

(R-98-748 REV.)

RESOLUTION NUMBER R-289760

ADOPTED ON FEBRUARY 23, 1998

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO AUTHORIZING THE TRANSFER AND ALLOCATION OF FUNDS NECESSARY FOR THE RE-CAPITALIZATION OF THE EMTEK FUND.

WHEREAS, the EmTek Fund was established in 1994 as part of a \$5.8 million federal defense conversion grant to provide financing for early stage high tech businesses throughout the San Diego region; and

WHEREAS, through the initial capitalization of \$1 million (\$750,000 EDA Title IX Revolving Loan Fund grant and \$250,000 contribution from the City), EmTek has committed a total of \$1,080,000 in loans to 8 companies, resulting in 74 new or retained jobs and over \$3.9 million in total public and private investment; and

WHEREAS, on December 9, 1997, the San Diego County Board of Supervisors committed \$125,000 as a match towards a proposed \$125,000 from The City of San Diego, and \$750,000 from yet to be determined public and/or private sources, for a proposed total recapitalization of \$1 million; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, as follows:

1. That \$110,000 in Industrial Development Bond fund fee revenues previously allocated to Facade Rebate Program (Fund 10242, Org. 150) be reallocated and transferred to the

EmTek Seed Capital Program (Fund 10242, Org. 160) for the purpose of re-capitalization of the EmTek Fund.

2. That an additional amount of \$15,000 be allocated from Fund 10240 to the EmTek Seed Capital Fund, for a total of \$125,000.

BE IT FURTHER RESOLVED, that the EmTek Loan Package is approved subject to the following conditions:

1. That the Small Business Enhancement Program for Fiscal Year 1998 be increased from \$1,040,000 to \$1,225,00 to more accurately reflect the verifiable revenue flow which is \$185,000 more than expected and experienced by the fund in Fiscal Year 1997;


2. That the Small Business Enhancement Program annual allocation be based on the immediate past fiscal year revenue estimate and automatically adjusted in January to reflect the estimated "actual revenue" to fund and be made whole plus or minus within the next fiscal year; and

3. That the Enhancement Program funding be allowed to roll over from year to year to facilitate the proposed method of adjustment and to insure uninterrupted flow of funding to the Storefront Improvement Program and other programs vital to the well-being of the small business community.

BE IT FURTHER RESOLVED, that the City Council accepts Council Member Kehoe's recommendation to request that the Economic Development Division return to Council with a report on how the Facade Rebate Improvement Program can be moved toward a Micro Loan

Program, how it can be implemented, and if need be, contract out to a non-profit to do the micro loan portion of it.

APPROVED: CASEY GWINN, City Attorney

By   
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Douglas K. Humphreys  
Deputy City Attorney

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The City of San Diego  
**CERTIFICATE OF CITY AUDITOR AND COMPTROLLER**

**CERTIFICATE OF UNALLOTTED BALANCE**

ORIGINATING DEPT. NO.: AC 9800798  
 042

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount 125,000.00 Fund 10240 and 10242

Purpose Reallocate funds from the Facade Rebate Program (Fund 10242, Org 150) to the Seed Capital Program (Fund 10242, Org 160) and allocate funds from the IDB fund for re-capitalization of the EmTek Fund.

Date January 6, 1998

By: 

AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
01	0	10242	10242	150	4657	000150				\$110,000.00
02	0	10240			9544					15,000.00
TOTAL AMOUNT										\$125,000.00

FUND OVERRIDE

**CERTIFICATION OF UNENCUMBERED BALANCE**

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed \$ \_\_\_\_\_

Vendor \_\_\_\_\_

Purpose \_\_\_\_\_

Date \_\_\_\_\_

By: \_\_\_\_\_

AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
TOTAL AMOUNT										

FUND OVERRIDE

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