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ECONOMIC DEVELOPMENT STRATEGIC PLAN UPDATE

PREPARED FOR THE CITY OF SAN LUIS OBISPO



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CITY COUNCIL

- Erica A. Stewart, Mayor
- Jan Marx, Vice Mayor
- Emily Francis, Council Member
- Andy Pease, Council Member
- Michelle Shoresman, Council Member

CITY STAFF

- Derek Johnson, City Manager
- Greg Hermann, Deputy City Manager
- Michael Codron, Community Development Director
- Emily Jackson, Finance Director
- Chris Read, Sustainability Manager
- Nestor Veloz-Passalacqua, Diversity Equity & Inclusion Manager
- Lee Johnson, Economic Development Manager
- Molly Cano, Tourism Manager

CONSULTING TEAM



TIP STRATEGIES, INC., is a privately held Austin-based firm providing consulting and advisory services to public and private sector clients. Established in 1995, the firm's core competencies are strategic planning for economic development, talent strategies, organizational development, resiliency planning, and equity initiatives.

CONTACT

TIP Strategies
13492 N Hwy 183, Suite 120-254, Austin, TX 78750
PH: +1 512 3439113
www.tipstrategies.com

PROJECT CONTRIBUTORS

Jeff Marcell, Senior Partner
Alex Cooke, SVP Consulting
Mishka Parkins, Consultant

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SECTION 1



INTRODUCTION

Located on the Central Coast of California, the City of San Luis Obispo (the City or SLO) serves as the county seat for San Luis Obispo County and one of the region's economic centers. The City's economic development landscape is characterized by a blend of industries, including agriculture, tourism, and education, as well as technology and emerging clean energy sectors. Given its location, agriculture has long been a cornerstone of the local and regional economies. Its Central Coast location, coupled with targeted quality-of-place investments, has also helped the City develop and maintain a strong visitor economy. The City's investment in the Downtown and its proximity to outdoor recreational amenities continue to attract visitors from near and far. The local economy is further bolstered by the presence of both California Polytechnic State University (Cal Poly) and Cuesta College, which serve as major employers and sources of skilled talent and innovation. The community's efforts to advance entrepreneurship and innovation have fueled a growing regional tech sector. Energy and innovation have also been important to the City's economy in the past and will likely be in the future, as regional projects including offshore wind and battery storage, and the innovation ecosystem that supports them, continue to emerge. San Luis Obispo City's economy is currently in a period of growth, with unemployment rates well below the national average and a steady increase in job opportunities.

Despite the City's economic strengths and assets, it must still contend with local constraints as well as some external threats that are largely beyond its control. Systemic barriers related to affordable housing, for example, are influenced by macroeconomic factors that limit the City's potential for inclusive economic growth. Rising community concerns regarding the impacts of climate change and community support for diversity, equity, and inclusion require that the City is intentional about how it advances in the coming years. National and global economic trends also have a significant impact on the City's growth potential. Interest and inflation rates, along with consumer confidence, all affect the spending patterns of San Luis Obispo residents, businesses, and visitors. While many of these external factors fall outside of the levers accessible by municipal government, there are opportunities to address local challenges through a proactive and strategic approach to economic growth.

In early 2012, San Luis Obispo created its first *Economic Development Strategic Plan* (EDSP). The intent behind the 2012 EDSP was to improve the City's economic development function through the creation of targeted strategies aimed at increasing the number of Head of Household (HOH) jobs. A 2015 update later built on the successes of the original EDSP with an additional attention on fostering innovation and creating the infrastructure needed to further spur investment and encourage development. Both planning efforts sought to address a wide range of economic barriers and possibilities for San Luis Obispo. Since the 2015 update, however, both the economic development landscape and the City's priorities have evolved. Changes from the COVID-19 pandemic, along with the increasing impacts of climate change, have highlighted the need to prioritize not only economic growth but also economic resiliency Citywide. As a result, this update places greater emphasis on the retention of current businesses, the continued expansion of the arts and culture scene, and ongoing efforts to contribute to the vibrancy of Downtown.

The City has also recognized the need to expand the traditional function of economic development to include practices that incorporate sustainability and social equity to maximize the community's economic vitality. The

City's leadership has conveyed its intent to prioritize growth that is beneficial for all residents while also preparing for the opportunities and challenges related to climate change and social justice.

Another notable change relates to the reframing of HOH jobs. Changes in society and community feedback led to revisiting the HOH job classification to assess how well the term aligns with the City's inclusivity goals and national best practices. The process involved evaluating numerous options to define and track quality jobs. Ultimately, it was determined that using the City's moderate-income levels as specified in the current [Below Market Rate Housing Standards](#) would create greater alignment with an existing reference and be better understood Citywide. The moderate-income guidelines also allow for target income levels to vary based on household size to adjust to changing conditions over time. Adding the + symbol to moderate income represents that jobs with an income level above moderate are welcome and that the other criteria related to the former HOH job classification remain (career ladder, education level and technical skill, employer sponsored benefits, and stability). The resulting quality job indicator going forward, and referenced here, will be Moderate Income+.

This 2023 EDSP update is meant to reflect the City's new priorities, where appropriate, along with its ever-evolving economic landscape. Careful consideration was made to ensure that the recommendations that follow fall within the scale and scope of the City's economic development function. As such, the update is guided by the following goal: "to continue to advance the economic vitality of the City of San Luis Obispo and develop strategies that strengthen the City's economic development efforts while integrating the principles of sustainability, diversity, equity, and inclusion."

APPROACH

In 2022, the City engaged Austin-based TIP Strategies, Inc., (TIP) to update its *Economic Development Strategic Plan* (EDSP). The current planning engagement followed TIP's three-phase planning model: discovery, opportunity, and implementation.

The initial discovery phase included an extensive quantitative analysis of the SLO economy. This economic analysis (which was delivered as an interactive data visualization) was supplemented by interviews and focus groups, as well as a community survey, which garnered nearly 1,000 responses. An overview of the engagement process is shown in Figure 1. Additional details and findings of the discovery phase tasks are provided in the Context section of the plan.

The second phase examined the opportunities available to SLO. As part of this process, TIP assessed the City's current economic development efforts, prioritized potential catalyst projects, and conducted a review of national best practices. The phase culminated with the facilitation of an opportunity workshop with internal partners from the City team, including the Office of Sustainability and Natural Resources; the Office of Diversity, Equity, and Inclusion; Community Development; Finance; and the City Manager. External partners from Cal Poly, the San Luis Obispo Chamber of Commerce, Downtown SLO, and the Regional Economic Action Coalition (REACH) also participated in the session. The main goal of the workshop was to finalize the plan framework and receive initial feedback on the preliminary goals and strategies.

The final phase, implementation, consisted of prioritizing and refining the recommendations and preparing the plan. The draft plan was reviewed by multiple internal and external partners and was posted for review and

comment on the City’s website. In addition, the City hosted a virtual “First Look” session that was open to all members of the community. The “First Look” session was recorded and made available online. The final plan is supplemented by a separate detailed implementation matrix to guide the efforts of the Economic Development & Tourism (ED&T) program over the next five years. This implementation matrix closely mirrors the format that the City currently uses to track all the efforts related to its Major City Goal process. The final draft of the EDSP was approved by the Council on (date will be updated following Council approval).

The Council’s approval is just the beginning of the work to put the plan into motion. To ensure accountability, the ED&T program will update the implementation matrix at least quarterly and post the updated version to the City’s website. The ED&T program will also prepare a memo to the Council in the spring of each year and a make a presentation to the Council in the fall of each year in conjunction with the update to the Council regarding the Tourism Business Improvement District (TBID). Both reporting methods will highlight progress on the plan’s implementation in the coming years.

Figure 1. Community Engagement Overview



Source(s): TIP Strategies, Inc.

KEY FINDINGS

The economic analysis and community engagement activities, coupled with multiple onsite visits and the experience of the consulting team, resulted in a number of insights that shaped the EDSP update. The findings outlined here played a crucial role in shaping the framework for the plan update. They provided essential insights that helped to guide the recommendations and ensure that the planning effort was grounded in a realistic assessment of SLO's strengths, weaknesses, opportunities, and threats.

Quality of place in San Luis Obispo is important to residents, employees, and employers.

Community engagement revealed a range of assets that help to make SLO a desirable place to live, work, and visit. The City's natural beauty and small-town charm were often referenced in roundtable discussions. The City's location on the Central Coast of California provides access to beautiful beaches, rolling hills, and scenic hiking trails, which makes SLO an ideal destination for outdoor enthusiasts. A mild climate allows for year-round outdoor activities, making the City a haven for those who enjoy an active lifestyle.

The City has also made intentional efforts to build on its quality of place. These investments range from acquiring land in the greenbelt outside the City and in parks within the City, to active transportation infrastructure and a high-quality built environment, not only in the Downtown but also Citywide. The City has also invested in programs like the Farmers' Market and Concerts in the Plaza, as well as other arts and cultural events that have provided visitors and residents with a variety of shopping, dining, and entertainment options. Historic landmarks and cultural attractions, such as the Mission San Luis Obispo de Tolosa, San Luis Obispo Repertory Theatre, and the San Luis Obispo Museum of Art, add to SLO's unique character. The City has also made significant investments to ensure that it is walkable, bikeable, and bus-able, which attracts potential employees and aligns with established equity and climate goals.

In addition to investing in its physical attributes, the City has recognized that diversity, equity, and inclusion (DEI) needs to be prioritized in order to promote a greater sense of belonging within the community. During the public engagement phase of the EDSP update, the City was described by some community members as a welcoming and inclusive place. It was clear from the feedback that residents take pride in the City and are central to fostering a strong sense of community that provides a warm and friendly environment for locals and visitors. Going forward, however, the City will need to continue its emphasis on DEI and sustainable development to improve and maintain its quality of place.

Diversity, equity, and inclusion, as well as sustainability and resiliency, are important to the community and its continued economic vitality.

Since the last update to the EDSP, the community has increasingly highlighted the need to advance growth strategies that reduce social imbalances. Rising income disparities have proven that traditional approaches to economic development do not automatically ensure that the benefits of conventional efforts are distributed equitably. Intentional efforts, that explicitly target vulnerable and disenfranchised communities, are often required to address the systemic barriers and the historical impacts that prevent the full economic participation of all groups. Embracing a diverse and inclusive approach to economic development is not just a matter of fairness and social justice. It is also a strategic imperative for sustainable growth as the economic

exclusion of any segment of the population lessens the likelihood that the City will reach its full economic potential.

The City's *Climate Action Plan* and *Climate Adaptation and Safety Element* of the *General Plan* both call for integrating climate change considerations into the *Economic Development Strategic Plan*. The nexus between climate change and economic development is multifaceted and includes the opportunity to capitalize on the economic development potential of the clean energy transition, the need to mitigate the shocks and disruptions brought by a changing climate on the economic system, and the potential to support businesses as they reduce their own emissions and enhance their own resiliency.

