



1986 - 2006

STRENGTHENING THE REGION'S ECONOMY

20th Anniversary

**Southeast Kentucky
Economic Development** 
A Regional Growth Corporation

Taking A Vision And Making it a Reality

SKED CELEBRATES 20 YEARS OF SERVICE TO THE REGION

It is the vision of a better life for all southern and eastern Kentuckians that led to the development of the Southern Kentucky Economic Development Corporation in 1986. It's by evolving, partnering and pursuing ways of strengthening that vision that's kept the organization going strong today – 20 years later.

SKED, a regional economic development organization, was envisioned by Congressman Hal Rogers in 1985 and incorporated in 1986, following a series of meetings involving civic and community leaders in what was then the Fifth Congressional District – a 27-county region of the Commonwealth.

In 1986, there were few professional economic developers in the region, no Worldwide Web to reach out to businesses looking for a place to locate and expand and there was nothing like SKED.

Since its inception, SKED has experienced four presidential administrations, five governors, an economic boom and recession, and a technological revolution. However, a one constant is the leadership of one great Congressman.

Breaking Down Barriers 1986-1991

In the beginning, SKED focused on building partnerships among city and county leaders and recruiting industry to its 27-county service region with great success. A Regional Advisory Council was formed and then-Executive Director Forrest Wright developed a rapport with many of the community leaders and set in place many of the tools used today.

SKED's quarterly newsletter, "Economic Outlook," was its primary marketing source and served to keep local leaders informed on all the issues related to promoting economic development around the region. The newsletter also featured stories on new businesses moving to the region.

With the motto, "We Mean Business," Wright and his small staff recruited such big projects as Union Underwear to Russell County, Hartco to Pulaski County and Avian Farms to Wayne County.

Room to Grow 1992-1999

A new era began for SKED in 1992 when current Executive Director Greg Jones was recruited from the Somerset-Pulaski County Chamber of Commerce to take the reigns of the organization. Jones immediately began to look for more ways to empower businesses and strengthen the region's economy. While at the Chamber, Jones established a model existing industries program in an effort to enhance the community/industry relationship. As part of the program, a committee would visit with key management personnel at local industries and provide an opportunity to collect labor data, explain financial assistance programs, assess training needs and solve problems.

This theme of partnership and collaboration would lay the foundation for his initial years with SKED. The state Cabinet for Economic Development, a key partner for SKED, was establishing regional offices during this time. Kentucky Highlands Investment Corporation was chosen to manage the federal empowerment zone of Clinton, Wayne and Jackson counties, and SKED began looking to provide its own incentives to companies choosing to locate or expand in the region. SKED established its first revolving loan pool, with funds from the U.S. Department of Agriculture Rural Development and its industrial building loan fund with help from the Economic Development Administration. It was also designated a Community Development Financial Institution by the U.S. Department of the Treasury and established a Small Business Loan Fund.

SKED continued to market its services through its newsletter, but developed community brochures for each of its 27 counties in the service area as well. With little money to fund marketing on the local level, this provided interested businesses with information before they came to a region to make more informed choices and market the communities themselves. SKED increased its staff to four adding a business and finance director, communications director and business development specialist.

"Over the last twenty years, SKED has evolved into one of the finest economic development organizations in the nation. SKED has used ingenuity, business insight, and sound investment skills to help attract and create new jobs. The benefits of SKED's efforts can be seen in communities throughout southern and eastern Kentucky, where businesses have located and are now providing good paying jobs. I want to thank Greg Jones, the Board of Directors, and the many men and women who have helped SKED become the outstanding organization it is today."

*~ Congressman Harold
"Hal" Rogers*



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“One of the greatest experiences of my life was to be involved in the establishment of SKED, and later The Center, to have served as Chair in the early years of SKED, and to have been a member of the board for 18 years. It is important that we acknowledge the vision and leadership of Congressman Hal Rogers, the excellent leadership of Greg Jones as Executive Director/CEO these several years, and the number of excellent volunteer Board of Directors members who have faithfully served. It is not an exaggeration of fact to note that thousands of Kentuckians are benefiting from the hard work and successes of SKED.”

