



# Years!

# Mission

The Southeast Kentucky Economic Development Corporation's mission is to improve the quality of life and vitality of our service area by promoting sustainable economic development and employment opportunities with creativity, professionalism, and integrity in collaboration with local, state, and federal partners.



## SKED 2016 Impact

Number of staff.....	9
Number of loans/investments.....	46
Amount of loans .....	\$4.9 million
Amount leveraged .....	\$44 million
Jobs created .....	279
Jobs retained.....	154
Businesses owners counseled .....	267
Entrepreneurs trained.....	65

## SKED Board of Directors 2016

*The 12 men and women comprising the SKED Board of Directors in 2016 serve communities across our 45-county region 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 throughout Southeast Kentucky. They're pictured front row from left: Darryl McGaha, Shirley Gifford, Charlene Harris, Dr. Jo Marshall and Virginia Flanagan. Back row from left: Tim Barnes, Daryl Smith, Ben Sams and Corey Craig. Not pictured are: Rodney Hitch, Tim Gibbs and David Blakeman.*

## From the Executive Director

Thank you for taking the time to review SKED's 2016 Annual Report. During this past year, we celebrated our 30th Anniversary and highlighted the foundation of our organization started in 1986. In 2016, we continued building on that foundation by investing in the region's small businesses by making more micro loans in 2016 and working to link our small manufacturers with federal contractors.

We also saw new people join the SKED team in 2016. Kimberly Wilson joined staff as our SBA/Business Loan Officer, and Tim Gibbs, president of the Ashland Alliance, joined our Board of Directors. Gibbs fills the seat



of retiring Board and founding SKED member Michael Hayes. Hayes retired from the board, after nearly 30 years of service. It is the leadership of our Board and the dedication of our staff that has always made SKED successful.

Economic development is a journey not a destination. The work is never done. That is why SKED completed a new strategic plan for the next five years to guide our work and launch us toward another 30 years. So in 2017, we'll be implementing measures outlined in this plan to bring more technology into how we do business, strengthen our partnerships and grow, or realign, our programs to be an even more effective organization. I would like to say thank you to the staff, our Board of Directors, our federal and state 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.

**Executive Director,  
Brett Traver**

## 2016 Highlights

- In our 30th year of service to the region, SKED staff assisted more than 40 business owners across its 45-county service area with 46 loans in with amounts totaling \$4.9 million. Small business owners and entrepreneurs assisted invested more than \$44 million back into the region, created 286 new jobs and retained more than 150 existing jobs.
- SKED received a \$100,000 planning grant from the U.S. Department of Commerce's Economic Development Administration (EDA) to conduct a feasibility study to identify short and long-term economic development projects leveraging KentuckyWired I-Way Broadband and other existing network infrastructure plans. SKED provided \$25,000 in matching funds for the project called: Moving Eastern Kentucky Forward with Broadband. The project will identify economic development projects that can capitalize on the KentuckyWired initiative and create jobs in 26 coal counties in the region that have been negatively impacted by the coal industry.

- We continued our Entrepreneurial SMARTS training to residents across the region and added some key outgrowths to the program to develop a network of entrepreneurs in a program called LINK Southeast Kentucky. Small Business Training Specialist Amanda Kelly brought the SMARTS class to six communities across the region. Communities targeted were: Middlesboro, Morehead, Paintsville, Williamsburg, Russell Springs and Somerset. Some 65 small business owners and entrepreneurs graduated from the five-year-old program. In addition, five LINK Southeast Kentucky meetings created networking for nearly 40 small business owners in 2016.
- Some of the region's most successful advanced manufacturing and technology entrepreneurs joined SKED for the Eastern Kentucky Defense Contracting Symposium in November. Some 40 businesses were invited to learn how they could better access contract work with the U.S. Department of the Defense (DOD) in the coming years. Shaping Our Appalachian Region (SOAR) co-sponsored the event designed to help assist companies in acquiring information about the necessary certifications and quality control requirements to be considered as either contractors or subcontractors on future federal government contracts. This event is a precursor to a planned defense industry reverse expo in 2017.

*“We knew from day one that SKED would be a valuable partner in our project planning and build out. The expertise and attention to detail that SKED provided us with was exactly what we were looking for in a funding partner, and they delivered!”*

DELANEY STEPHENS  
Co-owner  
Jarfly Brewing Company

# Jarfly Brewing Company SOMERSET, KY

Business partners Daniel Stroud and Delaney Stephens have combined two of their great loves – craft beer and Somerset, Ky. – into one successful business: Jarfly Brewing Company. They opened Somerset’s first microbrewery in 2016. It’s located in the newly renovated, historic Goldenberg Furniture store on Mount Vernon Street.

