpoints. Additionally, a series of focus groups representing the southern, northern and central portions of the county, plus the north coast were conducted along with a statistically valid phone poll. The Plan has been approved by the San Luis Obispo Council of Governments, all seven cities in the region and the County Board of Supervisors.

### Self-Help in SLO County:

- Generates \$25 million new dollars per year to fix our roads and improve transportation, half of which would be paid for by visitors to our county
- Can only be used for local projects and transportation priorities
- Prohibits Sacramento from taking possession of these locally generated funds
- Allows SLO County to compete for State and Federal grants and leverage funds, thereby increasing revenues
- Delivers a Transportation Investment Plan with a list of projects and programs
- Includes an Independent Taxpayer Oversight Committee to ensure projects and programs in the Plan are actually funded and/or completed

### 9-Year Proposed Investments

*1% max in administrative costs off the top*



**“84% of Californians live in a Self-Help County”** - Self-Help Counties Coalition

# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN

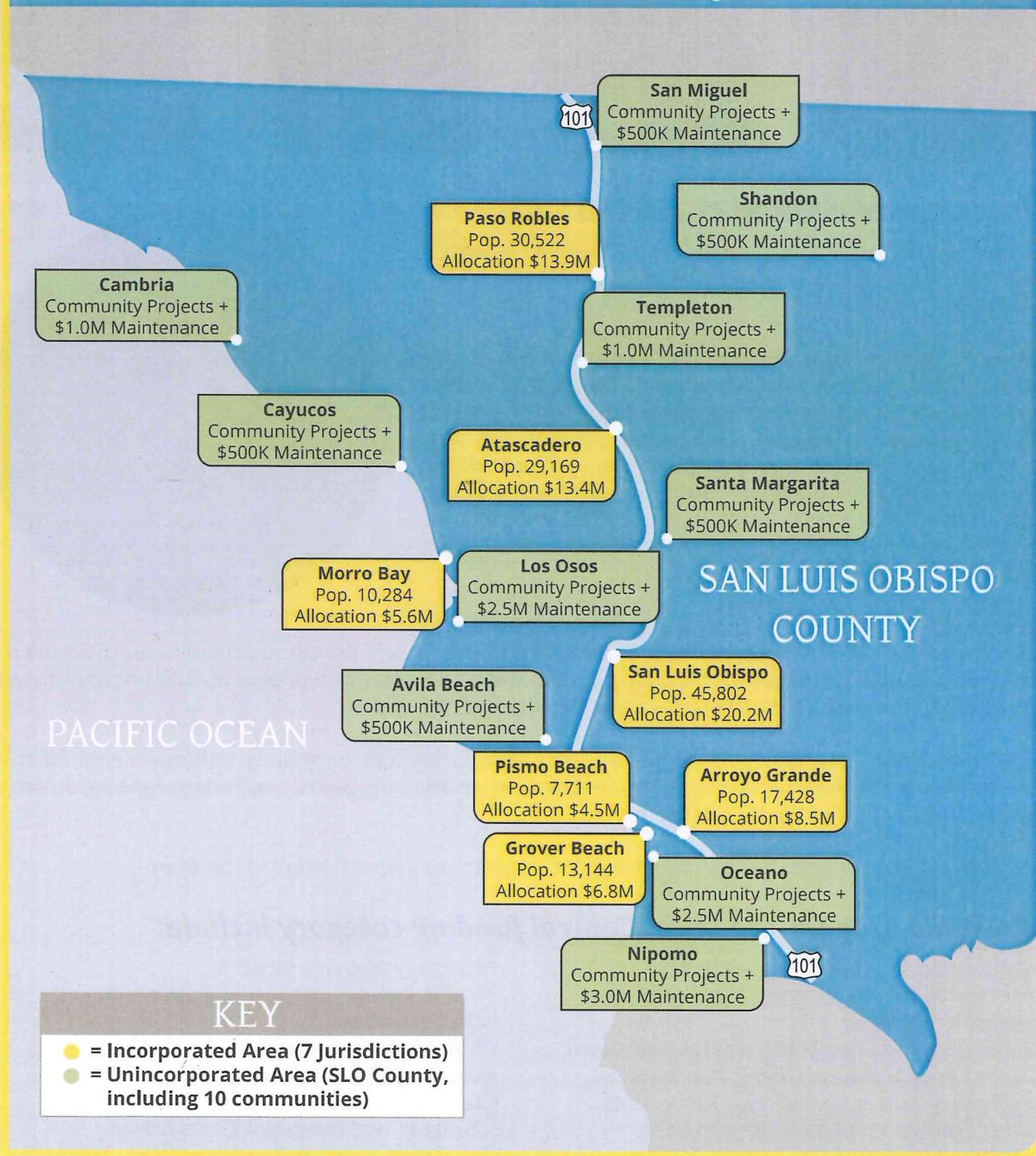
9-YEAR PLAN TOTALING \$225 MILLION		Percent of Funds	Fund Allocation (\$ millions)	
<b>Local Control</b>	Funds controlled by local jurisdictions with at least 4% for Safe Routes to School	<b>55%</b>	<b>\$123.8</b>	
<p><i>Local Control distributed by formula of \$150k base per jurisdiction, plus share of regional population</i></p> <p><i>Note: Dollar amounts shown in millions reflect amount from a ½ cent sales tax generating \$25M/year for 9 years; while percent per category would not change, actual amount generated by a local sales tax per year would fluctuate based on local retail sales.</i></p>		<i>Arroyo Grande</i>	6.9%	\$8.5
		<i>Atascadero</i>	10.8%	\$13.4
		<i>Grover Beach</i>	5.5%	\$6.8
		<i>Morro Bay</i>	4.5%	\$5.6
		<i>Paso Robles</i>	11.2%	\$13.9
		<i>Pismo Beach</i>	3.7%	\$4.5
		<i>San Luis Obispo</i>	16.3%	\$20.2
		<i>SLO County</i>	41.1%	\$50.9
<b>Regional Projects</b>	<ul style="list-style-type: none"> <li>• Shell Beach/Pismo Beach congestion relief on US 101 South</li> <li>• Safety and congestion relief in south SLO City area (Prado &amp; Hwy 227)</li> <li>• North County 101 and 46E congestion relief</li> <li>• North Coast Highway 1 improvements</li> </ul>	<b>25%</b>	<b>\$56.2</b>	
<b>Bike &amp; Pedestrian Safety and Connectivity</b>	Regional connectors including: <ul style="list-style-type: none"> <li>• City-to-the-Sea/Bob Jones</li> <li>• Atascadero/Templeton Connector</li> <li>• Morro Bay/Cayucos Connector</li> <li>• Plus local bike/ped improvement program</li> </ul>	<b>10%</b>	<b>\$22.5</b>	
<b>Public Transportation</b>	Transit (6%); Improved mobility for Senior, Veterans, Persons w/Disabilities (3%); Transportation Demand Management (1%)	<b>10%</b>	<b>\$22.5</b>	
<b>TOTAL</b>		<b>100%</b>	<b>\$225</b>	

**Revenue Estimates and Distribution:** Over the course of the 9-year plan, \$225 million dollars will be generated for local transportation investments. Most projects will be funded by a mix of funding sources, using the locally generated sales tax revenues to leverage state and federal funding sources. Allocation of Self-Help revenues is established within this Plan. The estimated revenue and allocation among categories is based upon 2016 value of money and is not binding or controlling. Transportation sales tax funds shall be allocated by percentage of the actual revenue received.

This funding will serve as an investment that will leverage future local, state and federal funding. Funds would be used for all phases of project implementation, including: planning, environmental, permits, and design, right-of-way, and/or construction capital and operations projects. State and federal fund sources that may also be used to implement transportation projects and programs in the next decade include the State Regional Transportation Improvement Program (regional-estimate \$25M), Inter-regional Transportation Improvement Program, Fixing America's Surface Transportation (FAST) Act Freight and Highway Projects Program, Congestion Mitigation Air Quality (regional-estimate \$15M), Regional Surface Transportation Program Funds (regional-estimate \$10M), and Local Funding (e.g. developer fees, general funds, and Measure "Local Control" funds).

# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN

## LOCAL CONTROL ALLOCATION BY JURISDICTION



# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN

## THE PLAN: LOCAL CONTROL



### **Local Control, 55%, \$123,750,000**

*Formula based upon \$150k base per jurisdiction with balance allocated by population, and modified in 2022 with new population percentages*

Recognizing that local streets are the backbone of our transportation system, this Plan provides funds to local cities and San Luis Obispo County, distributed primarily based on 2015 population to support local roads. These funds may be used for any transportation purpose at the discretion of each jurisdiction such as, road and pothole repair, sidewalks, bridge and seismic safety investments, local match funding for highway improvements and public transit.

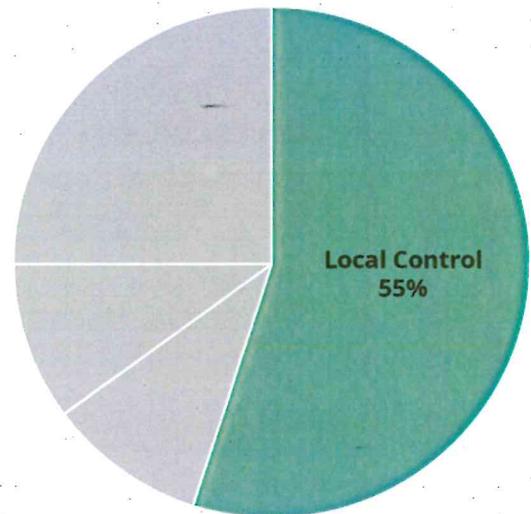
Based on local jurisdiction priorities, 4% of the total Revenues collected will be used for Safe Routes to Schools and Colleges. Safe Routes to School funds promote the safety and health of children by funding projects and encouragement programs that improve bicycle and pedestrian access and safety near or to schools and colleges.