~ John Chowning
Vice President and Executive
Assistant to the President
External Church Relations



The Center for Rural Development was constructed during this period, setting SKED on the track to future growth and development as The Center and its soon to be developed affiliates partnered on projects.

During this time, some of the projects SKED helped attract to the region include: the Wal-Mart Distribution Center and Aisin Automotive Casting in Laurel County, Lincoln Manufacturing to Lincoln County and National Data Questing in Taylor County.

Establishing Key Partners 2000-2006

When 2000 rolled around and much of the world was preparing for the Y2K crash, SKED was more concerned with the threat of losing manufacturing jobs offshore to third-world countries and how the changing economy was adversely affecting the local and regional economy. Responding to the global threat led to the development of the region's first technology park. Partnering with city and county leaders, the Kentucky Office of New Economy and the region's educational and workforce specialists, SKED developed the first rural technology park called the Valley Oak Technology Complex. Today, after receiving a national design award, attracting a Fortune 500 company and expanding its telecommunications partnership with The Center for Rural Development, the park is poised to continue its success in the future.

SKED continued to leverage more state and federal funding and increased its loan funds to better serve the region's manufacturing, small business and entrepreneurs. During this period, SKED hired a grants specialist to oversee the organization's growing asset base.

The desire to help area industries compete in a global economy and provide current and future industries better access to the region's transportation network, SKED joined with the Federal Highway Administration, Kentucky Transportation Cabinet and Appalachian Regional Commission to develop the first region-wide intermodal transportation park. Today, the park is under construction promising to provide enhanced logistics, lower transportation costs, and greater marketing opportunities to new and existing businesses in the region. A transportation specialist was hired to market the park.

This period also led to the expansion of SKED's service area to include 42 counties in southern and eastern Kentucky and the addition of an office in Prestonsburg to better serve the east Kentucky region. A new logo proclaimed SKED "A Regional Growth Corporation" and set in motion a campaign to convey its mission of growing the region's economy. A new Web site put SKED at the fingertips of potential customers and partners around the globe. Now business owners in Europe can easily access information about SKED and its service region. It also enabled the dissemination of news and information. Economic news from the SKED service area now arrives in your e-mail.

During this period, SKED helped recruit Science Applications International Corporation (SAIC) to Pulaski County, Datatrac Information Services to Knox County, Bruss Corporation to Russell County, NucSafe to Whitley County and SEKRI to Harlan County.

Much has changed since 1986. More than 100 industries have started or expanded operations in southern and eastern Kentucky, employing more than 10,000 workers and investing \$220 million throughout the region. At the same time, total manufacturing employment has declined, service and technology companies are expanding and SKED continues to look for new ways to meet the needs of the region's residents, their employers, their employees and their futures.

Three of the businesses SKED has worked with over the past 20 years are featured in this report to exemplify its diversity, goals and accomplishments.



2005-2006 SKED Board of Directors

front row from left:

*Dr. Jo Marshall, Jerry Carey,
Daryl Smith, Michael Hayes,
Charlene Harris, Jim Reed,
Tim Barnes, Don Schaefer,
Ben Sams, Paul Dunnington,
Reed Hall, Virginia Flanagan
Not pictured: Gerald Baker*

Attracting Industry That Invests in Local Communities

LINCOLN MANUFACTURING DIGS DEEP ROOTS IN STANFORD

When a manufacturer locates in a community, owners invest in its economy, its people and its culture. Some businesses make bigger investments than others. Lincoln Manufacturing USA LLC is one of those who has managed to do all three and do them well.

Lincoln County and the entire Southern Kentucky region are the direct beneficiaries of that success.

When the company located in Lincoln County in 1995, its owners were looking to locate the automotive stamping facility in the best place to recapture the most from their investment. Some 11 years later, the company has increased its workforce from 12 to near 100 and is currently in its fourth expansion, bringing the facility to 69,000 square feet and acquiring ongoing contracts with direct suppliers to some of the major automotive leaders.

Wise investment is a bit of an understatement.

