

# Fred Warren Offers Financial Assistance To City's Entrepreneurs

By Jalyne Strong  
Post Staff Writer

The small business entrepreneur, practically unheard before, has in the last several years become a household word. The popularity of the position is owed in part to Reaganomics and the President's philosophy of "pulling oneself up by one's bootstraps," which entrepreneurs are known to do. But most of the entrepreneur's popularity is owed to the common knowledge that 80 percent of Americans are employed by these small business owners. Therefore, the small business entrepreneur has become a sought-after entity.

So sought-after there are people whose jobs involve finding entrepreneurs.

Fred Warren, manager of the Economic Development Division of the City of Charlotte's Community Development Department (CDD), is one of those people. His work days center around seeking out entrepreneurs and assisting them to initiate, increase or expand their businesses by way of financial loans from the City.

He finds them in different ways: they may come directly to him for consultation; or are referred by banks or the Chamber of Commerce. Warren welcomes all callers with information about the loan programs the City has to offer small businesses.

The first loan program developed by the city of Charlotte was established in 1978 and today this program, called the Economic Development Revolving Loan Fund (EDRLF) is still utilized to assist individuals and businesses city-wide. Informs Warren, "The fund provides six percent interest rate loans and a five year term."

However, this fund and the other two loan programs of the City, has certain guidelines to which potential borrowers must adhere. They are the 50-40-10 concept and the criteria for job creation.

In explanation of these guidelines, Warren begins with the 50-40-10 concept. It is best elucidated by example. Warren relates,

"For instance, a business owner needs a loan of \$50,000. We require they obtain 50 percent or \$25,000 of the loan from another



Fred Warren pinpoints the Charlotte areas which are in need of economic development and increased entrepreneurship.

lender (usually a bank), we'll loan 40 percent--\$20,000--and the borrower must supply the remaining \$5,000 or 10 percent in cash."

The 50-40-10 concept is found necessary, says Warren "to leverage public dollars." It also has a security factor. He adds, "It's understood if private industry (banks) are involved in a loan, they've looked at it long and hard. That's one reason why we'd get involved."

Job creation is the other guideline necessary to receiving a loan from the City and it may be the most important. "Everytime we make a loan a primary purpose is to make jobs," stresses Warren. With each of the loan programs offered by the City there is the stipulation that every \$15,000 borrowed must account for one job created. By way of helping the entrepreneur with financial assistance the city is also trying to alleviate some of its unemployment. Essentially, the

gram, titled the Development and Revitalization Fund, was begun in 1985 for use in four development areas and a large section of the city termed the "Pocket of Poverty."

The four development areas are Beatties Ford Rd., West Morehead, South Blvd. and Wilkinson Blvd. The "Pocket of Poverty" encompasses an area bounded by the Billy Graham Pkwy., Nations Ford Rd., South Blvd., Elizabeth Ave., and Graham St. These areas have been targeted because of their large concentration of low to moderate income inhabitants. And the Development and Revitalization Fund, a special loan program just for these areas is the way the City attracts entrepreneurs to construct, rehabilitate or expand industrial or commercial projects in these sections.

This program also has the 50-40-10 concept and the job creation guidelines. But Warren points out, "There are exceptions to every rule and every loan situation is different." A difference found in this particular loan program is, says Warren, "the rates and terms are negotiable. Rates range from three to nine percent and the term is based on the company's ability to repay the debt." Warren also admits, "Flexibility is built into each of our loan programs."

The third and final program handled by the CDD's Economic Division is targeted for a higher league entrepreneur. This loan is actually offered by the Char-

lotte Certified Development Corporation (CCDC) which is a non-profit corporation organized in 1982 by the Mayor and City Council. The CCDC works in conjunc-

tion with the CDD's Economic Division in finding entrepreneurial candidates and in the administration of the loans. Called the  
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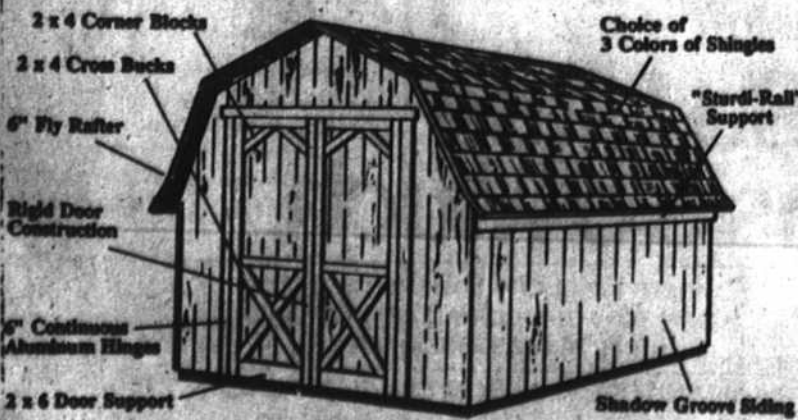
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