MEMORANDUM

TO: CITY COUNCIL
FROM: JAMES A. BERGMAN, CITY MANAGER
SUBJECT: PRESENTATION AND DISCUSSION OF STRATEGIC CONCEPTS
DATE: JANUARY 28, 2020

SUMMARY OF ACTION:
Open discussion about strategic concepts developed by staff. No policy decisions will be made by the Council but comments, input and direction are being sought.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:
There is no cost or staffing impact from this action.

RECOMMENDATION:
It is recommended the City Council receive and discuss strategic concepts developed by staff and provide comments, input and direction.

BACKGROUND:
On March 12, 2019, Council Member George requested, and the Council concurred, that items be placed on a future agenda regarding Council priorities. On May 14, 2019, the Council received information about visioning and strategic planning options and unanimously agreed to direct staff to provide an update to the 2007 Strategic Plan and bring it back to the Council for review and discussion.

On June 11, 2019, the Council reviewed and discussed the 2007 Strategic Plan with annotations of completed, partially completed and non-started goals, strategies and tactical activities. Many comments were given by Council Members (see attachment 1, City Council Meeting Minutes from June 11, 2019) and culminated with an understanding that staff should return in the future with a reprioritization of remaining goals.

ANALYSIS OF ISSUES:
A review and reprioritization of remaining goals seemed to lack a larger and overall coordinated vision. Staff is returning to Council to very broadly discuss strategic concepts with a larger vision. Establishing a larger vision will allow staff to create individual plans for each concept to be reviewed by the public and the Council in the future and to potentially incorporate some activities into budget priorities that will be
discussed by the Council in the coming months. Vision concepts to be discussed are as follows:

- Continue Core Services;
- Improve community communication, connections, and collaboration;
- Enhance community preparedness efforts;
- Maintain existing infrastructure and amenities;
- Create community capacity to address complex community issues and to react to outside influences; and
- Design a comprehensive economic development system that benefits many segments of the community.

Within each of these concepts, staff also will discuss existing City projects and a few new project ideas to better illustrate the larger vision.

ADVANTAGES:
Dialogue between the Council, staff, and community is always advantageous.

DISADVANTAGES:
No disadvantages have been identified regarding this item.

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

1. Receive and discuss early strategic concepts developed by staff;
2. Do not receive and discuss early strategic concepts developed by staff; or
3. Provide staff direction.

ENVIRONMENTAL REVIEW:
No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:
The Agenda was posted in front of City Hall and on the City’s website in accordance with Government Code Section 54954.2.

Attachments:
- City Council Meeting Minutes from June 11, 2019
- PowerPoint Presentation
Council comments ensued in support of Alternative 2 – West Branch Street as the preferred alternative. Mayor Ray Russom requested that Mr. Ririe’s presentation regarding pavement basics be posted to the City website.

**Action:** Council Member Storton moved to select Alternative 2 – West Branch Street to include the 2019 Base Bid for Digouts and Striping on West Branch Street, to include Bid Alternatives 1 and 2, and the following years of 2020 and 2021 for the Curb Ramps on James Way and the Overlay and Striping on James Way. Mayor Pro Tem Barneich seconded, and the motion passed on following roll call vote:

**AYES:** Storton, Barneich, Paulding, George, Ray Russom

**NOES:** None

**ABSENT:** None

**11.b. Consideration of Fiscal Year 2019-20 Budget Update.**

Administrative Services Director Esenwein presented the staff report and recommended that the Council approve the detailed budget adjustments and requests for additional appropriations listed in the Budget Update Report and adopt a Resolution approving the FY 2019-20 Budget. Staff responded to questions from Council.

Mayor Ray Russom invited public comment. No public comments were received.

**Action:** Council Member George moved to approve the detailed budget adjustments and requests for additional appropriations listed in the Budget Update Report and to adopt a Resolution entitled: “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADOPTING FISCAL YEAR 2019-20 OF THE FISCAL YEAR 2018-19 & 2019-20 BIENNIAL BUDGET AND MAKING APPROPRIATIONS FOR THE AMOUNT BUDGETED”. Mayor Pro Tem Barneich seconded, and the motion passed on following roll call vote:

**AYES:** George, Barneich, Paulding, Storton, Ray Russom

**NOES:** None

**ABSENT:** None

**11.c. Consideration of Update to 2007 Strategic Plan.**

City Manager Bergman presented the staff report and recommended that the Council review and discuss the 2007 Strategic Plan Update and provide direction to staff. Staff responded to questions from Council regarding goals and strategies listed under the areas of Recreation (grant funding for Soto Sports Complex), Infrastructure (Rule 20a funds for undergrounding of utilities on Grand Avenue), Public Safety (Neighborhood Officer Program), Economic Development (vacant land and potential hotel or other development opportunities, attracting businesses to the City) and Affordable Housing.

