



# Mission

SKED's mission is to create employment opportunities in a 45-county service area in Southeast Kentucky. We accomplish this by recruiting new businesses to the region, providing direct loans and technical assistance to entrepreneurs and small business owners and by providing economic development services to communities.



## SKED 2015 Impact

Number of staff.....	9
Number of loans/investments .....	24
Amount of loans.....	\$1.9 million
Amount leveraged .....	\$6.5 million
Jobs created .....	88
Jobs retained .....	26
Businesses owners counseled .....	267
Entrepreneurs trained .....	79

## SKED Board of Directors 2015

*The 12 men and women comprising the SKED Board of Directors in 2015 live and work in communities throughout our service area in fields ranging from education to banking, utilities and workforce training. This all-volunteer board meets monthly to help shape the organization, keep its mission strong and make decisions that affect residents in 45 counties in Southeast Kentucky.*

*They're pictured front row from left: Daryl Smith, Darryl McGaha, David Blakeman and Michael Hayes. Back row from left: Tim Barnes, Shirley Gifford, Charlene Harris, Virginia Flanagan and Dr. Jo Marshall. Not pictured: Ben Sams, Corey Craig and Rodney Hitch.*

## From the Executive Director

Thank you for taking the time to review SKED's 2015 Annual Report. The organization continued to move forward in 2015, with the addition of Paul Cook as our new Director of Lending and Amanda Kelly as our Small Business Development Specialist. Both are great additions to the team and have hit the ground running.



Economic development is a team sport and no one organization can go it alone. Through the years, SKED has been fortunate to have great partners like the Appalachian Regional Commission which has helped fund our Entrepreneurial SMARTS program. Other partners like USDA, SBA and EDA have made our loan programs possible. The Kentucky Cabinet for Economic Development has been a partner in business recruitment. The area development districts, the Kentucky Community and Technical College System and local industrial development authorities all work together to lay the groundwork on which we continue to grow the region's economy.

In 2016, the organization celebrates its 30th Anniversary. After 30 years, we look to founding members such as Michael Hayes, Bob Mitchell, and of course, Congressman Hal Rogers with great appreciation for what they had the forethought to create. Stay in touch to learn more about our plans to celebrate our 30th Anniversary.

I would like to say thank you to the staff, our Board of Directors, our federal partners and the business and community leaders throughout our region. As we work together to increase the opportunities for the people of Southeast Kentucky, we will continue to strive to be worthy of your support and confidence.

### **Brett Traver**

Executive Director  
Southeast Kentucky  
Economic Development  
Corporation

## 2015 Highlights

- SKED staff worked with business owners across its 45-county service area to make 24 loans, with loan amounts totaling \$1.9 million. Small business owners and entrepreneurs assisted by this funding invested more than \$6.5 million back into the state, created 88 new jobs, and retained more than 26 existing jobs.
- Business recruitment efforts this year resulted in the addition of 250 new jobs in SKED's service area. Staff worked with Rajant Corporation in Morehead and EOS USA in Somerset to establish new locations resulting in the investment of millions of dollars in these communities.
- Kentucky native Paul Cook returned to his home state in August to join SKED as its new director of lending. Cook brings more than 20 years of lending experience with him to the 29-year-old nonprofit economic development organization. Having spent most of his career in a number of different lending positions at CoBank in Greenwood, Colorado, Cook brings his experience and depth of knowledge to oversee the organization's \$6.8 million loan portfolio and help build on its successful loan programs.
- SKED continued its highly successful Entrepreneurial SMARTS training for residents across the region. In 2015, SMARTS training was conducted by the organization's new Small Business Training Specialist Amanda Kelly. Kelly led the training in eight communities across the region this year. Communities targeted include: Manchester, Edmonton, Louisa, Monticello, Harlan, Irvine, Inez and Ashland.
- Link Southeast Kentucky is SKED's most recent initiative, designed to give entrepreneurs and small business owners the information and guidance that will help them grow their businesses and form lasting commercial and personal relationships in their own communities and throughout the region. Link is a spinoff of SKED's highly successful Entrepreneurial SMARTS training course. Staff saw the need to expand upon the resources and training provided by SMARTS by giving small business owners a venue to continue the networking begun during the training. Link meetings are free and open to all business owners.
- In addition, SKED hosted a reunion of Entrepreneurial SMARTS graduates. Some three dozen graduates gathered at the Center for Rural Development in September for the reunion designed to give them the opportunity to share their successes and network with other small business owners in the region.

