

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CHULA VISTA CREATING THE CHULA VISTA THIRD
AVENUE SMALL BUSINESS REVOLVING LOAN FUND
PROGRAM**

WHEREAS, the City of Chula Vista previously participated with the cities of San Diego and National City in the San Diego Regional Enterprise Zone (SDREZ) Program; and

WHEREAS, the SDREZ was administered by the City of San Diego on behalf of the partner cities; and

WHEREAS, the administrative costs of the SDREZ were paid for in part through administrative fees paid by businesses receiving Enterprise Zone Tax Credit Vouchers, and

WHEREAS, the Enterprise Zone Program was terminated by the State of California on January 1, 2014; and

WHEREAS, due in large part to early termination of the State Enterprise Zone Program, and anticipation by regional businesses and the tax professional community of the approaching December 31, 2014 voucher issuance deadline, the City of San Diego received a very high volume of certification applications to process during the last 18 months of the program; and

WHEREAS, as a result of the increase in Enterprise Zone Tax Credit Voucher applications, the City San Diego ended the program with a fund balance of approximately \$3,500,000;

WHEREAS, the City San Diego approved disbursement of the fund balance to former SDREZ partner agencies in an amount equal to the percentage of Hiring Credit Voucher Certificate applications received from qualifying businesses in those jurisdictions; and

WHEREAS, based upon the formula for disbursing funds, the City of San Diego remitted \$486,991.16 to the City of Chula Vista; and

WHEREAS, on January 10, 2017, the Chula Vista City Council amended the Economic Development Department's budget and appropriated \$200,000 utilizing former Enterprise Zone funds for business retention and attraction activities; and

WHEREAS, City staff recommends that the funds be used to establish the Third Avenue Small Business Revolving Loan Fund Program to provide loans to owners of property along Third Avenue, between E Street and H Street, in amounts up to \$40,000, for five year periods at 2% interest, to fund certain building improvements, including: fire sprinklers, grease traps, sewer fees and improvements, kitchen hoods, and ADA improvements..

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it approves the creation of the Third Avenue Small Business Revolving Loan Fund Program, and authorizes and directs the City Manager to take such additional actions as may be necessary or appropriate to implement the Program, with all associated documents subject to review and approval by the City Attorney.

Presented by

Approved as to form by

Eric Crockett
Economic Development Director

Glen R. Googins
City Attorney