



County of Monterey

Item No.5

Board Report

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

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March 20, 2025

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- a. Receive an update regarding the Development Set-Aside Program; and
- b. Receive the DRAFT Development Set-Aside Workplans for FY25-26.

RECOMMENDATION:

It is recommended that the Economic Development Committee:

- a. Receive an update regarding the Development Set-Aside Program; and
- b. Receive the DRAFT Development Set-Aside Workplans for FY25-26.

SUMMARY/DISCUSSION:

The County of Monterey Board of Supervisors established the 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). The four (4) agencies have a 1-year agreement for this current FY2024-25.

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.

At the November 6, 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.

On April 2, 2024, staff presented recommendations 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 three (3) options to the Board of Supervisors for approval of new DSA allocations for FY2024-25. During the board meeting an option, was selected along with an additional \$215,862 being re-distributed to each DSA agency, based on the revised formula share.

In addition, the Board of Supervisors gave direction to staff to review the DSA formula to add additional organizations/agencies and include an RFP process for the DSA Program for FY25-26.

On August 20th, 2024, Economic Development staff presented the revised options requested by the Board of Supervisors during the May 7th meeting. During this meeting, the BOS elected to make no further changes to the formula, provided direction to staff for additional revisions to the DSA guidelines and bring to the BOS at a later date.

The presentation provided is an overview of the work completed by the Board of Supervisors, Economic Development Committee, Economic Development Ad hoc Committee, and staff.

OTHER AGENCY INVOLVEMENT:

County Counsel has approved the above agreements as to form.

FINANCING:

Receiving this report does not impact County budget at this time.

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

Attachments:

Staff Presentation