

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

- ❖ On November 6th, the Economic Development Committee developed 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.
- ❖ On February 7th, the Economic Development Committee met and recommended two separate actions to ultimately be taken to the BOS as two options.
- ❖ One option recommended by the Committee is to increase the DSA allocation from 8.93% to 9.19% funded through Transient Occupancy Tax (TOT).



Ad Hoc Committee Re-cap

- ◆ Recommendations proposed by Ad Hoc Committee to take effect in FY24-25 if approved:
 - ◆ Administrative expenses 30% of budget unless approved by the ECD or BOS
 - ◆ Approved workplan submittal date Feb 1st each year
 - ◆ Semi-annual reporting
 - ◆ Workplans must allow for revisions and recommendations from the Committee and/or BOS
 - ◆ DSA agencies with gross revenues over \$2 million are required to provide audited financial statements each year.
 - ◆ DSA agencies with gross revenues under \$2 million are required to provide unaudited financial statements each year. With audited financial statements to be submitted when completed by organization. (ex. MCBC completed audited financial statements every 5 years)
 - ◆ Additional financial back-up documentation may be requested by one of the following: (EDC, CAO, or BOS) but, no more than one-time per fiscal year.
 - ◆ Individual DSA allocations were revised down to include the Monterey County Business Council into the formula adopted by the Board of Supervisors.
 - ◆ Recommending not to open the program to additional industry sectors at this time.
 - ◆ Research on Economic Development programs like DSA in other jurisdictions across the U.S.



Funding Formula Recommendation

DSA Agencies percentage changes

- ◆ DSA Program
 - ◆ Increase from 8.93% to 9.19%
- ◆ MCCVB (See Monterey):
 - ◆ Reduce current 6.0% by 0.28% to 5.84%
- ◆ APMC (Arts4MC):
 - ◆ Reduce current 1.98% by 0.10% to 1.93%
- ◆ MCFC (Film Commission):
 - ◆ Reduce current 0.95% by 0.04% to 0.92%
- ◆ MCBC:
 - ◆ Allocate 0.50% in FY24-25 (*historically allocated a flat amount of \$100,000)



Recommendations



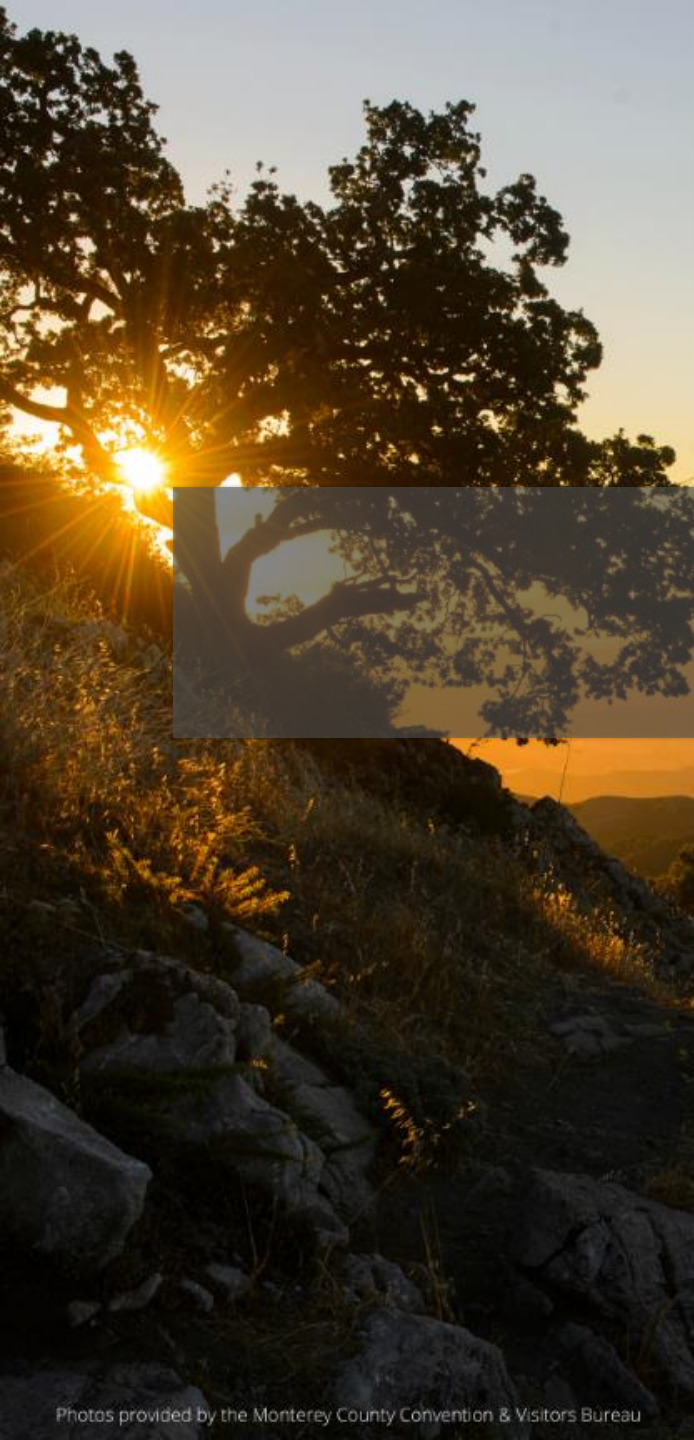
◆ #1:

- ◆ Consider supporting a recommendation from the Economic Development Committee to increase the Development Set-Aside (DSA) percentage allocation from 8.93% to 9.19% effective FY2024-25; and

◆ #2:

- ◆ Consider supporting a recommendation from the Economic Development Committee to revise funding allocations for the following Development Set-Aside agencies, Monterey County Convention and Visitors Bureau (MCCVB) 5.84%, Arts Council for Monterey County 1.93%, Monterey County Film Commission 0.92%, and Monterey County Business Council 0.50%.





Questions?

