



Monterey County

Development Set-Aside Program

Background

- The County of Monterey created the Development Set-Aside (DSA) program in 1985 to expand tourism, economic and agriculture development and cultural art activities.
- The goal of this program is to strengthen and broaden the County's economic base.
- The program has undergone revisions in 1994, 2002-2006, and 2007.
- The current program included four (4) partners Monterey County Convention and Visitors Bureau (See Monterey), Arts Council for Monterey (Arts4MC), Monterey County Film Commission (MCFC), and Monterey County Business Council (MCBC).

DSA History

- 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.

DSA History

- **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.
- **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.
- **Changes to DSA program:**
 - FY1994-95
 - Board of Supervisors approved DSA funding to be open for submittals through a request for proposals (RFP) process.
 - FY2007-08
 - The Board directed county staff to work with the four (4) agencies (MCCVB, ACMC, MCFC, and MCBC) to establish a formula for ongoing contributions to be included in future budget recommendations.
 - The formula-based approach, with percentages assigned to each agency, was approved by the board, the Economic Opportunity Committee (EOC) was tasked with overseeing funding and performance auditing.
 - The DSA agencies receive the following percentages:
 - MCCVB – 6%
 - ACMC – 1.98%
 - MCFC - 0.95%
 - MCBC – set allocation ranging from \$100-175k
- **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 could continue providing essential services at a cost significantly lower than if the county were to replicate them.

DSA History

- **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:
- **MCCVB (See Monterey):** 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.
- **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.
- **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.
- **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.

Recommendation

- It is recommended that the Economic Development Committee:
 - Consider options for recommendation to the Board of Supervisors for the development Set-Aside Program and recommend a preferred option, and
 - Provide direction to staff.
- Staff recommendation:
 - At the direction of the Board of Supervisors during the May 31, 2023, budget hearings, Economic Development staff had developed two (2) options for the Economic Development Committee to select from and recommend to the Board of Supervisors. The two (2) options are as follows:
- Options:
 - #1
 - A. Consider conducting a comprehensive evaluation of the Development Set-Aside (DSA) program, develop criteria, and review the funding formula with an opportunity to propose new allocations to existing DSA agencies, and
 - B. Assign four (4) committee members 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; or
 - #2
 - A. Consider conducting a comprehensive evaluation of the Development Set-Aside (DSA) program, develop criteria, and review the funding formula to determine if it would be beneficial to include additional organizations, either alongside or in place of any current DSA agencies; and
 - B. Assign four (4) committee members 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.

Questions?