The partners consulted SKED staff early on in the project to assist with business planning and financing solutions. SKED helped finance the startup using its direct loan programs, with funding from the U.S. Department of Agriculture’s Intermediary Relending Program and the U.S. Small Business Administration’s Community Advantage Program and SBA Micro Loan Program.



Owners Daniel Stroud, left, and Delaney Stephens opened Somerset’s first microbrewery in 2016. To learn more, visit their website: [www.jarflybrewing.com](http://www.jarflybrewing.com).

SBA’s Community Advantage 7(a) Loan Initiative is aimed at increasing the number of loans in underserved communities.



*“SKED has provided our company the opportunity to sell larger orders to national companies, with funding assistance. We have received more than financial assistance from SKED, we’ve also gotten great guidance from professional and experienced mentors.”*

STACEY HOSKINS BEELER  
Owner  
SnapDolls, LLC

# SnapDolls, LLC CASEY COUNTY, KY

Stacey Hoskins Beeler turned her love for a classic child’s game into a successful business in Casey County, Ky. in 2016. Beeler operates SnapDolls, LLC from a manufacturing facility and storefront in downtown Liberty. Beeler says her company was created from the heart, with a goal of inspiring creativity and interactive play in children. When she got a contract to produce one of her most recent products – the Horse Activity Snap Playset – for Cracker Barrel Old Country Store, she needed a specialized piece of equipment and she needed it quickly to fulfill the contract. She contacted SKED, and within days she had purchased the equipment and hired four more people to fulfill the contract. SnapDolls LLC began selling its products in Cracker Barrel in June 2016. Learn more about SnapDolls, LLC, at: [www.snapdolls.com](http://www.snapdolls.com).



Casey County native Stacey Hoskins Beeler is pictured above. At right, is a display of SnapDolls products in Louisville’s St. Matthews Mall.

SKED funded Beeler’s micro loan using its USDA Rural Business Rural Business Enterprise Grant funds. Hers is one of nine RBEG micro loans in 2016.



# SKED CELEBRATES 30 YEARS OF SERVICE TO THE REGION IN 2016



SKED turned 30 in 2016. The organization celebrated the anniversary with an event in August that brought together nearly 150 regional, state and federal leaders to honor and thank those who formed the economic development organization in 1986 and highlight some of the corporation's successes.

As its founder, Fifth District Congressman Harold "Hal" Rogers was keynote speaker at the event.

"SKED has helped create 10,500 jobs – that's 10,500 families that live and work here in southern and eastern Kentucky," Rogers told the crowd. "SKED is a grassroots



effort with local people using our own ideas to solve our own problems. I'm incredibly proud of the small businesses and manufacturing companies that are still thriving today, thanks to the support of this organization over the last three decades."



Community and business leaders from across Southeast Kentucky gathered to commemorate the regional nonprofit economic development organization's 30th year in business and salute the key partners who've played a role in its successes.

SKED was incorporated in 1986 by a group of leaders, led by Congressman Rogers, to encourage a more regional effort to attract jobs, by developing partnerships among community leaders to give the

Fifth Congressional District a singular voice. Rogers had the vision and called a group of leaders together, from across the region, to develop a plan to put in place.

Four of SKED's founding board members: L. Ray Moncrief, of London, Ky.; the Rev.

John Chowning, of Campbellsville, Ky.; Bob Mitchell, of Corbin, Ky. and Michael Hayes, of Lexington, Ky., were on hand to share their thoughts and memories of SKED's history and successes. Other founding members include: Cy Waddle, of Somerset, Ky.; the late Paul Dunnington; the late John Phelps and the late Roy Houser.

The organization's two former executive directors returned for the event as well: founding executive director Forrest Wright and his successor Greg Jones, who retired in 2013, after serving the organization for 21 years.

Current Executive Director Brett Traver called the event a success. "SKED's successes, over the past 30 years, are planted firmly on the foundation built by the people who envisioned it in early 1986, and those who've partnered with the organization throughout its history to



pool resources, share ideas and work together to lift its residents up as a region," Traver said. "I am



incredibly honored to follow in the footsteps of those who came before me. It's my goal to lead this organization, along with the guidance of our incredibly talented board of directors, in the coming years."

