



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: April 25, 2007 REPORT NO: 07-076
ATTENTION: Council President and City Council
Agenda of May 2, 2007
SUBJECT: Fiscal Year 2008 Funding Recommendations for Economic
Development and Tourism Support Program

REQUESTED ACTION:

As part as an informational report for deliberation during the Fiscal Year 2008 proposed budget hearings for the Special Promotional Program, the City's City Planning and Community Investment (CPCI) Department recommends allocating \$539,737 to fourteen (14) non-profit Economic Development and Tourism Support (EDTS) applicant organizations.

STAFF RECOMMENDATION:

Staff recommends supporting the EDTS Panel's ranking recommendations and CPCI's funding recommendation for the EDTS program in the Fiscal Year 2008 Special Promotional Program's budget for \$539,737.

SUMMARY:

The EDTS program was established by the City Council in 1998 to promote the City of San Diego as a visitor destination and to advance the City's economy by increasing tourism and attracting industry. The EDTS program enables non-profit organizations to assist the City in achieving one or more of the following goals:

- 1) Attract and/or develop business and economic opportunities within the City
- 2) Develop employment opportunities for City residents
- 3) Promote the City of San Diego as a tourist destination

Process Overview

EDTS funding applications were received on the specified deadline of January 29, 2007. Fourteen (14) qualified organizations requested over \$726,327 in EDTS funding. The Proposed FY 2008 Budget allots \$539,737 for the EDTS program. Applications submittal were reviewed and ranked by an independent Review Panel during a public meeting.

Review Panel

The Review Panel plays a vital part in the review process. Each year, volunteer panelists from throughout the San Diego community contribute their time and knowledge to help make the distribution of Transient Occupancy Tax funds a fair and open process. The EDTS Review Panel developed the FY 2008 ranking recommendations for the EDTS program. The role of the Panel

was to review and rank the applications to be used for fund allocation recommendations to the Mayor's Office and City Council.

Review Panel Recommendations

On March 19, 2007 the Panel held a public meeting to review, discuss and rank each application. After reviewing each application, Panel members assigned the applicant organization a ranking between "4" (highest) and "1" (lowest) pursuant to the formula based funding allocation methodology detailed in Attachment 1. By averaging the individual ranking of each Panel member (excluding the highest and lowest individual score), a composite ranking was established for each organization. The Panel assigned higher rankings to organizations with applications that met the goals and objectives of the EDTS program. Each organization was provided an opportunity to appeal their ranking based on the narrow criteria that the applicant felt the Panel's assessment was based on mistreatment of factual information as contained in the application, such that it negatively influenced the Panel's evaluation of the applicant's request for funding. The City received two appeals and an Appeal Hearing meeting was held on April 17, 2008. However, due to the fact that the majority of the panel members could not attend because of unanticipated circumstances, the Appeal Hearing was postponed. Furthermore, because of the unavailability of both the EDTS Panel and the Small Business Advisory Board (SBAB) to meet after the Mayor released the City's budget on April 13, 2007 and because such meetings are subject to the Brown Act, CPCI could not establish a quorum to solicit the EDTS Panel or SBAB's funding recommendations. Therefore based on the EDTS Panel's initial rankings, the funding recommendations were made by the City.

In keeping with the City Council Policy 100-03, recommended funding levels for all categories and specific program funding for Citywide Economic Development, Safety and Maintenance of Visitor-Related Facilities, Capital Improvements, and Major Events are made by the Office of the City Manager (Mayor's Office).

CPCI's recommendations for the EDTS program are listed in the Allocations Spreadsheet presented as Attachment 2. In developing the ranking recommendations, the EDTS Review Panel sought to 1) award high rankings to applications with strong qualifying objectives and organizational accomplishments and 2) award high ranking organizations, which support economic development, develop employment opportunities or promote tourism in the City of San Diego. Based on the net available funds for EDTS in FY 2008, CPCI recommends that fourteen (14) organizations receive funding.

FISCAL CONSIDERATIONS:

CPCI's Fiscal Year 2008 recommendations for the EDTS program are listed in the Allocations Spreadsheet presented as Attachment 2.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

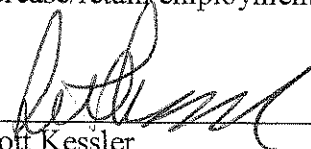
On Thursday, May 4, 2006 City Council approved the Mayor's funding recommendations for the EDTS Program in the Fiscal Year 2007 Special Promotional Programs budget.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

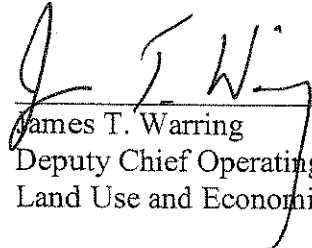
On January 5, 2007 notices were sent to advise all interested organizations that EDTS applications were available. A Technical Assistance Workshop was held on January 17, 2007 to assist interested organizations with the application process. The workshop provided an overview of the program, offered suggestions for developing effective applications and allowed applicants to ask questions related to the City's EDTS application review and recommendation process. On March 19, 2007 a public hearing was held to review, discuss and rank all applications.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders include the fourteen applicant non-profit organizations, City residents and businesses that benefit from the EDTS program objectives to attract business to the City, increase/retain employment opportunities and promote the City as a tourist destination.



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Deputy Director
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James T. Warring
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WARRING/SK/LO

- Attachments: 1. Organizational Support Funding Methodology
2. Funding Recommendations for FY 2008