



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 Board of Directors 2018

The 12 men and women comprising the SKED Board of Directors in 2018 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: Corey Craig, Darryl McGaha, Shirley Gifford and David Blakeman. Back row from left: Tim Barnes, Charlene Harris, Carol Wright and Tim Gibbs. Not pictured are: Ben Sams, Daryl Smith, Bruce Carpenter, Virginia Flanagan, and Scott Roush.

SKED 2018 Impact

Number of staff.....	9
Number of loans/investments	22
Amount of loans.....	\$2.2 million
Amount leveraged	\$7.6 million
Jobs created (loans).....	95.5
Jobs retained (loans)	281.5
Jobs created (recruitment).....	31
Businesses owners counseled	192
Entrepreneurs trained	64
SEED Training.....	58

From the Executive Director



Thank you for taking the time to read SKED's 2018 Annual Report. The past year saw changes and growth for SKED. We brought on Chris Coldiron as our new Director of Lending and Karen Minton as Business Loan Officer. With these additions to the team, our lending department has been able to implement new systems and policies that will pay off in the long run. I would also like to welcome Bruce Carpenter, executive director of Corbin Economic Development Agency, and Scott Roush, director of manufacturing at Summit Aviation, to our Board of Directors. They fill the roles of retiring Board members: Dr. Jo Marshall, former President of Somerset Community College, and Shirley Gifford.

The Supplier Education & Economic Development (SEED) program has brought together companies throughout the region to work to diversify their customer base through federal contracting opportunities. I would like to thank the Appalachian Region Commission (ARC) and Kentucky Power for the funding they have provided for the SEED: Quality Certification Program. This funding, and a partnership with Advantage Kentucky Alliance, has allowed a dozen companies in our region, to receive the training and guidance they need to receive a quality certification to allow them to compete globally for new business. There is more about the SEED program in this report.

During 2018, staff has worked hard to transition our SMARTS 2.0 program into a product called Be Boss Online: Own Your Digital Presence. Developed in-house, SKED is now able to market this 12-hour training curriculum nationally to other organizations that provide technical assistance to business as we launched this product at the Opportunity Finance Network conference in October. Now, organizations from Maine to California have this powerful tool to help small businesses, without having to rely on outside trainers.

This, and the projects outlined in this annual report, are just a few of the impacts SKED has had on the region this past year. 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 that are working every day to transform the economy of our region.

2018 Highlights

- SKED staff worked with business owners across its 45-county service area to make 22 loans, with loan amounts totaling \$2.2 million. Small business owners and entrepreneurs assisted by this funding invested more than \$7.6 million back into the region, creating 95.5 new jobs and retaining 281.5 existing jobs.
- The SKED lending department underwent some transformation in 2018, as SKED welcomed Pulaski County native Chris Coldiron as its new Director of Lending. Coldiron has brought 28 years of lending and small business ownership experience with him to this key position. In addition, Casey County native and veteran banker Karen Minton took over the role of Business Loan Officer for the organization. Together, they've worked to invigorate the lending department with new ideas and programs.
- SKED re-branded and began marketing its highly-successful social media training, called SMARTS 2.0, in 2018. Staff debuted the new program called: Be Boss Online (BBO) at the Opportunity Finance Network Conference in Chicago, IL in October. A total of 64 aspiring entrepreneurs and small business owners, across the 45-county service area, graduated. Communities targeted in 2018 were: Morehead, Russell Springs, Louisa, Irvine, Harlan, Pikeville and Booneville. Staff also held its first online class, creating greater access to the program.
- A total of 58 small business owners and advanced manufacturers participated in training sessions in Eastern Kentucky through SKED's Supplier Education & Economic Development (SEED) Program. Working with the Kentucky Procurement & Technical Assistance Program (KYPTAC), SEED hosted five training workshops and one contracting symposium to prepare the region's best and brightest business owners to compete for and win valuable government contracts from some of the nation's biggest prime contractors like: Boeing, Lockheed Martin and Northrop Grumman.
- Two of SKED's most dedicated directors retired from the SKED Board of Directors in 2018. Dr. Jo Marshall retired from her position as President of Somerset Community College and stepped down from her role as a SKED director in June. She had served 15 years on the SKED Board. Pulaski County native and veteran accountant Shirley Gifford resigned from the Board in August. Gifford had served on the SKED Loan Committee since 2007 and the Executive Committee in several different offices. Taking over in their seats, we welcomed Bruce Carpenter, executive director for Corbin Economic Development Agency, and Scott Roush, Summit Manufacturing director of manufacturing.

The Cosmic Center

Olive Hill, Ky.