Mayor Ray Russom invited public comment. No public comments were received.

Council comments and suggestions regarding the Strategic Plan Update ensued as follows:
Council Member George:
- Thanked staff for quick turnaround on providing this update;
- Would like to see a clean version of the Strategic Plan;
- Remove all accomplished items;
- Each Department Director to remove items that they deem are no longer a priority;
- Prioritize remaining items that are on the list and add any new items;
- Identify any other funding sources in addition to the General Fund;
- Bring a rough draft to Council for discussion as a working draft to prepare for presentation to the public;
- Would like to see community involvement in a more unorthodox manner and not in a workshop format to encourage public engagement and input, such as a gathering at a park;
- Would like the Strategic Plan to address all the things currently underway such as the E. Grand Avenue Master Plan, Halcyon Complete Streets Plan, Camp Arroyo Grande, Central Coast Blue, looking at different ways to generate revenue; Soto Sports Complex Master Plan; update of the Circulation Element, which is key as it relates to potential development on the Fredericks property and addressing El Campo; and prioritize the Pavement Management Plan;
- The most important key to the success of the City’s economic development efforts and the Strategic Plan is to find the balance between responsible growth for generating revenue while maintaining who we are as a City, our culture, our way of life, and small town charm.

Council Member Paulding:
- This Strategic Plan status report of the prior 10 year plan was really important in order to pursue an update and would serve as a good format for a creating a 2020 Strategic Plan;
- Focus update on tactical goals and strategies;
- Liked idea of including a performance tracking mechanism and including timelines to determine what is feasible;
- Remove accomplished items;
- Have each Department do a priority analysis on uncompleted goals;
- Add in additional funding sources for each goal;
- Agreed with unorthodox public outreach to garner community feedback, such as for the goal/strategy identified in ED-6 and what the community wants to see in terms of growth;
- Supports in general the Central Coast Blue project as a high priority, implementation of the E. Grand Avenue Master Plan; completing the Housing Element Update and prioritizing affordable housing; and Soto Sports Complex Master Plan should be a high priority.

Council Member Storton:
- Agrees with comments stated so far and would add the following:
  - Under Economic Development, would add strategic direction to “recognize the importance of maintaining and enhancing our publicly owned infrastructure needs to create an environment of right-sized services for our citizens, visitors, and ongoing economic prosperity”;
  - Identify Brisco Interchange Regional Center as an area of regional and economic importance, the enhancement of freeway access will support existing businesses with a concentration placed on development of other regional business opportunities, such as one or two hotels, an improved events/library center, and enhanced regional
transportation needs and the City will work with the County of San Luis Obispo and other entities as needed to address these specific needs;

- Under Economic Development goals, did not see much about Mixed-Use opportunities;
- Agreed that the Williams/Fredericks property is a long term future opportunity for the City that we need to look at and determine if our citizens agree with it, as it relates to potential development of hotels, tech parks, car dealerships, livable spaces and job creation, and having discussions about impacts to water, traffic, and delivery of City services;
- Under Affordable Housing, suggested adding that the City will support local control decision making in affordable housing endeavors as opposed to the State coming in and trying to force mandates that take that ability out of our control;
- Identify gaps in goals that have specific numbers that need to be completed;
- Identify Soto Sports Complex Master Plan as its own goal;
- Identify Camp Arroyo Grande as its own goal;
- Under Infrastructure, continue to emphasize that improvements to the City’s infrastructure shall be planned to meet the demands of the community’s future and avoid unfairly passing on financial burdens to future generations;
- Water conservation information needs to be updated and added to continue moving forward in this direction;
- Under FAC-2, identify any enhanced Emergency Operations Center (EOC) needs, as appropriate;
- Under FAC-3 regarding utilization of alternative energy solutions to increase energy efficiency in City facilities, are there any joint City, County or regional projects that we can go into with the County particularly in the area of the Brisco overpass area;
- Under tactical goals for Transportation as it relates to bike lanes, identify new locations.