Social equity and sustainability considerations are not unique to SLO as they are also coming to the forefront of national and international economic development planning efforts. Factors like DEI, sustainability, and resiliency are all now considered essential to ensuring that the economic system of a community or region functions at a high level.

Cal Poly has significant influence on the community.

Cal Poly was frequently cited as a significant local asset. As one of the top public universities in California, Cal Poly attracts thousands of students, faculty, and staff from all over the state and beyond, which adds to the community's diversity. The university is renowned for its traditional undergraduate and graduate programs in engineering, agriculture, business, and science, which aid in producing a highly skilled and educated workforce both locally and regionally. Cal Poly Extended Education programs also aim to upskill and reskill individuals already in the workforce, providing them with the necessary training and certifications needed to enhance their career prospects and contribute to the labor pool with specialized skills.

As one of the City's major sources of higher-wage jobs, Cal Poly employs a large faculty and staff, who contribute to the local economy through their volunteerism and spending on housing, groceries, dining, and other goods and services. The university's operations also require a range of support services (such as construction, maintenance, and administration), which further stimulate the local job market.

University students also play a vital role in the economy. They work and volunteer in the community and support the local retail sector by shopping at stores, dining at restaurants and bars, and utilizing various services. Their visiting families also contribute to the local hospitality industry by staying in hotels, eating at restaurants, and exploring the City's amenities. The students who live off campus increase the demand for rental housing, which benefits local landlords and property owners.

The university serves a vital role in the regional entrepreneurial and business support ecosystem. The Cal Poly Center for Innovation and Entrepreneurship (CIE) and the Cal Poly CIE Small Business Development Center (SBDC) have not only fostered a culture of innovation and championed cleantech advancements, but both have also supported local and regional business creation.

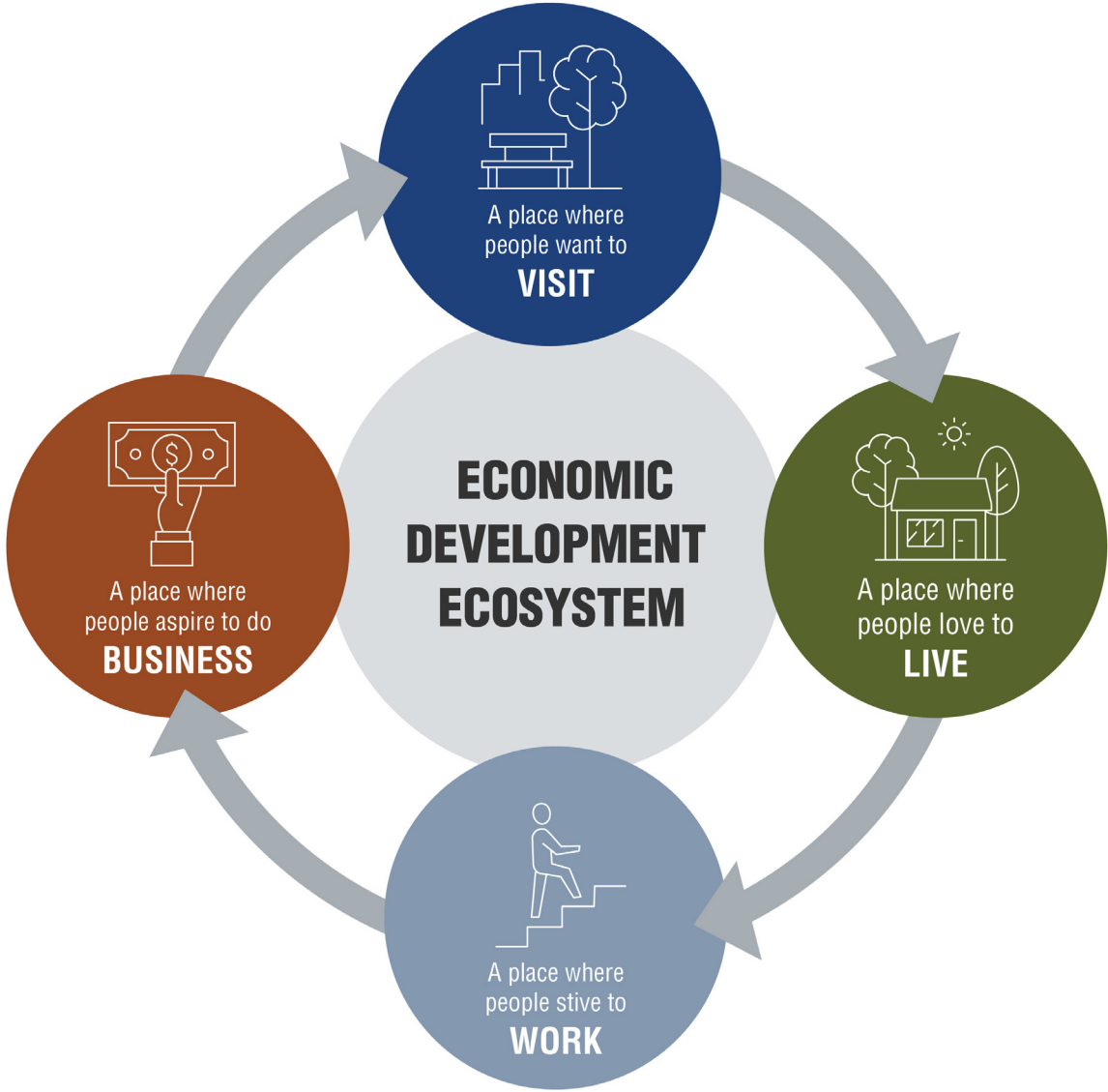
San Luis Obispo's visitor economy is a critical economic driver and is part of a virtuous circle.

San Luis Obispo is a popular destination for visitors, due to its central location; its diversity of arts, culture, and commercial amenities; and its overall vibrancy and quality of place. While visitors come for the quality of place, they also contribute to it. Visitors help make the City more vibrant and diverse, they help the arts and

cultural activities be sustainable, and they contribute to the local business community. Almost 70 percent of sales tax comes from visitors as well as 100 percent of the Transient Occupancy Tax, which combines to represent over 40 percent of the City’s general fund budget. These dollars help to fund open space, parks, bike paths, and other amenities that contribute to the quality of place.

Finally, a strong visitor economy contributes to the health of the City’s overall economic development ecosystem. Visitors may return to the community later to live or to start a new venture, helping to balance the outmigration of businesses and residents and the normal churn of businesses.

Figure 2. San Luis Obispo Economic Development Ecosystem



Source(s): City of San Luis Obispo.

Systemic challenges impede talent retention and attraction.

Housing affordability ranks as one of the City's greatest challenges. The limited supply of housing, limited available land, and high demand due to the area's desirability have constrained the affordable housing stock. The City has been a leader in attempting to address these and other systemic challenges through initiatives such as affordable housing development, inclusionary zoning, and preservation of existing affordable housing. Yet the demand for more affordable options still outweighs the supply and more policy incentives and innovation are needed to create workforce and affordable housing. The lack of affordable housing, coupled with the prevalence of retail and hospitality jobs, makes it difficult, and oftentimes impossible, for workers to live in the City. Many who work in the City choose to commute from neighboring areas where housing costs are relatively lower but regional transportation options are limited. Additionally, students who may desire to stay in SLO lack access to jobs that would support residing in the City permanently. Maintaining the balance between economic growth and housing affordability is a challenge across the country and is particularly acute in Coastal California and other desirable locations.

The City continues to address affordable housing and other systemic issues through its Major City Goals and implementation of other specialized plans, such as the *Housing Element*. By prioritizing activities that are within the City's control to take action on, participate in, and advocate for, the goal-setting process has proven an effective strategy for tackling these problems. The EDSP takes a similar approach by addressing what the ED&T program can accomplish that is not already adopted in the work program for the City's Housing and Homelessness Major City Goal.

A continued strategic approach to commercial development should contribute to economic growth.

As mentioned previously, the strong sense of place and opportunities for outdoor recreation are primary reasons that many citizens and businesses choose to locate in SLO. The City has established a legacy of land conservation in the San Luis Obispo Greenbelt to maintain and improve its outdoor assets. Over the past 25 years, the City has taken action to protect nearly 8,000 acres of land through direct purchases of properties, which has preserved natural open space characteristics and maintained recreational opportunities. It has also successfully utilized conservation easements to support agricultural productivity and secure the pastoral setting of farms and ranches on the periphery of the City.

At the same time, the amount of flat land available for development is constrained due to the City's topography, which is characterized by rolling hills and rugged terrain. As a result, the City's *General Plan* goals envision maintaining a compact urban form through infill development and the redevelopment of underutilized sites. This strategy also reflects a prudent approach to land use that avoids costly extension of infrastructure to outlying locations that is ultimately a burden on both the City and private developers. Efforts to balance growth through environmental protection, conservation, and smart urban planning can overcome these challenges and create a "win-win" model of sustainable development.

PLAN FRAMEWORK

Figure 3. Plan Framework

MISSION STATEMENT

Promote, encourage, and enhance an economic environment that is dynamic and resilient with a focus on sustainable and equitable policies, programs, and processes.

GUIDING PRINCIPLES



MAJOR PILLARS



Source(s): TIP Strategies, Inc.

Originally adopted in 2012 and revised in 2015, the previous EDSP was centered on the creation and retention of HOH jobs. The plan was built around four pillars: (1) Break Down Barriers to Job Creation; (2) Actively Support Knowledge and Innovation; (3) Promote and Enhance the San Luis Obispo Quality of Life; and (4) Build on Existing Efforts and Strengthen Regional Partnerships. The relevant strategies and actions from the previous EDSP have either been completed or operationalized as of the end of the 2021–2022 fiscal year.

For the 2023 EDSP, the plan framework has been updated to respond to the dramatic changes that have taken place in the intervening years, both in terms of the City’s internal efforts and the external economic development landscape. These changes include the effects of the economic and social change resulting from the COVID-19 pandemic; the increasing economic threats posed by the climate crisis and the related economic opportunities created by the transition to a clean energy economy; and the growing attention being placed on diversity, equity, and inclusion (DEI) across the economic development community. The plan has three major components: mission statement, guiding principles, and major pillars. The mission statement is the primary foundational element of the plan as it sets the tone, provides direction, and informs the development of the strategies in the Action Plan section.

