

FISCAL YEAR 2024 REPORT SUMMARY

Economic Development Funding Programs



Fiscal Year 2024 Report Summary

Summary

Economic Development Funding (EDF) is a grant program for local nonprofits that launch, expand, attract, or retain businesses in the City of San Diego, advancing San Diego as a leading innovation hub and tourist destination. This grant program allocates Transient Occupancy Tax (TOT) revenue to promote San Diego as a business and tourism destination, and uses the Small Business Enhancement Program (SBEP) to support small business efforts citywide and in microdistricts. For FY2024, the City received thirty-four (34) applications for both funding sources. EDF enables non-profit organizations to assist the City in achieving one or more of the following goals:

- To promote San Diego as a visitor destination, and place of innovation and entrepreneurship in the national and international marketplace; to support programs that increase hotel occupancy and attract and retain base-sector businesses and entrepreneurs.

This report serves to provide information about the economic impacts from each of these goals (Goal A-D) of the Economic Development Funding for FY2024. The Economic Development funding program awarded \$764,435 in TOT funds to 16 non-profit organizations, and \$80,000 in SBEP funds to 5 non-profit organizations. Of these, a total of 20 organizations completed agreements and reporting for Fiscal Year 2024.

The Year at a Glance



325 businesses

directly assisted by active nonprofit ED grant recipients



1,106 partnerships

leveraged with local, national, and international organizations



670 base sector

businesses reached in innovation, entrepreneurship, and technology



113 jobs

reported jobs created and /or maintained as a result of City funds



1,346 visitors

were assisted in booking hotel stays, transportation, and tourist activities



Goal A

Create, retain and/or expand small businesses with a neighborhood-based focus, excluding Business Improvement Districts.

(This Goal aligns with SBEP Microdistricts program)

Objectives

- Increase the number of neighborhood-based businesses OR
- Increase the volume or value of goods and/or services sold by neighborhood-based business

Project/Program Name Description	Targeted goals reached	Total Award	Community Partners
Visit North San Diego Visit North San Diego is focused on bringing weekend travelers to San Diego north of Interstate-8. Ads give ideas of what to do in North San Diego.	<ul style="list-style-type: none">• 600+ businesses in directory• 53,264 travelers reached to visit and shop in North San Diego	\$12,600	2
South Park Business Group South Park Business Group promoted a holiday event through their website and social media to highlight newer South Park businesses for their seasonal lights and Luminaria event.	<ul style="list-style-type: none">• 67% of businesses reported an increase of sales by 3-10%• 753 new trolley riders during the Illuminara event	\$12,600	61



Goal B

Create, retain and/or expand non-base-sector small businesses by offering a program to small businesses Citywide, not focusing on specific commercial neighborhoods with BIDs or Microdistricts. (This Goal aligns with SBEP Citywide program)

Objectives

- Increase the number of non-base sector small businesses OR
- Increase the volume or value of goods and/or services sold by non-base sector small businesses

Project/Program Name Description	Targeted goals reached	Total Award	Community Partners
<p>Accessity Microlending Program</p> <p>This program provides small business technical assistance, and loans ranging from \$300 to \$100,000 to start, maintain, or grow operations. Those served increase their financial self-sufficiency and have positive impacts on their neighborhoods through job creation and local spending.</p>	<ul style="list-style-type: none"> • 15 business loans approved • 43 jobs created and maintained • 2,100+ businesses assisted 	<p>\$29,564</p>	<p>39</p>
<p>SDVLP’s Microbusiness & Nonprofit Support Program</p> <p>San Diego Volunteer Lawyer Program provides free legal services to low-income entrepreneurs and microbusinesses. Staff and volunteer attorneys strengthen and support local businesses by offering legal workshops, training, education, legal clinics, and one-on-one legal representation.</p>	<ul style="list-style-type: none"> • 104 clients received direct legal assistance • 60 clients received general legal advice 	<p>\$12,600</p>	<p>17</p>



Goal C

Promote the City of San Diego as a visitor destination, enhancing the Tourism base sector.

Objectives

- Increase the number of City of San Diego hotel room night stays OR
- Increase the sales tax value of goods sold by Tourism-related businesses

Project/Program Name Description	Targeted goals reached	Total Award	Community Partners
San Diego Diplomacy Council			
SDDC'S goal is to promote San Diego and the country to international leaders and influence their countries' public opinion about America and San Diego. SDDC works with local partners to provide hotel stays, transportation, cultural and tourist activities to highlight San Diego.	<ul style="list-style-type: none"> • 673 visitors from 124 countries • 2,960 hotel nights • \$764,231 in hotel revenue • \$2.5M in tourism revenue 	\$60,000	684
Visitor Services Program			
Travelers Aid Society of San Diego promotes traveling & tourism with referrals and directions to hotels, restaurants, and attractions. Over 43,000 travelers were assisted as they transited through the Santa Fe Train Depot with information and referral services.	<ul style="list-style-type: none"> • Increased avg night stays by 1,200 • Referred 945 travelers to discount hotel booking 	\$60,000	14



Goal D

Enhance San Diego’s economic standing and reputation as a center for innovation, entrepreneurship, and technology development for base-sector businesses (Manufacturing and Innovation, International Trade and Logistics, or Defense).