Mayor Pro Tem Barneich:
- Acknowledged roughly 68% goals accomplished or mostly accomplished, as well as 3% that is not applicable anymore;
- Strategic Plan worked; is a good road map for everyone to highlight what is important to the City and for the citizens to tell us what they think;
- It is important to update this in a 2020 Strategic Plan;
- Referred to a community engagement event held in the past at the High School that garnered a lot of participation and suggested a similar event for seeking input into an updated Strategic Plan;
- Liked suggestions by Council Member George as far as the proposed process and road map for updating the Strategic Plan;
- Economic Development – there are different ideas about what this means and needs to be discussed further; acknowledged current efforts underway; increasing low income and affordable housing; and maintaining small town feel and quality of life;
- Looks forward to the public’s view of what is important.
Mayor Ray Russom:
- Thanked Council Member George for her comments which have set this process off in a good way;
- Be careful with removing accomplished goals as some may involve ongoing programs and strategic efforts, such as increasing energy efficiency in City facilities, implementation of additional bike lanes, funding strategies outlining the City’s long range financial plan, etc.;
- Agrees that where possible, add measurable goals;
- Supports bringing the Strategic Plan to the public for assistance in reprioritizing the list;
- Chamber of Commerce can assist in public outreach;
- Would not start public outreach until after the E. Grand Avenue Master Plan is presented and approved.

Brief Council and staff discussion ensued regarding the timeline for presenting the E. Grand Avenue Master Plan.

No formal action was taken on this item.

12. COUNCIL COMMUNICATIONS
Council Member Storton stated that he would be absent from the next Regular City Council meeting.

Mayor Ray Russom announced the dedication of the Recreation Services building in the name of Mark M. Millis held last Friday, stated it was an exceptional event, and thanked staff for organizing the event.

Mayor Ray Russom stated there is no such thing as flushable wipes and stated she will provide more information on this issue at a future meeting.

13. CLOSED SESSION
None.

13. ADJOURNMENT
There being no further business to come before the City Council, Mayor Ray Russom adjourned the meeting at 10:56 p.m.

/s/Caren Ray Russom, Mayor

ATTEST:

/s/Kelly Wetmore, City Clerk

(Approved at CC Mtg 06-25-2019)
Presentation and Discussion of Strategic Concepts
Tonight’s Discussion

Open discussion about strategic concepts.

No policy decisions will be made but comments, input, and direction may be given to staff.

Much more talking in the future with expanded and comprehensive public input and guidance.

Discussion of the development of a larger and overall coordinated vision
Strategic Goals vs Budget Goals

Strategic
- Envisioning a desired future
- Translating this vision into broadly defined goals or objectives
- A sequence of steps to achieve the broadly defined goals or objectives
- 5 to 10 years in duration
- Moving from one reality to a new envisioned reality

Budget
- 2 years
- Implementation
- Starting soon
- Focus on core services
- Little capacity to make major shifts
- Some of these concepts can be considered in the upcoming budget process
Summary of Strategic Concepts

Continue Core Services

Improve community communication

Enhance community preparedness efforts

Take care of existing amenities and infrastructure

Create community capacity and future options

Develop a comprehensive economic development program
Assumptions

Assumption of the General Community Opinion

- Close connection to our history and place
- We have an excellent quality of life
- We want to be a better Us!
- Safety, security and economic health
Who are we?
Arroyo Grande
Population by Age
U.S. Census Estimate 2017

- Under 5 years
- 5 to 9 years
- 10 to 14 years
- 15 to 19 years
- 20 to 24 years
- 25 to 29 years
- 30 to 34 years
- 35 to 39 years
- 40 to 44 years
- 45 to 49 years
- 50 to 54 years
- 55 to 59 years
- 60 to 64 years
- 65 to 69 years
- 70 to 74 years
- 75 to 79 years
- 80 to 84 years
- 85 years and over

Age groups from Under 5 years to 85 years and over are shown in a bar chart, with the population estimates for each age group indicated.
How are we Organized
Cityhood is a Choice and Requires Participation

The People
18,000+

City Council
5

Professional Staff
94.2 fte
Continue Core Services
Context is Key

We are the latest generation of people who have inhabited this place.

Every group of people who has been here has had to modify the area in order to successfully stay here.

We are the most people who have ever lived here at one time.

We are the most prosperous community to ever live here.