When Lincoln Manufacturing's then parent company, Toshin Company, Ltd. began considering Lincoln County as a potential site, SKED was called upon to assist in the site selection. Retired Lincoln County Industrial

Authority Director Bill Fox remembers it well. "We met with them (Lincoln Manufacturing) back in 1994. They came for a visit and returned to Japan, and after three weeks we received a letter stating they decided to wait another year before making the move," he explained. "Nearly one year later to the date, they called and said they were ready to make the move."

As you can imagine, the Japanese company's location made the local headlines.

Jim Reed, longtime SKED Board of Directors member and retired Lincoln County Judge-Executive, recalls the community's excitement when Lincoln Manufacturing announced it was moving to the region. "We really didn't know what to expect then," Reed said. "But they're constantly growing and improving and have proven to be a real asset to the community."

Today, the company boasts 95 full-time employees from around the region and serves as a second-tier parts provider to Toyota, Honda, Chrysler and General Motors. Its newest contract is to manufacture parts as a second-tier supplier for Ford Motor Company, according to Kathy McDonald, Accounting Manager.

Employees of Lincoln Manufacturing USA LLC are pictured outside the Stanford facility.

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"ARC has a long history partnering with SKED and over the years this relationship has helped create jobs and diversify the economy in Southeastern Kentucky by building on local assets and by leveraging the area's unique transportation links. It's true that moving into the global economy presents us with new challenges, but it also creates new opportunities and SKED has seized upon every opportunity to make Appalachian Kentucky a better place to live, work and raise a family."

*~ Anne B. Pope
ARC Federal Co-Chair*



“President Woodrow Wilson once said that we ‘are not here merely to make a living. You are here to enable the world to live more amply, with greater vision, and with a finer spirit of hope and achievement.’ SKED has provided that finer spirit for workers, businesses and industries throughout Southeastern Kentucky. They have been our partner as we work to improve the quality of life in the counties we serve, and their staff has supplied the nuts and bolts that have helped many in this area fulfill their greater vision.”

~ Don Schaefer
President & CEO
Jackson Energy



Executive Advisor Ivan Price, right, talks with a Lincoln Manufacturing employee in the factory.

When the company needed to purchase a \$1 million piece of equipment in 1999, SKED stepped in to help fund the purchase through its low-interest loan fund. “They (SKED) were there when we needed them most,” said Ivan Price, the company’s Executive Advisor. Price has been with the company since its moving to Lincoln County in 1995.

But it’s the company’s community mindedness that makes headlines today.

Lincoln Manufacturing President Masato Sugimura bought out his father’s portion of the company in 2002, and the company’s Stanford roots grew even deeper.

Lincoln Manufacturing is a member of the Stanford Chamber of Commerce and Japanese-American Society of Kentucky and active in a number of local fundraising events through schools and civic organizations.

In February 2006, LML further displayed its commitment to the region by pledging \$50,000 in support for the construction of a new hospital in Lincoln County.

“This pledge from Lincoln Manufacturing is a big boost to our campaign,” Mike Jackson, President of Fort Logan Hospital, told The Advocate-Messenger newspaper. “We greatly appreciate Lincoln Manufacturing’s acknowledgement of the important role that Fort Logan plays in providing medical services to our communities.

Bill Fox, an honorary chairman of the Fort Logan Hospital Campaign, has worked with the company from the beginning has seen first-hand its stance as a good corporate citizen.

“Lincoln Manufacturing is a vital part of the economic success of our community,” Fox said. “They have always been community minded, and this pledge is further proof of their commitment to the community.”

Helping Small Business Owners Achieve Their Dreams
CASEY COUNTY FAMILY HAS ENTREPRENEURIAL SPIRIT



Chuck Meece dips tapers at the Casey County business.

Melvin Meece died too young to fulfill his dream of owning his own business. But with his passing, that entrepreneurial spirit came alive in his son, Chuck, and today the 37-year-old is living the life his father only dreamed of and passing that spirit on to his own children.

From his bustling facility situated atop one of Casey County's many flat-topped ridges, Meece and his staff of 100 produce, market and sell thousands of Goose Creek candles, clocks and folk art accessories weekly - shipping to customers around the nation and the world.