Every small town deserves a place like The Cosmic Center to give its young people a place to learn, express themselves and compete in a safe environment. That's the belief that inspired Amy and Jason Greene to open the multi-sport facility in Olive Hill. The fact that it's their hometown is a bonus.

The Carter County couple has spent the past 30 years developing their own skills and individual talents. In 2018, they were ready to share that expertise with the region's young people and give back to the community they love. The Cosmic Center opened for business in the summer of 2018 and is already serving nearly 200 athletes with classes in tumbling, all-star cheer, dance, basketball, soccer, archery and more.

The Greenes had the experience and expertise to open and operate their own athletic facility; they just needed lenders who believed in them and their vision to put their goals to work for them. First National Bank of Grayson partnered to finance the new facility, and SKED provided funding for the building's sport court flooring, with a U.S. Small Business Administration (SBA) Micro Loan.



The Cosmic Center Co-owner Amy Greene, back row center, is pictured with some of her staff and students at the multi-sport facility's ribbon cutting in August 2018.

“Being able to offer this facility and service to people of Carter and surrounding counties means the world to me. Cosmic is like my second family. I have always wanted to open a place where kids could go and feel safe while being nurtured at the same time. I have made it my ultimate goal to hire the best coaches who are not only experts in their skill but love kids and go above and beyond to make sure every athlete that enters through our doors receives the same treatment as the one before.”

Amy Greene
Co-owner

www.thecosmiccenter.com

The Portal

Harlan, Ky.

Greg Drury has taken a historic Harlan County building and breathed new life into the downtown area, with his innovative and successful restaurant called The Portal.



Drury opened the award-winning business in 2012 by leasing the former Harlan National Bank building. In 2018, he decided to purchase the building to solidify its place in the mountain city's landscape.

The Portal is equipped with one of only a few wood-fired pizza ovens in Eastern Kentucky and works to keep the coal-mining history of Harlan alive in its artwork and menu names. The business played a role in Drury winning an Excellence in Entrepreneurship award in 2014.

SKED worked with Drury to finance the business startup. In 2018, he knew SKED was the resource to help him purchase the building. Funding was available through a loan made possible by the U.S. Department of Agriculture Rural Business Enterprise Grant fund.



The Portal owner Greg Drury is pictured inside the unique restaurant he opened in a historic building in downtown Harlan in 2012.

“As a result of the support of SKED, not only have I been able to grow a successful casual dining restaurant concept for the last several years, but have also been supported to further strengthen our business by purchasing the building we have occupied for the previous six years. This opportunity would not have been possible if not for the continued support and guidance of the great folks at SKED.”

Greg Drury
Owner
The Portal

www.thepizzaportal.com

SH Tube, LLC

Corbin, Ky.

You could order your big rig truck parts from the Internet, or you could drive to Corbin, Ky. to see the parts you're buying being handmade by Robert Smith, a third-generation trucking industry business owner. Smith is counting on the latter.

The Corbin native is no novice to the trucking industry and its truck owners' needs and wants. He was educated, from a boy, by his father, Robert Smith, Sr., and grandfather, Oral (O.L.) Smith, in the business. In 2015, he put his years of experience to work for himself in his own business called SH Tube, LLC, from a shop on his grandfather's property. His focus is on improving the interior and exterior of trucks and giving his customers good quality, made-in-America, stainless steel products from hand-selected, raw materials. His business motto is: Built for truckers, by truckers.

When Smith needed to buy new equipment to expand his Laurel County shop, he contacted SKED about a U.S. Small Business Administration (SBA) Micro Loan. He was able to buy a metal brake, semi-automatic band saw and drill for his company, using the loan proceeds, and continue making all of his products by hand and of the best quality.



SH Tube, LLC owner Robert Smith is pictured at left with his grandfather O.L. Smith and his father Robert Smith, Sr. The truck shows examples of some of his most recent work.

“SKED has helped my business with the start of our new product line. They have been so easy and great to deal with. The employees at SKED are top-notch at their jobs, and make you feel like family.

We will be using SKED in many ways as our business grows. I would recommend anyone to talk with SKED on any business ventures.”

Robert Smith
Owner
SH Tube, LLC
www.shtube.net

Happy Hoppers Coffee & More

Monticello, Ky.

Maria Hopper loves Baxter's Coffee so much; she opened her own coffee shop in Monticello to bring the coffee to her hometown.

The Wayne County native and her husband, Allan, opened their own coffee shop, called Happy Hopper's Coffee & More, LLC at the new facility they built at 187 W. Highway 90, earlier this year.

Since the opening, the shop has expanded to add lunch specials, a drive-thru and private meeting area.

SKED helped the Hoppers finance the new business with an SBA Micro Loan.