# Business Recruitment

Somerset, Ky.

## EOS USA

When EOS USA needed a place to train its customer service agents, while the company renovated its newest location in Somerset's Valley Oak Technology Complex (VOTC), SKED offered space in its 20,000 square-foot Enterprise Center, and the first step to opening the Virginia-based company's national flagship location in Somerset, KY was in place.

The Somerset customer care call center, located in the former SAIC facility in VOTC, will serve as the company's flagship location for its first party outsourcing business and will enhance existing operations. The renovations, which began in June, include the installation of an all-new communications system, refinishing the interior décor and reformatting the floor plan to maximize employee productivity. When fully operational, the company plans to reach a workforce of more 200 employees.

**“EOS USA is excited to expand its operations in Kentucky. The combination of geographic location and available workforce is an ideal fit for the growth plan of our company and for meeting the needs of our customers.”**

Paul Lear  
EOS USA, President and CEO



*From left: Somerset Mayor Eddie Girdler, former Governor Steve Beshear, EOS USA CEO Paul Lear, Fifth District Congressman Harold “Hal” Rogers and Pulaski County Judge-Executive Steve Kelly cut the ribbon on the EOS USA facility in VOTC. Photo courtesy of Marvin Young.*

Morehead, Ky.

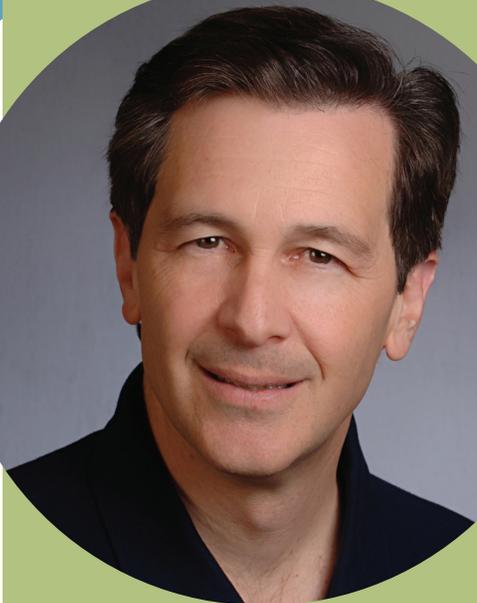
## Rajant Corporation

SKED worked with the Kentucky Cabinet for Economic Development to recruit Rajant, a pioneer in providing multi-frequency wireless solutions, to Morehead in March. The Pennsylvania-based corporation has pledged to bring 28 new jobs to the region and invest \$762,000 into the project.

Rajant is currently renovating a 9,600-square-foot building on Main Street in Morehead. Company officials say they chose to locate in Morehead because of Morehead State University's (MSU) nationally acclaimed Space Science Center. Rajant's networks are unlike any other offering on the market today, providing fully mobile wireless broadband connectivity that is simple, instantaneous and fail-proof in any application. Founded in the wake of 9/11, the company's networks are used by the military, first responders and homeland security, as well as private industries such as mining, transportation and telecommunications.

**“We picked the city of Morehead because we were impressed with the people and capabilities at Morehead State University and its Space Science Center. More importantly, it's because of how supportive the people of Morehead have been – from the school's administrators to the Southeast Kentucky Economic Development Corporation to the state and local representatives. We have been treated exceptionally well ever since we stepped off the airplane in Kentucky.”**

Bob Schena  
Rajant co-founder and CEO



Bob Schena, Rajant CEO

# Small Business Loans

Middlesboro, Ky.