You might say Goose Creek Corporation is one of Casey County's best-kept secrets. A gift shop in downtown Liberty showcases some of their products available in the region, but it's the sales and marketing team that bring home most of the income with revenues on track to reach over \$3 million in 2006. Meece is now beginning to enjoy the sweet smell of success in a variety of different scents, shapes and colors.

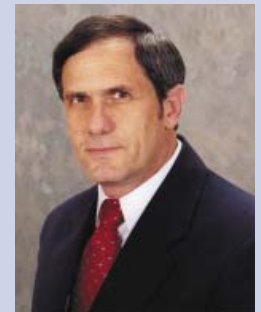
Not bad for one of Casey County's own.

Chuck tested his hand at working for himself early in life. He began a vending business right after graduating Casey County High School and spent years looking for a niche to further develop it. He found that during the late '90s, as the "candle craze" was kicking off. In an effort to add to the vending business, Chuck began producing candles from his home.

But he didn't do it alone. Chuck met his wife of 17 years, Tamara, in high school. Tamara knew Chuck's desire to work for himself, but she didn't share his lust for the independence of the small business owner. While they worked side by side to pursue their hopes and dreams - a home of their own, children, Tamara dreamed of a career in teaching and went to college to earn a degree in elementary education. But as Chuck's desire increased, Tamara realized this was a thirst that couldn't be quenched, and the two set out together to make Chuck's dream a reality.

"Congratulations on your 20 years of service to rural Kentucky. USDA Rural Development has appreciated our partnership over the past 20 years and looks forward to continuing this partnership for years to come."

~ Ken Slone
State Director
USDA Rural Development



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“Thanks to the support from SKED, NuSAFE was able to secure a significant contract for the United Kingdom that would not have been possible without a viable production facility in Corbin, Ky. SKED helped the company in securing the location and financing for the factory. We are indebted to SKED and the State of Kentucky for their support of NuSAFE when it was in its start-up phase. We are now a viable leading competitor for nuclear security systems and expect to manufacture all of these products in Kentucky.”

~ Rick Seymour
President
NuSAFE



The young couple would spend all week working – Tamara as a kindergarten teacher and Chuck in the vending business and later for American Greetings Corporation in Danville – but they spent their weekends traveling across the region to sell the product Chuck made.

“Chuck was in charge of creating all the products and supplying the demand. I would make sales calls, work on sales literature and keep up with all the paperwork,” remembers Tamara.

They share fond memories of visiting small towns throughout the state and taking in some of the local flavor, but they call those years the “hard years.” The years before the business took off and they were able to hire salespeople to do the traveling for them.

Their current successes follow years of hard work and determination. Today, three children, two jobs and one very challenging business add up to nothing but smiles for the young family. They attribute their success to an undying faith that hard work pays off.

The next generation of Meece entrepreneurs is already out of the gate.

Their 16-year-old son, Micah, proudly drives the streets of Liberty in a truck he purchased with his own money – money he earned farming and selling Goose Creek Candles and sharing the profit with his dad. Their other son, 14-year-old Jordan is hard at work with Micah preparing products for their internet orders, as well as marketing the retail gift shop in town.

Working side by side in the Goose Creek facility, father and son, Micah, share a smile and a pat on the back – one that Chuck might have liked to have shared with his own father. “I remember my dad always wanted to own his own business and that was just implanted in my mind to do it myself,” Meece said.

He is living that dream.

Goose Creek Candles began operations in 1998 as a sole proprietorship. At that time, they focused solely on hand poured scented candles. The company slowly developed a national marketing representative network, which now covers all but 4 states within the continental U.S.

But in 2005, the company got its first taste of big business as it acquired a contract with Tractor Supply Company. Goose Creek produces hand poured candles for the nationwide retailer. That contract is helping them expand their business and prepare for future growth.

In December 2005, the Meecees incorporated the proprietorship into Goose Creek, Inc. They also began construction of 3,500 square foot addition to their existing 5,000 square foot building to make room for more inventory space and a distribution center.

Today, some 70 Goose Creek sales reps travel around the country marketing and selling Goose Creek candles, clocks and a variety of folk art material. The addition will allow the Casey company to grow even more.