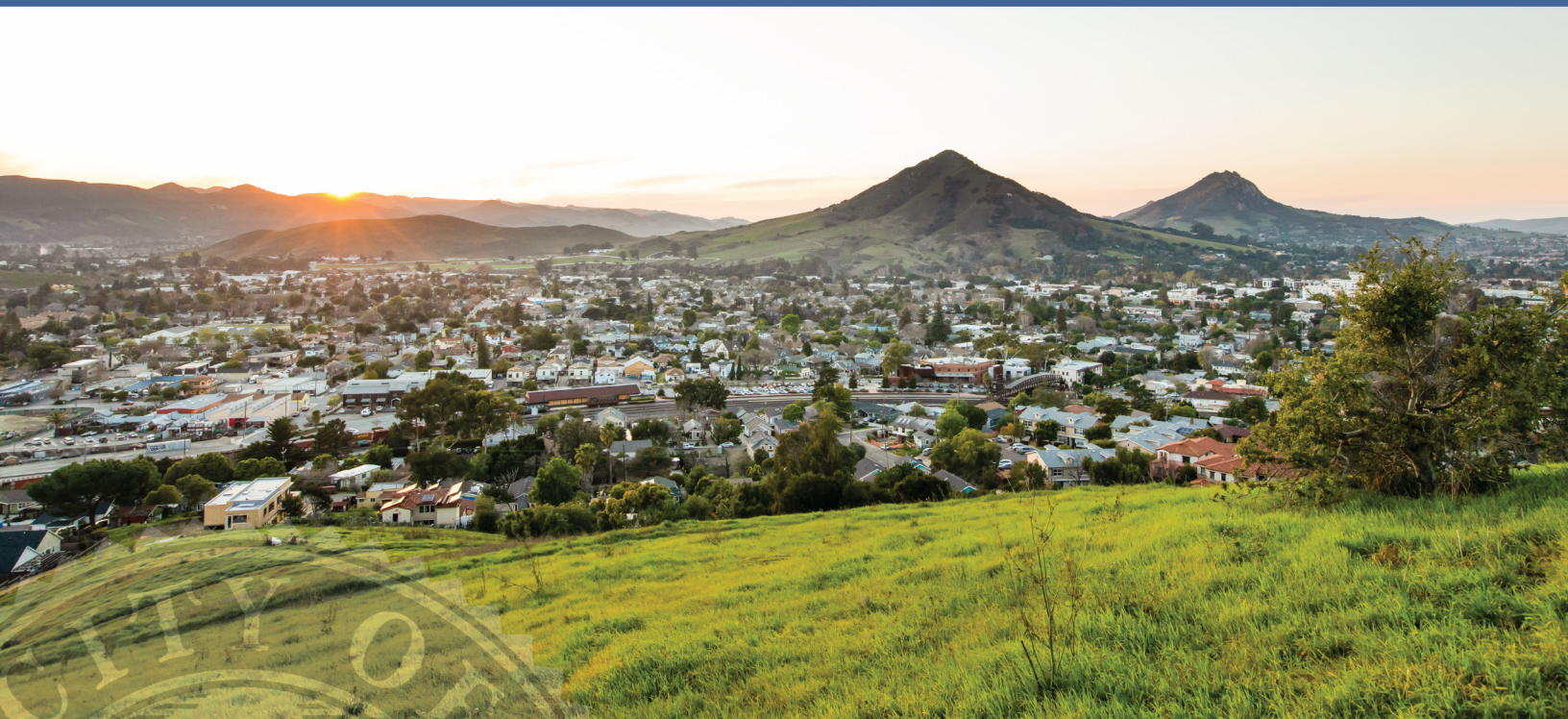
The guiding principles that emerged from the planning process reflect the impact of the changes outlined previously. Guiding principles shape the direction of the plan and are interwoven throughout the strategies and actions.

- 1. ECONOMIC RESILIENCE.** Maintaining a dynamic economic and business environment.
- 2. EQUITABLE AND INCLUSIVE ECONOMIC DEVELOPMENT.** Expanding economic opportunities for all residents and businesses in San Luis Obispo.
- 3. SUSTAINABLE ECONOMIC DEVELOPMENT.** Ensuring economic vitality through climate- and system-focused sustainable growth.
- 4. HOLISTIC APPROACH.** Enhancing internal and external collaboration for effective execution and implementation.
- 5. REGIONAL COLLABORATION.** Expanding partnerships with organizations across the region.

Finally, the major pillars are the broad themes that underpin the overall strategy. The pillars are streamlined and refined to three areas: (1) Business and Entrepreneur Vitality; (2) Placemaking and Promotion; and (3) Talent Development and Attraction.

The plan is accompanied by an implementation matrix (as previously mentioned) A memorandum with DEI strategies will be provided prior to the completion of the engagement. The DEI memorandum will provide a potential action list for the City's Office of Diversity, Equity, and Inclusion that can be referenced in the office's strategy development process.

SECTION 2



ACTION PLAN

PILLAR 1. BUSINESS AND ENTREPRENEUR VITALITY

Improving the local business environment and helping entrepreneurs to thrive, adapt, innovate, and grow in the face of challenges and opportunities.

San Luis Obispo is fortunate to be home to a vibrant Downtown and thriving business community. The City has demonstrated a commitment to supporting local businesses and entrepreneurs by maintaining strong relationships with business owners and leveraging partners to deliver resources and technical assistance. The results of these efforts are apparent. From an eclectic mix of retail shops and one-of-a-kind restaurants to boutique wineries, the City supports a wide variety of small businesses that cater to the needs of residents and visitors. The high-tech scene has also been on the rise in recent years due, in large part, to the collaborative efforts of the City, the County, the Chamber, Cal Poly, and the business community to give precedence to growing SLO's economic base. Through continued assistance and engagement with this group and new partners, such as REACH, the City can further bolster the business support infrastructure, build a diverse entrepreneurial ecosystem, reduce barriers to small business development, and improve business resilience.

1.1. BUSINESS RETENTION AND EXPANSION (BRE). Develop a proactive and targeted approach to identify and address the needs of existing businesses, while creating an environment that fosters growth and innovation.

- 1.1.1.** Continue to work with partners at the Chamber, REACH, Cal Poly, Downtown SLO, SCORE and others to support the business community through retention, creation, attraction, education, and communication efforts. [M.C.G. 1.2(b)]¹
- 1.1.2.** Continue to proactively communicate with the business community on a regular basis as it relates to important economic development programs, opportunities, and activities.
- 1.1.3.** Expand business outreach efforts with a formal BRE program that assists new and existing businesses, monitors employer trends, and pinpoints enterprises and sectors that require support.
 - 1.1.3.1** Establish a business welcome program that provides support to new businesses. This can include everything from welcome materials, business visits and training, and support. The appropriate partners can be included in this process where relevant.
 - 1.1.3.2** Reestablish the business visit program with the Chamber of Commerce (including all businesses) to identify needs of important geographic areas or business sectors in the community.
 - 1.1.3.3** Participate in the Downtown SLO business visits program on a regular basis.
 - 1.1.3.4** Determine the feasibility of an ongoing annual business survey to begin to develop data and trend analysis specific to the City and the business community.

¹ Strategies with an M.C.G. tag are included in the 2023- 2025 Major City Goal Work Program. The numbers following M.C.G. indicate the strategic approach number and the letter identifies the related task.

- 1.1.3.5** Investigate the use of an existing City technology platform (e.g., Ask SLO) to act as a customer relationship management system to document detailed notes, follow-ups, and touchpoints over time.
- 1.1.3.6** Continue to maintain relationships with the development real estate community through the Developer’s Roundtable; the Building, Design, and Construction Group; and other formal and informal meetings to understand potential commercial and residential development projects, potential tenants, and upcoming vacancies.
- 1.1.3.7** Compile information collected from business licenses, surveys, visits, and other sources to track trends among employers and distribute these findings to business support partners, such as business and workforce training providers, as well as other local and regional economic development partners.
- 1.1.3.8** Highlight the City’s BRE accomplishments to showcase successful economic development efforts, maintain the confidence of the local business community, and encourage continued investment in business support activities. Share success stories of businesses that have expanded and retained operations in the City. Emphasize the impact these businesses have had on the community (e.g., job creation or increased revenue).

1.1.4. Ensure broad and inclusive engagement in area and specific plans updated by the Community Development Department to represent the needs of local businesses. **[M.C.G. 1.2(e)]**

1.1.5. Connect businesses to the SLO Green Business Network and other third-party resources for operational sustainability and efficiency (e.g., electric fleet rebates and lighting rebates).

1.1.6. Provide support to help entrepreneurs, innovators, and new businesses participate in the clean energy transition.

1.2. ENTREPRENEURIAL SUPPORT. Continue to bolster the entrepreneurial ecosystem by improving access to resources, education, and networks for entrepreneurs.

1.2.1. Support the creation of coworking, shared resource facilities, maker spaces, and other innovative ways to lower the barriers to entry and provide additional resources.

1.2.2. Maintain and build on the efforts with the Cal Poly CIE (CIE), which includes the HotHouse and other activities, to help ensure its continued success and the success of the local entrepreneurs it supports. Where possible, increase the promotion of the outcomes from the contributions of the City.

1.2.3. Develop tools to anchor businesses that graduate from the CIE programs and other incubator programs into the community. In addition to the location assistance and other support, address continued access to business support resources and funding.

1.2.4. Maintain support of organizations like the SBDC, the Service Corps of Retired Executives (SCORE), and Softec to address the needs of both startup and existing businesses.

1.2.5. Collaborate with the CIE, the Chamber, REACH, and other partners to conduct familiarization tours with venture capitalists mirroring the successful approach used in the City’s tourism marketing.

1.2.6. Work with REACH and other partners to promote the region in general and the City specifically as an entrepreneur destination in select markets, such as the Silicon Valley area. Target high-growth entrepreneurs who do not require a significant amount of operating space to grow.

1.2.6.1 Create a clear message about what the City has to offer entrepreneurs and highlight the City's values, culture, quality-of-place amenities, and other strengths.

1.2.6.2 Continue to enhance the online presence of the region and the City to attract entrepreneurs and investors.

1.2.6.3 Partner with local organizations to amplify the City's messaging and reach a wider audience.

1.2.6.4 Publicize current success stories by showcasing successful startups, highlighting innovation in critical industries, and promoting successful entrepreneurs who have made SLO their home.

1.3. BUSINESS PREPAREDNESS, SUSTAINABILITY, AND RESILIENCY. Implement disaster preparedness measures that enhance the City's ability to respond to economic disruptions and effectively support business recovery following natural disasters and other disruptions.

1.3.1. Build capacity for post-disaster recovery by working in conjunction with the emergency management function to develop a plan for business preparedness and recovery. The resulting plan, at minimum, should provide the following.

1.3.1.1 Continue to build on existing education efforts around natural disasters identified in the City's *Local Hazard Mitigation Plan* and relevant hazard mitigation resources.

1.3.1.2 Increase the business community's awareness of the City's emergency management preparation and response protocols related to business operations, in advance of disruptive incidents.

1.3.1.3 Outline a protocol for business re-entry in the event of an evacuation or temporary business closures. Establishing a tiered re-entry system will help to ensure an orderly return to operations by clarifying which businesses and industries are to be prioritized for reentry.

1.3.1.4 Include a communications plan for keeping businesses informed before, during, and after a disaster.

1.3.1.5 Specify the roles and responsibilities of business support partners pre-disaster, during, and post-disaster.

1.3.2. Leverage partners, such as the SBDC and Downtown SLO, as well as the Chamber, to improve business disaster preparedness, awareness, and response.