## Quality Tire and Accessories, Inc.

John Marsee has built and maintained his 14-year-old towing business on a reputation of reliability and flexibility. Quality Tire and Accessories, Inc. serves the Tristate region including: Kentucky, Virginia and Tennessee, offering everything from small car service to tractor trailer towing and roadside assistance. It's important that Marsee's equipment meets the standards of the service he provides.

When the Bell County native needed to upgrade some of his equipment and remodel his tornado-damaged Middlesboro shop, he turned to SKED and its Small Business Loan Fund.

Since SKED began its direct loan programs in 1996, 318 loans have been made totalling \$56 million to businesses across the region. These loans resulted in the creation of nearly 8,000 jobs and the investment of more than \$283 million in Southeast Kentucky.



*Quality Tire and Accessories, Inc. owner John Marsee is pictured with the 2006 Peterbilt tow truck that was refurbished with a portion of the SKED loan.*

**“SKED helped me find just the right financing solution to fit my specific needs, help get my trucks back on the road and my storefront open. They are a great resource for small business owners in Southeast Kentucky. The staff has been very supportive and willing to help keep my business growing here in Middlesboro.”**

John Marsee  
Owner

Quality Tire & Accessories, Inc.



# Micro Loans

Whitesburg, Ky.

## Hatton's Heating & Cooling

Hatton's Heating and Cooling has been serving East Kentucky homeowners and businesses' HVAC needs for six years. The family owned business offers all of the expertise of a larger business with the personalized care only a locally owned company can boast. When Chris Hatton, a 17-year Master HVAC contractor, needed a specialized piece of equipment to comply with state code, he turned to SKED to help finance it and provide some technical assistance computer software to keep the company growing.



Whitesburg residents and owners of Hatton's Heating and Cooling, Chris and Sarah Hatton are pictured with their three children. For more information, like the business on Facebook at: [www.facebook.com/HattonsHeatingCooling](http://www.facebook.com/HattonsHeatingCooling).

Hazard, Ky.

## Hurley Electrical Contracting, LLC

Frank Hurley retired from American Electrical Power in 2014. In 2015, his wife, Carolyn, put him back to work for her company Hurley Electrical Contracting, LLC. The Hazard, Ky.-based business specializes in overhead distribution power line rebuilds, conducting, maintenance, signal lights installation and repair. The Hurleys have a combined 50 years of business management, lineman service, public safety and safety training between them and wanted to continue offering this important service to others in their mountain community. Frank Hurley's experience in working the mountainous Eastern Kentucky terrain has given the company the experience they need to serve communities in the western portion of the United States, as well. The startup business needed equipment and working capital to get things rolling, and SKED offered just what it needed with an SBA Micro Loan.

**"Thanks to SKED, Hurley Electrical Contracting is thriving as a female-owned business. We have been able to expand and provide employment within our region. The dedication and professionalism demonstrated by SKED staff has given us the opportunity to see our dream become a reality."**

Carolyn Hurley  
President, Hurley Electrical Contracting, LLC



HurleyElectricalContracting

606-436-4314 606-438-4309

# SBA 504

Fort Mitchell, Ky.

## Stett Transportation

Lynn Harden launched Stett Transportation from the basement of her Fort Mitchell home in 1995. The single mother wanted to create a logistics company with integrity and values that would provide cost-effective bulk transportation solutions to the chemical industry. Now 20 years later, she's achieved that goal and more at the helm of an award-winning business, with a veteran staff of 16 and, managing a nationwide customer base. In 2014, Harden saw the need to expand and buy a building to increase her customer base and add five new employees. The SBA 504 Loan program is designed to help business owners like Harden. SKED helped her navigate the SBA 504 loan process and provided her the technical assistance she needed to get the project under way.