We cannot be here in these numbers and with this much quality without public infrastructure and services.

The City organization and its services are a foundational aspect of full and meaningful lives for everyone.
City Services Ensure Foundational Needs

Maslow's hierarchy of needs

- **Physiological needs**: air, water, food, shelter, sleep, clothing, reproduction
- **Safety needs**: personal security, employment, resources, health, property
- **Love and belonging**: friendship, intimacy, family, sense of connection
- **Esteem**: respect, self-esteem, status, recognition, strength, freedom
- **Self-actualization**: desire to become the most that one can be
Professional Perspective

◦ Understand foundational needs and importance of public services
◦ Realistic about external and internal forces
◦ Understand the most likely impacts from these forces
◦ Adapt or adjust without diminishing what is Us.
◦ Build more capacity to increase community quality of life.
Improve Community Communication, Connections, and Collaboration
Potential Programs

Citizens Academy to provide a working knowledge of the City

Enhanced communication efforts

Community satisfaction surveys
Enhance Community Preparedness Efforts
Potential Programs

Individual preparedness
Fuel modification policies
Enhanced training and practice
Maintain Existing Infrastructure
Conceptual Programs

Sales Tax Ballot Measure

- How does this achieve the goal?
  - Increasing sales tax revenue to fully fund deferred maintenance
  - Ensure the “lowest lifetime operating costs of infrastructure to the taxpayer”
  - 1% sales tax can raise approximately $4 million annually
Approximate Maintenance Costs for each PCI Range

$3 per Square Yard
- Fog Seal
- Slurry Seal or Micro-Surfacing

$16-42 per Square Yard
- Multi-layer Resurfacing or
- Thin Asphalt Lift with Paving Fabric

$60 per Square Yard
- Heavy Asphalt Patching with
- Heavy Asphalt Overlay

$117 per Square Yard
- Full Reconstruction
- Asphalt over Agg Base
Create Community Capacity
Ongoing Program

Ensure a Sustainable Water Supply through Central Coast Blue

- How does this achieve the goal?
  - Phase 1 protects from sea water intrusion
  - Ensures water availability during successive dry years and severe droughts.
  - Phase II (distant future) can provide new water for future needs.
Ongoing Program

Protect and Enhance Freeway Access and City Circulation

- How does this help?
  - Fixes current local circulation deficiency
  - Protects access to key service and sales tax generating areas.
  - Enhances future opportunities on West Branch Street

The People

18,000+

City Council

5

Professional Staff
94.2 fte
Ongoing Program

Purchase Camp Arroyo Grande / Development of W. Branch Street hotel

◦ How does this help?
  ◦ Historic resource protection
  ◦ Sale of property will allow purchase of Camp Arroyo Grande
  ◦ Creates new amenity for residents
  ◦ Provides estimated $600,000 annual hotel tax to General Fund
  ◦ Supports tourism efforts

The People

18,000+

City Council
5

Professional Staff
94.2 FTE
Conceptual Program

Regional Center 2.0

- How does this help?
  - The County owned regional center
  - This property is not efficiently utilized
  - Could be the home to many needed community facilities:
    - An expanded library and playground
    - Shared space for non-profits
    - County and City Offices
    - Conference facility
    - Cuesta College Satellite uses
Design a Comprehensive Economic Development Plan
Conceptual Program

Economic Development Strategic Plan

- How does this help?
  - Data and analysis of the local market and trade area
  - Identification of opportunity sites and economic development tools and policies
  - Retail recruitment strategy
  - $700,000+ currently available (SB 1090 - Community impact mitigation settlement)
Conceptual Program

Hourglass Project

Regional Jobs Plan
Foster Job Creation
Business Expansion
Regional Brand
Policy Development
Data + Analysis

The People

City Council
5

Professional Staff
94.2 fte
Ongoing Program

Achievable Housing

- How does this help?
  - Fresh look at ongoing housing problem
  - Economic perspective
  - Link housing and jobs
  - Focus on the housing type that can be built and sold to more of the population
Conceptual Program

Zoning for Head of Household Jobs

- How does this help?
  - Provides land zoned for modern manufacturing, design, and research
  - Circulation improvements can:
    - Solve existing traffic problems in front of the High School due to offset off-ramp and intersection.
    - Reduce new traffic impacts from recent closure of Hwy 101 crossings
    - Remedy outdated left merge onto Hwy 101