

County of Monterey Economic Development

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Photos provided by the Monterey County Convention & Visitors Bureau



DSA History

◆ Historical Information:

- ◆ The Board of Supervisors for the County of Monterey established the Economic Development Set-Aside (DSA) Program (Program) in 1985 to promote and expand tourism, economic and agriculture development and cultural art activities that strengthen and broaden the County's economic base. At the time the Board designated the Monterey County Travel and Tourism Alliance (MCTTA), Economic Development Corporation of Monterey County (EDC), Monterey County Film Commission (MCFC) and the Cultural Council for Monterey County (CCMC) to serve as the County's partners to implement the Program. The Program underwent revisions in 1994, 2002-2006, and 2007 and involved multiple agencies. The most recent change introduced a formula-based, non-competitive funding approach for the Program, aiming to streamline funding and ensure cost-effective delivery of essential services supporting the county's economic development goals.

DSA Review

- ❖ In May 2023, the Board of Supervisors requested that the Economic Development Committee review the DSA program and provide recommendations at or before the budget hearings in May 2024.
- ❖ On November 6th, 2023, the Economic Development Committee created an Ad hoc committee led by Supervisor Adams to conduct a comprehensive review of the DSA program, revise allocations to DSA agencies, develop updated guidelines, and determine if the program should be open to additional industry sectors.
- ❖ The Ad hoc committee met three (3) times to review and revise the DSA program. Recommendations were made to the Economic Development Committee on February 7th, 2024.
- ❖ On February 7th, the Economic Development Committee met and recommended two separate actions to ultimately be taken to the BOS as options to be selected from.
- ❖ On March 28th, staff presented the recommendations from the Economic Development Committee to the Budget Committee.
- ❖ On April 2nd, staff presented the recommendations to the Board during Budget Workshop. The Board request that staff work with the CAO to bring back an additional option based on comments.



Historical Allocation to DSA Partners

◆ Allocations:

	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
MCCVB - 6%	\$1,076,729	\$1,192,875	\$1,288,790	\$1,192,875	\$1,263,969	\$1,400,000	\$750,000**	\$1,716,473	\$1,400,000**	\$1,775,580***
ACMC-1.98%	\$355,320	\$393,649	\$425,301	\$393,649	\$421,331	\$420,000	\$247,500**	\$566,436	\$440,000**	\$559,691***
MCFC- 0.95%	\$170,482	\$188,872	\$204,058	\$188,872	\$202,154	\$202,000	\$118,750**	\$271,775	\$212,000**	\$268,842***
MCBC 0%	\$87,210	\$87,210	\$87,210	\$100,000*	\$100,000*	\$100,000*	\$100,000*	\$100,000*	\$100,000*	\$175,000***
Total	\$1,689,741	\$1,862,606	\$1,918,149	\$1,875,396	\$1,987,454	\$2,122,000	\$1,216,250**	\$2,654,684	\$2,152,000**	\$2,779,113***
Percentage	7.5%	7.8%	7.7%	7.8%	6.95%	9.75%	7.42%**	6.63%	5.38%**	6.93%***

*FY17-18 increase of \$12,790 to MCBC with a decrease in MCCVB funding

**Cap placed on DSA funds, approved by BOS

***Cap removed then 50% cap placed on delta with full cap removal planned for FY24-25



Option #1

- ◆ Increase DSA from 8.93% to 9.19% accounting for the \$100,000 in TOT funds currently being allocated to MCBC and include community projects
- ◆ MCCVB/See Monterey reduced from 6.0% to 4.66% (\$1,775,580)
- ◆ ACMC/Arts4MC reduced from 1.98% to 1.47% (559,691)
- ◆ MCFC reduced from 0.95% to 0.71% (\$352,124)
- ◆ MCBC included in funding formula at 0.46% (\$175,000)
- ◆ Community projects included at 1.89% (\$720,861)



Community Projects

- ◆ Prunedale Senior Center - \$5,000
- ◆ Shuman Heart House - \$100,000
- ◆ Salinas Valley Promise - \$200,000
- ◆ Salinas Soccer Complex - \$200,000
- ◆ Remaining Funds - \$215,862