But their recipe for success needed one more ingredient to succeed – capital.

The Meecees turned to two regional non-profit lenders for assistance in growing their business. They wanted someone that believed in their vision and financial goals. They found that in the Southeast Economic Development Corporation (SKED), based in Somerset, and the Mountain Association for Community and Economic Development (MACED) based in Berea.

The loans from SKED and MACED will allow the Meecees to expand their current business and hire more employees.



Goose Creek Candle inventory

Developing A Place Where Technology Grows

SAIC BRINGS KENTUCKY NATIVE BACK HOME TO WORK

When Phil Howard was growing up on the farm in Lebanon, Ky., he didn't dream that someday he would be in a position to make decisions that would affect the safety of thousands; that he would be Navy Air Wing Commander of 10 squadrons and over 2000 personnel; that he would fly 1800 miles per hour as a test pilot; or that he would work in one of the most powerful offices in the Pentagon. His ambition was simple: to "get off the farm."

That ambition, along with hard work and education did get him off the farm 35 years ago, and then led him to the plethora of exciting and challenging jobs. He is now excited to be in a position to help others just like him fulfill their career aspirations.

Seated behind his desk as a Science Applications International Corporation Vice President and Program Manager of the National Incident Management System Support Center (NIMS SC) program located in the Somerset Technology Center, Howard, 60, is the consummate veteran military man – disciplined

and matter of fact. But it's the point he's trying to make that makes his story unique and his demeanor a bit softer than what you may find in other career military men. Before we get to that point, let's delve into a little history.

When Valley Oak Technology Complex was being envisioned and developed in 2000, leaders of Pulaski County, Ky. hoped to design a park that would draw technology-based companies to Somerset. Their goal was to provide well-paying career opportunities for the people in the region so that they would not have to leave home to provide for their families. It was this vision and leadership that gave Phil and others the opportunity to come back to Kentucky.

Since the completion of the complex, three businesses have taken up residence in the technology complex and all are providing good-paying jobs to local residents.

"I considered the NIMS SC program as an opportunity to come home to Kentucky and try to give something back to the community," Phil explained. "I saw an opportunity to help build the program using the existing talent base in Kentucky and to provide our employees and their families the opportunities and benefits that a Fortune 300 company offers."

"SAIC has been most pleased with the great support and assistance received from the SKED and Greg Jones in helping us locate our new office in the Valley Oak Technology Park. The process was handled in a very professional manner and concluded with SAIC locating a facility in the Valley Oak Technology Park. SAIC has now grown to a 50 person operation in the Valley Oak Park and is pleased with our success to-date."

~ Mike Cuddy

*Vice President
Science Applications International
Corporation*



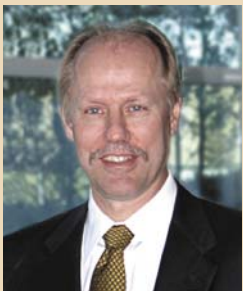
Phil Howard sits behind his desk at SAIC.



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“Since the opening of The Center for Rural Development in 1996, Greg Jones and the SKED staff have been invaluable partners in working toward our shared goal of a better way of life for the citizens of Southern and Eastern Kentucky. The establishment of SKED in 1986 through the vision and leadership of Congressman Rogers has proven to be one of his most important and relevant success stories. The tremendous impact of SKED in our region over the past twenty years will continue to pay dividends for decades to come.”

~ Lonnie Lawson
President and CEO
The Center for Rural Development



“We (SAIC) would probably not be in the technology complex if it did not have a modern, infrastructure and robust communications capabilities,” Phil continued. “The park is well-suited for the program we are executing.”

The NIMS Support Center, in which SAIC serves as a principal contractor, was recently launched in support of the US Department of Homeland Security (DHS) NIMS Integration Center (NIC). Howard saw much “career combat” before being selected as Program Manager of the NIMS SC in Somerset.

