



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: May 10, 2012 REPORT NO: 12-067
ATTENTION: Council President and City Council
SUBJECT: Fiscal Year 2013 Economic Development and Tourism Support Program

REQUESTED ACTION:

The Mayor's proposed FY2013 Budget includes \$540,000 for Special Promotional Programs and based on the process of the Review Panel to identify recommended recipients, the Economic Development Department offers for deliberation during the FY2013 Budget process this allocation of \$540,000 to qualified non-profit Economic Development and Tourism Support (EDTS) applicant organizations.

STAFF RECOMMENDATION:

Staff recommends supporting the EDTS Panel's ranking recommendations for the EDTS program in the Fiscal Year 2013 Special Promotional Program's budget for \$540,000.

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 30, 2012. Sixteen (16) qualified organizations requested \$812,423 in EDTS funding. The Proposed FY 2013 Budget allots \$540,000 for the EDTS program.

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 EDTS program funds a fair and open process. The EDTS Review Panel has developed the FY 2013 ranking recommendations for the EDTS program. The role of the Panel is to review and rank the applications to be used for fund allocation recommendations to the

Economic Development Department. The Economic Development Department has developed the funding recommendations for the allocation of Fiscal Year 2011 EDTS funds as part of the budget approval process.

Review Panel Recommendations

On April 16, 2012 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. By averaging the individual ranking of each Panel member, 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. Additionally as part of the process, 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 appeal hearing was set on April 26, 2012 with only one applicant organization submitting an appeal. The attached recommendations represent a considerable voluntary effort by members of the Review Panel.

FISCAL CONSIDERATIONS:

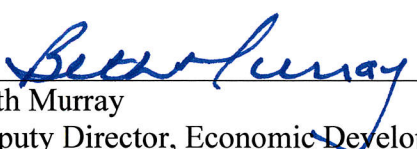
The Fiscal Year 2013 final funding recommendations for the EDTS program are listed in the EDTS Funding Recommendations Spreadsheet presented as Attachment 2.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

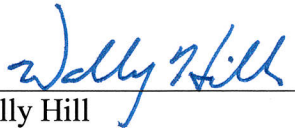
During the month of December 2011, applications were sent to all interested organizations. The application was also posted on the City’s website. A technical assistance workshop was held on January 17, 2012 to assist interested organizations with the application process. On April 16, 2012 a public meeting was held to review, discuss and rank all applications. On April 26, 2012 a public meeting was held for an appeal hearing.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Key stakeholders include the 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.



Beth Murray
Deputy Director, Economic Development



Wally Hill
Assistant Chief Operating Officer

- Attachments: 1. Funding Methodology
2. EDTS Funding Recommendations for FY 2013 Special Promotional Program

FUNDING METHODOLOGY

1. Apply a maximum funding level of 10% of net available funds for a single organization.
2. Apply a maximum funding level of 25% of AOI.
3. Use the following review criteria in evaluating funding proposals:
 - Applicant qualifications, including history and existing programs and services.
 - Organizational efforts/accomplishments in the areas of economic development, and/or employment development, and/or tourist development.
 - Measurable benefits to City’s residents and visitors
 - Measurable return on City’s funding
 - Demonstrated need and the impact of funding
 - Professionalism of the applicant organization
 - Marketing and outreach programs
4. The following rank factors were used for funding levels:

4	90%
4-	80%
3+	60%
3	47%
3-	0%
2+	0%
2	0%
2-	0%
1	0%

NOTE: Below 3- is not recommended for funding.

ECONOMIC DEVELOPMENT & TOURISM SUPPORT PROGRAM RANKING AND FUNDING RECOMMENDATIONS FOR FY 2013

Total Available funding = \$ 540,000

Net Available Funds \$540,000
Recommended Funding \$540,000
\$0

Rank Distribution:	4	90%
	4-	80%
	3+	60%
	3	47%
	3-	0%
	2+	0%
	2	0%
	2-	0%
	1	0%

Funding assumptions: Funding only to 3 and above

Funding Guidelines: Maximum funding cannot exceed - 10% of the available funds (\$54,000) \$54,000
Annual Operating Income (AOI) 25%

ORGANIZATION	FY2013 RANK	AOI	% AOI	Original Request	Request Based on AOI	Adjusted Based on Cap	Recommended Funding
City Heights Community Development Corp.	4	\$2,351,482	11.0%	\$54,000	\$258,663	\$54,000.00	\$48,690
Hostelling International	4	\$1,525,729	12.0%	\$54,000	\$183,087	\$54,000.00	\$48,690
Old Town San Diego Chamber of Commerce	4	\$192,812	19.0%	\$36,634	\$36,634	\$36,634.00	\$33,032
Otay Mesa Chamber of Commerce	4	\$438,813	16.0%	\$65,000	\$70,210	\$54,000.00	\$48,690
South County Economic Development Council	4	\$406,402	17.0%	\$69,088	\$69,088	\$54,000.00	\$48,690
Traveler's Aid Society of San Diego	4	\$471,934	15.0%	\$60,000	\$70,790	\$54,000.00	\$48,690
Adams Avenue Business Association	4-	\$625,615	15.0%	\$54,000	\$93,842	\$54,000.00	\$43,200
BID Council	4-	\$403,094	17.0%	\$50,000	\$68,526	\$50,000.00	\$40,000
Greater San Diego Business Association	4-	\$468,324	16.0%	\$48,800	\$74,932	\$48,800.00	\$39,040
San Diego CONVIS	4-	\$24,303,347	9.5%	\$52,000	\$2,308,818	\$52,000.00	\$41,600
San Diego East Visitors Bureau	4-	\$163,514	20.0%	\$52,000	\$32,703	\$32,703.00	\$26,162
Asian Business Association San Diego	3+	\$199,584	19.0%	\$37,920	\$37,921	\$37,920.00	\$22,752
Japan Society of San Diego and Tijuana	3	\$364,196	17.0%	\$54,000	\$61,913	\$54,000.00	\$25,382
San Diego Diplomacy Council	3	\$305,776	18.0%	\$54,000	\$55,040	\$54,000.00	\$25,382
International Rescue Committee	3-	\$5,672,076	9.5%	\$51,501	\$538,847	\$51,501.00	\$0
Mission Hills BID	3-	\$92,804	21.0%	\$19,480	\$19,489	\$19,480.00	\$0
		\$37,985,502		\$812,423	\$3,980,506	\$761,038	\$540,000