

Program Overview:**Historical Development Set-Aside Program Overview:**

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.

Change to Development Set-Aside Program in Fiscal Year (FY) 1994-1995

During this period the Board of Supervisors approved DSA funding to be open for submittals through a request for proposals (RFP) process. In addition to the initial four DSA agencies the following organizations were included in FY1994-1995: Castroville Chamber of Commerce, City of Gonzales, Hispanic Chamber of Commerce, Big Sur Chamber of Commerce, Carmel Valley Chamber of Commerce, Cripe Mosca Communication Arts, Monterey Peninsula Chamber of Commerce, and Monterey Wine Country Associates.

Development Set-Aside Program FY2002-2003 through FY2005-2006

During this period the DSA agencies remained in place with several undergoing name changes and a new organization the Monterey County Business Council (MCBC) began receiving funding in 2002 through the competitive process. The Monterey County Travel and Tourism Alliance dissolved and was reincorporated as the Monterey County Convention & Visitors Bureau (MCCVB). The Cultural Council for Monterey County changed its name to the Arts Council for Monterey County (ACMC). There was no change to the Monterey County Film Commission (MCFC) funding or the organization's name. Lastly, the Economic Development Corporation of Monterey County became inactive on 9/27/2017.

Change to the Development Set-Aside Program in FY2007-2008:

In FY2007-2008, the Board directed county staff to work with various agencies (MCCVB, ACMC, MCFC, and MCBC) to establish a formula for ongoing contributions to be included in future budget recommendations. This was intended to reduce the competition for funds and provide a non-competitive source of funding for DSA partners. The formula-based approach, with percentages assigned to each agency, was approved, and the Economic Opportunity Committee (EOC) was tasked with overseeing funding and performance auditing. The DSA agencies received the following percentages: MCCVB 6%, ACMC 1.98%, and MCFC .95%. Separately the MCBC receives a set allocation each year ranging from \$100,000 to \$175,000. The EOC implemented a performance-based agreement with quarterly reports, providing payment only upon the agency meeting performance measures (pay-for-performance).

These changes also required each DSA partner to enter into a formal agreement aligning with the county's economic development goals. The Department of Economic Development is responsible for various economic development programs, including business assistance, tourism, and management of DSA partner funds and contracts.

Reasoning for Non-Competitive Funding:

The non-competitive funding approach was adopted to avoid a time-consuming bid and award system, as well as to ensure that the DSA partners, like the Convention & Visitors Bureau, Film Commission, Arts Council, and Business Council, could continue providing essential services at a cost significantly lower than if the county were to replicate them. The DSA partners collaboratively contribute to the county's economic development, increase tourism, hospitality jobs, agriculture, and support education and cultural enrichment for residents and visitors.

Current Program: Currently, the DSA Agencies are the MCCVB, ACMC, MCFC, and 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 strategic initiatives as described below:

- Monterey County Convention and Visitors Bureau (MCCVB) See Monterey (new name on 8/1/23)
 - The Board designated the MCCVB as the County's partner to promote tourism in Monterey County. The MCCVB shall promote a positive image and increase visibility of the County as a destination place for individual tourists, convention, and group activities. The MCCVB also promotes the retention and expansion of existing tourism and visitor-oriented businesses as well as the attraction of new and compatible tourism and visitor-oriented businesses into the County as a means to diversify the economic base and increase the number of jobs. 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. MCCVB's Vision is a thriving tourism economy that enriches Monterey County's economic vitality and quality of life. Their mission is to generate community prosperity for Monterey County through the responsible promotion and growth of the tourism economy.

- Arts Council for Monterey County (ACMC)
 - In 1985, the Board of Supervisors selected the ACMC as a member agency of the new Development Set-Aside Fund – formally recognizing the critical role of the arts sector in “strengthening and broadening the County’s economic base”. The mission of the ACMC is to improve the quality of life for everyone in the region through the arts by developing jobs and business opportunities in the creative sector through impact grants, professional development, and promotion of artists and arts organizations. The ACMC leads arts organizations, arts educators to help Monterey County strengthen the areas that are critical for success in economic development. Their arts, culture and heritage programs strengthen community ties and are a magnet for the kinds of tourists that the hospitality industry has found are more likely to stay longer and spend more.
- Monterey County Film Commission (MCFC)
 - The Board designated the MCFC as the County’s private sector partner to implement an economic development program which promotes film business in Monterey County. The Film Commission is a non-profit organization whose mission is to inspire and facilitate film and media productions throughout Monterey County, creating positive economic impact. When a production company comes here to film it brings a quick infusion of new money to the area in support of local businesses and services, and jobs for both skilled and unskilled members of local communities. The MCFC implements a targeted marketing and film assistance strategy, promoting the many assets and county-wide locations via film industry focused events and industry affiliations. It lends support to local production crews through its online resource guide used by film professionals, offering all County residents opportunities with a free listing. The Film Commission also addresses the local market with educational programs, fundraising events, and community relations efforts. MCFC boosts film industry outreach by increasing the number of inquiries that have positive results and tracks the number of productions in Monterey County. More than \$132 million has come into county communities since MCFC’s inception in 1987.
- Monterey County Business Council (MCBC)
 - The Board designated the MCBC as the County’s partner to promote economic development and business growth in the region. The MCBC is committed to fostering a supportive and inclusive business community that encourages innovation and drives economic prosperity. The MCBC offers a variety of programs designed to promote economic development and support businesses throughout Monterey County. Some programs include events, workshops, business support, procurement support, and networking opportunities that bring together business leaders, elected officials, and other stakeholders to discuss key issues and promote collaboration in Monterey County. MCBC has created and retained jobs through business expansion and businesses receiving assistance from the Monterey Bay APEX Accelerator (formerly known as

Procurement and Technical Assistance Center) and assist small businesses and local entrepreneurs to secure governmental contracts.