

## Economic Development Agency Fund

In the previous article I briefly discussed funds that have no tax rate as they receive specific revenue that is restrictive for use. One of these agencies funds was the Economic Development Agency Fund, also known as EDA.

Roane County started receiving funds from the Economic Development Agency (EDA) in 1987. As these loans were paid back, the county gained restrictive control of the principal and interest proceeds, recapitalizing the local revolving loan fund.

The county with these proceeds was able to create an EDA Agency Fund. This fund functions similar to how a bank's loan department functions. These funds are used to provide low interest loans to local businesses.

Over the years the county has loaned to approximately forty one (41) small businesses totally approximately \$2.8 million.

A separate EDA board exist to review loan applications, establish policy within strict EDA guidelines, and review existing loans and performance. This board consist of individual representatives of the economic development community of Roane County, and having special expertise and knowledge of commercial lending and economic development processes.

Our current loan portfolio consist of: Four (4) Service, Five (5) Retail, One (1) Restaurant, One (1) Real Estate, and One (1) Industrial/Manufacturing Loans.

The basic terms of the loan are a minimum of \$25,000 and the maximum not exceed \$100,000 at an interest rate of four (4) percent. The basic requirements of the application process include:

- Meeting with the Roane County EDA Loan manager to discuss loan application
- Meeting with a SCORE consultant (provided by the county)
- Anticipation of creating one (1) job per each \$5,000
- Provide collateral as approved by the Board including personal guaranties

If you own a business needing to expand or you want to establish a business, the county may be an avenue to help with our EDA Fund.

If you think you may be interest in a business loan contact EDA Loan Manager Amber Cofer in the County Executive's Office at 865-376-5578.

I remember what my money and banking professor in college once said "Your banker may be your best friend when he/she tells you "NO"". We hope be to the able to tell you "Yes".