Option #2

- ◆ DSA remain as is: 8.93% of TOT
- ◆ MCCVB/See Monterey reduced from 6.0% to 5.66% (\$2,284,417)
- ◆ ACMC/Arts4MC reduced from 1.98% to 1.87% (\$753,857)
- ◆ MCFC reduced from 0.95% to 0.90% (\$361,699)
- ◆ MCBC included in funding formula at 0.50% (\$200,000)
- ◆ **Funding for Community Projects not included**



Option #3

- ◆ Increase DSA from 8.93% to 9.19% accounting for the \$100,000 in TOT funds currently being allocated to MCBC
- ◆ MCCVB/See Monterey reduced from 6.0% to 5.84% (\$2,223,946)
- ◆ ACMC/Arts4MC reduced from 1.98% to 1.93% (\$733,902)
- ◆ MCFC reduced from 0.95% to 0.92% (\$352,124)
- ◆ MCBC included in funding formula at 0.50% (\$190,000)
- ◆ **Funding for Community Projects not included**



Recommendations

- ◆ Consider approving the revised Development Set-Aside (DSA) guidelines; and
- ◆ Consider approving one of the three recommended options to revise funding allocations to the DSA Program.
- ◆ Option #1 (staff recommendation):
 - ◆ i. Recommend that MCBC be added as a DSA Agency and the DSA program be increased from 8.93% to 9.19% accounting for the \$100,000 in TOT funds currently being allocated to MCBC; and
 - ◆ ii. Recommend DSA and the MCBC remain static at FY 2023-24 amounts and the growth be used to fund other community-based organizations including Prunedale Senior Center, Shuman, Salinas Valley Promise, Salinas Soccer Sports Complex and other organizations as determined by the Board; and
 - ◆ iii. Recommend that the individual DSA allocations be revised to the following: MCCVB 4.66%, ACMC 1.47%, MCFC 0.71%, and MCBC 0.46%.
- ◆ Option #2:
 - ◆ i. Recommend that the MCCVB be reduced by 0.34% to 5.66%, the ACMC be reduced by 0.11% to 1.87%, the MCFC be reduced by 0.05% to 0.90% to add MCBC as a DSA Agency and allocate 0.50%.
- ◆ Option #3:
 - ◆ i. Recommend that the overall allocation to the DSA program be increased from 8.93% to 9.19% accounting for the \$100,000 in TOT funds currently being allocated to MCBC
 - ◆ ii. Recommend that the individual DSA allocations be revised to the following: MCCVB 5.84%, ACMC 1.93%, MCFC 0.92%, and MCBC 0.50%.



Recommendations Cont.

- ◆ If Option #1, which is staff's recommendation, is approved in FY 2024-25 each DSA Agency would receive the following amounts: MCCVB \$1,775,580; ACMC \$559,691; MCFC \$268,842; MCBC \$175,000; and \$720,861 would be set-aside for Community Projects. In addition, for FY 2024-25, community projects that have been identified for funding include: Prunedale Senior Center \$5,000; Shuman Heart House \$100,000; Salinas Valley Promise \$200,000; Salinas Soccer Complex \$200,000; and during the Budget Hearings the remaining funds (\$215,862) (would be set-aside for supervisorial district projects).
- ◆ If Option #2 is approved each of the DSA Agency would receive the following amounts in FY 2024-25: MCCVB \$2,284,417; ACMC \$753,857; MCFC \$361,699; and MCBC \$100,000; no set-aside would be included for community projects.
- ◆ If Option #3 is approved each of the DSA Agency would receive the following amounts in FY 2024-25: MCCVB \$2,223,946; ACMC \$733,902; MCFC \$352,124; and MCBC \$190,000; no set-aside would be included for community projects.