1.3.2.1 Increase awareness of the need for, and benefits of, continuity planning through seminars, workshops, webinars, or other educational programs.

1.3.2.2 Expand the continuity planning resources on Slocity.org. Videos or recordings of previous training sessions will increase accessibility for business owners who do not have the time to attend live training.

- 1.3.3. Partner with the SBDC to evaluate post-disaster funding options and increase local business awareness of federal post-disaster financial resources, such as US Small Business Administration disaster loans.
- 1.3.4. Facilitate the communication of City programs that support preparedness, sustainability, and resiliency to the business community, including but not limited to fire and disaster preparedness, water conservation, building retrofit, and waste management.
- 1.3.5. Advocate for regional transportation initiatives and other solutions that support lower cost, more sustainable, and more efficient transportation and infrastructure for employees and businesses.

1.4. SMALL BUSINESS DEVELOPMENT. Continue to support the small business community to sustain growth.

- 1.4.1. Continue activations, promotions, and programs like "Buy Local Bonus," "Eat Local Bonus," and "Shop Local" to build economic resiliency throughout the City and including Downtown. [M.C.G. 1.2(a)]
- 1.4.2. Encourage business development in sectors that support the long-term goals of the City as it relates to sustainability and diversity, equity, and inclusion. These efforts should be made in addition to the City's targeting of traditional businesses sectors, like clean tech, green tech, specialized manufacturing, professional services, and healthcare. For example, the City can target and foster businesses that rely on new technologies related to sustainability or support the creation of new businesses through creator spaces, pop-ups, shared kitchens, food truck support facilities, maker markets, and other similar types of concepts that lower the barriers to entry for enterprising individuals and teams.
- 1.4.3. Use information gathered from the business license demographic questions to reach out to specific types of businesses to help determine the unique needs of minority-owned businesses and develop a plan to address identified challenges with assistance from relevant partners. To be successful, minority businesses often need additional access to capital, targeted mentorship and training, and increased networking opportunities with their peers.
- 1.4.4. Encourage and promote inclusive business practices Citywide by capturing and showcasing best practices discovered from the DEI Business Grant program and other relevant programs. Share and distribute creative solutions to the broader business community.

1.5. BUSINESS SUPPORT INFRASTRUCTURE. Maintain efforts to develop and grow business support infrastructure and tools.

- 1.5.1. Continue to partner with the Office of Sustainability to implement the economic development related actions in the *Climate Action Plan* (CAP) as well as the sustainability related actions in the updated Economic Development Strategic Plan. [M.C.G. 1.1(b)]
- 1.5.2. Continue to partner with the Office of Diversity, Equity, and Inclusion (DEI) to implement the economic development related actions in the DEI Major City Goal and planned DEI strategic framework as well as the DEI related actions in the updated *Economic Development Strategic Plan* (EDSP). [M.C.G. 1.1(c)]
- 1.5.3. Leverage information gathered from surveys, business visitations, insights from local partners, and other sources to determine business support gaps and monitor improvements over time.

- 1.5.4.** Ensure awareness of business support and economic development resources, especially within minority communities and among business owners who are new to the area or may have language barriers.
- 1.5.5.** Build on efforts to improve the entitlement and permitting processes. Continue to make improvements, as needed, based on data and community feedback.
 - 1.5.5.1** Attend the Developer’s Roundtable events and other economic development related sessions.
 - 1.5.5.2** Support the new Community Development Department and Community Services leadership on process improvements
- 1.5.6.** Continue to focus on efficiency and transparency in the permitting process through implementation of new tools, performance management reporting, and enhanced customer transparency tools. Report recurring performance measures or permit processing times during General Plan Annual Report. **[M.C.G. 1.2(d)]**
- 1.5.7.** Represent the interests of the business community during the implementation of the broadband strategic plan. **[M.C.G. 1.2(j)]**
- 1.5.8.** Continue to advocate for solutions to macroeconomic and systemic issues, like housing, transportation, and childcare, in line with the City’s legislative platform, in economic development related settings at the local, regional (REACH), super-regional (Uplift the Central Coast), and state levels.

PILLAR 2. PLACEMAKING AND PROMOTION

Maintaining the City’s quality of place while increasing awareness of local amenities and fostering a sense of inclusion among residents and visitors.

Quality of place was referenced frequently by community members as one of the City’s greatest strengths. The intentional design and management of public spaces coupled with the creation of unique experiences have fostered a strong sense of place for the City’s residents and visitors. Mission Plaza serves as a hub for community events and a gathering spot for visitors and locals. The Thursday Night Farmers’ Market draws thousands of visitors each week, and the area’s variety of recreational activities are a magnet for outdoor enthusiasts. In addition to implementing these and other effective placemaking initiatives, the City has successfully articulated the SLO brand to visitors. There are, however, opportunities to leverage existing tourism efforts to strengthen the quality of place experienced by all City residents as well as to attract talent and businesses. Placemaking and promotion, with an emphasis on inclusion, will play an important role in positioning San Luis Obispo to meet the goals of the City’s DEI efforts.

2.1. QUALITY-OF-PLACE PROMOTION. Bolster efforts to promote the City as an appealing destination for all people to live, work, visit, and invest.

- 2.1.1.** Continue to promote the City to tourists, visitors, and locals through the efforts of the TBID and the PCC. **[M.C.G. 1.2(c)]**
 - 2.1.1.1** Support activities as outlined in the City’s Tourism Business Improvement District (TBID) Strategic *Marketing and Business Plan* and sustain promotional activities targeted toward visitors and locals through continued engagement with the TBID and the Promotional Coordinating Committee (PCC).

- 2.1.2.** Ensure that the City's efforts related to sustainability and open space protection (as documented in the CAP) and DEI (as documented in the forthcoming DEI Strategic Plan) are incorporated into the ED&T work program, as appropriate.
- 2.1.3.** Ensure continued messaging alignment with Visit SLO CAL where appropriate.
- 2.1.4.** Elevate the unique identity of each neighborhood to increase awareness of amenities beyond the Downtown core.
 - 2.1.4.1** Develop and promote an identity for each neighborhood that reflects its culture and history.
 - 2.1.4.2** Showcase and support neighborhood businesses through marketing and promotional efforts.
 - 2.1.4.3** Involve residents in the process of identifying and celebrating the unique attributes and character of their neighborhoods. Convene interested parties in the neighborhood to discuss priority economic development and tourism opportunities.
 - 2.1.4.4** Empower neighborhood leaders or identify champions to take an active role in highlighting the unique characteristics of their communities.

2.2. WELCOMING ENVIRONMENT. Create an inclusive and friendly environment for residents, workers, and visitors.

- 2.2.1.** Personalize the SLO experience and advance the “Live the SLO Life” brand by leveraging storytelling.
 - 2.2.1.1** Highlight diverse residents, visitors, business owners, and employees to share testimonials of their experiences in SLO. This could be individuals sharing stories of their business, occupation, hobbies, personal history, or experience with local events and destinations. These stories can then be shared on social media platforms.
 - 2.2.1.2** Manage online sources that highlight local information—including Wikipedia pages for the City—and ensure they reflect the “Live the SLO Life” brand.
- 2.2.2.** Highlight the diverse culture, history, assets, and amenities of the City to help foster a sense of inclusion.
 - 2.2.2.1** Leverage the History Center of San Luis Obispo County and other community partners in telling the SLO story.
 - 2.2.2.2** Publicize historical or cultural landmarks that represent diverse communities.
 - 2.2.2.3** Continue to support cultural events that celebrate the various cultures within the City through the Cultural Grants-in-Aid Program (GIA) and the Tourism and Community Promotions Program.
 - 2.2.2.4** Partner with local business that reflect the diversity of the City.
- 2.2.3.** Continue to support the Downtown SLO programs like Clean & Safe, the Ambassadors, and homelessness support. **[M.C.G. 1.3(c)]**
- 2.2.4.** Continue to work with Downtown SLO to build on the success of the historic Thursday Night Farmers' Market and the Concerts in the Plaza program.

2.2.5. Enhance both the virtual and the physical wayfinding between the various areas of the City and Downtown.

2.3. DOWNTOWN VITALITY. Continue to support and maintain a vibrant and dynamic urban core that attracts people and businesses.

2.3.1. Continue to partner with Downtown SLO to ensure the promotion, resiliency, growth, and vitality of the Downtown. [M.C.G. 1.3(a)]

2.3.2. Continue to financially and operationally support Downtown SLO during the winter holidays including incentivizing private participation through the matching program. [M.C.G. 1.3(b)]

2.3.3. Restart discussions with partners regarding the potential of a conference facility and explore potential funding structures (i.e., public, private, or public-private partnership).

2.3.3.1 Determine additional sites to be added to the current feasibility study.

2.3.4. Support innovative and alternative funding methods and service models to address the needs of the Downtown area.

2.3.5. Support opportunities that speed the implementation of the Downtown Concept Plan.

2.3.6. Develop a Council Report and Study Session on downtown vacancies, the status, and possible options to address any issues identified. [M.C.G. 1.3(d)]

2.4. CULTURAL VITALITY. Strengthen working relationships with and maintain financial support of the arts community to enrich the cultural offerings throughout the City.

2.4.1. Develop a Council Memorandum on the current base level of economic support for Arts and Cultural activities across the various departments in the City. [M.C.G. 1.4(h)]

2.4.2. Continue to financially support the Arts and Cultural activities of the City through the PCC's GIA program and the additional grant funding via the PCC. [M.C.G. 1.4(d)]

2.4.3. Investigate the alignment of artistic and cultural initiatives across the City.

2.4.4. Ensure that the City promotes the various City and privately owned art installations through programs like the public art promotional plan developed by the PCC. [M.C.G. 1.4(c)]

2.4.5. Engage the Office of DEI to develop initiatives that encourage increased participation in arts programming by underserved groups, including youth.

2.4.6. Continue to work with community partners to ensure the cultural vitality of the City. [M.C.G. 1.4(a)]

2.4.7. Continue the Citywide banner program. [M.C.G. 1.4(e)]

2.4.8. Evaluate additional opportunities to expand support of the cultural vitality of the community as part of the 2025–2027 goal-setting process.

2.5. INCLUSIVE NEIGHBORHOOD PLANNING. Encourage inclusive neighborhood planning efforts that benefit residents and encourage both housing production and economic activity.

2.5.1. Maintain joint efforts with the Community Development Department and other partners to communicate the need to increase the supply of workforce and multifamily housing by supporting the implementation of the City's Housing Element Policies and Programs as they align with the City's Major City Goals.