Stett Transportation owner Lynn Harden, seated in the center, is pictured with her staff. The company was recently notified it is a finalist in the Cincinnati Business Courier's 2015 Best Places to Work competition. In addition, it was named as one of the top 5,000 fastest growing privately held companies in the nation by Inc 5000. In 2014, the business won the John F. Barret Vision award.

Learn more about Stett: [www.stett.net](http://www.stett.net)

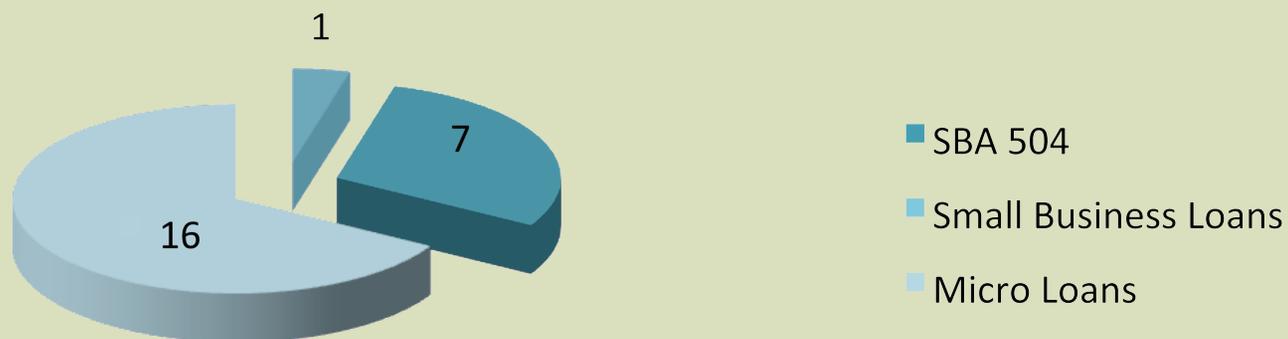
With the SBA 504  
Loan Program,  
SKED can make loans  
across the state.

**“The process to get an SBA loan for our new space was made simple with the SKED staff and affiliates helping me to navigate the process. Being able to lock in a fixed rate for this period of time is instrumental for the financial planning and projections for Stett’s growth plans. I appreciate the opportunity to use the SBA financing for this great new space.”**

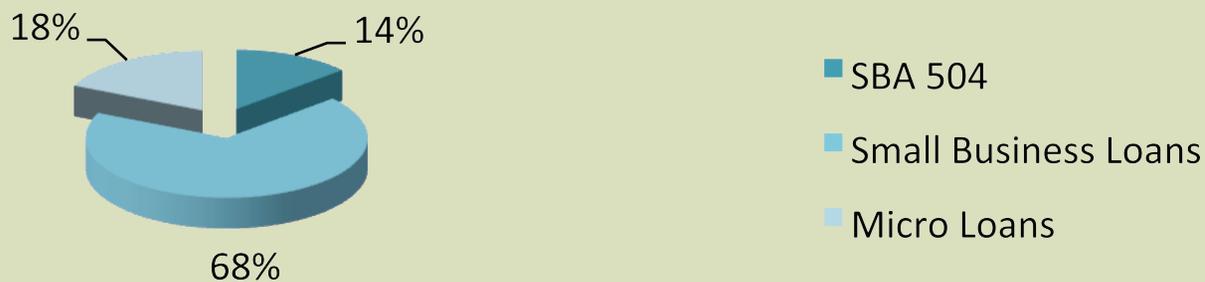
Lynn Harden  
Owner  
Stett Transportation, Inc.

# PERFORMANCE OVERVIEW 2015

## Number of Loans in 2015



## Amount of Funds Used for Each Loan Type in 2015



Funding for the SKED Small Business Loan Fund, SKED Micro Loan Fund and SBA 504 Loan Program come from the partnership of the state and federal funding agencies listed on the back of this report.

