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# COUNTY OF MONTEREY

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**DEVELOPMENT  
SET-ASIDE PROGRAM**



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SONIA M. DE LA ROSA

County Administrative Officer

## County of Monterey Mission Statement

“The Mission of the County of Monterey is to Excel at providing Quality Services for the benefit of all County of Monterey residents while developing, maintaining, and enhancing the resources of the region.”



## County of Monterey Values

- We are committed to assuring honesty and integrity in all County actions.
- We are committed to providing top quality customer service.
- We are committed to practicing continuing innovation.
- We are committed to treating our fellow employees and our residents with respect at all times.

## County of Monterey Goals

- Assure a sustainable and diversified economy that builds on County of Monterey local assets.
- Enhance and improve County services to assure an adequate safety net and quality of life for all County residents.
- Assure a strong public safety system which protects the public and minimizes the fear of crime.
- Assure the financial stability of the County.

## GENERAL OVERVIEW



The County of Monterey is situated on the California coastline and covers over 3,700 square miles. It has the largest acreage in California and the County's visitors and residents enjoy a wide range of natural environments and recreational and cultural activities.

Monterey County's population is in excess of 437,000. Much of the population growth is taking place in the central and southern Salinas valley cities.

The County of Monterey enjoys a reputation as the "Salad Bowl of The World" because of the wide variety and large volume of vegetable crops raised in the County. The County's agricultural production is in excess of \$4.6 billion.

Tourism is the second largest industry in Monterey County generating in excess of \$3.1 billion and employing approximately 25,000 people. Due to the spectacular coastline, mild weather, accessible beaches, wooded mountains, historic landmarks and world-class hotels and restaurants and wineries.

The County of Monterey is characterized as a small business community. A strong small business sector is vitally important to the County's economic health. Approximately 60% of the County's businesses employ four or less employees.

Due to the convenient proximity to the Bay Area, a diversity of locations, talented local resources and quality services, filmmaking activities generate an economic impact of approximately \$4 million annually. In addition, it makes the County of Monterey visible nationally and internationally through movies, commercials and other advertising media.

With the rich heritage and array of cultural activities that are offered in Monterey County the arts are a tool for economic development as well as a resource that enhances the quality of life for the residents.



# DEVELOPMENT SET-ASIDE PROGRAM

## I. PROGRAM BACKGROUND

The Development Set-Aside (DSA) Program (Program) was established in Monterey County in 1985 to promote and expand tourism, economic and agriculture development, and cultural art activities to strengthen and broaden the county's economic base. The Program underwent revisions in 1994, 2002, 2006, and 2007. It involved several agencies, including 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), which partnered with the county to implement the Program. Each agency developed an annual promotional plan, subject to approval by the Overall Economic Development Commission (OEDC), and then recommendation to the Board of Supervisors (Board) who approved contracts and budget appropriations.

### **Historical Program Guidelines:**

The agencies' plans were required to align with various economic development policies/pillars adopted by the Board, encouraging industries like agribusiness, tourism, retail trade, and education. The plans also had to be consistent with the county's mission and the Board's objectives, promoting economic development projects, preserving environmental quality, and including measurable performance standards. The agencies were also responsible for marketing the grant funds and ensuring coordination with other organizations and agencies to maximize the use of funds.

### **Historical Program Funding:**

The Program was initially funded in 1985 through County General Funds with one-time monies each fiscal year. Sometime between FY1988-1989 and FY2006-2007 the Board of Supervisors instituted a request for proposals process, which allowed additional agencies to apply for DSA funding. Beginning in FY2007-2008 the County transitioned to a formula-based approach for annual budget recommendations and restricted the funds to four organizations.

## Historical Program Timeline and Annual Plan Submittal:

The agencies submitted their annual plans by May 1st each year, and the OEDC reviewed them by June 30th. The approved plans and contracts were submitted to the Board following the final budget approval. The agencies also had to submit a final report each year, including audited financial statements and a progress report.

## Historical Format of Status Report:

Status reports for the plans included narratives on goal or task status, economic benefits, job creation, partnerships with other agencies, joint projects, efforts to secure other funds, and more.

