



# County of Monterey

**Item No.**

## Board Report

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

**Legistar File Number: A 24-332**

July 09, 2024

**Introduced:** 6/17/2024

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Agreement

- a. Authorize the Contracts/Purchasing Officer and/or designee to execute an Agreement for FY 2024-25 Development Set-Aside Agencies Standard Agreement with Monterey County Destination Marketing Organization, Inc. (See Monterey) to develop and implement marketing programs that promote Monterey County as a travel and leisure destination, for the period of one (1) year, retroactive for the term of July 1, 2024 through June 30, 2025, in the amount not to exceed \$1,913,494; and
- b. Authorize the Contracts/Purchasing Officer and/or designee to execute an Agreement for FY 2024-25 Development Set-Aside Agencies Standard Agreement for the Arts Council for Monterey County (Arts4MC) to develop and implement cultural arts programs for Monterey County residents and visitors, for the period of one (1) year, retroactive for the term of July 1, 2024 through June 30, 2025, in the amount not to exceed \$603,164; and
- c. Authorize the Contracts/Purchasing Officer and/or designee to execute an Agreement for FY 2024-25 Development Set-Aside Agencies Standard Agreement for Monterey County Film Commission (MCFC) to develop and implement programs that promote Monterey County as a film destination and generate increased business, revenue and jobs throughout Monterey County, for the period of one (1) year, retroactive for the term of July 1, 2024 through June 30, 2025, in the amount not to exceed \$289,724; and
- d. Authorize the Contracts/Purchasing Officer and/or designee to execute an Agreement for FY 2024-25 Development Set-Aside Agencies Standard Agreement for Monterey County Business Council (MCBC) to perform all tasks necessary to create and/or retain at least 100 jobs in Monterey County, for the period of one (1) year, retroactive for the term of July 1, 2024 through June 30, 2025, in the amount not to exceed \$188,593.

**RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Authorize the Contracts/Purchasing Officer and/or designee to execute an Agreement for FY 2024-25 Development Set-Aside Agencies Standard Agreement with Monterey County Destination Marketing Organization, Inc. (See Monterey) to develop and implement marketing programs that promote Monterey County as a travel and leisure destination, for the period of one (1) year, retroactive for the term of July 1, 2024 through June 30, 2025, in the amount not to exceed \$1,913,494;
- b. Authorize the Contracts/Purchasing Officer and/or designee to execute an Agreement for FY 2024-25 Development Set-Aside Agencies Standard Agreement for the Arts Council for Monterey County (Arts4MC) to develop and implement cultural arts programs for Monterey County residents and visitors, for the period of one (1) year, retroactive for the term of July 1, 2024 through June 30, 2025, in the amount not to exceed \$603,164;

- c. Authorize the Contracts/Purchasing Officer and/or designee to execute an Agreement for FY 2024-25 Development Set-Aside Agencies Standard Agreement for Monterey County Film Commission (MCFC) to develop and implement programs that promote Monterey County as a film destination and generate increased business, revenue and jobs throughout Monterey County, for the period of one (1) year, retroactive for the term of July 1, 2024 through June 30, 2025, in the amount not to exceed \$289,724; and
- d. Authorize the Contracts/Purchasing Officer and/or designee to execute an Agreement for FY 2024-25 Development Set-Aside Agencies Standard Agreement for Monterey County Business Council (MCBC) to perform all tasks necessary to create and/or retain at least 100 jobs in Monterey County, for the period of one (1) year, retroactive for the term of July 1, 2024 through June 30, 2025, in the amount not to exceed \$188,593.

SUMMARY:

The County of Monterey Board of Supervisors established the Economic Development Set-Aside (DSA) 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 that 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, aiming to streamline funding and ensure cost-effective delivery of essential services supporting the County's economic development goals.

The current DSA Agencies are See Monterey (formerly the Monterey County Convention and Visitors Bureau), Arts Council for Monterey County (Arts4MC), Monterey County Film Commission (MCFC), and Monterey County Business Council (MCBC). These fiscal year agreements provide funding for programmatic efforts which complement existing economic priorities of the Board of Supervisors strategic initiatives.

At the May 31, 2023, budget hearings, the Board of Supervisors directed staff to work with the Economic Development Committee (EDC) to conduct a comprehensive evaluation of the Development Set-Aside program and review the funding formula for an opportunity to include additional organizations.

During the November 1, 2023 EDC meeting, an Ad Hoc Committee was developed. The Ad Hoc Committee met three (3) times and a complete review of the program's background/history and criteria, as well as a review of the 1998 DSA Guidelines were conducted. The Ad Hoc Committee discussed the allocations that each DSA agency had been allocated, along with moving forward with recommendations to the Economic Development Committee for the February 7, 2024 meeting. During the EDC meeting, the Committee moved forward with making two (2) separate recommendations that were to be routed to the Budget Committee (BC) and the Board of Supervisors.

On March 28, 2024, Economic Development staff presented the two EDC recommended options to the BC. The BC directed staff to bring this item along with the recommendations to

the Board of Supervisors during the Budget Workshop on April 2, 2024. Staff presented a recommendation from the EDC to the Board for review and approval during the Budget Workshop. The Board requested that staff work with the County Administrative Office (CAO) to provide an option that would reflect the comments of each Board Member and bring back at a later Board of Supervisors meeting date.