Local jurisdictions are also encouraged to use these funds for community enhancements such as improvements to downtown areas, additional pedestrian and bike paths, wayfinding, lighting, street or median trees and other local enhancements.

Every city and community has identified specific projects they want funded in this Plan.

### **Allowable uses for the Local Control funding category include:**

- Maintaining, improving or constructing streets, roads, bridges, and bicycle and pedestrian facilities,
- Community Enhancements, such as downtown streetscapes, transportation enhancements, wayfinding, and accessibility improvements, street lighting, street furniture and trees;
- Safety Improvements,
- Bus and rail transit services and support facilities,
- Programs that reduce transportation demand,
- Storm damage repair to transportation facilities,
- Roadway drainage facilities,
- Traffic signal coordination, intersection and channelization,
- Traffic management,
- Landscaping Maintenance,
- Reduced transit fares for seniors, veterans, students, and persons with disabilities,
- Education and incentives designed to reduce single occupant auto trips,
- And other transportation purposes as allowable under the Surface Transportation Program.



# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN

*Projects selected through public engagement by each jurisdiction include:*

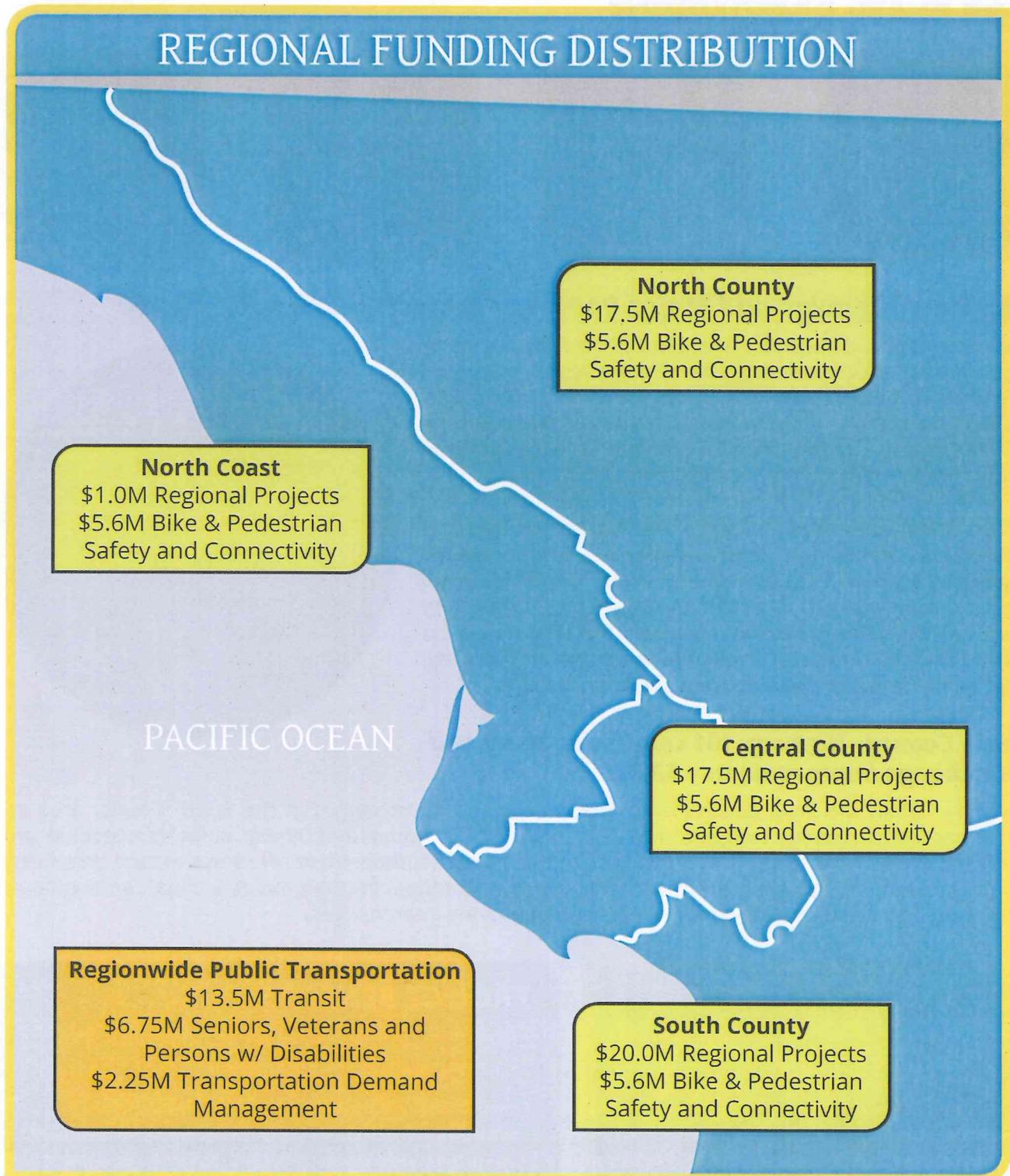
<b>LOCAL CONTROL CITY ALLOCATIONS, TOTAL \$72.6M</b>
<b>ARROYO GRANDE, TOTAL \$8.5M</b>
Street maintenance and repair; Congestion relief and operational improvements: E. Branch/E. Grand area, Halcyon Corridor improvements; Operational and bike/pedestrian safety improvements at E. Branch/Crown Hill/Huasna
<b>ATASCADERO, TOTAL \$13.4M</b>
Street maintenance, repair and rehabilitation; Congestion management at key intersections; Bike/Pedestrian safety improvements and connectivity
<b>GROVER BEACH, TOTAL \$6.8M</b>
Repair and maintenance of local major streets; Grand Avenue Enhancements; Sidewalk infill and accessibility improvements; Gateway entry and Wayfinding Signs; Grover Beach bike paths per Bike Master Plan
<b>MORRO BAY, TOTAL \$5.6M</b>
Local street reconstruction, rehabilitation and repair
<b>PASO ROBLES, TOTAL \$13.9M</b>
High-priority street repair, maintenance and reconstruction; Union Road and Golden Hill intersection improvements; other high-priority traffic and intersection improvements; congestion management
<b>PISMO BEACH, TOTAL \$4.5M</b>
Street maintenance and repair; Local interchange/intersections improvements; Boardwalk extension; Downtown, Shell Beach, and other streetscape and pedestrian improvements
<b>SAN LUIS OBISPO, TOTAL \$20.2M</b>
Roadway Repair & Maintenance: Madonna, Foothill, Los Osos Valley Road, Grand Ave; Broad Street Corridor Improvements; Bike and Pedestrian Improvements; Safe Routes to School projects

# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN

LOCAL CONTROL SLO COUNTY ALLOCATION, TOTAL \$50.9M		
	Community Projects	Additional Maintenance Funding
Avila Beach	<ul style="list-style-type: none"> <li>• Pedestrian and Parking Improvements</li> </ul>	Plus additional maintenance funding of \$500,000
Cambria	<ul style="list-style-type: none"> <li>• Burton Drive Pedestrian Path</li> </ul>	Plus additional maintenance funding of \$1,000,000
Cayucos	<ul style="list-style-type: none"> <li>• Ocean Avenue Downtown Pedestrian Improvements</li> </ul>	Plus additional maintenance funding of \$500,000
Los Osos	<ul style="list-style-type: none"> <li>• Los Osos Valley Road Multi-Use Path</li> <li>• El Moro Avenue Path</li> </ul>	Plus additional maintenance funding of \$2,500,000
Nipomo	<ul style="list-style-type: none"> <li>• Orchard-Tefft-Hazel Ped Improvements</li> <li>• Tefft Street Operational Interchange Improvements</li> <li>• Olde Towne Nipomo Streetscape</li> <li>• Los Berros and Dale Ave left turn lane</li> </ul>	Plus additional maintenance funding of \$3,000,000
Oceano	<ul style="list-style-type: none"> <li>• Front Street Enhancements</li> <li>• 17th Street Pedestrian Improvements</li> </ul>	Plus additional maintenance funding of \$2,500,000
San Miguel	<ul style="list-style-type: none"> <li>• Mission Street Sidewalk Improvements</li> <li>• Tenth Street Sidewalk Improvements</li> </ul>	Plus additional maintenance funding of \$500,000
Santa Margarita	<ul style="list-style-type: none"> <li>• Safe Routes to School Pedestrian Path</li> </ul>	Plus additional maintenance funding of \$500,000
Shandon	<ul style="list-style-type: none"> <li>• San Juan Creek Pedestrian Bridge and Pedestrian Path</li> </ul>	Plus additional maintenance funding of \$500,000
Templeton	<ul style="list-style-type: none"> <li>• Theater Drive Bike Lanes</li> <li>• Florence St. sidewalks</li> <li>• Bethel/Vineyard signalization</li> <li>• Las Tablas Operational Interchange Improvements</li> </ul>	Plus additional maintenance funding of \$1,000,000
All	<ul style="list-style-type: none"> <li>• Regional roadways improvements, such as intersection improvements on Highway 227 and Los Ranchos</li> </ul>	Plus additional maintenance funding of \$20,500,000

# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN

## REGIONAL FUNDING DISTRIBUTION



# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN

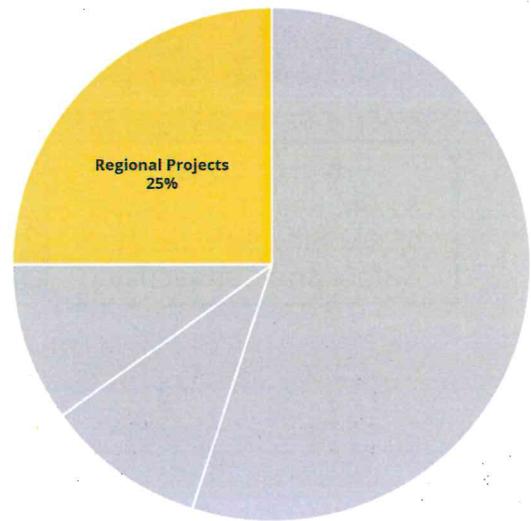
## THE PLAN: REGIONWIDE



### **Regional Highway and Major Roadway Projects, 25%, \$56,250,000**

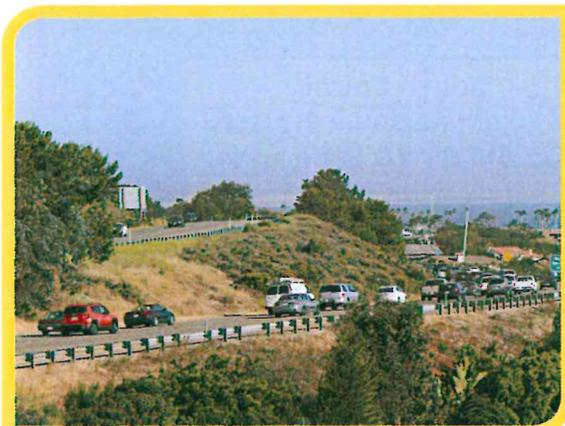
These funds would be used for planning, project development, right-of-way, and/or construction of major corridor, capital projects. Proposed regional projects are at different stages of implementation. Improvements in the South and Central County are at a higher level of planning and design than project improvements planned for the North County.

Sub-regional allocation targets are based on general population, need for improvement(s), and project(s) readiness over the nine-year time horizon. This funding will serve as an investment that will leverage future local, state and federal funding; Allocation targets are also based on factors such as location of employment centers and housing, and the net impact to related transportation facilities.



### **South County - Highway 101 congestion relief and interchange improvements - \$20M:**

Highway 101 in the Shell Beach/Pismo Beach area and interchanges in the South County area are experiencing increasing congestion during peak traffic hours and heavy summer/seasonal and weekend events. The traffic flow is easily disrupted by access movements at ramps or lane drops near ramp connections, including the truck lane merging. Potential improvements include: adding lanes, extending and consolidating on/off ramps, and improving interchanges.



### **PROJECT BENEFITS:**

- Improves safety and relieves peak hour and summer traffic congestion on US 101
- Reduces congestion and the disruption of mainline traffic flow and increases safety at local interchanges
- Improves access for local residents and visitors
- Supports regional travel, goods movement and our economy

# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN

## **Central County- Congestion relief and safety improvements - \$17.5M:**

Funding is recommended in the Measure to address emerging traffic congestion in two areas: Southern San Luis Obispo arterials, intersections and freeways (\$9.5M); and Highway 227 south of the airport to Los Ranchos Road (\$8M).

**Southern San Luis Obispo City** is experiencing increasing traffic on its east-west connector routes impacting all intersections and the adjacent Madonna Road and Los Osos Valley Road interchanges. Due to a lack of east-west and north-south road connections, the existing roadways in the south SLO City area must bear the burden of local and regional traffic, and increasing congestion. Funding will be matched with local developer fees to improve traffic operations in congested areas.

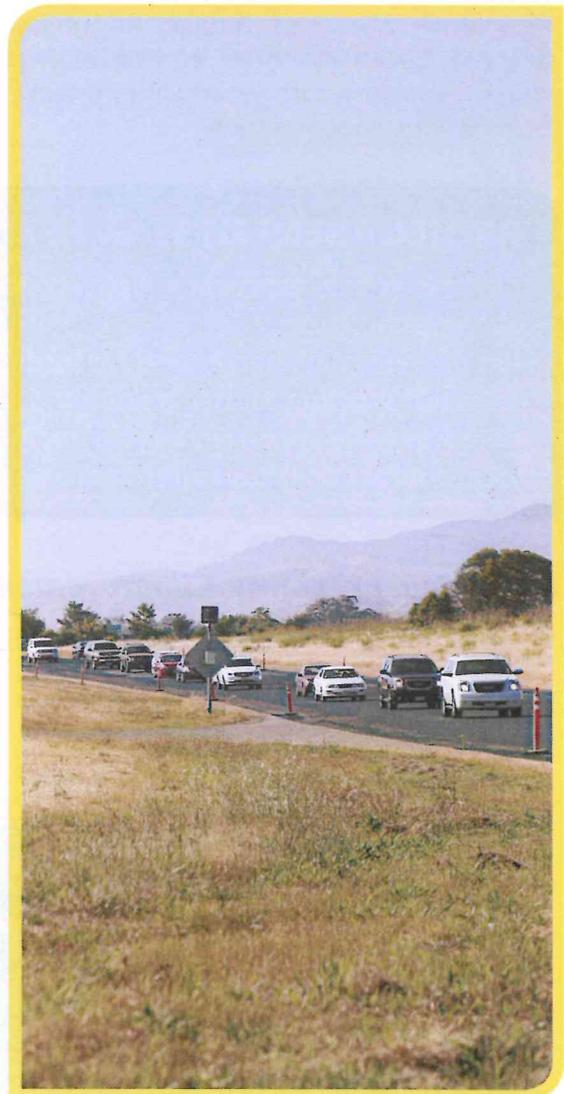
### **PROJECT BENEFITS:**

- Improves East-West and North-South connections within the City of San Luis Obispo
- Provides traffic operations improvements at intersections that relieve congestion

**Highway 227**, which serves as an alternative to Highway 101 during congested periods, is experiencing increased traffic volumes. Traffic counts showed a 30% increase in traffic from 2005 to 2013, and, over the next 20 years, further increases of 25%-35% in peak hour and daily traffic are projected. Residents of this area have access issues and serious safety concerns during peak-hour congestion. Funding will implement a plan to improve the traffic flow between the Airport and Los Ranchos Road.

### **PROJECT BENEFITS:**

- Provides traffic congestion relief, and eliminates stop and go traffic
- Improves safety at intersections
- Improves access to SLO Regional Airport
- Includes safe bicycle and pedestrian improvements



# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN

## North County - Highways 101 and 46E congestion relief - \$17.5M:

Highways 101 and 46 in the North County are experiencing minor problems today, but worsening in the near future. For some interchanges, a safety improvement with a longer ramp or a wider ramp with additional turn lanes would improve operations (Las Tablas, 46E), others have recurring congestion at the interchanges (Traffic Way, Curbaril, Main Street, Santa Rosa, 46W). At-grade crossings where vehicles must cross multiple high speed lanes to turn left onto or from Highway 101 pose another safety issue on the corridor (Wellsona). A similar issue exists on 46E at several intersections.

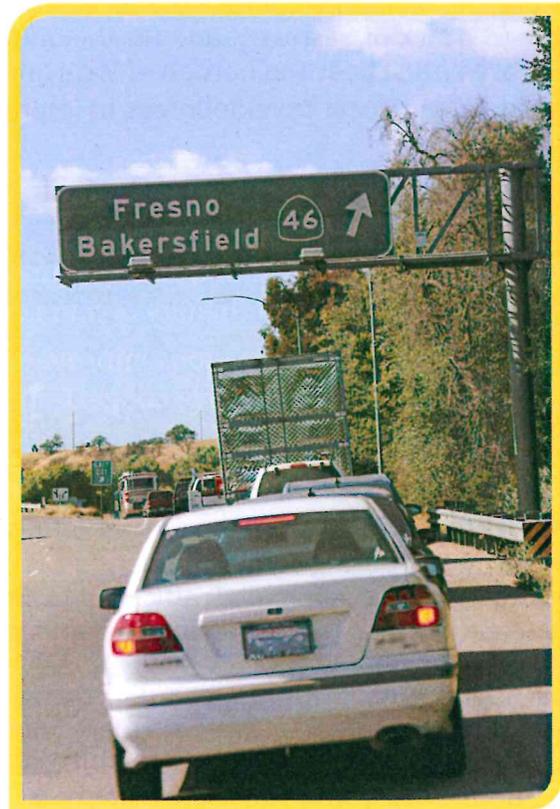
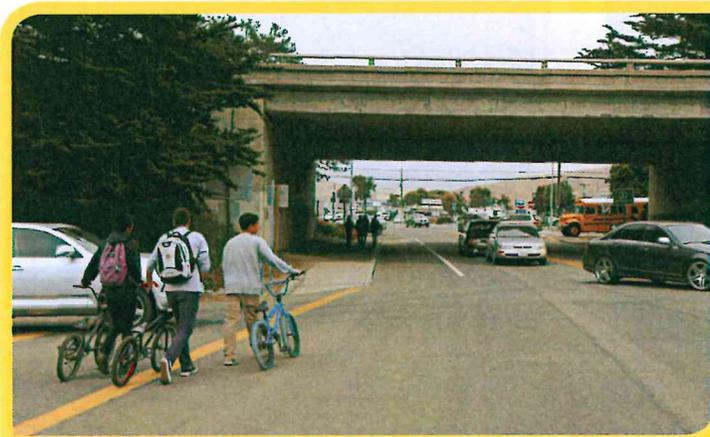
Funds would be used for planning, project development, and construction of capital projects on the corridor, on parallel routes, and for key interchanges in Atascadero, Templeton, and Paso Robles. Improvements will be selected based on their contribution to improving system reliability, safety, reducing congestion, cost, and local funding contributions.