- 2.5.2.** Evaluate a more structured community-based neighborhood planning effort with the Community Development Department and the Community Services Group for inclusion in the 2025–2027 goal-setting process.
- 2.5.3.** Advocate for greater accessibility to commercial centers, jobs, open spaces, amenities, hospitals, and schools as outlined in the City’s various planning documents, like the *Conservation and Open Space Element*, *Parks and Recreation Blueprint for the Future*, and *Active Transportation Plan*.
- 2.5.4.** Support the development and expansion of multimodal transportation solutions that encourage access to and around Downtown as well as between residential and commercial corridors. Options should address the following.
 - 2.5.4.1** Aligning with the City’s sustainability goals.
 - 2.5.4.2** Expanding mass transit by increasing frequency of service and providing more routes.
 - 2.5.4.3** Integrating different modes of transportation, such as shared bikes or electric scooters.
 - 2.5.4.4** Improving the pedestrian and cycling infrastructure.

PILLAR 3. TALENT DEVELOPMENT AND ATTRACTION

Supporting initiatives that develop the skills needed to secure quality jobs as well as attract and retain a skilled and diverse workforce.

Talent development and attraction are important considerations for any community looking to grow and thrive in today's competitive economy. Cal Poly and Cuesta College play a pivotal role in training and developing new talent in the City. Both institutions also contribute to attracting skilled talent by providing higher education employment opportunities. Another fundamental initiative in talent attraction is the SLO Partners program, which trains workers in high-demand fields, like advanced manufacturing and information technology. The program offers paid apprenticeships and training programs, which help to draw new talent to the area, while also providing local businesses with the skilled workers they need to grow and thrive. While the region/community has notable workforce development resources, significant barriers to talent attraction and retention remain. The most significant of these hurdles are the availability of affordable housing and the prevalence of lower-wage jobs. Over time, however, and with continued investment, the region can strengthen the talent pipeline and address barriers to attracting skilled labor to help balance the need for new talent to support the system and the additional housing required.

- 3.1. SYSTEM DEVELOPMENT.** Encourage the continued strengthening of the system to create Moderate Income+ jobs.
 - 3.1.1.** Continue to update the employment scorecard and the economic activity scorecard. **[M.C.G. 1.1(e)]**
 - 3.1.2.** Promote and increase awareness of Moderate Income+ jobs with existing and potential employers.
 - 3.1.2.1** Work with the Chamber to recruit local business leaders willing to speak out on the need for improved job quality as a driver of inclusive economic growth with their peers.

- 3.1.3.** Prioritize support for talent development efforts that target occupations offering higher wages and benefits. Leading occupations within the City that fall at or above Moderate Income+ wage levels include registered nurses, professionals, sales representatives, and managers.
- 3.1.4.** Partner with industry and workforce training providers and encourage the County to broaden and measure the effectiveness of the Workforce Investment Board (WIB) to proactively identify and address skilled labor gaps.
- 3.1.5.** Investigate ways to determine a proxy measurement to track progress of growing Moderate Income+ jobs.
- 3.1.6.** Work with local employers to identify and promote professional and career development opportunities for workers outside the workplace.
- 3.1.7.** Continue to support new and expanded private childcare options through the use of grant funding and other programs. **[M.C.G. 1.2(g)]**
- 3.1.8.** Initiate an update to the zoning regulations, with Community Development leaders, to further incentivize and streamline the review and permitting of day care centers, including consideration of relaxed property development standards.
- 3.1.9.** Proactively evaluate opportunities to partner with Cal Poly, San Luis Coastal Unified School District and other major employers for employer-supported childcare programs. **[M.C.G. 1.2(i)]**

3.2. EMPLOYER AND EMPLOYEE INTEGRATION. Develop methodologies, tools, and programs to welcome and acclimate new employers and employees to the community.

- 3.2.1.** Promote the availability of the coworking space available to remote workers and home-based business owners. Coworking spaces help to foster a sense of community and connect workers to potential clients, partners, and mentors.
- 3.2.2.** Develop relationships with the coworking facilities to promote opportunities to engage with and contribute to the community.
- 3.2.3.** Maintain and expand partnerships with the Chamber on initiatives like the SLO Onboarding Assistance Resource (SOAR) program that help to attract and retain talent.
- 3.2.4.** Investigate with partners opportunities to develop programs and tools to help engage new employees.

3.3. TALENT ATTRACTION AND RETENTION. Position the City as not just a place to visit but also a desirable location to live and work.

- 3.3.1.** Leverage existing tourism marketing materials and strategies detailed in the TBID marketing plan to support any new talent attraction efforts. Expanding the use of the “Live the SLO Life” brand personality beyond targeting visitors can appeal to talent who values an active outdoor lifestyle and charming small-town feel.
- 3.3.2.** Enhance collaboration with local and regional partners to showcase the unique selling points of the City, such as its natural beauty, the vibrant arts and culture scene, and recreational activities. This will help to create a compelling message that resonates with individuals seeking locations with a high quality of place.
- 3.3.3.** Facilitate stronger connections among students, employers, and the broader community to help retain graduating high school and college students. Work with K–12, Cal Poly, and Cuesta

College to expand internship, mentorship, civic engagement, and volunteer opportunities to help build a strong sense of community and reduce the likelihood of talent moving away after completing their studies.

3.3.4. Initiate a talent re-attraction or boomerang campaign targeting adjacent markets where there are likely concentrations of former SLO residents or Cal Poly students. Aim to attract young families who may have a desire to return to the City to be closer to existing family. High earners, entrepreneurs, and remote workers are reasonable targets.

3.3.5. Support the talent recruitment efforts of local employers.

3.3.5.1 Ensure that employers are aware of the data and information available that can inform potential employees about the community.

3.3.5.2 Respond to specific employer requests for community data and information.

3.3.5.3 Work with employers to identify other sources of community data and information that would assist in their employee recruitment efforts.

3.4. EDUCATIONAL PARTNERSHIPS. Leverage educational partnerships to create and grow pathways to Moderate Income+ jobs that strengthen the local economy.

3.4.1. Support the creation of a talent pipeline for green jobs and supporting businesses that align with the goals and objectives of the *Climate Action Plan*. Clean energy jobs tend to offer higher wages and have lower barriers to entry. Encourage the development of career and technical education as well as other certificate programs aimed at high demand skilled trades and professions for the renewable energy and sustainable agriculture sectors.

3.4.2. Continue to advocate for solutions that can help to address the systemic issues with childcare.

3.4.3. Partner with the Chamber to regularly inform local and regional training providers of skilled labor needs of employers.

3.4.3.1 Organize regular meeting or forums where local businesses can meet with workforce training providers to discuss their needs and collaborate on solutions.

3.4.3.2 Share relevant BRE visit insights as well as industry and workforce trends with training partners.

3.4.3.3 Facilitate introductions between workforce training providers and major employers to build relationships and identify areas of need.

SECTION 3



IMPLEMENTATION

The implementation of the updated EDSP will be paramount in continuing to advance the economic vitality of the City. Successful implementation of the update will encourage job creation, support for infrastructure development, public-private and public-public partnerships, and business retention and expansion. To this end, the update includes a five-year implementation matrix (see Figure 4 for a sample implementation matrix) to guide City Staff and community partners in realizing the outlined recommendations. The matrix is designed to be a flexible, ever-evolving tool for tracking progress toward implementation of the update. It includes detailed strategies, staff roles and responsibilities, potential partnerships, a timeframe for implementation, and metrics for measuring success.

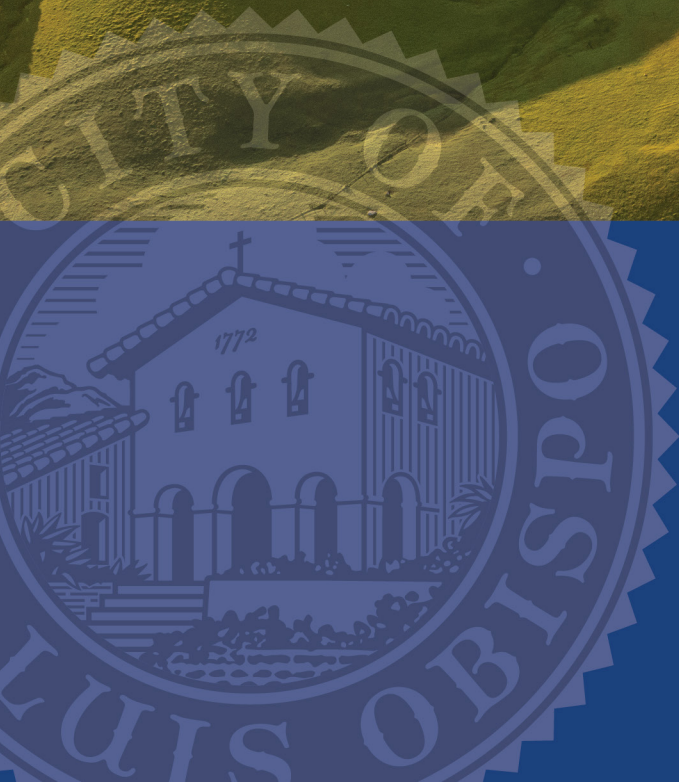
Ongoing monitoring of the metrics provided will also be crucial in measuring the City’s progress over time. The majority of the metrics that will be monitored, like those on the employment scorecard and on the City’s website were developed under the previous EDSP and are applicable to the updated version. Where new metrics are needed, they will be identified and monitored as required.

Implementation of the first two years of the plan is currently funded, and funding for years three to five will be determined in the future during the City’s budgeting process.

