

1015400000—Economic Promotion

General Government

Monica Nino, County Administrator

General Fund	2017-2018 Actual	2018-2019 Adjusted	2019-2020 Requested	2019-2020 Recommended	Increase/ (Decrease)
Expenditures					
Services & Supplies	\$21,139	\$136,200	\$130,000	\$130,000	(\$6,200)
Other Charges & Uses	159,223	181,642	206,723	164,223	(17,419)
Total Appropriations	\$180,362	\$317,842	\$336,723	\$294,223	(\$23,619)
Earned Revenues By Source					
Taxes	\$537,842	\$420,000	\$680,000	\$680,000	\$260,000
Total Revenues	\$537,842	\$420,000	\$680,000	\$680,000	\$260,000
Net County Cost	(\$357,480)	(\$102,158)	(\$343,277)	(\$385,777)	(\$283,619)

- The Net County Cost of (\$385,777) in 2019-2020 represents the unprogrammed amount of the estimated Transient Occupancy Tax revenue that will be transferred to the Economic Development Reserve for tourism and economic development-related programs/activities.

Purpose

The Economic Promotion budget provides funding for the County’s economic development, as well as for Non-County Organizations (NCOs) to promote tourism, economic development, and revitalization within San Joaquin County. The Economic Promotion budget is funded by the Transient Occupancy Tax (TOT) revenues from the unincorporated areas of the County. A TOT is levied at 12% on the privilege of occupying a room in a hotel, inn, or other lodging, and requires voter approval.

Board Strategic Priorities 2019-2020 through 2021-2022

The 2019-2020 recommended budget for the County Administrator’s Economic Promotion activities focuses on the implementation of the Board Strategic Priorities as adopted by the Board on April 9, 2019. The Board Strategic Priorities for fiscal years 2019-2020 through 2021-2022 are a continuation of the Board’s original five key priorities established in 2015. The Board has updated and augmented the goals associated with these strategic priorities to reflect the Board’s direction related to water issues, health, collaboration, and homelessness. The following highlights provide an overview of several projects, programs, and activities administered by the County Administrator’s Office.

Promote Economic Development

Economic Promotion focuses on the Board strategic priority adopted on April 9, 2019, which is to promote economic development by:

1. Enhancing the County’s economic development and tourism-related marketing efforts, to include an increase in web-based marketing to potential visitors, businesses, and customers.
2. Strengthening partnerships with educational institutions and programs with a focus on preparing students to meet local workforce demands.
3. Continuing to work collaboratively with cities within the County, Special Districts, and other key stakeholders to enhance San Joaquin County competitiveness as the location of choice.

Major Budget Changes

Other Charges

- (\$20,000) Decrease in NCO funding.

Revenues

- \$260,000 Increase in TOT revenue.

1015400000—Economic Promotion

General Government

Program Discussion

The 2019-2020 recommended budget for Economic Promotion totals \$294,223, which is a decrease of \$23,619 from the 2018-2019 adjusted budget. The decrease primarily reflects a reduction in funding provided to NCOs.

The recommended budget reflects \$680,000 in TOT revenue, which has increased by \$260,000 due to anticipation of a continuance of the current positive economic conditions in 2019-2020 and the collection of additional TOT revenue through the Voluntary Collection Agreement with Airbnb, Inc. A total of \$294,223 will be used to fund the County's 2019-2020 Economic Development program, with the remaining \$385,777 to be reserved for future economic development and tourism activities/programs. Following is a summary of the TOT contributions to the Reserve:

Transient Occupancy Tax - Reserve Contributions Projected 2019-2020 Year-End Balance

2015-2016	Actual	\$189,189
2016-2017	Actual	236,308
2017-2018	Actual	357,480
2018-2019	Estimate	102,158
2019-2020	Recommended	385,777
Total		\$1,270,912

Highlights of the 2019-2020 Economic Development program include:

- Working in partnership with Conference and Visitors Bureaus, the San Joaquin (SJ) Partnership, the Employment and Economic Development Department (EEDD), the San Joaquin County Economic Development Association (EDA), Innovation Hub San Joaquin (iHub SJ), Chambers of Commerce, the cities within the County, Special Districts, San Joaquin Valley partners, local educational institutions, and others on economic development and tourism-related activities.
- Developing the County's Economic Development web pages in partnership with the Information Systems Division. The proposed budget includes \$20,000 for development of the next phase(s) of the Economic Development web pages in 2019-2020.
- Marketing efforts with a focus on Bay Area and Silicon Valley businesses looking to expand or relocate, in collaboration with the SJ Partnership, the cities within the County, and other economic development partners.
- Evaluating potential sources of funding for purposes of funding Countywide tourism activities and cohesive marketing strategies with Conference and Visitor Bureaus.