## II. CRITERIA TO BE CONSIDERED A DSA AGENCY

The following criteria shall be utilized during the consideration of an organization for the Development Set-Aside Program:

1. Alignment with County Economic Development Goals:
  - a. The non-profit organization must have a mission and programs that align with the county's economic development objectives, including addressing labor force issues, supporting low/moderate income individuals, business industries, promoting economic development, and fostering linkages among agriculture, tourism, culture, arts, education, environment, and technology.
2. Demonstrated Expertise organizational structure and leadership:
  - a. The organization should have a proven track record of successfully addressing the specified issues, ~~and~~ goals, ~~and with a~~ history of effective program implementation. The non-profit should have a well-structured organizational setup, including a diverse and representative board of directors. ~~and experienced staff capable of executing programs and projects.~~ The organization should have experienced leadership and the capacity to effectively manage projects and deliver services.
3. Local Impact ~~and economic-community involvement/Economic Linkages/Environmental Impact and Potential/Community Engagement~~:
  - a. The organization's services and programs should have a measurable and positive impact on the local community, particularly in ~~terms of~~ job creation, retention, and support for underserved communities ~~low/moderate income individuals and protected classes.~~ It should The organization should support and promote economic development projects that strengthen and broaden the

County's employment base through job creation, business retention and attraction, tourism attraction, attraction of film industry investments, cultural heritage, and cultural arts development and enhancement. The organization's Projects should enhance promote environmental quality within the region and have the potential for national and global potential recognition, contributing to sustainable development. The organization should involve the local community in project planning and execution to ensure that the needs and aspirations of the population are considered while involving the local community to ensure alignment with their needs and aspirations.

4. Secure Matching Funds, Acquisition/Coordination, and prevent duplication of efforts/Avoidance of Duplication:
  - a. The organization must demonstrate have a strong ability to secure matching funds from other public agencies and the private sector, maximizing the impact of county funds which will help leverage county funds for maximum impact. It The organization should have a track record history of coordinating with other organizations and effectively with existing organizations and agencies, ensuring efforts to ensure compliment, rather than duplicate, existing initiatives. that their efforts do not duplicate existing initiatives.
5. Economic Linkages:
  - a. The organization should support and promote economic development projects that strengthen and broaden the County's employment base through job creation, business retention and attraction, tourist attraction, attraction of film industry investments, cultural heritage, and cultural arts development and enhancement.
6. Coordination and Avoidance of Duplication:
  - a. The organization should have a history of coordinating effectively with existing organizations and agencies to ensure that their efforts do not duplicate existing initiatives.
7. Environmental Impact and Potential:
  - a. The organization's projects should promote environmental quality within the region and have the potential for national and global recognition, contributing to sustainable development.
8. Organizational Structure:
  - a. The non-profit should have a well-structured organizational setup, including a diverse and representative board of directors and experienced staff capable of executing programs and projects.
- 9.5. Reporting and Accountability/Legal oversight, legal and Regulatory adherence, Compliance/Flexibility for adjustments, Adaptations/ and encouraging innovation and Creativity:

- a. The organization must commit to regular ~~reporting on project progress, including financial statements, impact assessment, and compliance with county regulations~~ progress reporting, including financial statements, impact assessments, and compliance with county regulations, and should remain open to audits. ~~It should also be open to audits. All projects funded by the county must comply with local, state, and federal laws and regulations, including those related to employment, business practices, and environmental standards~~ county funded projects must adhere to local, state, and federal laws, including employment, business practices, and environmental standards. ~~The proposal should include provisions that allow for recommended changes or adaptations during the workplan, subject to transparent communication and approval~~ adjustments during the workplan, with transparent communication and approval. ~~Additionally, the organization The non-profit should demonstrate innovation and creativity in addressing the specified issues and goals.~~

~~10. Community Engagement:~~

- ~~a. The organization should involve the local community in project planning and execution to ensure that the needs and aspirations of the population are considered.~~

~~11. Legal and Regulatory Compliance:~~

- ~~a. All projects funded by the county must comply with local, state, and federal laws and regulations, including those related to employment, business practices, and environmental standards.~~

