

# KENTUCKY HIGHLANDS INVESTMENT CORPORATION

London, KY



## OVERVIEW

Kentucky Highlands Investment Corporation's (KHIC) mission is to "Provide and retain employment opportunities in southeast Kentucky through responsible investments, training, and management assistance." Founded in 1968 to create jobs and alleviate poverty in economically distressed rural Appalachian Kentucky, KHIC provides businesses and nonprofits financing and Technical Assistance (TA). Among its many pioneering initiatives, KHIC was one of the only three First Round Federal Empowerment Zones, the first non-bank lender certified by USDA for the Business and Industry Guaranteed Loan program, the first SBA Community Advantage Loan originator in the nation, the first designee by USDA as a Rural Business Investment Corporation, the first rural Promise Zone, and one of 24 mission-driven lenders selected by OFN and Goldman Sachs 10,000 Small Businesses to participate in the Small Business Finance Collaborative.

In 2020, the USDA designated KHIC as a OneRD Guaranteed Loan Lender to service USDA's four loan guarantee programs. In 2022, KHIC was named lead of the Kentucky Highlands Community Network, part of the Rural Partners Network. This new USDA-led initiative will help rural communities access government resources to create jobs, build infrastructure, and support long-term economic viability. KHIC is a pioneer in energy-efficient housing construction, including a near zero-energy solar subdivision in Whitley County.

## WOMEN OF STEEL

Missy Carter is the President of Solid Steel in Middlesboro, KY. When the company was in turmoil, Carter, who was one of the original employees, kept the business going. Starting as a secretary, Carter worked her way up to office manager, then ultimately became President. Under her leadership, Solid Steel purchased the 20,000 sq. ft. facility it had previously leased and has grown to thirteen full-time employees. KHIC supplies a line of credit for working capital, equipment, building financing, and TA. Solid Steel has made a name for itself, particularly for repairing and reworking high wall mining coal auguring equipment throughout the region. Carter is leading efforts to diversify Solid Steel's client base to include other industries. She commented, "I've always worked hard for Solid Steel. It's always meant a lot to me. It's important not just to me but to all the people who work here and their families. It's big to be able to provide jobs in the county."

Crystal Watkins is the CEO and majority owner of LaCrosse Solutions (now known as LaCrosse Enclosures) in Albany. When the previous owner's health issues led him to sell the company, Michael Watkins and his wife, Crystal, decided to buy it. Not only did the Watkins' decision save the jobs at LaCrosse Solutions, but it also helped preserve the tax base. KHIC provided financial assistance to the buyers for working capital, building financing, and TA. For LaCrosse Enclosures, the Kentucky Highlands Empowerment Zone Loan Fund provided financing for acquiring the business and some working capital. The Watkins continue to employ twenty-eight skilled individuals. The company also collaborates with the local vocational school to provide co-op opportunities for welding students and engages the community. Outdoor Venture Corporation (OVC), its largest customer, makes tent frames for the military. LaCrosse Enclosures also has its own military contracts. "I like the unique challenges in the steel industry," said Watkins. "You are definitely learning something new every day."

## THREE-YEAR IMPACT

- ▶ \$151.7 million in loans
- ▶ 8 community facilities financed
- ▶ 462 total businesses financed (15 minority-owned, 106 women-owned)
- ▶ 1,041 jobs created

### Green Financing Examples

- ▶ Funding to medical facility for solar panel installation
- ▶ Microloan provided to solar panel installer