Objectives

- Increase the number of base-sector businesses OR
- Increase the volume or value of goods and/or services sold by base-sector businesses OR
- Increase the number of patents held by local businesses OR
- Increase the volume or value of goods and/or services exported by businesses OR
- Increase the number of exporting (overseas or external to San Diego) businesses OR
- Increase the value of Foreign Direct Investment (FDI) in San Diego OR
- Increase the number of middle-income or higher income jobs in businesses assisted

Project/Program Name Description	Targeted goals reached	Total Award	Community Partners
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Biocom Institute’s Fellowship Program

Biocom Institute’s Fellowship program assists local military Veterans and first-generation college graduates with entering the life science industry and providing local life science companies access to emerging and diverse talent. Biocom held a successful career fair for both fellowship programs and had 12 life science companies join.

- 3 participants hired in life science companies
- Engaged 25 companies for mentorship

\$60,000

50



Goal D (cont.)

Project/Program Name Description	Targeted goals reached	Total Award	Community Partners
<h3>New Media Rights</h3> <p>California Western School of Law provides legal services to under-served entrepreneurs, technologists, and small businesses whose projects require specialized intellectual property, privacy, and media law expertise. Funding allows entrepreneurs to avoid the risk of their projects being shuttered due to legal disputes or lawsuits.</p>	<ul style="list-style-type: none">• 22 tech entrepreneurs received legal services• 140 individuals assisted through legal workshops	\$33,300	11
<h3>Southern California Energy Innovation Network</h3> <p>Cleantech San Diego provides support to startups with electric energy-focused technologies and provides resources through a consortium of regional partner organizations to help energy entrepreneurs successfully bring their innovations to market and help meet clean energy and climate goals.</p>	<ul style="list-style-type: none">• 35 companies accepted in the program• 5 companies featured at SD Innovation Council Showcase• 6 companies secured funding	\$45,000	5
<h3>San Diego Innovation Day</h3> <p>San Diego Innovation Day showcases the region's innovation ecosystem by bringing together venture capitalists, pre- and post-venture entrepreneurs, higher education & research institutions, and talent. Funds were used to offer smaller companies exhibition and fund recruiting spaces to establish and grow locally.</p>	<ul style="list-style-type: none">• 55 San Diego companies participated from City funds• 7 companies reported creating 67 jobs by end of 2023	\$60,000	30



Goal D (cont.)

Project/Program Name Description	Targeted goals reached	Total Award	Community Partners
<h3 data-bbox="126 285 686 369">City of San Diego Cybersecurity Awareness Program</h3> <p data-bbox="126 401 665 611">Cyber Center of Excellence Association hosted a Cybersecurity Briefing and Podcast Series to provide cybersecurity threat awareness, preparedness and highlight career pathway programs for businesses and workers.</p>	<ul data-bbox="711 401 987 642" style="list-style-type: none"> <li data-bbox="711 401 987 537">• 170+ companies attended Cybersecurity briefings <li data-bbox="711 579 987 642">• 2,297 listener downloads 	<p data-bbox="1052 401 1195 443">\$40,000</p>	<p data-bbox="1382 401 1409 443">5</p>
<h3 data-bbox="126 663 711 747">MetroConnect Export Assistance Program</h3> <p data-bbox="126 779 673 989">MetroConnect is the flagship export assistance program in which a cohort of high-growth SMEs is selected to receive a suite of cash and in-kind resources to boost their entry into the global marketplace.</p>	<ul data-bbox="711 779 974 1020" style="list-style-type: none"> <li data-bbox="711 779 974 884">• 15 companies selected for cohort <li data-bbox="711 926 974 1020">• \$7M current export revenue for cohort 	<p data-bbox="1052 779 1195 821">\$60,000</p>	<p data-bbox="1370 779 1419 821">25</p>
<h3 data-bbox="126 1041 669 1125">Promoting E-Commerce Trade Services in Otay Mesa</h3> <p data-bbox="126 1146 652 1461">Otay Mesa Chamber of Commerce aims to promote the San Diego/Tijuana region as an e-commerce hub, focusing on import/export services for businesses in Otay Mesa fulfillment centers. The program identifies distributors to target, and providing cost benefit analysis/promotional materials.</p>	<ul data-bbox="711 1146 998 1367" style="list-style-type: none"> <li data-bbox="711 1146 998 1251">• 25 apparel distributors reached <li data-bbox="711 1293 998 1367">• 243 unique views for the video 	<p data-bbox="1052 1146 1195 1188">\$35,000</p>	<p data-bbox="1382 1146 1409 1188">2</p>
<h3 data-bbox="126 1514 500 1598">Oui Start To Succeed (Extension)</h3> <p data-bbox="126 1619 643 1829">From an initiative of The San Diego French-American Chamber of Commerce, OUISTART targets French tech companies that may be considering a move or expansion into San Diego.</p>	<ul data-bbox="711 1619 979 1860" style="list-style-type: none"> <li data-bbox="711 1619 979 1724">• 1 Cleantech Company - incorporated <li data-bbox="711 1766 979 1860">• 120 French tech companies reached 	<p data-bbox="1052 1619 1195 1661">\$58,500</p>	<p data-bbox="1370 1619 1419 1661">10</p> <p data-bbox="1446 1776 1474 1818">7</p>