### PROJECT BENEFITS:

- Improves congestion and highway access at interchanges
- Improves safety and access for local residents and our growing tourist economy
- Creates safe, improved bicycle and pedestrian features at congested interchanges

## North Coast Highway 1 improvements - \$1M:

These funds would be to augment existing funding to construct an improvement to reduce the congestion, pedestrian conflicts, and improve safety at the 41/1/Main Street intersection in Morro Bay.



### PROJECT BENEFITS:

- Improves major congested interchange
- Provides safe connection from neighborhood to Morro Bay High School across Highway 1

*\* Subregional dollar amounts may not total full amount due to rounding. Actual dollars will be distributed based on percent share.*

# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN

## ***Bike & Pedestrian Safety and Connectivity Program, 10%, \$22,500,000***

The following proposed bike and pedestrian improvements are at different stages of implementation. Funds would be used for planning, project development, right-of-way, and/or construction of capital projects. Leverage of other local, state, and federal funding may require improvements to be phased, yet provide independent utility.

Funding in this program is equitably divided by the four sub-regions of the county. Improvements will be selected based on project readiness, cost, benefits and ability to leverage state, regional and federal funds.

### ***South County - \$5.6M***

- Highway 1 bike and pedestrian improvements (Pismo Beach to Oceano)
- Coastal Trail Boardwalk, extend Grover Beach Boardwalk to Grand Ave
- Other regional bikeway improvements

### ***Central County - \$5.6M***

- City to the Sea / Bob Jones Multi-use Path (SLO to Avila Beach)
- Other regional bikeway improvements

### ***North County - \$5.6M***

Intercommunity Bikeway Improvements: including

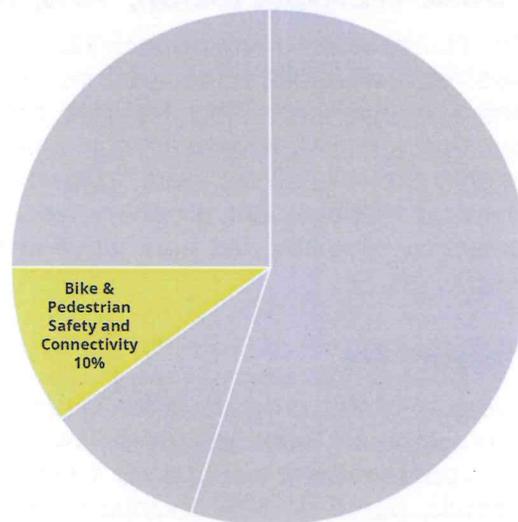
- The Atascadero/Templeton Connector;
- Templeton to Paso Robles roadway improvements (Main Street and Theater Drive)
- Highway 41 bike and pedestrian improvements between 101 and San Gabriel Road.
- Other regional bikeway improvements

### ***North Coast - \$5.6M***

- Coastal Trail: Morro Bay to Cayucos pathway
- Other regional bikeway improvements

## ***Other Regional Bikeway and Shoulder Improvement Programs***

Within each sub region, additional projects may receive funding through a competitive grant process to expand and improve the regional bicycle and pedestrian facilities network. Local cities and the County would be eligible to compete for funding or cosponsor with other agencies or districts. Funds would be used for planning, project development, and construction of capital projects, and education programs. Eligible projects include, but are not limited to: new and extended bike routes and pedestrian paths connecting communities, eliminating gaps and missing links in the regional network, and improving high use rural roads with wider shoulders.



### **PROJECT BENEFITS:**

- Provides safe connections between residential areas, schools, work place, regional parks and city services
- Enhances property values along the corridors
- Provides community health benefits from active transportation alternatives
- Creates economic benefits from associated retail, hospitality, and competitive events.

*\* Subregional dollar amounts may not total full amount due to rounding. Actual dollars will be distributed based on percent share.*

# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN

## **Public Transportation, 10%, \$22,500,000:**

This Plan provides approximately \$22.5 million for our local and regional public transportation system preservation and improvements. This includes funding for transit, point-to-point improvements for seniors, veterans and people with disabilities; and, support of Transportation Demand Management programs and projects that are meant to be a low cost alternative to system efficiency improvements.

## **Transit - 6%**

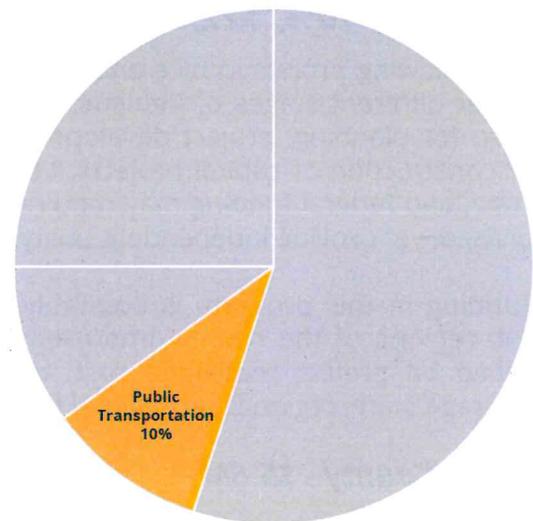
The goal of this program is for system preservation and improvement. Three quarters, 75% (\$1,125,000/year) of this apportionment would go to fixed route operators by formula, based on 40% revenue hours, 40% riders, 20% passenger miles; and, one-quarter, 25% (\$375,000/year) for capital grants. Recommended uses may include: New routes, enhancing existing services, express service, night/weekend services, buses, bus shelters and/or other capital improvements.

## **Mobility for Seniors, Veterans and Persons with Disabilities - 3%**

This funding (\$750,000/year) provides funds for local solutions to the growing transportation needs of older adults, veterans, and people with disabilities. Funds will be provided to Dial-a-Ride operators via a formula, and specialized transportation services mandated by the Americans with Disabilities Act (ADA). In addition, funds will be provided for local programs aimed at improving mobility for seniors, veterans, and persons with disabilities via point to point services.

## **Transportation Demand Management - 1%**

This funding (\$250,000/year) provides funds for low cost deployment, monitoring and promotion of alternative transportation choices (other than driving alone) programs and projects such as first/last mile solutions (shuttles, taxi subsidies, park and ride lots, et al) that encourage transit use, vanpool and carpools promotion and programs, intelligent transportation systems investments, additional support of the employer commute program and Safe Routes to School non-infrastructure public outreach and advocacy.



## **PROJECT BENEFITS:**

- Triples regional investment in senior and veteran transportation options
- Supports independent travel by people with disabilities
- Provides more reliable senior and veteran transportation options
- Supports more cost effective solutions to system wide congestion issues
- Includes funding for system preservation
- Increases frequency and span of service for fixed route system
- Reduces greenhouse gas emissions

# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN

## SAFEGUARDS BUILT INTO THE PLAN

This Transportation Investment Plan includes strong taxpayer safeguards to ensure that the projects and programs approved by the voters are funded and delivered.

**Independent Taxpayer Oversight Committee:** This committee will be created to provide an enhanced level of accountability for expenditures made under this investment plan to ensure that all voter mandates are carried out and that the financial integrity and performance of the program is maintained.

**Annual Independent Audit and Annual Reporting:** Annual fiscal and compliance audits will be conducted by a CPA, selected by the Independent Taxpayers Oversight Committee, to assure that the revenues expended are necessary and reasonable. The audit's results and annual report must be published and made available to the general public.

**Sunset Date:** This measure terminates in 9 years.

**1% Administrative Expense Cap:** Expenditures on staff salaries, wages, benefits and overhead necessary to administer the program will be limited to no more than one percent of the annual gross revenues provided by the measure.

**No revenue generated from this tax shall be used to replace fair share contribution from new development:** Revenues provided from this measure shall not be used to replace private developer funding that has been or will be committed for any project to help alleviate the direct traffic impacts of any new or redeveloped residential, commercial or industrial development in San Luis Obispo County or its cities.

**Eligibility Verification:** The cities and County will select transportation projects that meet eligibility criteria as identified in this Plan. The local jurisdictions will certify in the annual verification submitted to the San Luis Obispo Council of Governments that these transportation funds were used for eligible expenses.

**Maintaining Local Transportation Funding Efforts:** The local jurisdictions will certify in the annual verification submitted to San Luis Obispo Council of Governments that these transportation funds will be used to augment and not supplant local resources spent. For purposes of this calculation an average of the prior three (3) years spent for local transportation purposes as defined in the Ordinance will be used.

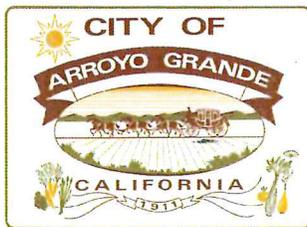
**Strategic Plan:** SLOCOG will prepare and adopt a Strategic Plan within twelve months of the sales tax taking effect. The Strategic Plan will include project cost estimates, revenue estimates, other matching funds, and a draft timeline for regional project delivery. Its prime purpose is to clarify program and project costs, schedule, financial plans and project readiness to expedite project delivery and to allow projects that are 'ready' to proceed forward within the parameters of this Investment Plan.

# SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN

## ABOUT THE PLAN

SLOCOG is an association of local governments representing all seven cities and the County of San Luis Obispo that brings creative, big-picture solutions to transportation in the San Luis Obispo region. SLOCOG builds consensus, makes strategic plans and obtains and allocates funding and resources for to regionally significant transportation projects and oversees regional land use modeling and the determination of regional housing needs. By allocating federal and state funds and planning for the future, SLOCOG connects our communities by facilitating the collaboration of all levels of government, interested parties, and residents toward a common goal.