To learn more about the unique business and see some of the coffee and desserts they feature, visit: <https://www.facebook.com/happyhopperscoffee>



Wayne County natives Maria and Allen Hopper, pictured right, opened their own coffee shop and restaurant in 2018. SKED helped them fulfill this dream with an SBA Micro Loan.



“We loved working with SKED. They made the process smooth, answered all of our questions and went above and beyond in helping us make connections with other coffee shop owners.”

Maria Hopper
Co-owner
Happy Hoppers Coffee & More
www.facebook.com/happyhopperscoffee

2018 PERFORMANCE OVERVIEW

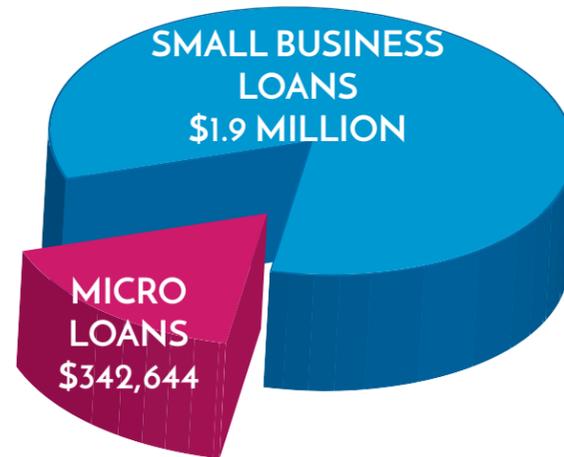


NUMBER OF LOANS IN 2018



22 TOTAL

AMOUNT OF FUNDS USED FOR EACH LOAN IN 2018



AT THE END OF 2018,
OUR LOAN PORTFOLIO
INCREASED BY
\$2.2 million

TO
21 Businesses

TOTALLING
95.5 JOBS CREATED
AND MORE THAN 280 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.

2018 SBA GENERAL MEMBERSHIP

Rodney Hitch

Economic Development Manager
Kentucky Touchstone Energy Cooperatives/
EKPC

Josh Branscum

Executive Vice President
Branscum Construction Co., Inc.

Ben Sams

Territory Account Manager
Cisco Systems

David Blakeman

Project Manager
Praetorian Standard, Inc.

Scott Roush

Director of Manufacturing
Summit Aviation

David Ledford

Executive VP
Boneal, Inc.

Terry Spears

SBA Banking Officer
Community Trust Bank

Tim Barnes

President/CEO
Hometown Bank

Carol Wright

President & CEO
Jackson Energy Cooperative

Charlene Harris

President & CEO
First National Bank

Corey Craig

President
Citizens Bank of Mount Vernon

Billy Hough

Market President
Kentucky Bank

Tim Dalton

Commercial Lender
Monticello Banking Company

Daryl Smith

Economic Development Project Manager
Kentucky Utilities (KU)

Virginia Flanagan

Special Assistant to the President
Campbellsville University

Steve Allen

University of the Cumberland
Director of Human Resources

Denise Thomas

Grant Writer
University of Pikeville

Dr. Jennifer Lindon

President
Hazard Community & Technical College

Darryl McGaha

Executive Director
Lake Cumberland ADD

Tim Gibbs

President
Ashland Alliance

Bob Helton

Executive Director
Morehead Rowan Co.
Economic Development Corp.

Ron McMahan

Executive Director
Team Taylor County
Economic Development Authority

Mike Trospser

Member
London Laurel Co.
Industrial Development Authority

Bruce Carpenter

Executive Director
Corbin Economic Development Authority

As of December 31, 2018						
FUND	ESTABLISHED	AREA SERVED	NUMBER OF LOANS	NUMBER OF JOBS	AMOUNT OF LOANS	TOTAL INVESTMENT
USDA Intermediary Relending Program	1996	45 Counties	87	2,212	15,108,590	99,929,038
USDA Rural Business Enterprise Grant	1997	45 Counties	94	863	5,746,832	26,986,997
Community Development Financial Institution Fund	2001	45 Counties	76	3,995	12,387,845	111,240,371
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	12	120	5,022,025	14,500,100
U.S. Small Business Administration 504 Loan Program	2009	Statewide	19	783	18,009,000	46,354,041
U.S. Small Business Administration Micro Loan Program	2010	45 Counties	114	438	2,643,579	6,428,382
		TOTALS	416	8,933	65,400,273	345,226,289

SOUTHEAST KENTUCKY ECONOMIC DEVELOPMENT THANKS THE FOLLOWING FUNDING PARTNERS FOR THEIR ASSISTANCE IN 2018:

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

This institution is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form.

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.