His Navy career began right after college in 1969. During his senior year at Western Kentucky University, he noticed Navy and Air Force recruiters in the student center. A banner of a Navy fighter launching from the deck of an aircraft carrier caught his attention and he took the test to enter the Navy flight training program. He was accepted, and what he imagined would be a five-year commitment led to a 26-year career in the Navy.

“Flying 600 miles per hour, 200 feet above the ground in the best aircraft in the world can get in your blood,” Howard quipped. “And that’s the easy part! After the mission, you have to find the carrier in the middle of the ocean, at night, in bad weather, and land. It’s a tremendous challenge, but it’s also great fun.”

Howard’s military career took him to naval bases around the country, operating tactical jets from the decks of seven different aircraft carriers. As he gained experience and was promoted in rank, he was selected as Commanding Officer of Strike Fighter Squadron 137 in the late ’80s, as Commanding Officer of Air Test and Evaluation Squadron Four and Executive Assistant of the Chief of Naval Operations in the early ’90s, Commanding Officer of Commander Carrier Air Wing 17 in the mid ’90s, and finally, as Deputy Director of Navy Programming and Planning in the mid to late ’90s.

After nine six-month deployments on aircraft carriers and three tours of duty in the Pentagon, he decided it was time to spend more time with his wife and young daughter. SAIC was a great opportunity that allowed him to use his skills in management and technical operations in a more structured and family-friendly environment near his home in Northern Virginia.

That was 10 years and many memories ago.

Howard began as an SAIC line manager and worked his way to Vice President. In 2005, he was given the opportunity to serve as the Program Manager of the new NIMS Support Center program in Somerset.

He says the opportunity to return to Kentucky was a mutual decision between him and his wife of 35 years, Betty Sue, a native of Bowling Green, Ky. “I was asked to consider the position here in Kentucky and my wife and I saw a great opportunity to get back home and closer to our relatives.”

Their daughter, now 25, has her own career as an Account Executive with Clear Channel Communications in Austin, Texas.

Now we get to the point.

Howard’s point is clear: “Through hard work, determination and education you can do anything you want.”

Howard said his goal as Program Manager for the NIMS Support Center program is to find quality personnel who will develop and lead the new project. He wants to build a team who will make the program a long-term success when he decides to retire for good.

Since taking the position in Somerset, SAIC has hired 19 core staff – 13 of whom are local folks hailing from places like Crab Orchard, Winchester, London and Somerset. All 19 have the technical skill sets required for the NIMS Support Center program – leadership, commitment and experience in information systems, engineering and system development.

“We have been impressed by the quality of talent available in the area. These talented employees have the necessary skills and experience that is critical to the success of this project and others like it,” Howard said, addressing the way area colleges and technical schools are preparing the region’s young people.

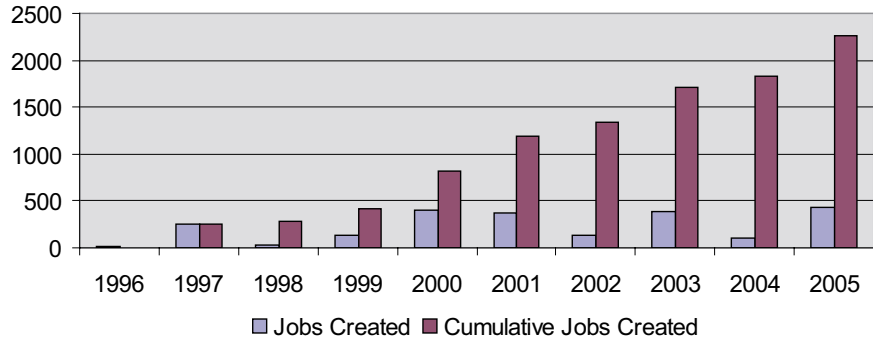
As for Somerset, Howard is pleased with his decision to come home to Kentucky and to Somerset.

“There is energy in the business community and a healthy partnership among local community leaders and area businesses that has contributed to our successful program start.” Phil and his wife Betty Sue are enjoying their new home north of Somerset and remarked “This is a great place to live and work.”