Figure 4. Sample Implementation Matrix

	LEAD ORGANIZATION	SUPPORTING PARTNERS	TIMELINE					STATUS	KEY ACCOMPLISHMENTS / NOTES
			ONGOING	0-6 months	6-12 months	1-3 years	3-5 years		
Goal 1: Lorem ipsum dolor sit amet, consectetur adipiscing elit. Maecenas porttitor congue massa.									
Strategy 1.1 Fusce est. Vivamus a tellus.									
Action 1.1.1 Fusce posuere, magna sed pulvinar ultricies, purus lectus malesuada libero, sit amet commodo magna eros quis urna. Nunc viverra imperdiet enim.	Anytown EDC	City of Anytown, Greater Anytown Chamber	■					ON TRACK	Cras faucibus condimentum odio. Sed ac ligula. Aliquam at eros.
Action 1.1.2 Suspendisse dui purus, scelerisque at, vulputate vitae, pretium mattis, nunc. Mauris eget neque at sem venenatis eleifend.	Anytown EDC	City of Anytown, Greater Anytown Chamber		■				INCOMPLETE	Morbi neque. Aliquam erat volutpat. Integer ultrices lobortis eros.
Action 1.1.3 Sed velit urna, interdum vel, ultricies vel, faucibus at, quam. Donec elit est, consectetur eget, consequat quis, tempus quis, wisi.	City	Anytown EDC, University of Anytown			■			INCOMPLETE	
Strategy 1.2 Mauris et orci. Aenean nec lorem.									
Action 1.2.1 Donec blandit feugiat ligula, Donec hendrerit, felis et imperdiet euismod, purus ipsum pretium metus, in lacinia nulla nisl eget sapien.	WF Board	Greater Anytown Chamber, University of Anytown			■			IN PROGRESS	
Action 1.2.2 Pellentesque habitant morbi tristique senectus et netus et malesuada fames ac turpis egestas. Proin pharetra nonummy pede.	University	City of Anytown, Anytown Workforce Board		■				IN PROGRESS	Quisque aliquam tempor magna.
Action 1.2.3 Suspendisse dapibus lorem pellentesque magna, Integer nulla.	WF Board	University of Anytown				■		IN PROGRESS	
Action 1.2.4 Proin semper, ante vitae sollicitudin posuere, metus quam laculis nibh, vitae scelerisque nunc massa eget pede.	WF Board	Anytown EDC, University of Anytown, Greater Anytown Chamber	■					ON TRACK	
Action 1.2.5 Donec hendrerit, felis et imperdiet euismod, purus ipsum pretium metus, in lacinia nulla nisl eget sapien.	Chamber	City of Anytown, Anytown Workforce Board				■		INCOMPLETE	Morbi neque. Aliquam erat volutpat. Integer ultrices lobortis eros.
Strategy 1.3 Aliquam erat volutpat. Integer ultrices lobortis eros.									
Action 1.3.1 Cras dapibus dapibus nisl. Vestibulum quis dolor a felis congue vehicula. Maecenas pede purus, tristique ac, tempus eget, egestas quis, mauris.	Anytown EDC	City of Anytown, Greater Anytown Chamber		■				ON TRACK	
Action 1.3.2 Etiam at ligula et tellus ullamcorper ultricies. In fermentum, lorem non cursus porttitor, diam urna accumsan lacus, sed interdum wisi nibh nec nisl. Ut tincidunt volutpat urna.	Anytown EDC	City of Anytown, Anytown Workforce Board	■					ON TRACK	
Action 1.3.3 Curabitur non eros. Nullam hendrerit bibendum justo. Fusce laculis, est quis lacinia pretium, pede metus molestie lacus, at gravida wisi ante at libero.	Anytown EDC	City of Anytown, Greater Anytown Chamber			■			IN PROGRESS	Fusce in sapien eu purus dapibus commodo. Cum sociis natoque penatibus et magnis dis parturient montes, nascetur ridiculus mus.
Action 1.3.4 Nunc ac magna. Maecenas odio dolor, vulputate vel, auctor ac, accumsan id, felis. Pellentesque cursus sagittis felis.	City	Anytown EDC					■	IN PROGRESS	

SECTION 4



CONTEXT

To provide a foundation for the strategic planning process, TIP's discovery phase included extensive community engagement (illustrated in Figure 1, page 4) and a robust analysis of economic and demographic data. This section provides highlights from the San Luis Obispo Community Vision Survey 2023, which was conducted as part of the community outreach efforts, and from the Economic Context Analysis. The Economic Context Analysis examined the factors influencing the San Luis Obispo economy and was delivered as an interactive data visualization. These qualitative and quantitative inputs informed the preparation of an analysis of the City's strengths, weaknesses, opportunities, and threats, a summary of which is presented in this EDSP update.

SURVEY OVERVIEW

TIP conducted an online survey of residents' vision for the City of San Luis Obispo. The survey was open for a four-week period between March 1, 2023, and March 31, 2023, and drew 982 respondents. The survey instrument opened with basic questions about respondent location and demographics. The remainder of the survey included six questions directed at respondent perceptions of and vision for the City of San Luis Obispo. All responses were confidential. Question-by-question survey results are provided in an interactive data visualization that was delivered separately and made available on the [EDSP 2023 Update page](#). Findings from the survey were used to guide the direction of the strategic plan.

Nearly all respondents (98.5 percent) were located in San Luis Obispo County and 75.2 percent were residents of the City. Millennials were the dominant age group in the survey (representing 300 out of 943 respondents who provided this information), followed by Baby Boomers (292), Gen X (241), Gen Z (75), and pre-Boomers (35). The survey was not designed to be a scientific sample, though the pool of respondents was large enough and stratified enough to yield valuable and relevant input from City residents.

Affordability is top of mind.

When asked about words they most associated with San Luis Obispo, 66 out of 867 respondents wrote in the word expensive (Figure 5, page 26). Likewise, the City's cost of living was viewed as a weakness, receiving the lowest rating among 15 variables on economic performance. What could make the City even better? More than 300 respondents favored an increase in the housing supply. And 44 respondents referenced the cost of living in write-in responses. A lower cost of living aligned with respondents' vision for the next 10 years, with 327 choosing affordability as the operative word for the coming decade.

The topic of sustainability is also front and center.

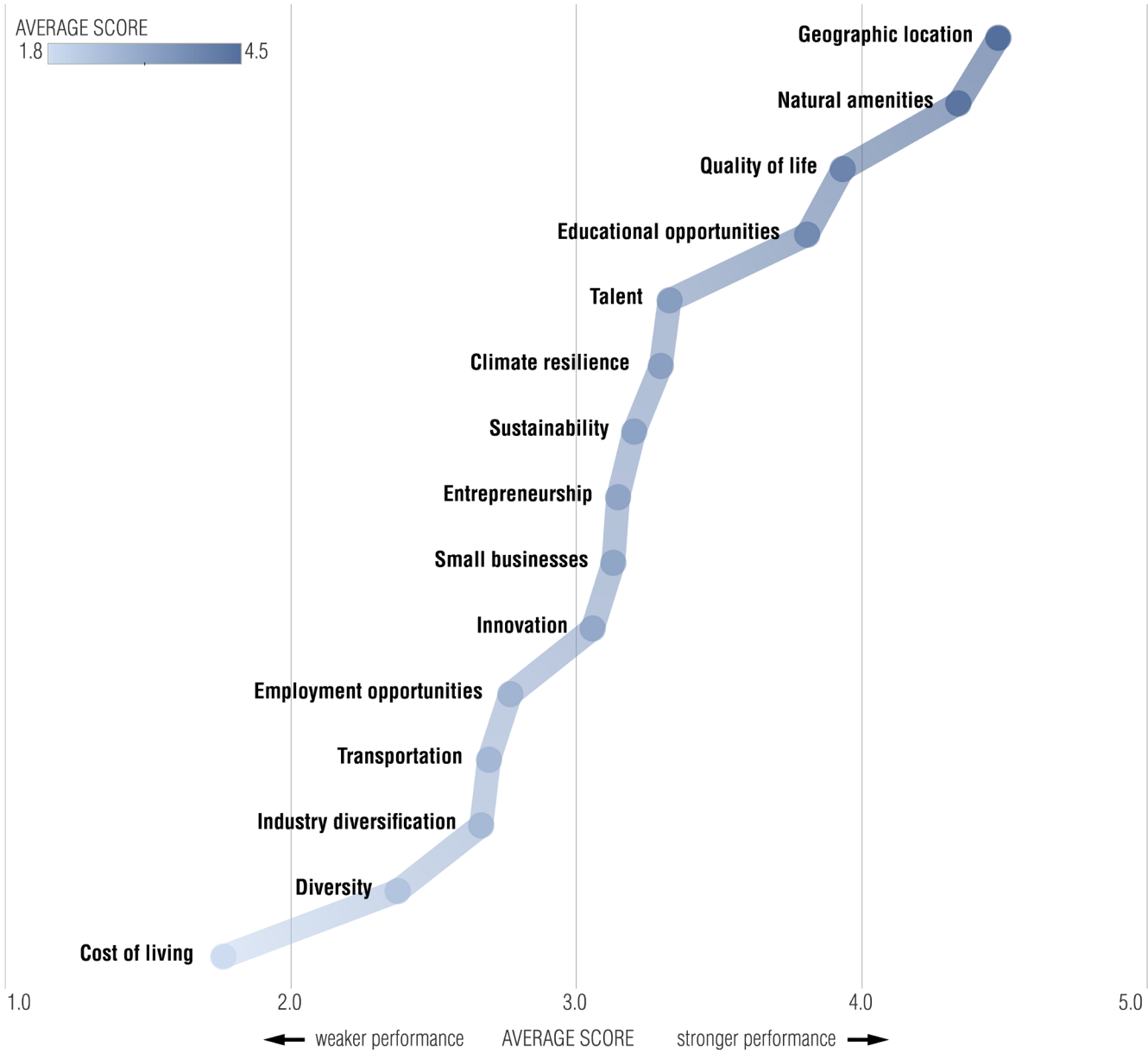
When asked about words they most associated with the City, 246 respondents chose sustainability. A similar number (241) also selected it as the word that represents their vision for the City over the next decade. Respondents' hopes in this area were also reflected in the fact that 36 respondents referenced sustainability when asked what would make the City an even better place to live. Climate resilience and sustainability were also assigned slightly above average scores when assessing the City's strengths.

Talent development and attraction are viewed as priorities.

More than 250 respondents indicated local workforce development as a way to better support SLO's residents. An even larger number of respondents (260) mentioned the importance of job creation. Of 23 potential priorities for the City's economy, career exploration and workforce development topped the list. Three other workforce-related topics—entrepreneurial support, vocational training, and talent attraction—ranked among residents' top 10 priorities.

Figure 7. Relative Regional Strengths

On a scale of 1 to 5, how is the City of San Luis Obispo's economy performing in each of these areas?