This plan was developed in partnership with the following member jurisdictions of the San Luis Obispo Council of Governments:



## FOR MORE INFORMATION

Contact the San Luis Obispo Council of Governments to inquire about the Measure process, discuss the candidate projects and programs contained within this Plan, or to inquire about the next steps in the Measure process.

Appendices:  
Independent Taxpayer Oversight Committee  
(attachment B), Plan Administration and  
Implementing Guidelines (Attachment C).

[www.selfhelpslo.org](http://www.selfhelpslo.org)



**Attachment B:  
Independent Taxpayer Oversight Committee**

Voter approval of this Measure shall result in the creation of the Independent Taxpayer Oversight Committee (Committee).

**Committee Purpose and Responsibilities**

- To select, and have access to, a professional auditor to conduct the fiscal and compliance audits of expenditure of all Measure funds, under the competitive procurement rules of SLOCOG and with the active involvement of the SLOCOG Executive Director. No professional audit firm shall conduct more than four consecutive fiscal audits during the course of the Measure.
- To receive, review, inspect, and recommend action on independent annual fiscal and compliance audits related to the Measure to ensure that all revenues and expenditures are spent by SLOCOG in accordance with all provisions of the voter-approved Plan and Ordinance.
- To annually present Committee recommendations, findings, and requests to the public and SLOCOG in a formal annual report to inform San Luis Obispo County residents how funds are being spent.
- To receive, review, and recommend action on other periodic reports, studies and plans from responsible agencies. Such reports, studies and plans must be directly related to Measure programs, revenues, or expenditures.

**Membership and Selection Process**

The Committee will consist of 13 members. The Committee is designed to include an appropriate balance of transportation users representing the geographic, social, cultural, and economic interests in the county. The Committee will be designed to reflect the diversity of the county and include members with demonstrated experience in the field of transportation, finance, business, or construction.

All members should fulfill the requirements of:

- Commitment and ability to participate,
- Demonstrated interest in community activities and special emphasis on transportation-related activities,
- Lack of conflicts of interest.

The membership selection and composition will be:

- 1- One representative from a major private sector San Luis Obispo County employer, nominated by the San Luis Obispo County Economic Vitality Commission.
- 1 - One representative representing bicyclists and pedestrians, nominated from 4-member committee with 2 representatives from the San Luis Obispo Bicycle Club and 2 representatives from Bike SLO County,
- 1 - One representative representing transit, nominated from a 4-member committee with 1 representative from the San Luis Obispo Mass Transit Committee, 2 representatives from the Regional Transit Advisory Committee, and 1 representative from the Social Services Transportation Advisory Committee.
- 1 - One representative nominated by a labor organization.
- 1 - One representative nominated by the Home Builders Association.
- 8 - One representative from each city (7) and the county (1); selection to be determined by the local governing board. SLOCOG encourages nominations from the local citizen oversight committees (if one exists) or citizens at large.

An open application process will be held with reviews by the appropriate agency to address any lack of member nominations or appointments. Final appointments will be made by the SLOCOG Board.

**Committee Formation**

- The Committee will be formed within seven (7) months upon approval of the Measure by the voters of San Luis Obispo County in November 2016 and continue as long as Measure funds from this authorization are made available.
- The Committee shall not be amended out of the Plan.

**Eligibility**

- U.S. citizen 18 years of age or older, registered voter, who resides in San Luis Obispo County.

- Not an elected official at any level of government.
- Not a public employee at any State, County, local transit operator, or local city agencies.
- Must submit an annual statement of financial disclosure consistent with Fair Political Practices Commission (FPPC) rules and regulations and filed with SLOCOG.
- Must not have a contract for services with SLOCOG during their tenure on the Committee.

#### **Terms and Conditions**

- Terms of membership will be for four (4) years. No member may serve more than 8 consecutive years.
- Any member may, at any time, resign from the Committee upon written notice delivered to the Chair. Acceptance of any public office, the filing of intent to seek public office, including filing under California Government Code Section 85200, or change of residence to outside the region, shall constitute a Member's automatic resignation.
- Any member who has three consecutive unexcused absences from meetings of the Committee shall be removed as a Member. Any absence shall be considered unexcused unless, prior to or after such absence (1) the Member submits a written request to other Members to excuse such absence, and (2) a majority of the other Members agree to excuse such absence.
- This is a volunteer position and no monetary compensation will be paid to Committee members.
- In an effort to maintain Committee member consistency, during the first two (2) years of the Committee, terms will be staggered with half of the members to serve a two-year term, the remaining members will serve a four-year term. The length of the first terms will be determined via random selection.
- Proxy voting will not be permitted.
- The Committee shall select a Chair and Vice Chair from the members to serve a one (1) year term.
- The duties of the Chair will be to call meetings, set agendas, and preside over meetings.
- The duties of the Vice Chair will be to perform the same duties described above in the absence of the Chair.

#### **Committee Meetings**

- The Committee will hold one formal meeting annually, with additional meetings scheduled as needed by the Committee.
- All Committee meetings must be held in compliance with the Brown Act.
- All meetings will be conducted per "Robert's Rules of Order."
- A quorum will be no less than 7 members of the Committee.
- An action item of the Committee may be approved by a simple majority of those present, as long as the quorum requirement is met.
- The Committee may elect to form subcommittees to perform specific parts of its purpose. All subcommittees shall have an odd number of members.

#### **Staffing**

- SLOCOG will staff the Committee and provide technical and administrative assistance to support and publicize the Committee's activities.
- SLOCOG services will be paid using the Transportation Measure Administration revenues.

SLOCOG, with the direct participation of the Committee, shall hold publicly noticed meetings, which may or may not be part of a regularly scheduled Board meeting, to consider the findings and recommendations of the audits. A report of the findings and recommendations of each audit by the Committee shall be made readily available to the public in print and on SLOCOG's website.

## **Attachment C: Plan Administration and Implementing Guidelines**

### **Governing Board and Organizational Structure**

The San Luis Obispo Council of Governments (SLOCOG) was designated as the San Luis Obispo County Local Transportation Authority on April 19, 2016 by the San Luis Obispo County Board of Supervisors, in compliance with Public Utilities Code 180000 et seq. If the Measure is approved by San Luis Obispo County voters in November 2016, SLOCOG will be responsible for administering the Measure programs in accordance with plans and programs outlined in the San Luis Obispo County Self-Help Local Transportation Investment Plan.

The SLOCOG Board is comprised of twelve (12) members including:

- Five (5) members of the Board of Supervisors
- One (1) member representing each of the seven cities in San Luis Obispo County: Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach, and San Luis Obispo consisting of members of the city council appointed by the city council.

In accordance with Public Utilities Code commencing with 180100, acting as the SLOCOG, a chair person and vice chairperson must be annually designated, rules for its proceedings adopted, annual budget adopted, and all meetings conducted pursuant to Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code.

For the number of processes that SLOCOG must also perform to support the Plan, it is recommended that SLOCOG be allocated 1% of transportation sales tax revenue to address the essential activities described below:

- Prepare Annual Work Elements, Program, and Budget;
- Prepare the Strategic Plan every two years;
- Develop the priority list of Measure projects for regionally allocated funding;
- Conduct an annual independent fiscal and compliance audit of Measure programs and funds;
- Conduct an on-going public information program including annual reporting of Measure expenditures;
- Develop and maintain the required agreements;
- Allocate Measure proceeds to the local jurisdictions consistent with the Plan requirements;

### **Implementing Guidelines**

In compliance with schedules mandated in federal and state law, SLOCOG regularly updates the long-range Regional Transportation Plan (RTP) that updates and renews a list of candidate projects for all transportation modes (streets, highways, public transportation, bikeways, pedestrian, aviation, etc.). If funds are available for any projects (Regional Projects, Bike & Pedestrian Safety and Connectivity, Public Transportation programs) beyond those now listed in the Plan, they will be drawn from that list for SLOCOG approval within the Strategic Plan. If funds are available for any projects (Local Control program) beyond those now listed in the Plan, they will be submitted by the appropriate agency to SLOCOG, as described under the Strategic Plan.

Measure funds will be based on a “pay as you go” system; SLOCOG will not issue bonds to deliver projects and programs contained in the Plan, but may advance local or regional transportation projects to reduce project costs by delivering them earlier, if a guaranteed and timely source of funding is identified and provided that the advancement will not interfere with the delivery of other programs or projects defined in the Plan. SLOCOG may also consider the use of Tax Revenue Anticipation Notes to advance projects.

### **Strategic Plan**

All of the projects and programs included in the Plan are considered essential to meet the transportation needs of San Luis Obispo County and its Cities. The Strategic Plan will be the master document for delivery of the Plan projects and programs and may be amended by a majority vote of SLOCOG. However, amendment of the Strategic Plan shall not serve to amend provisions of the San Luis Obispo County Self-Help Local Transportation Investment Plan. The purposes of the Strategic Plan are to identify: the priority for projects and dates for project implementation (based on scope, cost, schedule, and ability to generate

leveraged funds of each project), accomplishments and critical issues, details the revenue projections and possible financing tools needed to deliver the Plan.

After holding a public hearing, each local jurisdiction shall annually adopt by resolution a five-year program of projects including information about each of the projects to be funded with Local Control Program revenues allocated according to the Plan. Local agencies shall submit their program of projects in a format specified by SLOCOG and shall include project location, scope, schedule, cost and funding sources to ensure that the program can be easily understood by members of the public. The program of projects shall also include a detailed description of local jurisdiction expenditures of Local Control Program funds from the most recently completed fiscal year, including expenditures for Safe Routes to School as defined in the Plan. Each year, SLOCOG will adopt an annual budget that projects expected sales tax receipts; other anticipated revenues and planned expenditures for administration, and the local jurisdictions' programs and projects for inclusion in the Strategic Plan.

