



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 4/23/2019	(3) CONTACT/PHONE Guy W. Savage, 805/781-5011	
(4) SUBJECT Request to approve an agreement with the Hourglass Project in the amount of \$300,000 to be used for the development of a Central Coast Jobs Roadmap and Action Plan. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve the grant agreement with the Hourglass Project in the amount of \$300,000.			
(6) FUNDING SOURCE(S) SB 1090 Economic Development funds	(7) CURRENT YEAR FINANCIAL IMPACT \$300,000	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? no
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 6/19/2018, 10/9/2018	
(17) ADMINISTRATIVE OFFICE REVIEW This item was prepared by the Administrative Office.			
(18) SUPERVISOR DISTRICT(S) All Districts.			



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Administrative Office / Guy W. Savage, 805/781-5011

DATE: 4/23/2019

SUBJECT: Request to approve an agreement with the Hourglass Project in the amount of \$300,000 to be used for the development of a Central Coast Jobs Roadmap and Action Plan. All Districts.

RECOMMENDATION

It is recommended that the Board approve the grant agreement with the Hourglass Project in the amount of \$300,000.

DISCUSSION

Summary

The Hourglass Project has requested grant funding in the amount of \$300,000 to fund approximately 35% of its capital campaign to develop a Central Coast Jobs Roadmap and Action Plan. Staff is recommending that SB 1090 funds, specifically designated for Economic Development, be used to fund the grant request. Funding is recommended to be provided to the Hourglass Project in two allotments. The attached Grant Agreement (attachment 1) and Statement of Work (attachment 2) outline the specific scope, timelines, and funding approach proposed by the Hourglass Project.

Background

Senate Bill 1090

On October 9, 2018 your Board received a presentation on Senate Bill 1090 (SB 1090) and provided general direction to staff on the use of SB 1090 funds. SB 1090 was signed into law by Governor Brown on September 19, 2018. SB 1090's key components were full funding of Pacific Gas & Electric's (PG&E's) employee retention program, \$85M in Community Impact Mitigation Funds, and assurance that no increases in emission of greenhouse gases would result from the retirement of Diablo Canyon Power Plant.

Of specific importance to the County of San Luis Obispo are the funds that SB 1090 provides to mitigate the impacts of the closure of Diablo Canyon Power Plant – the \$85M in Community Impact Mitigation Funds. Per a Settlement Agreement signed between the County, Pacific Gas & Electric, a Coalition of Cities, San Luis Coastal Unified School District, and others, the \$85M in Community Impact Mitigation Funds was broken into two components: the Economic Development Fund (\$10M) and the Essential Services Mitigation and Stabilization Fund (\$75M).

The Economic Development Fund (\$10M) has three primary components: funds for the Coalition of Cities (\$5,760,000), funds for the County (\$3,840,000), and funds to be expended by the County for Regional Economic Development (\$400,000). Pursuant to the Settlement Agreement, the funds for Regional Economic Development were received by the County on March 14, 2019. The remaining Economic Development Funds (\$9.6M) and the first installment of Essential Services Mitigation and Stabilization Funds (\$75M) are expected later this calendar year.

Senate Bill 968 and Local Government Efforts

Senate Bill 968 – Monning, 2016 (SB 968) commissioned an “assessment of the adverse and beneficial economic impacts, and net economic effects, that could occur, and of potential ways for the state and local jurisdictions to mitigate the adverse economic impact, if the Diablo Canyon Units 1 and 2 powerplant were to temporarily or permanently shut down before the powerplant’s current operating licenses expire or when the Pacific Gas and Electric Company closes the powerplant upon the expiration of its current licenses.” The assessment was to be completed by no later than July 1, 2018 and conducted by an independent 3rd party. Since the passage of SB 968, University of California, Berkeley (UC Berkeley) was selected to conduct the assessment.