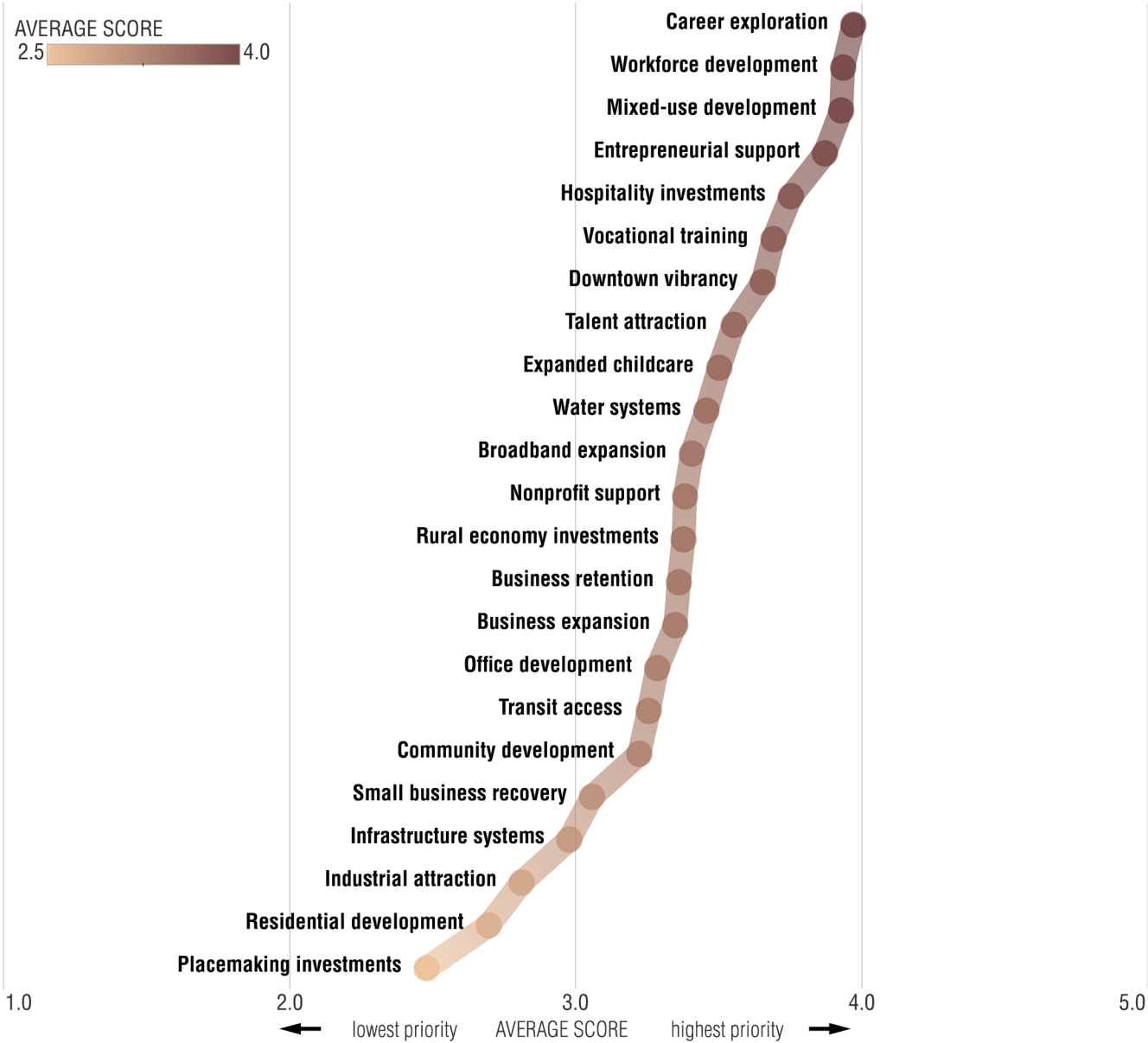
Source(s): Results from San Luis Obispo Community Vision Survey 2023 compiled by TIP Strategies, Inc.

San Luis Obispo’s lack of demographic diversity was not lost on survey respondents.

Of the 15 potential strengths that respondents were asked to evaluate, diversity received the second lowest average score. Cost of living was the only variable that scored lower. But respondents expressed hope for improvement. Some 154 respondents specified equitable growth as a way the City could better support residents. And another 109 respondents indicated that prioritizing inclusion is a way to better support residents. Equitable was the adjective selected by 127 respondents that best captures their vision for the next 10 years. Another 117 respondents selected inclusive.

Figure 8. Setting Priorities

On a scale of 1 to 5, how should these economic development planning efforts be prioritized to create the most dynamic economic environment for the City of San Luis Obispo?



Source(s): Results from San Luis Obispo Community Vision Survey 2023 compiled by TIP Strategies, Inc.

ECONOMIC CONTEXT

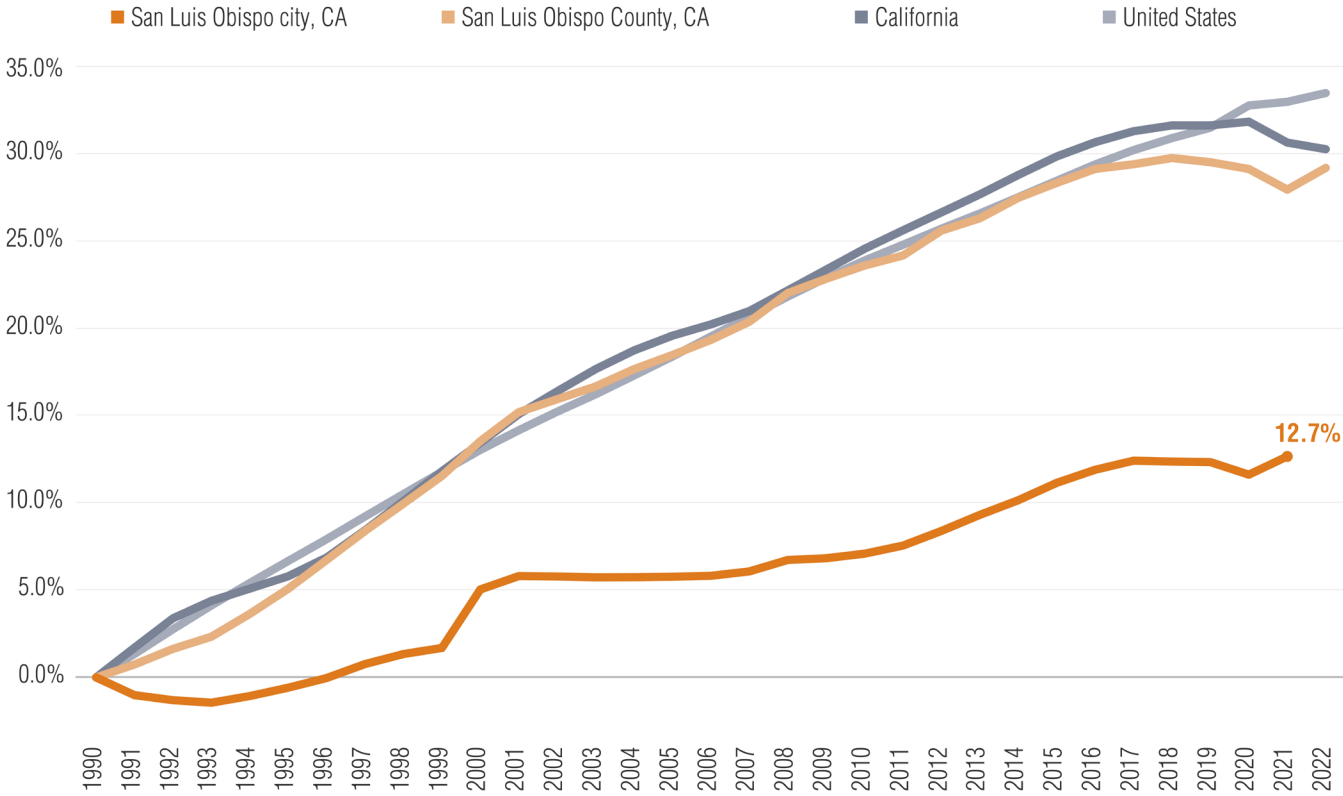
As part of the strategic planning process, TIP conducted a targeted assessment of factors that define San Luis Obispo’s overall competitiveness and are of greatest concern to economic decision-makers. The analysis was completed as part of TIP’s discovery phase. Initial data collection began in February 2023 and the work extended over a three-month period. An in-depth analysis was delivered to the City as an interactive data visualization, which is available for exploration via a [publicly accessible link](#). Highlights from this analysis, summarized below, informed and guided the direction of the strategic plan update.

The City’s population is growing more slowly than the region or the state.

San Luis Obispo has experienced modest population growth over the past three decades, adding just over 5,300 residents since 1990. Growth trends for the City were negative for much of the early 1990s. By contrast, San Luis Obispo County’s growth has mirrored the state and the US. Following an extended period of relatively flat population growth during the 2000s, however, the City has demonstrated a steady upward trajectory through much of the past decade and in 2022 was the only City in the County to increase in population.

Figure 9. Population Trend Comparisons

Percentage change in population from 1990



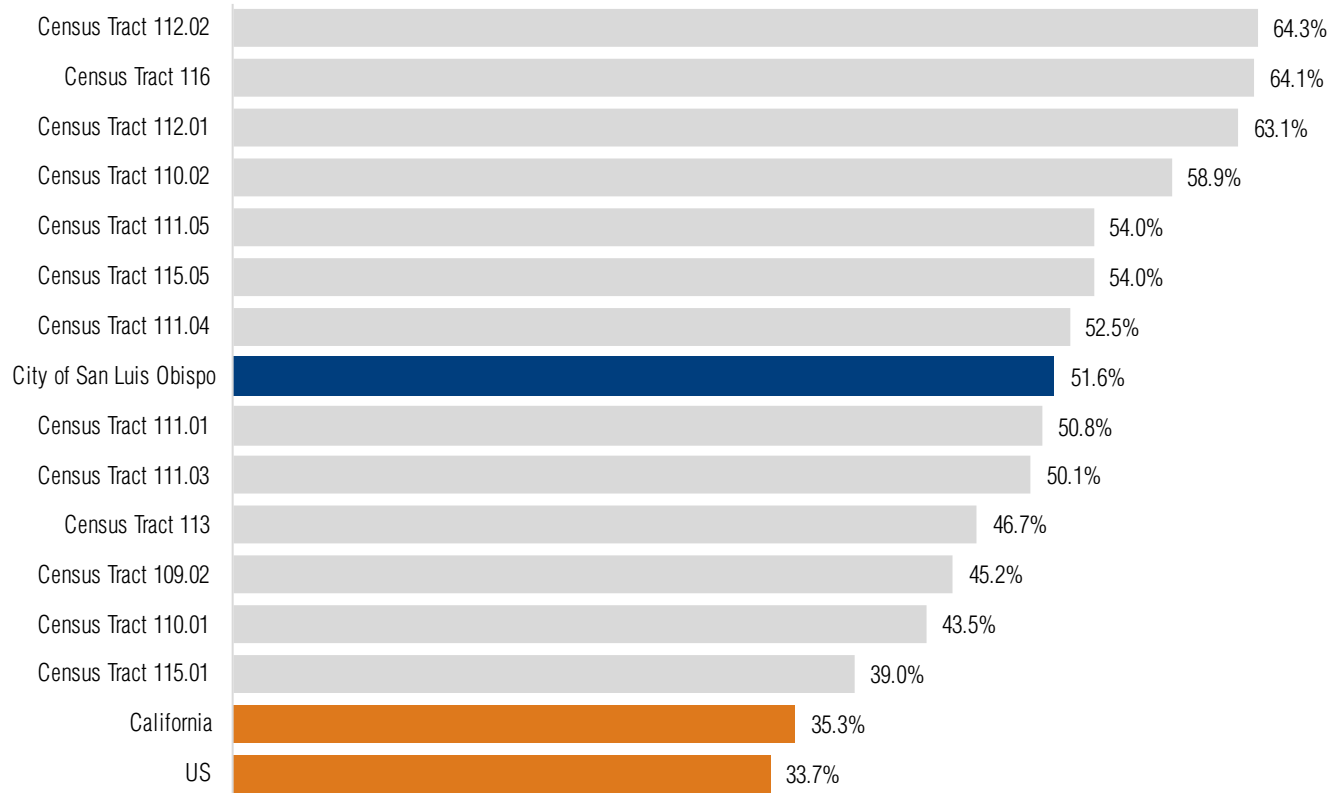
Source(s): US Census Bureau, Population Estimates Program; Moody's Analytics; TIP Strategies, Inc.
Note(s): Population estimates prior to 2010 are sourced from Moody's Analytics. Estimates from 2010 to 2022 are sourced from the Census Bureau's Population Estimates Program vintages 2020 and 2022. City of San Luis Obispo population estimates are available through 2021.

