

COLAB SAN LUIS OBISPO COUNTY

PRIOR ACTIONS AND COMING ATTRACTIONS REPORT

WEEK OF JUNE 12-18, 2011

BOARD OF SUPERVISORS

Board of Supervisors Meeting

Board Meeting of Tuesday June 7, 2011 (Completed)

Williamson Act. After considerable discussion, the Board directed staff to research the third choice (see background below) which would make the requirements for future contracts more strict in terms of the minimum acreage and intensity of the agriculture. The theory is that some individuals put land under contract but don't actually farm it or run livestock and therefore the County should not grant the lower assessments to them. The planning staff indicated that they were very busy and could not perform the study without additional resources. It would probably take a year under current circumstances. The Board said that was okay, in effect kicking the can down the road. Supervisor Gibson recused himself from participation on this item because he owns Williamson Act contracted land.

COLAB pointed out that even prior to the State ceasing the \$1 million subvention (partial reimbursement), the total foregone revenue was \$10 million per year. Moreover, with the County Budget at \$450 million, the \$1 million revenue loss for a priority program which preserves agriculture should not be a problem. This has been both a genuine smart growth and economic development policy since 1965. Elimination of a few planners, smart growth projects, and supporting lawyers could easily make up for this loss. Similarly the County has adequate financial reserves. Finally, and as has been repeatedly asserted, the Board could reduce part of the \$6 million general fund contribution to Planning and Building to offset the revenue loss.

Background. The State has eliminated the \$1 million dollar per year subvention to the County which helped offset the lower property taxes which are granted to agriculturalists that contract to keep their property in agriculture for ten years. Because of its financial problems, the Board of Supervisors considered changes. Potential alternatives included:

- Keep the program as is (status quo)
- Freeze program at current level (no new applications)
- Modify program to make eligibility more focused
- Withdraw from the State program (Don't renew contracts)
- Implement pending State legislation for alternative funding (if passed)

Update on the County's Economic Strategy. This item consisted of a revised report (the original was withdrawn from the March 29, 2011 Agenda) which made recommendations to the Board of Supervisors about what should be done to implement the County's Economic Strategy which was presented in January 2010.

The Economic Vitality Corporation gave an extensive presentation about progress made by the six functional industry cluster teams (Health Services, Specialty Manufacturing, Tourism, Wine and Agriculture -- called "Uniquely San Luis Obispo;" Knowledge and Innovation Services; Building and Construction) in moving the process along. The presentations focused on process. The Board, County staff, and private sector presenters feel that progress is being made. Supervisor Gibson said something to the effect that this was the new more positive type of economic development ("economic gardening") in contrast with the old technique of governments giving subsidies and incentives to lure businesses into their cities and counties.

Articulating his basic focus, Supervisor Gibson pronounced that the permit streamlining improvements and economic growth (features of the economic strategy) must be consistent with the County's over-arching smart growth strategy policies. He proposed that reference to these policies be incorporated into the adopting resolution with the word "consistent." The Board conducted a word-smithing discussion and eventually compromised on the words "in consideration" of the county's land use policies (paraphrase). The rest of the Board was worried that the word "consistent" was too restrictive and would be used to deny future projects. The fact that two members of the Board majority refused to insert the word "consistent" is tacit admission that they may sense that the County's current smart growth strategy and implementing plans, ordinances, and regulations are detrimental to business development and economic progress.

Background. Key recommendations in the County staff report included: 1) The business community should lead the effort and the County should provide complementary support in those areas where it has a role; 2) Instead of updating its Comprehensive Plan Economic Element, the Planning and Building Department should create a work plan for updating and restructuring the Economic Element of the General Plan; 3) Direct staff to include economic benefits analyses in staff reports which relate to land use policies and discretionary permit applications; 4) Involve the cities because most businesses are located within their jurisdictions; and 5) Involve the Work Force Investment Board.

As we have noted before, all of this is vague and talks about planning to plan. For example one paragraph of the County staff report states: "The plan is for County staff to work with the Economic Steering Committee in order to develop a framework for the analysis and to incorporate into staff reports as of September 13, 2011. Additionally, the plan is to 'pilot' these analyses for land use policies and permits for a few months and subsequently broaden the analyses to other policies and projects, which are brought to the Board for review and approval. The tentative plan is to apply the analyses more broadly by January 2012." Essentially this is bureaucratic gibberish without meaningful content. Nothing seems to be happening.

COLAB suggested a practical approach which would take the implementation lists from the six cluster teams in the Economic Vitality Corporation (EVC) report and convert them into

operational actions with a clear structure and staff (either public, non-profit, or private sector) assigned to execute them as specific projects. As we have indicated previously, some of the general fund expense now flowing to smart growth planning could be switched over to the economic development priority. Each discrete project would have a schedule and specific quantified impact, backed up by recurring performance measures. These could include such measures as:

- Dollar amount of investment created through economic development efforts
- Number of new jobs created through economic development efforts
- Value of new construction created
- Number of new business licenses issued
- Growth in appraised value resulting from economic development efforts
- Growth of sales tax resulting from economic development efforts
- Growth of transient occupancy tax resulting from economic development efforts
- Growth of value of agricultural production resulting from economic development effort
- Growth of manufacturing square footage
- Office space vacancy rates

These and many more can be tailored to the specific cluster implementation items listed in the EVC Report. In addition to recurring measures, there could be specific economic development projects such as:

- Generate the development of three new destination resorts over a specified time period.
- Recruit two large scale high tech manufacturers within a scheduled time frame.