At about the same time as SB 968 was passing through the California Legislature, local governments in San Luis Obispo County began an independent effort to examine and understand the detailed impacts of the closure of Diablo Canyon Power Plant (DCPP). That effort was intended to be primarily funded by local governments with supplemental funding coming from local businesses and organizations. Subsequent to the County and other local government agencies providing funding to a local study, UC Berkeley agreed with the California Public Utilities Commission (CPUC) that its assessment scope would include all of the SB 968 required deliverables, plus the majority of the key elements of the local government examination. Due to this overlap of scope, funding issues, and other project issues, the local effort was halted and remaining local government funds were returned.

County staff has been in contact with the UC Berkeley staff responsible for the study. UC Berkeley staff have committed to delivering draft deliverables to the CPUC by June 2019. While the UC Berkeley assessment findings will be delivered nearly one full year later than specified by SB 968, it is believed that the scope of the assessment will clearly identify impacts on our community. It is worth noting that UC Berkeley has maintained its independence throughout its efforts and has not allowed any local governmental organization or staff members to be actively involved. Consequently, until the draft deliverables are made public at the CPUC, County staff cannot be certain local impacts will be fully explored.

Hourglass Project Grant Agreement

Regardless of the impacts on the local economy that are identified by SB 968, the region will need a path forward. In February 2019, the Hourglass Project approached the County and several other local cities with a proposal to develop a Central Coast Jobs Roadmap and Action Plan. The attached Grant Agreement (attachment 1) and Statement of Work (attachment 2) outline the specific scope, timelines, and funding approach proposed by the Hourglass Project. Per the attached, the Hourglass Project estimates that the total effort they intend to undertake will cost in excess of \$850,000. Unlike the early efforts led by local government, the Hourglass Project is proposing that non-governmental agencies will provide most of the project’s funding (over \$500,000).

The Hourglass Project has requested grant funding from the County of San Luis Obispo in the amount of \$300,000. While additional funding will be sought for the project from local government agencies in Santa Barbara County, this recommended grant funding would represent the entirety of the San Luis Obispo County local government contribution.

OTHER AGENCY INVOLVEMENT/IMPACT

The Hourglass Project is solely responsible for its capital campaign related to the development of the Central Coast Jobs Roadmap and Action Plan.

To ensure that the grant funds being provided to the Hourglass Project meet Regional Economic Development needs, the County Administrative Officer and Assistant County Administrative Officer have held discussions with the City Managers of all seven incorporated cities within the county. All of the City Managers concur that the Central Coast Jobs Roadmap and Action Plan, and related deliverables will fulfill one portion of the needs of the region by helping to create a plan for economic prosperity moving forward.

The offices of County Counsel and the Auditor-Controller-Treasurer-Tax Collector provided input on the use of the funds and/or reviewed the grant agreement.

FINANCIAL CONSIDERATIONS

The grant agreement in amount of \$300,000 for the Hourglass Project to develop the Central Coast Jobs Roadmap and Action Plan would be allocated from SB 1090 funds received earlier this year. The remaining \$100,000 would be held for other grant purposes or for use to further assess the impacts of the closure of DCPD on San Luis Obispo County.

As noted, the grant funding provided by the County of San Luis Obispo will make up approximately 35% of the total funding requirement for the project. The grant funding will be used solely for the project and none of the funds will support the Hourglass Project's on-going or organizational costs.

Per the terms of the grant agreement, the County will transfer the half funds (\$150,000) to the Hourglass Project within sixty (60) days of receiving an initial invoice and the other half of the grant funds upon receiving an additional invoice and verification that the "Central Coast Jobs Roadmap and Action Plan" is substantially complete. Because this contract was not anticipated at the time of budget development for the current fiscal year, the cost is not included in the FY 2018-19 budget. A budget adjustment will be recommended as a part of the FY 2018-19 Third Quarter Financial Status Report in order to make funding available for payment to the Hourglass Project, per the terms noted in the contract.

RESULTS

The County grant funds will contribute to the creation of a Central Coast Jobs Roadmap and Action Plan. The Roadmap and Plan are expected to be the basis for several specific projects or actions that our region can take to ensure it remains a Prosperous and Livable Community.

ATTACHMENTS

1. Hourglass Project Grant Agreement
2. Exhibit A – Hourglass Project Statement of Work