Non-County Organizations (NCOs)

The County provides funds to NCOs to promote economic development within the County. Funding for 2018-2019 and the recommended amount for 2019-2020 are as follows:

Non-County Organization	2018-2019 Approved	2019-2020 Recommended
<i>iHub San Joaquin</i>	\$10,000	\$10,000
<i>SJ County EDA</i>	70,000	50,000
<i>SJ Partnership</i>	50,000	50,000
Total	\$130,000	\$110,000

iHub SJ - \$10,000

In November 2014, the State of California Governor's Office of Business and Economic Development, San Joaquin County, and the Business Incubator and Innovation Center (an affiliation of AG Spanos Company), entered into a Memorandum of Understanding constituting iHub SJ as an official iHub of the State's Innovation Hub Program. The goal of iHub SJ is to stimulate economic development and job creation by leveraging assets to provide an innovation platform for startup businesses, economic development organizations, business groups, and financial institutions. iHub SJ focuses on three areas, Health Care, Sustainable Construction Technology, and Agricultural Technology, and is solely within the boundaries of the County.

iHub SJ is supported by a Senior Deputy County Administrator who serves as the County's primary contact for iHub SJ related matters. In-kind support for 2018-2019 is projected to total \$3,000. In addition to the County's in-kind support, the recommended budget includes \$10,000 in support of iHub SJ for 2019-2020. Activities during 2018-2019 included the H20 Hackathon hosted by the San Joaquin County Office of Education (SJCOE) in March 2019; and contracts with Café Coop and HealthForce Partners. The collaboration with Café Coop will support the development of a program designed for early stage startups with innovative business solutions or ideas; targeting the areas of agriculture-related technology, sustainable construction technology, and health care. The objective of the partnership with HealthForce Partners is to develop innovative strategies to help residents of San Joaquin County enter health care careers and meet the talent needs of health care businesses in the County.

During 2019-2020, iHub SJ's goals are to work collaboratively with regional partners to sponsor industry specific events with a focus on agriculture, health care, and construction; leverage existing relationships with organizations already operating in the innovation space; develop a Policy Statement regarding advocacy efforts of iHub Board members in the areas of economic impact,

1015400000—Economic Promotion

General Government

innovation, and targeted industry sectors; and to facilitate the 2020 H2O Hackathon to be hosted by the SJCOE.

San Joaquin County EDA - \$50,000

The EDA is San Joaquin County's lead agency for promoting Countywide economic development, job creation, business retention and expansion, and entrepreneurial development. The EDA works in partnership with all public and private sector economic development and business service organizations to create a friendlier business climate that is more responsive and supportive to the needs of the County's key and emerging industry sectors. One of EDA's primary objectives is to promote economic vitality and diversification Countywide. EDA is responsible for developing the County's Comprehensive Economic Development Strategy (CEDS). Infrastructure projects contained in the CEDS are eligible for Federal funding. The recommended budget includes a total of \$50,000, with \$45,000 designated for collaborative economic development efforts, lead by EDA in partnership with the County's Economic Development Program and regional partners; focused efforts on business retention, expansion, job creation, and business attraction; and \$5,000 for costs associated with maintenance and training of Economic Impact Analysis software purchased in 2018-2019 as part of the implementation of the Economic Development Incentive Program.

San Joaquin Partnership - \$50,000

The SJ Partnership is a public-private partnership between private stakeholders, San Joaquin County, and its incorporated cities focusing on Countywide economic

development. Since 1996-1997, funding for the SJ Partnership has been considered on a year-to-year basis. The recommended budget includes a \$50,000 contribution to the SJ Partnership for economic development and marketing activities focused on attracting new and expanding businesses to the County.

Supplemental Requests

iHub SJ

A funding request totaling \$20,000 has been submitted by iHub SJ for the promotion of economic development and job creation by leveraging assets to provide an innovation platform for startup businesses, economic development organizations, business groups, and financial institutions. Funding of \$10,000 has been included in the recommended budget. Once a majority of the cities routinely participate financially, the request for additional funding will be reconsidered.

The additional funding request of \$10,000 has not been included in the 2019-2020 recommended budget.

EDA

A funding request totaling \$82,500 has been submitted by EDA to assist in business retention, expansion, and attraction activities. Funding of \$50,000 has been included in the recommended budget.

The additional funding request of \$32,500 has not been included in the 2019-2020 recommended budget.