

RESOLUTION NO. _____ (2026 SERIES)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, FINDING THAT A GRANT AGREEMENT WITH THE SAN LUIS OBISPO MUSEUM OF ART IS OF PUBLIC BENEFIT IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 53083 AND APPROVING THE GRANT AGREEMENT

WHEREAS, The City of San Luis Obispo (City) enjoys a long-standing public / private partnership with the San Luis Obispo Museum of Art (SLOMA) that stretches back over 60 years, including through the lease of City property at the location of the existing museum at 1010 Broad Street tangent to Mission Plaza in 1967. This relationship has supported a wide variety of activities and initiatives during this time in support of the visual arts, including the establishment of a formal Community Partnership Agreement with SLOMA beginning in 2021 in furtherance of the City's Public Art Program; and

WHEREAS, SLOMA has put forward a *Proposal for Supporting the Future San Luis Obispo Museum of Art: A New Home in the Heart of Downtown* (the "Proposal") submitted to City Council on October 30, 2025, that has significant alignment with numerous City plans and policies. These include the City's existing 2025-27 Major City Goals, Economic Development Strategic Plan (2023), Downtown Concept Plan (2017), and General Plan Land Use Element (2014); and

WHEREAS, SLOMA's Proposal describes plans to expand from its present location at 1010 Broad Street by also bringing together three existing storefront properties on Higuera Street between Chorro and Garden, while maintaining and featuring connectivity to the creek walk, Mission Plaza, and the Cultural Arts District. The three properties together would form a 24,000-square-foot museum facility with multiple galleries, a museum cafe and store, a blend of indoor and outdoor space, and downstairs offices supportive of SLOMA's operations and storage needs. The 1010 Broad Street property would be used for expanded arts educations programming by SLOMA, which is consistent with the existing lease agreement for that property with the City; and

WHEREAS, SLOMA's Proposal is informed by a feasibility study and economic development data that forecast SLOMA's museum offerings would attract at least 106,200 individuals to the downtown area (Lord Cultural Resources, 2024), support 93 jobs, and generate total expenditures of over \$4.9 million (Americans for the Arts: Arts and Economic Prosperity 6 report and Arts and Economic Prosperity AEP 6 Calculator, January 2024). These data suggest that an investment by the City in SLOMA's new museum space is fiscally prudent and underly Economic Development Subsidy findings that are required by California Government Code Section 53083, which are documented herein; and

WHEREAS, on November 4, 2025, as part of its review of the unaudited year-end 2024-25 fiscal year budget, the City Council received numerous, favorable public comments and testimony from SLOMA staff and members of its Board of Directors

regarding the Proposal, and directed staff to prepare a Grant Agreement to provide funding in support of Phase I of SLOMA's Proposal in an amount up to \$500,000.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo as follows:

SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. Findings.

Economic Development Subsidy

Under California Government Code Section 53083, the City is required to provide specified information in written form available to the public, through its website, for any economic development subsidy within its jurisdiction and to provide public notice and a hearing regarding the subsidy. An "economic development subsidy" is defined in relevant part under the Government Code as "*any expenditure of public funds or loss of revenue to a local agency in the amount of one hundred thousand dollars (\$100,000) or more, for the purpose of stimulating economic development within the jurisdiction of a local agency, including, but not limited to . . . grants . . .*" (Cal. Gov. Code § 53083(g)(1)).

The draft Grant Agreement entails a commitment of \$500,000 in grant funding towards SLOMA's new museum space due to the long-standing community partnership with SLOMA and the anticipated economic development and other public benefits the new museum will provide. As such, the Grant Agreement constitutes an "economic development subsidy" and disclosure of the following information and a public hearing are required, as follows (shown in *italics*):

- 1) *The name and address of all corporations or any other business entities, except for sole proprietorships, that are the beneficiary of the economic development subsidy, if applicable. San Luis Obispo Museum of Art, A California Non-Profit Corporation. 1010 Broad Street, San Luis Obispo, CA 93401.*
- 2) *The start and end dates and schedule, if applicable, for the economic development subsidy. The start date is upon entry into the Grant Agreement. City of San Luis Obispo grant funding would be required to be expended within three years following the start date, unless otherwise amended.*
- 3) *A description of the economic development subsidy, including the estimated total amount of the expenditure of public funds by, or of revenue lost to, the local agency as a result of the economic development subsidy. The total amount of direct expenditure of public funds is \$500,000.00.*
- 4) *A statement of the public purposes for the economic development subsidy. The public purpose for the economic development subsidy is to support arts and*

cultural activities in the downtown area of San Luis Obispo, which is expected to generate direct and indirect local economic impact benefits.

- 5) *Projected tax revenue to the local agency as a result of the economic development subsidy.* According to data provided by SLOMA and the *Americans for the Arts: Arts and Economic Prosperity 6* report (January 2024), the operation of SLOMA's new museum space will result in \$123,500 in local government revenue and will generate \$4,926,203 million in total expenditures an annual basis. SLOMA will be subject to possessory interest property tax, however as the tenant improvements for the new museum space are not yet constructed, it is not yet known what the assessment and taxing rate will be.

- 6) *Estimated number of jobs created by the economic development subsidy, broken down by full-time, part-time, and temporary positions.* According to data provided by SLOMA and the *Americans for the Arts: Arts and Economic Prosperity 6* report (January 2024), the operation of the new museum space will generate 93 jobs. Employment data contained in this report is based on the underlying IMPLAN model and is an annual average headcount of full time, part time, and seasonal employment using the same definitions as the U.S.A. Bureau of Economic Analysis Regional Economic Accounts and the U.S. Bureau of Labor Statistics Census of Employment and Wages.

The public hearing and disclosure of economic development subsidy contained herein have been duly noticed and carried out in accordance with the requirements of California Government Code Section 53083.

SECTION 3. Environmental Review. The passage of this Resolution and entering into a Grant Agreement is not considered a project under CEQA Guidelines Section 15378.

SECTION 4. Grant Agreement. City staff are hereby authorized to execute the Grant Agreement in the form and manner approved by the City Attorney, attached as Exhibit A, and to duly oversee and carry out the terms and conditions of the Lease Agreement.

Upon motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote:

AYES:
 NOES:
 ABSENT:

The foregoing resolution was adopted this _____ day of _____ 2026.

Mayor Erica A. Stewart

ATTEST:

Teresa Purrington
City Clerk

APPROVED AS TO FORM:

J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on _____.

Teresa Purrington
City Clerk