



CITY OF ATASCADERO

CITY COUNCIL STAFF REPORT

Item H2

Department: Public Works
Date: 01/13/26
Placement: Management Report

TO: JAMES R. LEWIS, CITY MANAGER

FROM: NICK DE BAR, DIRECTOR OF PUBLIC WORKS/CITY ENGINEER

PREPARED BY: RYAN BETZ, PUBLIC WORKS ANALYST

SUBJECT: San Luis Obispo Council of Governments Draft Transportation Expenditure Plan for Potential Transportation Sales Tax Measure

RECOMMENDATION:

Council review and comment on San Luis Obispo Council of Governments Draft Transportation Expenditure Plan for potential transportation sales tax measure.

DISCUSSION:

The San Luis Obispo Council of Governments (SLOCOG) is the regional transportation planning agency responsible for long-range regional transportation planning, funding allocation, and coordination among the County and the seven incorporated cities, including Atascadero. SLOCOG is evaluating a potential ½-cent transportation sales tax measure for the November 2026 ballot to establish a long-term, locally controlled revenue source for transportation improvements. SLOCOG pursued a very similar effort in 2016 (Measure J16) that fell short of the 66.7% threshold by approximately 450 votes. After completing extensive regional engagement including more than 70 presentations, focus groups, workshops, online surveys, website engagement, and coordination with local jurisdictions, SLOCOG has developed a Draft Transportation Expenditure Plan (Plan) and Implementation Guidelines associated with the potential ½-cent transportation sales tax measure.

The Plan is intended to address a region-wide transportation funding shortfall, respond to public feedback collected through regional engagement efforts and establish an equitable distribution of new transportation revenues should the ballot be placed on the November 2026 ballot and approved by voters. As part of SLOCOG's public outreach and review process, the agency is presenting the Draft Plan to all seven cities and the County Board of Supervisors to gather input prior to final Board consideration in early 2026. SLOCOG staff will provide an overview of the Draft Plan at tonight's meeting and are seeking comments from the City Council.

The draft expenditure plan is projected to generate approximately \$35 million annually (2024 estimate) and expected to escalate each year. These revenues would be distributed across four primary categories:

- 55% — Local Road Repairs, Safety, and Improvements (allocated to each jurisdiction based on population)
- 40% — Regional Corridor Improvements (allocated to four subregions by population share)
- 4% — Senior/Disabled/Veterans’ Mobility Improvements
- 1% — Administrative Costs (maximum)

The plan emphasizes transparency, local control, subregional equity, and accountability through safeguards such as a Citizens’ Oversight Committee, maintenance-of-effort requirements, regular audits, and multi-year implementation plans. As per the current expenditure plan, while staff feels strongly about the importance of transparency, audits, and reporting, staff has concerns that the existing maintenance of effort and reporting language in the plan may be onerous, generate significant impacts on staff, and create more layers of bureaucracy than needed. Staff will continue to work with SLOCOG staff to ensure that existing reports already maintained by the City, such as the Pavement Management Plan, audits, and the Capital Improvement Program are sufficient and that reporting align with work already done for state and other reporting. Assuring use of these reports will make the reporting process more efficient and less costly for all agencies.

SLOCOG is seeking feedback from all jurisdictions regarding the distribution methodology, project categories, funding priorities, and implementation policies. Under the Draft Plan, Atascadero would receive an estimated \$2,029,354 annually from the Local Road Repair category (55% share) as shown in Table 1 below. Additional funds are guaranteed to fund regional project improvements in the North County through the Regional Corridor Improvements category.

Table1: 1-Year Distribution of \$35M

55% for Local Road Repairs, Safety and Improvements		\$	19,250,000
	Arroyo Grande	\$	1,256,955
	Atascadero	\$	2,029,354
	Grover Beach	\$	865,712
	Morro Bay	\$	733,207
	Paso Robles	\$	2,146,387
	Pismo Beach	\$	550,195
	San Luis Obispo	\$	3,207,856
	Unincorporated	\$	8,460,335
40% for Regional Corridor Improvements		\$	14,000,000
	North County	\$	4,923,893
	South County	\$	4,001,218

Central County	\$	3,085,830	
North Coast	\$	1,989,059	
4% for Senior/Disabled/Veterans' Mobility Improvements		\$	1,400,000
1% Administration Costs (Maximum)		\$	350,000
Total Estimate		\$	35,000,000

The purpose of this agenda item is for the Atascadero City Council to review the material, receive the associated background information, and provide feedback on the potential measure, draft Expenditure Plan, and related implementation elements. This item does not request formal action by the City Council, nor does it seek endorsement or approval of any component of the draft measure. Input provided at this meeting will be summarized and transmitted to SLOCOG as part of its regional review and refinement process.

Following presentations to all city councils and the County Board of Supervisors in December 2025 and January 2026, SLOCOG will compile jurisdictional comments and present a refined plan to the SLOCOG Board on February 4, 2026.

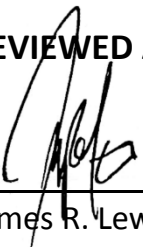
FISCAL IMPACT:

There is no immediate fiscal impact associated with this action.

REVIEWED BY OTHERS:

This item has been reviewed by the Administrative Services Director.

REVIEWED AND APPROVED FOR COUNCIL AGENDA



James R. Lewis, City Manager

ATTACHMENT:

1. SLOCOG Draft Transportation Expenditure Plan