Goal D (cont.)

Project/Program Name Description	Targeted goals reached	Total Award	Community Partners
<p>The San Diego Fleet Week Innovation Zone</p> <p>Fleet Week is a free event featuring the Innovation Zone which is a series of informative and interactive displays to showcase the latest technology and innovative products produced in San Diego.</p>	<ul style="list-style-type: none"> • 23 companies & organizations in the Innovation Zone • 20,000 visitors to the Innovation Zone 	<p>\$25,000</p>	<p>15</p>
<p>Jacobs Talent Initiative, 'Ready to Work' Certificate Program</p> <p>Tech San Diego's program provides support to local college talent through in-person and virtual workshops, on-campus tech professional panels, off-campus employer site visits and assistance for employment applications to San Diego's innovation companies.</p>	<ul style="list-style-type: none"> • Helped 60+ small and midsize companies recruit talent • 511 students to fill internship positions 	<p>\$60,000</p>	<p>7</p>
<p>South County EDC Business Outreach and Workforce Development Program</p> <p>SCEDC's business outreach program is in defined communities working closely with companies assisting their growth by addressing challenges, providing workforce development training programs, and identifying skilled applicants.</p>	<ul style="list-style-type: none"> • 25+ companies received direct assistance • 200 companies engaged digitally 	<p>\$60,000</p>	<p>30</p>



Goal D (cont.)

Project/Program Name Description	Targeted goals reached	Total Award	Community Partners
<h3>San Diego Startup Week 2023</h3> <p>San Diego Startup Week event features startup founders, leaders, investors, a startup fair, pitch competitions, mentorship 1:1's, and more. With its unique focus and highlighting the diverse startup hubs through the Baja-SD region, San Diego Startup Week is the biggest startup event in San Diego.</p>	<ul style="list-style-type: none">• 1,596 attendees• 60 companies participated in the Startup Fair & Partner Expo	\$30,000	43
<h3>Green Connections and Bridging the Gap events</h3> <p>The Swedish-American Chamber of Commerce (SACC) Green Connections and Bridging the Gap events bring together Swedish and San Diego-based technology companies in the fields of Clean Technology and Life Science.</p>	<ul style="list-style-type: none">• 270 registered attendees• 1 Swedish start-up incubator	\$17,635	35
<h3>BlueTech Week 2023 TMA's 15th Annual Blue Tech Conference</h3> <p>TMA BlueTech Week conference showcases the region's innovative, smart, and business-ready BlueTech products and services. The conference included government panels to highlight dual use technologies, and the opportunity to showcase their products and services, and promote collaboration internationally.</p>	<ul style="list-style-type: none">• 69 local companies featured• 1 company reports \$500,000 in sales revenue directly from BlueTech Week	\$60,000	21



Program Highlights



Image 1: Photo highlights from Startup San Diego featuring several events from San Diego Startup Week 2023.



Image 2: Students and participating companies at Biocom Institute's annual Life Science Career Fair.