On May 7, 2024, Economic Development staff presented revised Development Set-Aside (DSA) guidelines for approval and three (3) options to the Board of Supervisors for approval of new DSA allocations for FY2024-25. During the board meeting option #1, referenced below, was selected with \$215,862 being re-distributed to each DSA agency, based on the revised formula share.

Option #1, was selected and modified by the Board of Supervisors as follows:

- The DSA program is increased from 8.93% to 9.19%.
- See Monterey share of the DSA formula was revised to 4.66%, which translates to \$1,775,580. This amount was increased by \$137,914 with the re-distribution of remaining DSA funds. The final amount is \$1,913,494.
- Arts Council for Monterey County share of DSA formula was revised to 1.47%, which translates to \$559,691. This amount was increased by \$43,473 with the re-distribution of remaining DSA funds. The final amount is \$603,164.
- Monterey County Film Commission share of DSA formula was revised to 0.92%, which translates to \$268,842. This amount was increased by \$20,882 with the re-distribution of remaining DSA funds. The final amount is \$289,724.
- Monterey County Business Council share of DSA formula was revised to 0.46%, which translates to \$175,000. This amount was increased by \$13,593 with the re-distribution of remaining DSA funds. The final amount is \$188,593.

The final allotted amount for each DSA agency are listed below:

- See Monterey - \$1,913,494
- Arts4MC - \$603,164
- MCFC - \$289,724
- MCBC - \$188,593

On May 29, 2024, the Board of Supervisors approved the Budget Recommendation for FY2024-25 funding allocations for the Development Set-Aside Agencies: 1) See Monterey, 2) Arts Council for Monterey County, 3) Monterey County Film Commission, and 4) Monterey County Business Council, for a total amount of \$2,994,975.

**DISCUSSION:**

These Agreements provide funding for programmatic efforts which complement existing economic priorities of the Board of Supervisors strategic initiatives as described below:

- See Monterey acts as the County's marketing channel to maximize the benefits of tourism to the County of Monterey by implementing programs that promote the Monterey County brand. The primary goal of See Monterey's Marketing Communications department is to inspire and increase overnight visitation amongst Leisure, Group and International travelers. See Monterey shall market Monterey County through public

relations, social media, and advertising programs to increase awareness and desire to visit Monterey County. It will do so by increasing web visits and earned media; by procuring group sales and group bookings; and through providing visitor information services with focus on increasing Transient Occupancy Tax revenue by persuading visitors to extend their stays.

- The Arts4MC shall develop jobs and business opportunities in the art sector through creative impact grants, training, and promotion to artists’ networks and associations. It shall increase public/private partnerships with partner hotels, partner districts, and partner schools to broaden the customer base of partner businesses. It shall leverage County investment by increasing funding from foundations, small businesses, and individuals, and swelling earned revenue from the sale of artwork. It works to expand workforce development opportunities that focus on increasing the number of students ready to work in the arts.
- The Monterey County Film Commission (MCFC) shall boost film industry outreach by increasing the number of inquiries that have positive results; tracking the number of media productions occurring in Monterey County, and raising the total funds spent in Monterey County from film production. It shall expand education and workforce opportunities by increasing the number of Monterey County film site locations and enhancing film-related job skills.
- The Monterey County Business Council (MCBC) shall create or retain jobs through business expansion and businesses receiving assistance from the Monterey Bay APEX Accelerator and assist small businesses and local entrepreneurs to secure government contracts. MCBC shall continue to educate and engage the public through events, e.g., the Annual Higher Education & Research Summit and Annual Economic Vitality Awards, and host various business advocacy events, Leadership Monterey County, and business luncheons.

OTHER AGENCY INVOLVEMENT:

County Counsel has approved the above agreements as to form.

FINANCING:

Funds for the DSA Agreements, in the cumulative amount of \$2,994,975 have been included in the FY 2024-25 Adopted Budget, Fund 001, Department 1050, Unit 8512.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Development Set-Aside economic development partners provide programs and services that support the Board approved Strategic Initiatives.

Mark a check to the related Board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health & Human Services
- Infrastructure

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\_ Public Safety

Prepared by: Isela Sandoval, Management Analyst, x7514

Reviewed by: Richard Vaughn, Economic Development Manager, x5602

Approved by: Deborah Paolinelli, Assistant County Administrative Officer, x5309

DocuSigned by:  
*Deborah Paolinelli* 6/20/2024 | 10:55 AM PDT  
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Attachments:

See Monterey\_FY2024-25\_Standard Agreement

See Monterey\_FY2024-25\_Exhibit A

See Monterey\_FY2024-25\_Exhibit B

Arts4MC\_FY2024-25\_Standard Agreement

Arts4MC\_FY2024-25\_Exhibit A

Arts4MC\_FY2024-25\_Exhibit B

MCFC\_FY2024-25\_Standard Agreement

MCFC\_FY2024-25\_Exhibit A

MCFC\_FY2024-25\_Exhibit B

MCBC\_FY2024-25\_Standard Agreement

MCBC\_FY2024-25\_Exhibit A

MCBC\_FY2024-25\_Exhibit B