Educational attainment levels in the City far exceed the state and the US.

Slightly more than one-half (51.6 percent) of San Luis Obispo residents age 25 years and older have a bachelor’s degree or higher, compared to roughly one-third of adults statewide (35.2 percent) and nationally (33.7 percent). A look at this indicator by census tract reveals some variation. However, among those tracts for which a reliable estimate could be obtained, even the lowest level of attainment exceeds state and national levels.

Figure 10. Distribution of Residents with a Bachelor’s Degree or Higher by Census Tract

Share of the adult population age 25 years and older, with comparison to the City of San Luis Obispo, the state, and the US



Source(s): US Census Bureau, American Community Survey (ACS) 2021 5-year aggregate sample; TIP Strategies, Inc.

Earnings for many in-demand occupations fall below the City’s Moderate Income+ goal.

The City’s Moderate Income+ earnings target is based on the County’s Area Median Income (AMI). It includes moderate (81-120 percent of AMI) and workforce income (121-160 percent of AMI). As an example, for 2023, the Moderate Income+ threshold for a household of four begins at \$91,611 (81 percent of AMI). A four-person household with one income earner would need to make at least \$44.04 in full-time hourly wages to meet the Moderate Income+ baseline. Single-person households would need to earn at least \$64,111 annually, or \$30.82 hourly, to meet the threshold.² A review of local job postings suggests that workers in the majority of positions that employers are seeking earn well below this level. With the exception of registered nurses and sales reps, the bulk of the earnings distribution for workers in the area’s top 10 in-demand occupations falls

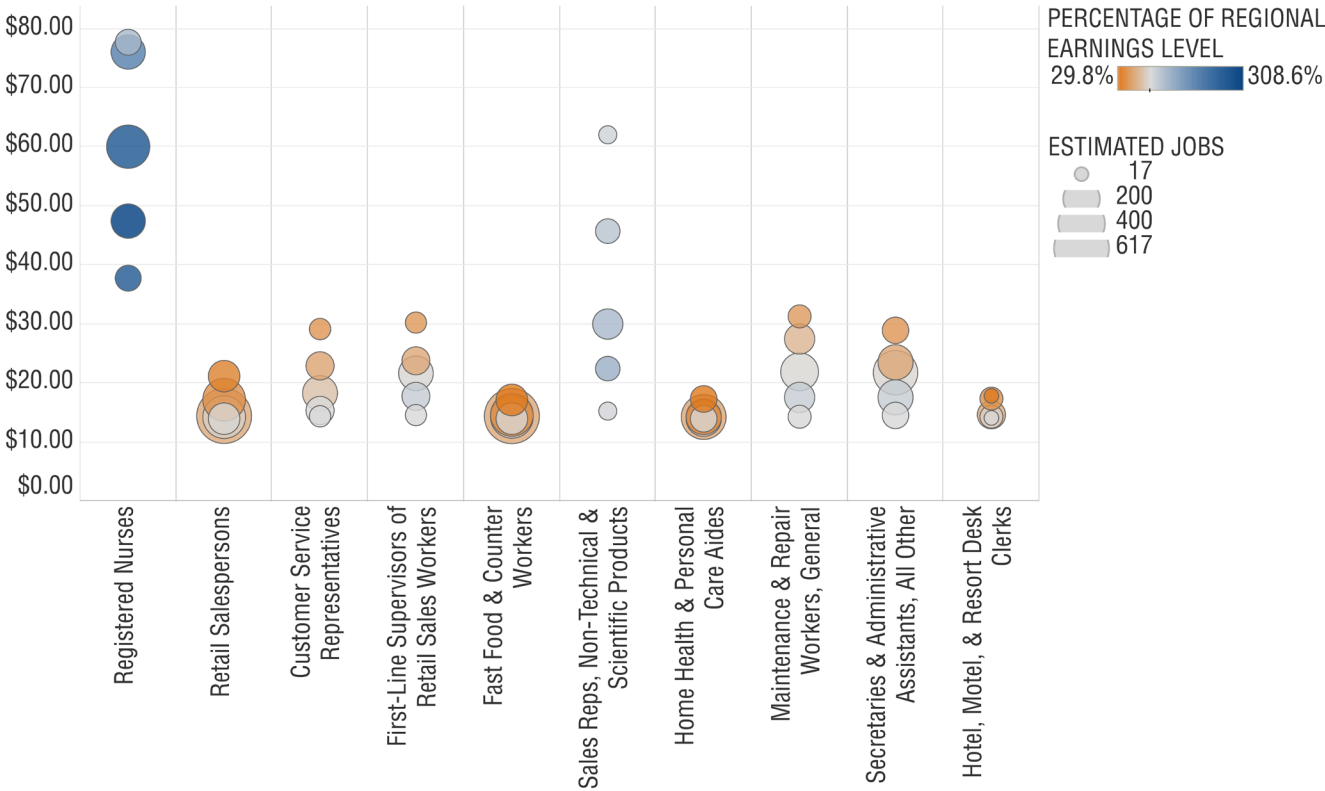
² Calculation assumes 40 hours per week for 52 weeks, or 2,080 hours.

between \$10 and \$20 per hour, well below the Moderate Income+ target. Workers in the upper end of the earnings distribution for many of these low-paying occupations also tend to earn significantly less than workers across all occupations. It should be reiterated that the occupations shown in Figure 11 reflect the estimated earnings of the most commonly sought occupations based on job openings posted over a one-year period. They do not reflect the earnings of the City’s overall job base or the extent to which the Moderate Income+ target has been met.

Figure 11. Distribution of Hourly Earnings for City of San Luis Obispo Workers in Demand Occupations

Top 10 occupations based on share of San Luis Obispo County job postings, February 2022 to February 2023

Each circle represents one of five earning percentiles (10th, 25th, 50th, 75th, and 90th). Circle color indicates how earnings in the occupation compare with the distribution of local earnings across all occupations. **Redder** circles indicate the occupation’s earnings are *less than* overall earnings in that percentile; **bluer** circles indicate earnings are *greater than* overall earnings. Circle size represents the estimated number of jobs that fall within the percentile.



Source(s): US Bureau of Labor Statistics (BLS); Lightcast 2023.1—Quarterly Census of Employment and Wages (QCEW) Employees, Non-QCEW Employees, and Self-Employed; TIP Strategies, Inc.

Note(s): Includes non-staffing, unique, active job postings for full-time, part-time, and flexible positions between February 2022 and February 2023. Hourly earnings are in 2021 USD.

SWOT ANALYSIS

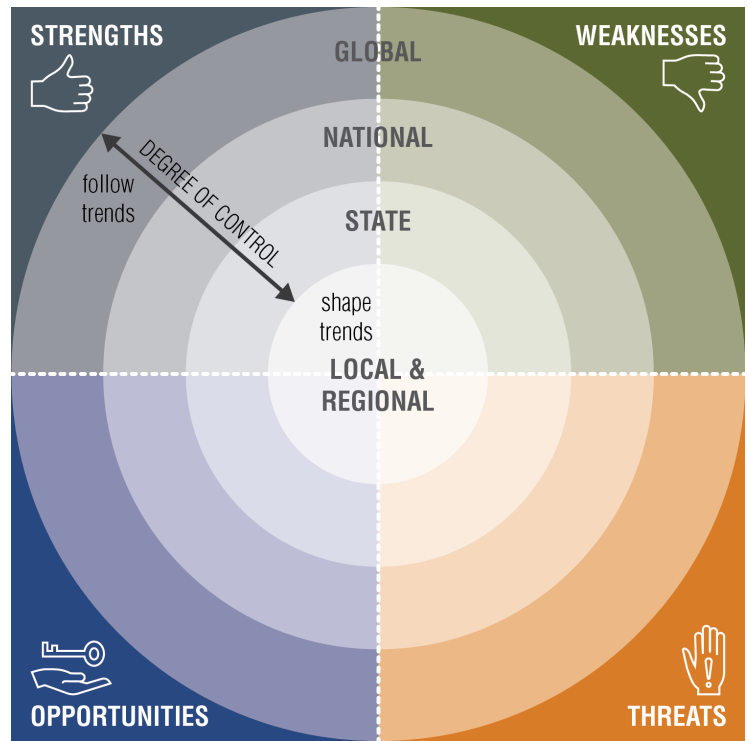
During the discovery phase of the project, the consulting team gathered qualitative input from interested parties in San Luis Obispo concerning local economic development issues, including via the community visioning survey described previously. In addition, TIP conducted quantitative data analyses to understand the City’s competitive position in the region.

The results of these efforts informed the strengths, weaknesses, opportunities, and threats (SWOT) analysis summarized in Figure 13 (page 33). In developing the analysis, consideration is given to the City’s degree of control over the trends, assets, and challenges identified (Figure 12).

The four components of a SWOT analysis can be defined as follows.

- **STRENGTHS:** Assets and resources that can be built on to grow, strengthen, and diversify the local/regional economy.
- **WEAKNESSES:** Liabilities and barriers to economic development that could limit economic growth potential.
- **OPPORTUNITIES:** Competitive advantages and positive trends that hold significant potential for the attraction of new businesses, investments, and skilled workers.
- **THREATS:** Unfavorable factors and trends (often external) that could negatively affect the local/regional economy.

Figure 12. SWOT Overview



Source(s): TIP Strategies, Inc.

Figure 13. Summary of City of San Luis Obispo SWOT Analysis

 <p>STRENGTHS</p>	 <p>WEAKNESSES</p>
<ul style="list-style-type: none"> • Proximity to major markets • Extensive outdoor and recreational assets • High quality of life • Higher education institutions (Cal Poly and Cuesta College) • Diverse economy • Strong education, healthcare, and tourism sectors • Vibrant Downtown • Historical and cultural assets • Growing innovation infrastructure • Entrepreneurial ecosystem • Regional collaboration • High educational attainment levels 	<ul style="list-style-type: none"> • High cost of living • Housing affordability and availability • Reliance on low-wage jobs • Limited space for commercial development • Limited public transportation options • Lack of specialized healthcare • Childcare availability • Regional transportation system • People experiencing homelessness
 <p>OPPORTUNITIES</p>	 <p>THREATS</p>
<ul style="list-style-type: none"> • Career pathways to high-wage jobs • Technology sector development • Affordable housing • Talent retention and attraction • Sector growth that supports sustainability goals • Expanded DEI efforts 	<ul style="list-style-type: none"> • Impacts of climate change • Displacement (families/lower-wage workers having to relocate to distant, more affordable communities) • Economic disruptions • Supply chain shortages

Source(s): TIP Strategies, Inc.