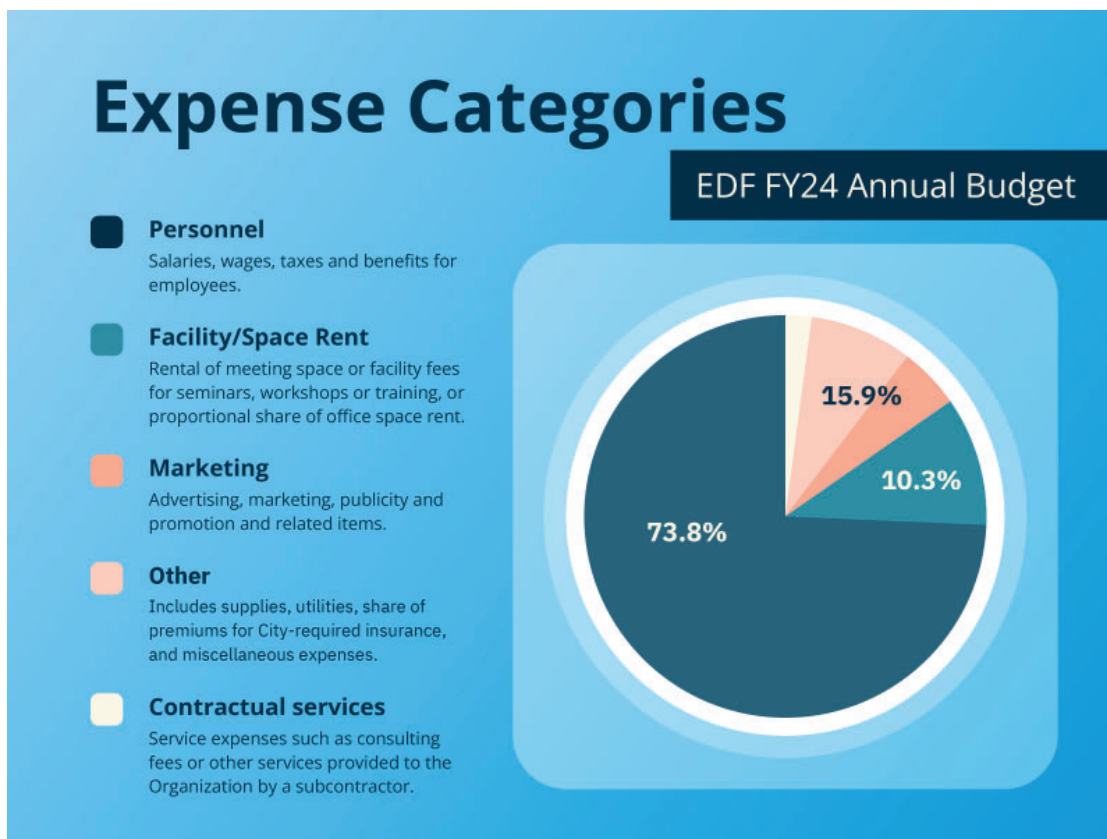
Image 3: Students and STEM Outreach volunteers discussing micro bit Morse code at the San Diego Fleet Week Innovation Zone.



Budget Analysis

The City of San Diego values the time and commitment nonprofits put in to provide valuable public services to underserved and underrepresented members in the community and help to stimulate the local economy. These partnerships are vital to the economic development of the region. The City continues to support nonprofits that launch, expand, attract, or retain businesses in the City of San Diego, advancing San Diego as a leading innovation hub and tourist destination.

The overall reported costs to run the programs 20 nonprofit ED grant recipients led is \$3,658,746 which includes non-city funds, program income, other City funds, and TOT and SBEP funds. TOT and SBEP funds covered approximately 23% of total program costs. With City funds, Personnel accounted for 74% of the budget and was the largest expense. These include salaries, wages, employment taxes and fringe benefits for employees who run the programs. 10.3% of funds were used for facility and space rental fees. Marketing costs accounted for 4.9% of the budget. Program supplies, utility costs, and share of premiums for City-required insurance accounted for 5.2%. Contractual services was 3.3% which includes costs for accounting/audit services and outside consultants.



Outreach Methods

Outreach began in mid-February primarily through EDD's email contact lists with additional notifications and reminders in early March. City staff reached out to previous grant recipients and applicants to announce the program open dates.

- **Website:** Funding Guidelines, Sample Application, Scoring Sheet, link to online application, and FAQs were published to Website.
- **Existing funded organizations:** Emails were sent to all existing grant award recipients about application availability, website resources, and upcoming workshops.
- **Constant Contact:** BEAR - Financial/Business Support, BEAR - EDF, and BEAR - Grant Interest list for a combined 90 recipients. This represents 3 EDD lists which includes existing nonprofits and other organizations who have expressed interest in receiving information about grants.
- **Social media post and shares:** Graphics and copy were created and sent to Communications to schedule for posts to Facebook, IG, LinkedIn and Twitter.
- **EDD Meetings for BEAR/Promise Zone:** Staff announcements were shared at various stakeholder meetings.
- **Office hours:** EDD staff held monthly meetings with grant recipients to discuss performance metrics and provide technical assistance for quarterly budget reports.
- **Program events:** EDD staff attended key program events to engage with local stakeholders and show support to nonprofit partners.



Image 4: Social media post featured on the City of San Diego's LinkedIn profile announcing the call for applications for FY24.