Traver also cited the support of key state and federal funding agencies that believe in SKED's mission and provide the foundation for its loan programs, Entrepreneurial SMARTS small business training program and other community development projects such as Valley Oak Technology Complex and the Somerset Rail Park.

"Were it not for our partners at the U.S. Department of Agriculture, Appalachian Regional Commission, the U.S. Small Business Administration and others, our resources to assist business owners and communities would be limited," Traver added. "We are only as successful as the people and businesses we're able to help."

Since 1986, SKED has successfully assisted more than 300 business owners to locate or expand their operations in Southeast Kentucky. SKED projects employ more than 10,500 workers and have invested millions back into the region.



*“SKED has been very helpful by providing equipment financing for Logan Corporation’s new dump truck body manufacturing operation. This financing package has and will allow Logan Corporation the flexibility of acquiring needed production equipment while using internal cash flow to sustain the operation, funded by the U.S. Department of Agriculture.”*

RANDY HOLBROOK  
VP Finance and Administration  
Logan Corporation

# Logan Corporation SALYERSVILLE, KY

When the mining industry began its decline, Logan Corporation’s management recognized that coal mining product distribution was in jeopardy. In 2015, the Eastern Kentucky manufacturer began a new venture building customized dump truck bodies. Within months, the company had outgrown its Martin County facility and was looking for a larger facility.

They took their cause to the State of Kentucky who was more than willing to help the successful company stay in Eastern Kentucky and create more jobs. SKED partnered with the Kentucky Economic Development Finance Authority to finance the move from a 27,000 SF facility in Martin County to a 137,000 SF, recently closed mining related building in nearby Magoffin County. The company was able to retain its 47 employees and committed to hire 70 new employees by the end of the third fiscal year. SKED financed the project using its Community Development Financial Institution funds, made possible by the U.S. Department of the Treasury, and its Intermediary Relending Program, funded by the U.S. Department of Agriculture.



Kentucky Governor Matt Bevin, center, cuts the ribbon on Logan Corporation’s new facility in Salyersville. He’s flanked by Logan Corp. management and local leaders.

Logan Corporation was one of 12 Small Business Loans SKED made in 2016, for a total of \$3.2 million in loans leveraging \$39 million in investment back into the region.



*“With SKED’s extensive knowledge of the SBA 504 loan process, our loan was approved and we were able to go forward with our project. The SKED team provided us with expert advice through each step and made the entire process smooth and easy. We would highly recommend their services to anyone.”*

CRAIG TINCHER  
Co-owner  
Tincher Endeavors

# Tincher Endeavors LONDON, KY

Laurel County natives Craig and Leslie Tincher fell in love with Buffalo Wings & Rings the first time they visited the unique sports restaurant. They enjoyed the atmosphere, the food and the experience they had as customers so much, they decided to buy their own franchise and open it in their hometown. Today, the London, Ky. location is among the newest of the more than 50 Cincinnati, Ohio-based franchises across the country. There are 16 overseas. The restaurant boasts a lively, inviting dining room, surrounded by walls of 42 50-to-70-inch screen TVs, an elevated fan experience and the 33-year-old company’s signature wings, topping off a huge menu of tried and true recipes.

However, acquiring such an investment can take time, money and expertise to build the business on a firm foundation. To do that, the Tinchers turned to SKED to help fund their dream. SKED helped the Tinchers apply for an SBA 504 Loan and worked with First State Bank of London, Ky. to help finance the local portion of the new venture.



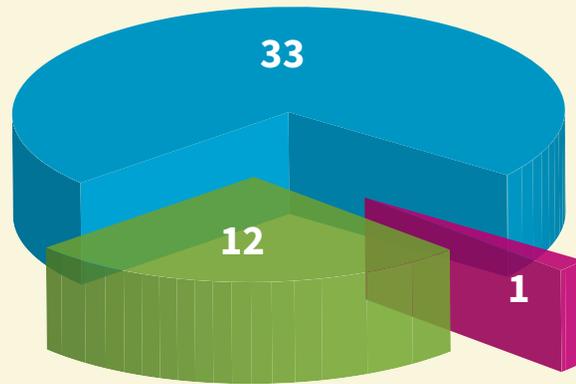
Leslie and Craig Tincher are pictured inside their new Buffalo Wings & Rings restaurant in London, Ky. Grand opening is set for March 1, 2017. For more information about the restaurant, visit: [www.buffalowingsandrings.com](http://www.buffalowingsandrings.com).