SLOCOG will also prepare the Strategic Plan, biennially, synchronized with SLOCOG's Regional Transportation Improvement Program (RTIP). Both Local and Regional project descriptions will be detailed and fully defined for inclusion, and will seek to provide geographic equity in overall funding allocations. It will be vital during development of each Strategic Plan to consider including financing for all transportation modes in order to ensure a balanced and efficient transportation system. Both the budget and the Strategic Plan will be adopted at a public meeting of SLOCOG. Expenditures may be made on projects using Local Control program funds only if they are included in SLOCOG's most recently adopted Strategic Plan. The following steps will be taken by SLOCOG to prepare and adopt the Strategic Plan:

- Each agency shall conduct a local public hearing and adopt a Resolution in support of the proposed program of projects prior to submitting the project list to SLOCOG.
- Each agency shall annually develop and submit to SLOCOG a five-year program of projects to be funded with revenues made available from the Local Control program.
- SLOCOG staff working with member agencies and affected stakeholders will develop the initial Strategic Plan by June 15, 2017. Subsequent updates will be developed in conjunction with the biennial RTIP.
- The SLOCOG Board receives the initial Strategic Plan, and its subsequent updates, and schedules public hearings for review.
- The SLOCOG Board adopts the Strategic Plan.
- SLOCOG may amend the Strategic Plan to account for unexpected revenues, to take into consideration unforeseen circumstances, or to revise with the locally approved program of projects.

### **Other Requirements and Principles**

This plan is guided by principles that ensure that the revenue generated by the transportation sales tax is spent in the most efficient and effective manner possible, consistent with the desires of the voters of San Luis Obispo County and its Cities. Accountability is of utmost importance in delivering public investments with public dollars. SLOCOG is committed to transparency and accountability as a public agency. The principles outlined in this section provide flexibility needed to address issues that may arise during the life of the Plan.

#### Transparency and Accountability

1. **Funds only Projects and Programs in the Plan:** Revenues shall be used only for transportation purposes identified in the Plan. The penalty for misspending is full repayment of all misspent funds and an additional repayment of 10% of the misspent amount.
2. **All Decisions Made in Open Public Process:** Activities of SLOCOG shall be conducted in an open and public meeting process according to state law, through publicly noticed meetings. The annual budgets, strategic plans, annual reports and audits shall all be prepared for public review.
3. **Salary and Administration Cost Caps:** The salaries and benefits for administrative purposes shall not exceed 1% of the gross revenues of the sales tax. The allocated cost of staff that directly implements specific projects or programs included in the Strategic Plan are not included in administrative costs.

4. **Amendments:** No provision is included to allow SLOCOG to amend the percentage distribution between the major funding categories (Regional Projects, Local Control, Public Transportation, or Bike & Pedestrian Safety and Connectivity). Plan amendments require review and approvals of city councils, Board of Supervisors, and the SLOCOG Board. SLOCOG may amend the five year Strategic Plan to maximize the transportation funding available throughout the county.
5. **Augment Transportation Funds:** Funds generated by the transportation sales tax shall be used to supplement and not replace existing local revenues used for transportation purposes. No funds may be used to replace private developer funding committed to any project or improvement.
6. **Annual Fiscal and Compliance Audits:** The Authority's financial reports are subject to an independent audit by a Certified Public Accountant (CPA) firm, on an annual basis. In addition, the audit shall determine if funding is compliant with the San Luis Obispo County Self-Help Local Transportation Investment Plan and Ordinance, and that no more than one percent of the total proceeds of the tax are used for administrative staff salaries and benefits in implementing the Plan.
7. **Independent Taxpayer Oversight Committee:** Annually, the Committee will review expenditures and draft audit report and prepare an annual report on spending and progress in implementing the Plan that will be published and made available to the public.

#### Funding Restrictions

8. **Complete Streets:** To the maximum extent feasible and consistent with adopted plans, recipients should fully consider the needs of non-motorized travelers, including pedestrians, bicyclists and persons with disabilities, in all planning, project development, maintenance, construction, and operations except where such accommodation would be infeasible, illegal, inappropriate, or where the cost would be excessively disproportionate to the need or probable use. In order to maximize Complete Street improvements, SLOCOG encourages local agencies to partner with SLOCOG for regional discretionary funds received under State and Federal sources during the biennial programming cycle and to pursue State and federal grants.
9. **Commitments from Fund Recipients:** All recipients of funds allocated in this Plan will be required to sign a Master Funding Agreement, which details their roles and responsibilities in spending sales tax funds. Funding agreements will include performance and accountability measures. All funds will be allocated through open and transparent public processes. In addition, fund recipients will be required to have an annual fiscal and compliance audit conducted by an independent CPA to ensure that funds are managed and spent according to the requirements of this Plan. All entities receiving tax funds must report annually on expenditures and progress in implementing projects.
10. **No Expenditures Outside San Luis Obispo County:** Under no circumstances may the proceeds of this transportation sales tax be applied to any purpose other than for transportation improvements benefitting the residents of San Luis Obispo County and its cities. Under no circumstances may these funds be appropriated by the State of California or any other State or federal governmental agency.
11. **Compliance and Consistency with Regional, State, and Federal Requirements:** All projects funded by these revenues must be consistent with the SLOCOG Regional Transportation Plan and are subject to laws and regulations of federal, state, and local government, including but not limited to the requirements of the California Environmental Quality Act (CEQA), and Title VI of the Civil Rights Act, as applicable.

#### Project Financing Guidelines and Managing Revenue Fluctuations

12. **Administrative Responsibility:** SLOCOG is given the fiduciary duty of administering the transportation sales tax proceeds in accordance with all applicable laws and with the Plan. The Measure monies collected through SLOCOG shall be accounted for and invested separately, unless and until the funds are turned over to a local recipient in accordance with the Plan. At such time, the local recipient shall keep a separate accounting of the monies and any and all expenditures to ensure that the monies, and any interest, are spent in accordance with the approved Plan.

For the benefit of the residents and businesses of San Luis Obispo County, it is preferred to annually expend all Measure funds as outlined in the Strategic Plan, however, funds may be accumulated by

SLOCOG or recipient agencies over a period of time to pay for larger and longer-term projects pursuant to the policies adopted by SLOCOG. All interest income generated by these proceeds will be used for the purposes outlined in this Plan and will be subject to audits.

To maximize the effective use of funds, revenues may be transferred or exchanged between or among jurisdictions provided that the percentage of funds allocated as provided in the Plan is maintained over the duration of the period of time the tax is imposed.

Cooperative Agreements to exchange funds, including fund repayment provisions, must be approved by SLOCOG and shall be consistent with all rules adopted or approved by SLOCOG relating to such exchanges.

SLOCOG may exchange revenues for State or federal funds allocated or granted to any public agency within the area of SLOCOG to maximize effectiveness in the use of the revenues. SLOCOG shall maintain for public review an accounting of all balances that are subject to cooperative agreements approved pursuant to this section.

13. **Programming of Funds:** Actual revenues may, at times, differ than expected in this Plan due to changes in receipts and fluctuations in the economy; additional funds may become available due to grants, increased opportunities for leveraging or project costs less than expected. Estimates of actual revenue will be calculated annually by SLOCOG during its annual budget process. Any excess revenue will be programmed in a manner that will accelerate the implementation of the projects and programs described in this Plan, at the direction of SLOCOG.

SLOCOG will also have the ability to set aside a contingency fund of up to 5% of the annual receipts from the tax. Revenues to fund the contingency may be accumulated through the following: revenues exceed projections or a project's cost (exclusive of the Local Control program) is lower than anticipated resulting in excess funds. When a Local Control program project's cost is lower than anticipated resulting in project savings, these funds shall be reallocated to, and for the benefit of, the responsible agency. In the event that actual revenues in any given year are less than the budgeted revenues, SLOCOG may use the contingency fund to make up the difference between the budgeted revenues and the actual revenues. The contingency fund may also be used to fund projects where the actual cost exceeds projections.

14. **Fund Allocations:** Should a planned project become undeliverable, infeasible or unfundable due to circumstances unforeseen at the time this Plan was created, or should a project not require all funds programmed for that project or have excess funding, funding for that project will be reallocated to another project or program of the same type within the Major Line Programs: Local Control, Regional Projects, Bike & Pedestrian Safety and Connectivity, and Public Transportation.
15. **Leveraging Funds:** Every effort shall be made to maximize matching regional, state and federal transportation dollars. SLOCOG will give preference to use the savings resulting from said grants toward other projects or programs which primarily benefit the agency responsible for obtaining said grants. Any additional, unexpected, revenues received solely as a direct result of the approval of this measure shall be distributed based upon the voter-approved Plan resulting in accelerated delivery and augmentation of the Plan's programs and projects.
16. **Advancing Projects:** Local agencies may elect to advance a Plan project or program using local funds, other SLOCOG discretionary funds with SLOCOG Board approval, or Tax Revenue Anticipation Notes with approvals from both the local agency and SLOCOG. The recipient would be eligible for repayment for the amount advanced (with no interest) subject to SLOCOG approval of the advancement and the year of reimbursement. SLOCOG will also be able to use other means to accelerate the delivery of the Plan projects and programs, including partnering with other COGS, the State of California, the Federal Government, and other government agencies, federal authorization funds, federal earmarks, partnering with private entities, seeking outside grants and matching or leveraging tax receipts to the maximum extent possible. SLOCOG will have the capability of loaning transportation sales tax revenues, at prevailing interest rates, to local agencies for the implementation of needed transportation projects, provided that a guaranteed revenue stream is devoted to repay such a loan over a maximum amount of time, and provided that the loan will not interfere with the implementation of programs or projects defined in the Plan. Loaning of funds requires SLOCOG approval.