Funding Formula Options

Option #1

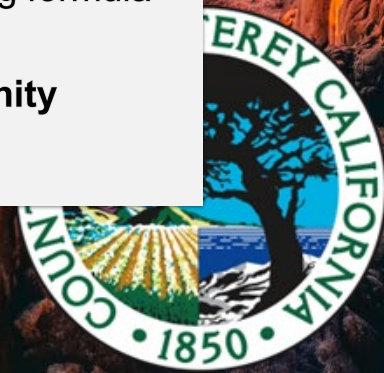
- ◆ Increase DSA from 8.93% to 9.19% and include community projects
- ◆ Funded through TOT
- ◆ MCCVB/See Monterey reduced from 6.0% to 4.66% (\$1,775,580)
- ◆ ACMC/Arts4MC reduced from 1.98% to 1.47% (559,691)
- ◆ MCFC reduced from 0.95% to 0.71% (\$352,124)
- ◆ MCBC included in funding formula at 0.46% (\$175,000)
- ◆ Community projects included at 1.89% (\$720,861)

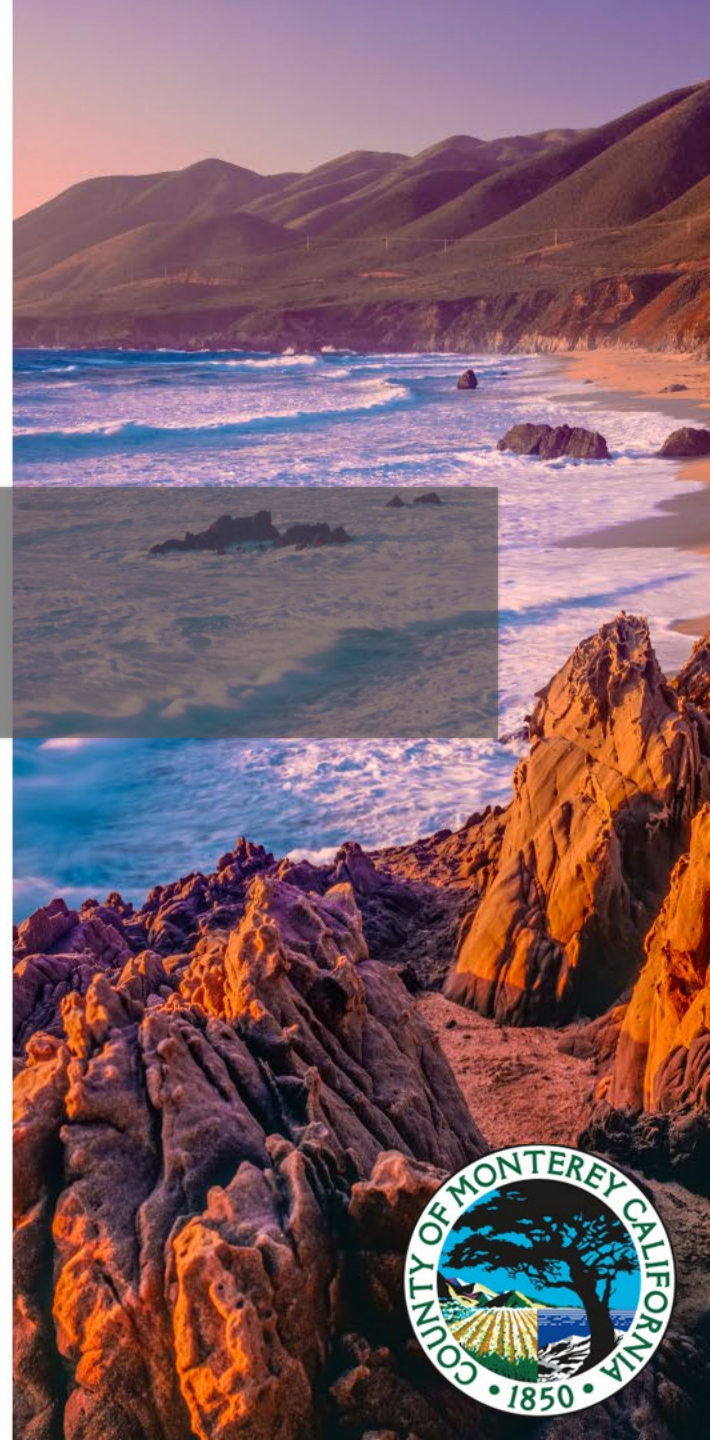
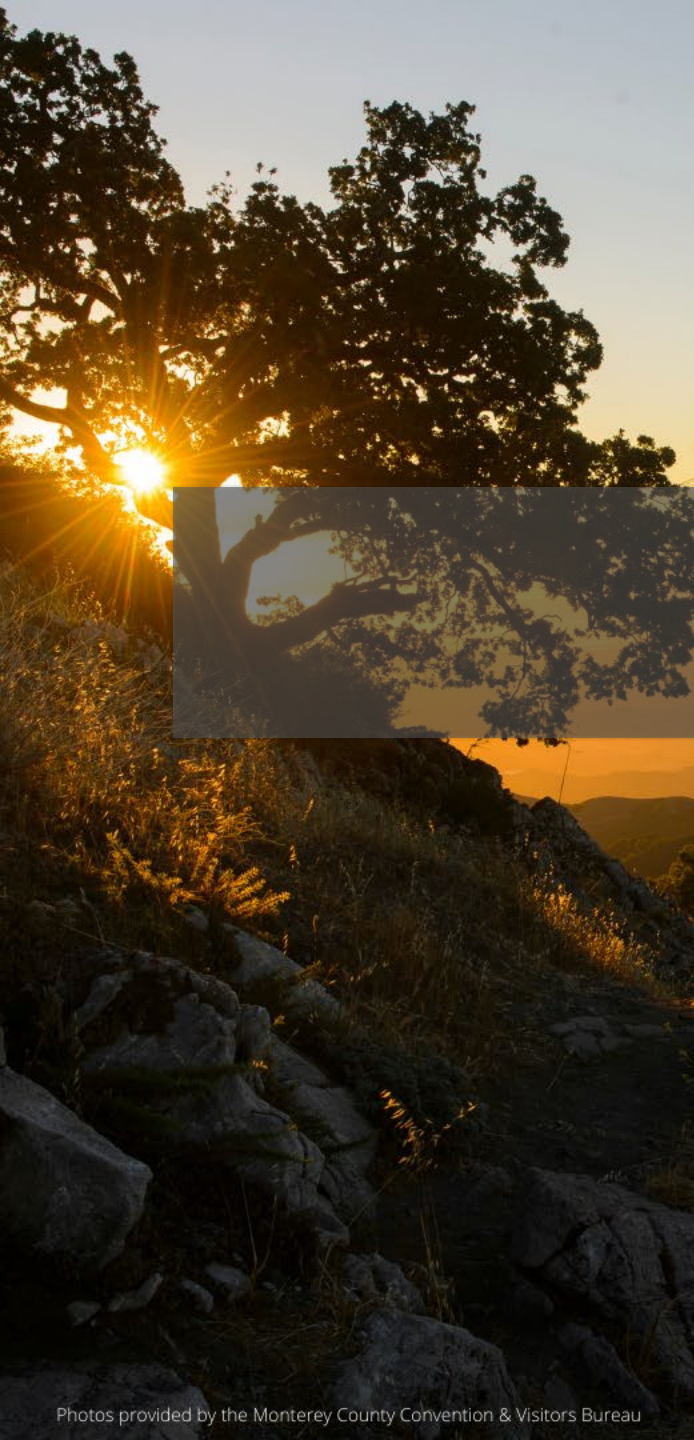
Option #2

- ◆ DSA remain as is: 8.93% of TOT
- ◆ MCCVB/See Monterey reduced from 6.0% to 5.66% (\$2,284,417)
- ◆ ACMC/Arts4MC reduced from 1.98% to 1.87% (\$753,857)
- ◆ MCFC reduced from 0.95% to 0.90% (\$361,699)
- ◆ MCBC included in funding formula at 0.50% (\$200,000)
- ◆ **No funding for Community Projects**

Option #3

- ◆ Increase DSA from 8.93% to 9.19%
- ◆ Funded through TOT
- ◆ MCCVB/See Monterey reduced from 6.0% to 5.84% (\$2,223,946)
- ◆ ACMC/Arts4MC reduced from 1.98% to 1.93% (\$733,902)
- ◆ MCFC reduced from 0.95% to 0.92% (\$352,124)
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Questions?