Such concrete actions can be linked to County's land use process improvement team objectives of better customer service and faster, less costly processing. Ultimately, attainment of tangible results can be integrated into employee performance ratings for executives, managers, and high ranking technical specialists in the County and the cities to demonstrate that achieving results through action and total customer service is a real priority.

Planning and Building Process Committee Recommendations. The first set of recommendations from the two process improvement committees (Building Committee and Land Use Committee) were presented and in large part adopted by the Board.

There were numerous large and small improvements listed in the report. One of the strongest is that those individuals assigned as application processors in Planning and Building have their role recast to become project managers with overall responsibility to shepherd their assigned applications through to approval or denial. They would make sure that assigned collateral employees from other departments/divisions which have a role in the permitting process (Fire, Public Works, County Counsel, Environmental Review, Sheriff, Health, etc.) execute their roles in a timely and coordinated way.

COLAB pointed out during the meeting that, in essence, this is really a restructuring of the County because it requires that the department providing expert staff must grant the project

manager authority to control part of the work schedule of the employee assigned to the planning project. This is often difficult in the Balkanized culture of government organizations in general. It is particularly difficult in California counties with their decentralized structure, independent powerful elected department heads, weak chief executive structure, direct access of elected board members to rank and file employees, and geographic district governance.

The Board should require that its entire management team receive training in project management (this may have occurred in the Employee University and if so there should be a refresher in the context of this new process). There are project management courses that can be taught on site in about a day, as well as rigorous university courses. Similarly, front line employee project managers should receive the training. There is probably a professor at Cal Poly who is an expert at teaching project management. There may also an expert project manager on County staff who is trained in teaching adults (remember adult education is different from lectures). Perhaps the Project Manager who delivered the Nacimiento Aqueduct on time and below budget is a resource. Without this effort and ultimately linking actual performance to compensation, the effort could be stillborn.

Another important process improvement which was adopted is to involve applicants more fully in the selection and management of environmental consultants. A positive feature is the new step which would allow applicants to explain and/or fix project components which appear to have CEQA class I impacts before the DEIR is released.

Board Meeting of Monday June 13, 2011 (Consideration of the Proposed 2011-12 Annual Budget) (Scheduled)

Proposed Budget. As we have indicated in prior weekly updates, the consideration and adoption of the Annual Operating Budget is one of the most important policy actions of any government entity. The power of a government largely rests on its finances. The Planning and Building Department and the Office of the County Counsel are the main organs of the current land use and regulatory debacle. Some elements of Public Works are also involved. Reductions in these budgets and the number of staff people can slow down the machine. All who are concerned with this issue should block off Monday June 13, 2011, starting at 9AM (SLO Board Hearing Room) to let the Board of Supervisors know that you do not want your tax dollars used to sustain this assault on your private property and liberty. There will be scheduled opportunities for the public to speak on the overall budget and each functional sub component (Land Based, Safety, Health, etc.). The hearing is likely to carry over into Tuesday June 14, 2011. A separate hearing is scheduled on Wednesday June 15, 2011, to consider requests from non-profit agencies. These include a variety of community based health, educational, youth, arts, and similar entities. The county will be doling out \$1.8 million dollars in grants. The supervisors retain control of \$117,000 which they divvy up at their discretion in their districts.

Basic Budget Facts:

- 2011- 12 All Funds Proposed Budget, \$449.5 million, down from \$450.5 million this year.
- 2,375 employees, down 32 from this year.

- 2011-12 Taxes, \$145.2 million, down from \$145.5 million this year.
- Unreserved, undesignated fund balance of the General Fund, \$17.3 million.
- Planning and Building Department, \$10.9 million, (\$6 million general fund) and 88.25 employees, down from adopted 2010-11 of \$11.5 million and 90.25 employees. This budget is important because it is critical to supporting the County's land use initiatives.
- County Counsel, \$3.3 million, 20.25 employees, down from adopted 2010-11 of \$3.4 million, 21.25 employees. This budget is also critical to supporting the land use initiatives.
- The County faced an \$11.4 million General Fund gap as it started preparation of this budget. It eliminated the gap by reducing recurring expenditures by \$9.1 million; the use of reserves, \$1.7 million; reducing maintenance, \$364,000; and reducing the organizational development fund (training) by \$208,000.
- Between 2003 and 2011, the County workforce has declined from a high of more than 2700 to 2,375.
- There are 622 discrete job titles (position classes in government parlance) contained within the 2,375 funded positions. This is an average of 3.82 employees per class which is indicative of the super rigid and inflexible structure of government personnel systems.

OTHER GOVERNMENT ENTITIES

Planning Commission Meeting of June 9, 2011 (Completed)

Amendments to the Events Ordinance. This was a continued item from the March 31, 2011 agenda. The Commission spent several hours asking questions and providing detailed direction to staff with respect to specific wording. The proposed ordinance changes with the revised wording are to come back and be considered by the Commission on Thursday June 30, 2011.

Background. Businesses, farms, ranches, vineyards, nonprofits, and all others who conduct events should pay attention to this one. This is a major ordinance revision which sets requirements for permitting for public events. It is structured on a scale so that the bigger the event (number of attendees), the more complicated and intense the requirements. Some of the conditions include size of the event, traffic control and parking, amplified sound (65db at the property line max), setbacks from boundaries, distance from water courses and wetlands, fugitive dust, fire inspection, Cal Trans permits, use of structures, signs and advertising, site restoration, pre-notification of neighbors, and sheriff notification. If structures are used, they must meet the standards of public assembly buildings.

Shandon Community Plan Update continued hearing. This was the fourth hearing on the proposed plan amendment to allow a larger and denser urban village. It focused on infrastructure, water, and the future sewage treatment plant. The hearing will continue on June 23, 2011.