**Attachment D:**  
**THE SAN LUIS OBISPO COUNCIL OF GOVERNMENTS**  
**ORDINANCE NO. 2016-01**  
**SAN LUIS OBISPO COUNTY SELF-HELP LOCAL TRANSPORTATION INVESTMENT PLAN**

**Guiding Principles and Preamble**

The road, transportation and circulation systems within the cities and unincorporated areas of San Luis Obispo County are of regional concern and the quality of such systems have a direct impact on residents, visitors, agriculture, business, industry and general economy within the county. Available revenues, including funding from Local, State, and Federal governments, are not adequate to support needed maintenance, upgrading or safety improvements to the existing infrastructure or the construction of the new infrastructure that the County and Cities anticipate will be needed to meet the demands of the future.

To maintain and improve the quality of life and to preserve the unique and natural amenities available to all residents in San Luis Obispo County, the San Luis Obispo Council of Governments has adopted the San Luis Obispo County Self-Help Local Transportation Investment Plan to establish a dedicated local funding source for local agencies to address special and localized transportation needs, including:

- Road and pothole repair, traffic relief, and transportation safety improvements.
- Mobility investments for senior, veterans and persons with disabilities.
- Safe Routes to School projects in every city and community.
- Public Transportation improvements, increasing frequency and service options.
- Matching funds to leverage and secure state and federal funding for transportation.
- Highway congestion relief: US 101 in Pismo/Shell Beach straits, major congested interchanges in North County, and recurring congestion on Highway 227.
- Bicycle and Pedestrian safety and connectivity improvements and extensions

**Included Safeguards:** The following safeguards are hereby established to ensure strict adherence to the limitations on the use of the Revenues provided by this Ordinance to ensure that funding from the one-half of one percent retail transactions and use tax is used in accordance with the specified voter-approved transportation project improvements and programs:

- |                                  |  |
|----------------------------------|--|
| • Transportation Investment Plan | • Administrative Costs Restricted to 1%      |
| • Spending Assurances            | • Leverage-advantage for State/Federal Funds |
| • Local Control                  | • Annual Audits and Annual Reporting         |
| • Maintenance of Effort          | • Independent Taxpayer Oversight Committee   |

The Governing Board of the San Luis Obispo Council of Governments acting as the Local Transportation Authority ordains as follows:

**Section 1. Title**

This Ordinance shall be known and may be cited as the San Luis Obispo County Self-Help Local Transportation Investment Plan and may also be referenced as the "Ordinance" herein. "Ordinance" shall mean and include Attachment A entitled "San Luis Obispo County Self-Help Local Transportation Investment Plan" or "Plan", Attachment B entitled "Independent Taxpayer Oversight Committee," and Attachment C entitled "Plan Administration and Implementing Guidelines," which Attachments A, B, and C are attached hereto and incorporated by reference as if fully set forth herein. This Ordinance shall be applicable in the incorporated and unincorporated territory of the County of San Luis Obispo, which territory shall be referred to herein as "District" (Revenue and Taxation Code Section 7252).

## Section 2. Summary

The Ordinance provides for the implementation of a transportation Expenditure Plan, referred to as the San Luis Obispo County Self-Help Local Transportation Investment Plan, which will result in countywide transportation improvements for freeways, highways, local streets and roads, bus transit, transit services for seniors, veterans, and persons with disabilities; and bicycle and pedestrian safety and connectivity. These needed improvements will be funded by the imposition of one-half of one percent (0.5%) retail transactions and use tax for a period of nine (9) years. The Revenues shall be deposited in a special fund and used solely for the identified improvements authorized by the Ordinance.

## Section 3. Definitions

- A. "SLOCOG" means the San Luis Obispo Council of Governments (SLOCOG), also designated as the Local Transportation Authority, previously created and designated pursuant to Division 19 (commencing with Section 180000 et. seq.) of the California Public Utilities Code, authorized to impose a retail transactions and use tax ordinance, in accordance with Chapter 5 (commencing with Section 180200) of Division 19 of the California Public Utilities Code, and with Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code.
- B. "Board of Supervisors" means the San Luis Obispo County Board of Supervisors.
- C. "County" means the County of San Luis Obispo, a political subdivision of the State of California.
- D. "State" means the State of California.
- E. Measure \_\_ means the proposed ballot measure included within this Ordinance.
- F. Measure \_\_ "Gross Revenues" means all of the revenues generated from the transactions and use tax plus any interest or earnings.
- G. "Revenues" shall be allocated solely for the transportation purposes described in the Ordinance and include all Gross Revenues remaining, after the deduction for: (i) amounts payable to the State Board of Equalization for the performance of functions incidental to the administration and operation of the Ordinance, and (ii) costs for the administration of the Ordinance as provided herein.
- H. Retail Transactions and Use Tax is to be identified as specified in Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation code.
- I. Operative Date means the first day of the first calendar quarter commencing more than 110 days after the adoption of this Ordinance, the date of such adoption being set forth below.
- J. San Luis Obispo County Self-Help Local Transportation Investment Plan, sometimes identified as the "Expenditure Plan", or "Plan", is required by Public Utilities Code section 180206 and is attached to this Ordinance and incorporated herein by reference as Attachment A.

## Section 4. Purpose

This Ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

- A. To establish a local funding source for transportation system maintenance and improvements set out in detail in the attached Expenditure Plan.
- B. To adopt an Expenditure Plan setting forth an investment strategy to maintain and improve the transportation system in San Luis Obispo County.
- C. To impose a retail transactions and use tax in accordance with the provisions of Division 19 (commencing with Section 180000) of the California Public Utilities Code, and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, which authorizes SLOCOG to adopt this tax Ordinance which shall be operative if two-thirds (2/3) of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.
- D. To impose and collect retail transactions and use tax and allocate revenues derived from the tax toward transportation safety and investment projects within the incorporated and unincorporated areas of San Luis Obispo County, consistent with the provisions and priorities of the Plan.
- E. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Division 19 (commencing with Section 180000) of the California Public Utilities Code, and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code.
- F. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing

statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

- G. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Division 19 (commencing with Section 180000) of the California Public Utilities Code, and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this Ordinance.

#### **Section 5. San Luis Obispo County Self-Help Local Transportation Investment Plan Implementation and Amendment**

Revenues generated from the imposition of the retail sales and use tax provided for in this Ordinance shall be made available and allocated to specific transportation projects and programs in accordance with this Ordinance and the San Luis Obispo County Self-Help Local Transportation Investment Plan. No Plan amendment shall be made to change the percentage distribution of the major programs (Regional Projects (25%), Local Control (55%), Public Transportation (10%), and Bike & Pedestrian Safety and Connectivity (10%). The SLOCOG Board may amend the Plan to account for the use of additional federal, state, and local funds, to account for unexpected revenues, or to take into consideration unforeseen circumstances, if such amendment has first received the approval of the Board of Supervisors and of the city councils representing both a majority of the cities in the county and a majority of the population residing in the incorporated areas in the county.

#### **Section 6. Contract with State**

Prior to the operative date, SLOCOG shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax; provided, that if SLOCOG shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

#### **Section 7. Transactions Tax Rate**

For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the County at the rate of one-half of one percent (0.5%) of the gross receipts of any retailer from the sale of all tangible property sold at retail in said territory on and after the operative date of this Ordinance.

#### **Section 8. Place of Sale**

For the purposes of this Ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or its agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

#### **Section 9. Use Tax Rate**

An excise tax is hereby imposed on the storage, use or other consumption in the District of tangible personal property purchased from any retailer on and after the operative date of this Ordinance for storage, use or other consumption in said territory at the rate one-half of one percent (0.5%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

#### **Section 10. Adoption of Provisions of State Law**

Except as otherwise provided in this Ordinance and except insofar as they are inconsistent with the provisions of Division 19 (commencing with Section 180000) of the California Public Utilities Code and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code are hereby adopted and made a part of this Ordinance as though fully set forth herein.

#### **Section 11. Limitations on Adoption of State Law and Collection of Use Taxes**

In adopting the provisions of Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code:

- A. Wherever the State of California is named or referred to as the taxing agency, the name of SLOCOG shall be substituted therefor. The substitution, however, shall not be made when:
- 1) The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;
  - 2) The result of that substitution would require action to be taken by or against SLOCOG or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.
  - 3) In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, the result of the substitution would be to:
    - a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code, or;
    - b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under the said provisions of that code.
  - 4) In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the California Revenue and Taxation Code.
- B. The word "District" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203 of the California Revenue and Taxation Code.

### **Section 12. Permit Not Required**

If a seller's permit has been issued to a retailer under Section 6067 of the California Revenue and Taxation Code, an additional transactor's permit shall not be required by this Ordinance.

### **Section 13. Exemptions, Exclusions and Credits**

- A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.
- B. There are exempted from the computation of the amount of the transactions tax the gross receipts from:
- 1) Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the District in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.
  - 2) Sales of property to be used outside the District which is shipped to a point outside the District, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the District shall be satisfied:
    - a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the California Vehicle Code, aircraft licensed in compliance with Section 21411 of the California Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the California Vehicle Code by registration to an out-of-District address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and
    - b. With respect to commercial vehicles, by registration to a place of business out-of-District, and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.
  - 3) The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this Ordinance.
  - 4) A lease of tangible personal property which is a continuing sale of such property for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this Ordinance.
  - 5) For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time

- for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
- C. There are exempted from the use tax imposed by this Ordinance, the storage, use or other consumption in this District of tangible personal property:
- 1) The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax Ordinance.
  - 2) Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the California Revenue and Taxation Code.
  - 3) If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this Ordinance.
  - 4) If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this Ordinance.
  - 5) For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.
  - 6) Except as provided in subparagraph (7), a retailer engaged in business in the District shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the District or participates within the District in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the District or through any representative, agent, canvasser, solicitor, subsidiary, or person in the District under the authority of the retailer.
  - 7) "A retailer engaged in business in the District" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the California Vehicle Code, aircraft licensed in compliance with Section 21411 of the California Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the California Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the District.
- D. Any person subject to use tax under this Ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a city or county imposing, or retailer liable for a transactions tax pursuant to Division 19 (commencing with Section 180000) of the California Public Utilities Code and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

#### **Section 14. Amendments to the Ordinance**

All amendments subsequent to the effective date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this Ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance.