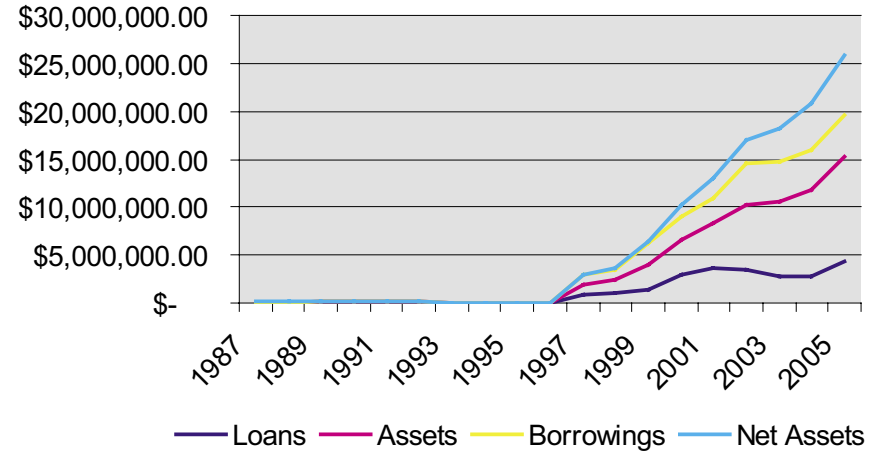


Phil Howard during his Navy days

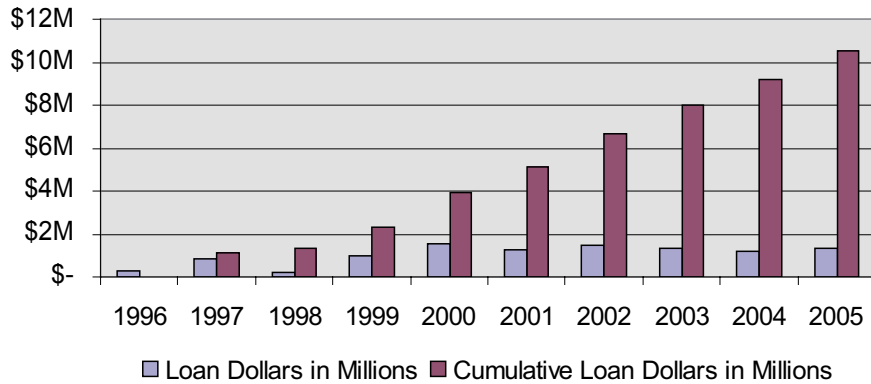
Jobs Created With SKED Loans



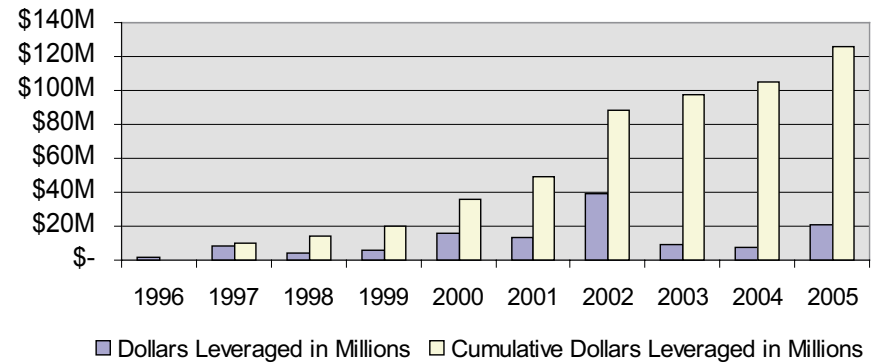
Financial Analysis



SKED Loans Closed Dollar Amount



Dollars Leveraged by SKED Loans





SOUTHERN KENTUCKY

WE MEAN BUSINESS

ECONOMIC DEVELOPMENT CORPORATION

606/679/1952
216 POPLAR AVE./ SUITE 100 SOMERSET, KY. 42501

The logo features a map of Kentucky with a magnifying glass over a stack of books. The text "SOUTHERN KENTUCKY" is at the top, "WE MEAN BUSINESS" is written across the map, and "ECONOMIC DEVELOPMENT CORPORATION" is at the bottom right. Contact information is provided at the bottom.

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