

Kentucky Highlands Investment Corporation's (KHIC) board approved mission statement is to "Provide and retain employment opportunities in southeast Kentucky through sound investments, training and management assistance." KHIC was founded in 1968 to create jobs and alleviate poverty in its economically distressed Target Market (TM) of rural Appalachian Kentucky.

KHIC financing and Technical Assistance (TA) is made in its TM of rural Appalachian Kentucky, where it has worked to strengthen businesses, build assets, increase economic diversity, improve access to healthcare, and create economic opportunity for 50 years. It accomplishes this through four primary financial products: microloans, small business loans, equity investments, and loans made through the Uplift America USDA Community Facilities (CF) program. Businesses that receive KHIC financing, are provided with customized TA, offered in the classroom and increasingly delivered online. Most businesses that secure TA through KHIC are not able to obtain such services from other sources.

KHIC has received \$15.1 million from the CDFI Fund in the form of Financial Assistance (FA) and loans, \$26 million NMTC Allocation, and \$10 million from the CDFI Bond Fund. The funding has enabled KHIC to provide financing and technical assistance to its portfolio that currently includes 275 separate companies that support 15,323 jobs.

### Organization Highlights

- Timeframe/years for the organization highlights: January 1968 – March 2018
- Jobs created or retained: 25,124
- Businesses assisted: 811 with financing
- Individuals provided with financial counseling and literacy training: 100 per year 1968 - 2010; 500 per year 2011-2018
- Community revitalization projects (schools, social services, or health facilities) assisted: 50
- Housing units developed and percentage developed for low-mod households: 154
- Total square footage of commercial or retail space developed: 150,000 estimate
- Total dollar amount loaned: \$394,240,667
- Clients served by community facilities: 668,098 (2017 only)

## Chocolate Inn & Cafe



Dustin Cornett was born and raised in Beattyville, Lee County, Kentucky. Dustin's sports broadcasting days took him to Western Kentucky

University, then to Kobe, Japan, where he met and married his wife Mai who wanted to live in Beattyville, so the couple returned to the United States. Today they are an example of area farmers and entrepreneurs who have received assistance from KHIC to move into commercial production.

Kentucky Highlands Investment Corporation's financial and technical assistance helped the Cornetts fund production of two of life's greatest pleasures: chocolate and coffee, as well as growing a new business, the Chocolate Inn & Café. As a new home for their business, the Cornetts remodeled an old motel 10 miles south of Natural Bridge State Park. This eight-room bed and breakfast has rooms decorated with an international theme including a Paris room with a French motif, a London room, a New York room, a Berlin room two-room suite divided into East and West Berlin, and an Osaka room. There is also a modern café/bakery where Dustin roasts his own coffee and makes his own chocolate and Mai makes pastries that are sold in the café/bakery and to guests.

The Cornetts used their \$7,500 SOAR farm microloan from KHIC to purchase larger roasting and grinding equipment to increase scale so that the chocolate and coffee can be sold to outside markets. The Cornetts represent small businesses that add value to items and sell competitively in the marketplace. They are micro-entrepreneurs who are key to building the economic base of the Appalachian economy. The project demonstrates the strength of the small farm economy and what they actually need to help them: financing and technical assistance that KHIC is proud to offer.

### Contact

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### Project Highlights

- Median Income Compared to Area Median Income (AMI): 71%
- Unemployment Rate: 13.8%
- Poverty Rate: 38.4%
- Non-Metropolitan Statistical Area
- Persistent Poverty County
- Jobs created or retained: 2