#### **Section 15. Enjoining Collection Forbidden**

No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State, the County, or SLOCOG, or against any officer of the State, the County, or SLOCOG, to prevent or enjoin the collection under this Ordinance, or Division 19 (commencing with Section 180000) of the California Public Utilities Code or Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

## **Section 16. Bonding Authority**

This Ordinance provides no authority for SLOCOG to use bonding to finance transportation improvements or operations.

## **Section 17. Compliance with CEQA**

Pursuant to the State CEQA Guidelines section 15378(b)(4), adoption of this retail transactions and use tax Ordinance as a government funding mechanism is not a project subject to the requirements of CEQA. Pursuant to State CEQA Guidelines section 15276, CEQA does not apply to the Expenditure Plan (Plan, Attachment A).

## **Section 18. Maintenance of Effort**

It is the intent of the Legislature and SLOCOG that revenues provided from this Ordinance be used to supplement existing revenues being used for transportation improvements and programs. Each local jurisdiction receiving Local Control Funds pursuant to the Plan shall meet the requirements in that section.

The Maintenance of Effort (MOE) funding for street and road purposes shall be an amount not less than the jurisdiction's average annual general fund monies used for street and road purposes during the 2011-12, 2012-13, and 2013-14 fiscal years as reported in the State Controller's Streets and Roads Annual Report adjusted to exclude extraordinary local discretionary expenses. In calculating the average annual minimum level, if a local jurisdiction had extraordinary local discretionary fund expenditures noted as "one-time" or "non-recurring" expenditures in their adopted budgets, then these amounts shall not be included in the determination of the average annual MOE. A local jurisdiction must supply a resolution adopted by the local governing board that provides justification and documentation of this conclusion.

Through a petition to the SLOCOG Board, a local jurisdiction may additionally request a revision to its MOE funding beyond the subtraction of extraordinary local discretionary expenses. In this instance, SLOCOG may allow the establishment of a new minimum level for that jurisdiction's MOE requirement. A local jurisdiction petitioning SLOCOG under this provision must supply evidence of the need for special consideration. The SLOCOG Board shall reasonably consider all such requests after appropriate due diligence.

Annually, each jurisdiction shall adopt a resolution stating its adherence to the determination of the average annual expenditures of general funds for transportation maintenance, improvements, and program purposes and indicate how it has continued that minimum level of funding under its most recently adopted budget (by July 1). Each jurisdiction shall submit a year-end resolution certifying compliance no later than December 31 following the close of the fiscal year. SLOCOG shall verify amounts through annual audit reports, council minutes and other legal documentation. An agency may request authorization to carryover their local MOE requirement for purposes of saving their general funds to apply to a larger eligible project. The agency must make said request, with justification, in writing to SLOCOG prior to the three year expenditure window. SLOCOG shall reasonably consider all such requests after appropriate due diligence.

Any agency that does not meet its average annual local MOE requirement over any three consecutive years shall be reviewed by SLOCOG for a penalty determination. If an agency violates these provisions they may be subject to a penalty up to and including loss of future Local Control funds plus a 10 percent penalty on one year of Local Control funds. Should such a determination be made by SLOCOG then SLOCOG may redistribute the forfeited local funds and the penalty to the remaining eligible jurisdictions.

## **Section 19. Creation of Special Fund**

All Measure \_\_ Revenue, plus interest, will be deposited in a special fund for Measure \_\_ projects. The fund authorized under Measure \_\_ will be administered by SLOCOG pursuant to this Ordinance and to the provisions of Division 19 (commencing with Section 180000) of the California Public Utilities Code, and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code. Any interest generated by Measure \_\_ Revenue will be treated as Measure \_\_ Revenue for the purpose of using the interest for Measure \_\_ projects.

## **Section 20. Administration of Plans**

SLOCOG shall impose and collect the tax, shall allocate revenues derived from the tax, and shall administer the Plan included in this Ordinance, consistent with the provisions and priorities of the Plan, and consistent with the authority cited herein.

- A. SLOCOG may expend revenues for the actual expense of salaries, wages, benefits, and those services, including contractual services, necessary to administer the Ordinance; however, in no case shall such administrative expenditures exceed one percent (1%) of the annual Gross Revenues provided by the Ordinance.
- B. Administrative functions include providing overall program direction and management necessary to implement SLOCOG policy, formulating organizational goals and objectives, coordinating activities with other agencies and organizations, performing finance, accounting, purchasing, personnel, government and community relations, and legal matters.

## **Section 21. Execution of Duties**

SLOCOG may engage, contract with, employ and compensate any public or private agency, party, contractor or professional, in accordance with the Public Contract Code and/or any of the provisions for public employment of professional services for public agencies, for the planning, finance, approval, design, construction, acquisition of right of way, maintenance, operation, control and repair of any road, highway, bus, rail or other transportation facility. However, SLOCOG shall not be responsible for the maintenance or operation of any State highway facilities following construction contract completion.

## **Section 22. Use of Proceeds**

The revenues derived from the tax shall be used for transportation purposes only and may include, but are not limited to, the administration of this Ordinance and the Plan, including costs for initial and subsequent preparation and election, costs for legal actions related to the election, Ordinance and Plan, and the costs and fees required for California State Board of Equalization services, and any and all costs and fees related to the transportation purposes set out in the Plan. These purposes include expenditures for planning, environmental review, engineering and design costs, related special and expert consultant costs, and related right-of way acquisition and the administrative and legal costs associated therewith.

## **Section 23. Designation of Facilities**

Each project or program funded in whole or in part by Revenues from this Ordinance shall be clearly designated with appropriate project signage, as defined within the approved Strategic Plan, at the project site during its construction or implementation as being provided by Revenues from this Ordinance.

## **Section 24. Establishment of Appropriations Limit**

The annual appropriations limit established pursuant to Section 4 of Article XIII B of the California Constitution and Section 180202 of the Public Utilities Code shall be \$50,000,000.00 for fiscal year 2017/18. This appropriations limit shall be subject to adjustment as provided by law.

## **Section 25. Call for Election**

SLOCOG requests the Board of Supervisors to call an election for voter approval of the following measure, below, which election shall be held on November 8, 2016, and consolidated with other elections to be held on that same date. The election shall be called and conducted in the same manner as provided by law for the conduct of elections by a County. The sample ballot to be mailed to the voters shall be the full proposition as set forth in this Ordinance, and the voter information handbook shall include the Plan. Approval of the attached measure, and imposition of the tax, shall require the vote of a two-thirds (2/3) majority of the electors voting on the attached measure at the election described in this section.

The proposition to be placed on the ballot shall read substantially as follows:

To improve our region's transportation system, by:

- Fixing potholes, repaving local streets, relieving traffic congestion;
- Improving street, highway and bridge safety;
- Making bike and transit improvements within and between communities;
- Increasing senior, veterans, disabled and student transit; and
- Providing safe routes to school;

shall San Luis Obispo County voters enact a half cent transportation sales tax, providing \$25,000,000 annually for 9 years, requiring independent citizens' oversight, where all funds stay local and cannot be taken by the State?

**Section 26. Effective Date**

This Ordinance relates to the levying and collecting of the District transactions and use taxes and shall go into effect immediately, subject only to the Operative Date set forth in Section 3(I) of this Ordinance. The increase in the transactions and use tax, if so approved, shall be imposed and collected for a period of nine (9) years thereafter.

**Section 27. Termination Date**

The authority to levy the tax imposed by this Ordinance shall expire nine (9) years from the Effective Date of this Ordinance.

**Section 28. Severability**

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

**Section 29. Captions**

The titles and headings to the sections set forth in this Ordinance are not part of this Ordinance and shall have no effect upon the construction or interpretation of any part hereof.

**Section 30. Publication**

The SLOCOG Board determined that it was not possible to prepare a fair and accurate summary of this Ordinance and so ordered that a display advertisement of at least one-quarter of a page in a newspaper of general circulation be published at least five days prior to the SLOCOG meeting where this Ordinance was considered. Within 15 days after the adoption of this Ordinance the Clerk of the SLOCOG Board shall cause a second quarter page display advertisement to be published in the same way indicating the general nature of the Ordinance and providing information about it sufficient to allow the public to obtain complete copies of it along with the names of those SLOCOG Board members for and against.

The foregoing Ordinance was passed and adopted by the San Luis Obispo Council of Governments, State of California, at an adjourned regular meeting held on the \_\_\_ day of \_\_\_, 2016, by the following vote:

AYES: \_\_\_ / NOES: \_\_\_ / ABSTAIN: \_\_\_ / ABSENT: \_\_\_

ATTEST:

SAN LUIS OBISPO COUNCIL  
OF GOVERNMENTS

\_\_\_\_\_  
Ronald L. De Carli, Executive Director

\_\_\_\_\_  
Jan Marx, President

APPROVED AS TO FORM:

\_\_\_\_\_  
Timothy McNulty, SLOCOG Counsel