SKED works with the U.S. Small Business Administration to assist in the application, approval and administration of loans to small business owners across the state.



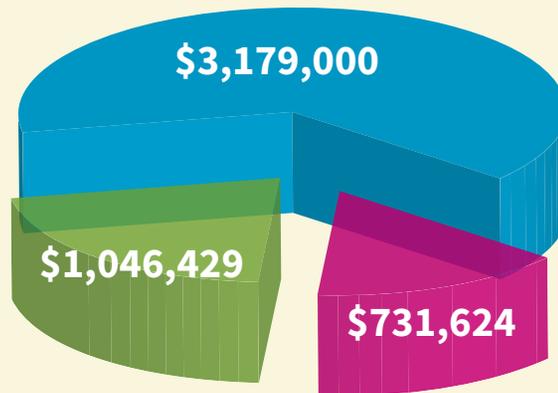
# PERFORMANCE OVERVIEW 2016

## NUMBER OF LOANS IN 2016



SBA 504	1
Small Business Loans	12
MICRO LOANS	33
<b>TOTAL</b>	<b>46</b>

## AMOUNT OF FUNDS USED FOR EACH LOAN IN 2016



SBA 504 Loans	\$1,046,429
Small Business Loans	\$3,179,000
MICRO LOANS	\$731,624

AT THE END OF 2016,  
OUR LOAN PORTFOLIO INCLUDED \$4.9 million  
TO  
46 BUSINESSES...

**Totalling** **279 JOBS CREATED**  
**AND MORE THAN 154 RETAINED**

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.

# 2016 SBA GENERAL MEMBERSHIP

**Darryl McGaha**  
Director of Workforce  
Development  
Lake Cumberland ADD

**Shirley Gifford**  
CPA

**Tim Barnes**  
President/CEO  
Hometown Bank

**Ben Sams**  
Territory Account Manager  
U.S. Sales  
Cisco Systems

**Corey Craig**  
President  
Citizens Bank  
of Mount Vernon

**Virginia Flanagan**  
Special Assistant  
to the President  
Campbellsville University

**Dr. Jo Marshall**  
President  
Somerset Community College

**David Blakeman**  
Project Manager  
Praetorian Standard, Inc.

**Charlene Harris**  
President/CEO  
First National Bank  
of Russell Springs

**Daryl Smith**  
Economic Development  
Project Manager  
Kentucky Utilities

**Tim Gibbs**  
President/CEO  
Ashland Alliance

**Carol Wright**  
President/CEO  
Jackson Energy Cooperative

**Rodney Hitch**  
Economic Development  
Manager  
Kentucky Touchstone  
Energy Cooperatives/EKPC

**David Ledford**  
Executive Vice President  
Boneal, Inc.

**Josh Branscum**  
Executive Vice President  
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

**Tim Dalton**  
Mortgage Broker  
Monticello Banking Company

**Donna Diaz**  
Executive Director  
Lake Cumberland  
Area Development District

**Denise Thomas**  
Community & Economic  
Development Associate  
Big Sandy Area  
Development District

**Terry Ensor**  
Retired  
Morehead Rowan County  
Economic Development Corp.

**Ron McMahan**  
Executive Director  
Team Taylor County  
Economic Development  
Authority

**Mike Trospser**  
Member  
London-Laurel County  
Industrial Development Authority

**Bruce Carpenter**  
Executive Director  
Corbin Economic  
Development Agency

As of December 31, 2016						
FUND	ESTABLISHED	AREA SERVED	NUMBER OF LOANS	NUMBER OF JOBS	AMOUNT OF LOANS	TOTAL INVESTMENT
USDA Intermediary Relending Program	1996	45 Counties	78	1,912	14,157,362	97,099,288
USDA Rural Business Enterprise Grant	1997	45 Counties	88	846	5,317,091	28,899,066
Community Development Financial Institution Fund	2001	45 Counties	69	3,947	11,392,275	101,735,471
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	11	437	5,482,402	38,087,360
Economic Development Administration and Appalachian Regional Commission	1999	45 Counties	11	90	4,175,025	11,030,100
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	87	333	2,001,791	4,651,099
		<b>TOTALS</b>	<b>363</b>	<b>8,384</b>	<b>59,655,946</b>	<b>324,589,757</b>

# **SOUTHEAST KENTUCKY ECONOMIC DEVELOPMENT THANKS THE FOLLOWING FUNDING PARTNERS FOR THEIR ASSISTANCE IN 2016:**

**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

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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).