



County of Monterey

Item No.4

Board Report

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

Legistar File Number: 24-091

February 07, 2024

Introduced: 2/1/2024

Current Status: Agenda Ready

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Matter Type: General Agenda Item

- a. Consider providing support for the revised Development Set Aside (DSA) guidelines brought forth by the Ad hoc Committee and recommend to the Board of Supervisors for approval; and
- b. Consider providing support for the revised funding allocations for the DSA agencies and recommend to the Board of Supervisors for approval; and
- c. Recommend staff to review economic development programs across the nation that are similar to the DSA and return with findings at a future meeting.

RECOMMENDATION:

It is recommended that the Economic Development Committee:

- a. Consider providing support for the revised Development Set Aside (DSA) guidelines brought forth by the Ad hoc Committee and recommend to the Board of Supervisors for approval; and
- b. Consider providing support for the revised funding allocations for the DSA agencies and recommend to the Board of Supervisor for approval; and
- c. Recommend staff to review economic development programs across the nation that are similar to the DSA and return with findings at a future meeting.

SUMMARY/DISCUSSION:

Program Background: 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 (see Exhibit A). 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.

Current Program: Currently, the DSA Agencies are the Monterey County Convention and Visitors Bureau (MCCVB), Arts Council for Monterey County (ACMC), Monterey County Film Commission (MCFC), and Monterey County Business Council (MCBC) with agreement extensions for each DSA Agency until June 30, 2024. These agreements provide funding for programmatic efforts which

complement existing economic priorities of the Board of Supervisors strategic initiatives.

At the November 1st meeting of the Economic Development Committee (EDC) the committee elected to move forward with the following recommendation:

- A. Consider conducting a comprehensive evaluation of the Development Set-Aside (DSA) program, develop criteria, and review the formula with an opportunity to propose new allocations to existing DSA agencies; and
- B. Assign four (4) committee and one (1) Supervisor to a Development Set-Aside Ad hoc Committee to review and propose a recommendation to the Economic Development Committee for consideration at a future meeting. If a supervisor is not able to be selected one will be appointed by the Board of Supervisors; and
- C. Review the inclusion of additional organizations to the DSA program in the future.

On November 30th, 2023, the DSA Ad hoc Committee had its first meeting on the evaluation of the DSA Program. During this first initial meeting the Ad hoc Committee discussed the comprehensive review of the program. This included review of the program's background/history, criteria, workplans and reporting. A review of the draft guidelines and criteria was also conducted, some revisions were provided to staff to complete.

On December 18th, 2023, the DSA Ad hoc Committee met for a second time. During this meeting the Committee discussed the allocations that each current DSA agency has been allocated historically by the Board of Supervisors. Staff also provided the Ad hoc committee with funding formula options for Transient Occupancy Tax (TOT) as well as funding formula options for individual DSA agencies. The future of the DSA program was also discussed during this meeting and three (3) options were provided by staff to the Ad hoc committee to consider.

On January 31st, 2024, the third and final meeting took place where the Ad hoc committee selected to move forward with the following recommendations to the committee:

1. DSA Guidelines
 - Support for the revised Development Set Aside (DSA) guidelines brought forth by the Ad hoc Committee and recommend to the Board of Supervisors for approval.
2. Individual DSA allocations
 - Recommend that the MCCVB be reduced by 0.28% to 5.72%, the APMC be reduces by 0.10% to 1.88%, the MCFC be reduced by 0.04% to 0.91% in order to allocate 0.42% to MCBC.
3. Future of DSA Program
 - Recommend that the Economic Development Committee direct staff to review economic development programs similar to the Development Set-Aside (DSA) program across the nation and bring back findings at a future meeting.

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OTHER AGENCY INVOLVEMENT:

Staff consulted with County Counsel.

FINANCING:

Receiving this report has no financial impact.

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Approved by: Richard Vaughn, Economic Development Manager, x5602

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Richard Vaughn
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Attachments:

DSA Guidelines (Redline)

DSA Guidelines (Clean)

PowerPoint Presentation