~~12. Leadership and Capacity:~~

- ~~a. The organization should have experienced leadership and the capacity to effectively manage projects and deliver services.~~

~~13. Flexibility for Adaptations:~~

- ~~a. The proposal should include provisions that allow for recommended changes or adaptations during the workplan, subject to transparent communication and approval.~~

~~14. Innovation and Creativity:~~

- ~~a. The non-profit should demonstrate innovation and creativity in addressing the specified issues and goals.~~

### III. DSA AGENCY/ORGANIZATION INFORMATION

- Name/Contact Info of Organization
- Business License
- Statement of Information filed with Secretary of State

- Headquarters in Monterey County
- Description of Services, Mission, Goals, and Vision of the Organization
- Organization's role within Economic Development
- Articles of Incorporation
- Organizational structure including Board of Directors
- Audited financial statements for organizations with revenues over \$2 million
- Unaudited financial statements for organizations with revenues below \$2 million

#### **IV. PROGRAM CONTRACTS**

Documents needed from DSA Partners:

- Updated W-9 (\*if needed)
- Updated payment information (\*if needed)
- General Liability Insurance
- Workers Comp Insurance
- Waiver of Subrogation/Endorsement for General Liability Insurance
- Waiver of Subrogation/Endorsement for Workers Comp Insurance
- Automobile Insurance letter
- Signatories: President, Vice President and/or Secretary
- Workplan

#### **V. PROGRAM WORKPLANS**

When completing program workplans DSA agencies must be aware that administrative expenses are not to exceed 30% of budget unless approved by the EDC or BOS.

- Goal 1: Economic Development
  - Strengthening Local Businesses: Partner organizations must detail how they actively support the growth and development of existing local businesses by providing resources, expertise, and access to networks.
  - Attracting New Industries: Attracting new industries is a key focus, bringing in businesses that align with the community's strengths and growth potential.
  - Entrepreneurial Ecosystem: Fostering an entrepreneurial ecosystem is essential. This includes providing mentorship, startup incubators, and access to funding to encourage the creation of new businesses.
  - Reducing Economic Dependence: Diversification is pursued to reduce economic dependence on a single sector, ensuring the local economy is more resilient to economic fluctuations.
  - Overall economic impact - \*data showcasing TOT generation.

- Goal 2: Workforce Development
  - Supporting Business and Workforce Development Programs: Partner organizations should play an integral role in supporting business and workforce development programs. This includes providing resources, expertise, and financial support to both established businesses and emerging startups. These programs should be tailored to the specific needs and opportunities within the community.
  - Retention and Expansion of the Workforce: Retaining the existing workforce is as important as creating new job opportunities. Partner organizations should work with local businesses to help them retain and expand their workforce. This might involve developing programs to address specific workforce needs, such as upskilling employees to adapt to changing industry demands.
  - Supporting Underrepresented Communities: To ensure that job creation benefits the entire community, partner organizations should actively work on programs that support underrepresented or disadvantaged populations. This might involve creating pathways to employment and entrepreneurship for these communities, thus contributing to a more inclusive and equitable economy.
  
- Goal 3: Marketing
  - Destination Marketing and Branding: Development Set-Aside organizations should engage in robust destination marketing and branding efforts. This includes creating a compelling narrative and visual identity that highlights the unique attractions and experiences the county has to offer. These efforts will position Monterey County as a top choice for visitors.
  - Event Support and Management: Supporting events, conferences, festivals, and other gatherings that appeal to various demographics is essential. These events draw visitors, generate hotel bookings, and boost local spending.
  - Enhancing Visitor Experience: An exceptional visitor experience is key to encouraging return visits and positive word-of-mouth marketing. Development Set-Aside organizations should work on enhancing visitor amenities, services, and hospitality to ensure tourists have a memorable stay, leading to repeat visits and extended stays.
  - Sustainable Tourism Practices: Sustainable tourism practices are vital. Promotion should include the responsible enjoyment of natural resources and cultural heritage, ensuring they are preserved for future generations. By emphasizing sustainability, Development Set-Aside organizations

contribute to the long-term health of the local environment and community, as well as maintaining the region's appeal for visitors.