# 2015 SBA GENERAL MEMBERSHIP

**Tim Barnes**

President  
Hometown Bank

**Shirley Gifford**

CPA

**Darryl McGaha**

Director of Workforce  
Development  
Lake Cumberland ADD

**Ben Sams**

Territory Account Manager  
U.S. Sales  
Cisco System

**Corey Craig**

President  
Citizens Bank  
of Mount Vernon

**Virginia Flanagan**

Special Assistant  
to the President  
Campbellsville University

**Michael Hayes**

Special Projects Director  
Kentucky Highlands  
Investment Corp.

**Dr. Jo Marshall**

President  
Somerset Community College

**David Blakeman**

Chief Engineer  
Praetorian Standard, Inc.

**Charlene Harris**

President/CEO  
First National Bank  
of Russell Springs

**Daryl Smith**

Economic Development  
Executive  
Kentucky Utilities

**Rodney Hitch**

Manager  
Economic Development Manager  
East Kentucky  
Power Cooperative

**David Ledford**

President  
Boneal, Inc.

**Josh Branscum**

Business Development  
Branscum Construction Co., Inc.

**Allen Anderson**

President/CEO  
South Kentucky RECC

**Jerry Claunch**

Executive Vice-President  
Citizens National Bank

**Billy Hough**

Market President  
Kentucky Bank

**Rodney Weaver**

Credit Underwriter  
Monticello Banking Company

**Donna Diaz**

Executive Director  
Lake Cumberland  
Area Development District

**Denise Thomas**

Development Associate  
Big Sandy Area  
Development District

**Terry Ensor**

Executive Director  
Morehead Rowan County  
Economic Development Corp.

**Ron McMahan**

Executive Director  
Team Taylor County  
Industrial Development  
Authority

**Mike Trospen**

Member  
London-Laurel County  
Industrial Development Authority

**Bruce Carpenter**

Executive Director  
Corbin Economic  
Development Agency

As of December 31, 2015						
FUND	ESTABLISHED	AREA SERVED	NUMBER OF LOANS	NUMBER OF JOBS	AMOUNT OF LOANS	TOTAL INVESTMENT
USDA Intermediary Relending Program	1996	45 Counties	70	1,798	13,554,673	94,176,760
USDA Rural Business Enterprise Grant	1997	45 Counties	77	794	4,681,107	27,464,566
Community Development Financial Institution Fund	2001	45 Counties	65	3,911	11,042,014	98,987,471
U.S. Department of Housing and Urban Development	2003	Specific Counties	3	85	1,000,000	1,700,000
U.S. Department of Health and Human Services	2001	Specific Counties	9	292	3,941,402	6,465,402
Economic Development Administration and Appalachian Regional Commission	1999	45 Counties	9	65	3,675,025	9,864,100
U.S. Small Business Administration 504 Loan Program	2009	Statewide	16	734	16,130,000	41,387,373
U.S. Small Business Administration Micro Loan Program	2010	45 Counties	69	302	1,721,101	3,526,905
		<b>TOTALS</b>	<b>318</b>	<b>7,981</b>	<b>55,745,322</b>	<b>283,572,577</b>

# **SOUTHEAST KENTUCKY ECONOMIC DEVELOPMENT THANKS THE FOLLOWING FUNDING PARTNERS FOR THEIR ASSISTANCE IN 2015:**

**Appalachian Regional Commission**

**Commonwealth of Kentucky**

*Cabinet for Economic Development*

**U.S. Department of Agriculture**

*Rural Development*

**U.S. Department of Housing and Urban Development**

*Rural Housing and Economic Development Program*

**U.S. Small Business Administration**

*SBA 504 Program*

**U.S. Small Business Administration**

*Microloan Program*



A Regional Growth Corporation

2292 S. Highway 27 · Somerset, KY 42501 · (606) 677-6100

[www.southeastkentucky.com](http://www.southeastkentucky.com)

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You may also write a letter containing all of the information requested in the form.

Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of the Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program-intake@usda.gov](mailto:program-intake@usda.gov).