- Goal 4: Collaborations and Partnerships
  - Stakeholder Engagement: Engaging local stakeholders is crucial for building a unified approach to economic development. This includes businesses, community organizations, and government entities. With a focus on connecting with County Departments.
  - Public-Private Cooperation: Collaboration with private enterprises is fostered, often through public-private partnerships, to fund and implement key economic development projects.
  - Cross-Sector Synergy: A comprehensive approach involves collaboration across different sectors, like education, government, and business, to create a shared vision and coordinate strategies.

In addition to these goals there must be an opportunity for flexibility and adaptations should workplans receive request(s)/recommendation(s) from the Economic Development Committee, County Administrative Officer, and/or the Board of Supervisors during review.

## VI. PROGRAM TIMELINE

~~1. Agencies to submit DSA Partner Information to Economic Development by November 15<sup>th</sup>.~~

~~2. Economic Development review completed by December 31<sup>st</sup>.~~

~~3.1.~~ Agencies to submit DSA Partner information and workplans to Economic Development by February 1<sup>st</sup>.

~~4.2.~~ Economic Development review completed by March 31<sup>st</sup>.

~~5.3.~~ Economic Development forwards DSA information and workplans~~plans~~ to the Economic Development Committee (EDC) by 2<sup>nd</sup> Quarter Meeting.

~~6.4.~~ EDC reviews plans and forwards plans to the Board of Supervisors prior to ~~May~~ Budget Workshop.

~~7.5.~~ Contracts approved after ~~final~~ budget adopted by BOS.

~~8.6.~~ Semi-annual invoice #1 due by ~~4<sup>th</sup> Friday in June~~ June 28<sup>th</sup>.

~~9.7.~~ Semi-annual invoice #2 due by ~~2<sup>nd</sup> Friday in December~~ December 30<sup>th</sup>.

~~10.8.~~ ~~Semi-A~~annual reports to be submitted by ~~January 31<sup>st</sup> and~~ July 31<sup>st</sup>.

~~11.9.~~ At least ~~onetwo~~ (12) presentations to be given to the EDC and one (1) presentation to the Board of Supervisors per fiscal year.

## VII. ~~SEMI-ANNUAL~~ REPORTS

The ~~Semi-A~~annual Reports shall be in a format that address the following: (All reporting elements may not apply to your plan or organization).

1. Status of each program task/goal/project outlined in the approve plan;
2. Economic benefits that have resulted due to the Plan;
3. Number of direct or indirect jobs created, retained or upgraded;
4. Partnerships that have been developed with other agencies;
5. Types of joint projects that have been initiated or completed;
6. Amount of other public or private funds received;
7. Increased capacity/service due to plan implementation (i.e., increased grants, increased marketing or outreach, increased service, etc.);
8. Status of grant program, i.e., contracts initiated, projects completed or in progress, etc.
9. Significant change in board make-up or structure.

Following the final report for prior fiscal year a copy of audited financial statements must be submitted to economic development staff. Unaudited financial statements may be provided if certain California state law requirements are met. In addition, a copy of the financial (receipts, invoices, backup documentation, Etc.) may be requested at any time by the Economic Development Committee, County Administrative Officer, and/or the Board of Supervisors, but no more than one time per year.

## VIII. SUPPLEMENTAL DOCUMENTATION

As part of the plan, each agency shall submit the following to Economic Development:

1. Current by-laws or amendments.

2. Roster of board members listing names, organization/business affiliation, supervisorial district or geographic area and notation of any members that have missed three or more meetings in the past twelve (12) months.
3. Brief statement outlining how board members are selected or replaced.
4. List of grant committee members and a brief statement outlining how they were selected.
5. A budget covering the contract period of July 1<sup>st</sup> through June 30<sup>th</sup>. Budget shall reflect County funds and all matching program funds. (\*This may be substituted by the annual workplan if budget is included).
6. Audited financial statements and/or unaudited financial statements for those agencies that meet the following state law requirements. In accordance with California government code section 12586(e)(1), independent audit of annual financial statements is required for charities (non-profit) with gross revenues of \$2 million or more.