

Rogers announces new economic development fund

SOMERSET - ELIZABETH N. DICK

Congressman Hal Rogers announced a new economic development fund Monday at The Center for Rural Development which will provide services for upstart companies in the southern Appalachian region.

Known as the Southern Appalachian Fund, Rogers explained that \$15.5 million in government and private investment will be used to provide equity and technical assistance to early-stage and growth companies in Kentucky, Tennessee and the Appalachian states of Mississippi, Alabama and Georgia. The fund is the result of a partnership between the Kentucky Highlands Investment Corp., of London, and Technology 2020, of Oak Ridge, Tenn.

“Business is the engine of our nation’s economy and is the heart of our communities,” said Rogers. “The services they provide, the families they support and the jobs they create are critical to the long-term success and prosperity of this region. This new initiative is one more positive step forward in our effort to create new jobs and opportunities throughout Kentucky.”

The Southern Appalachian Fund was approved Aug. 8 by the Small Business Administration as a New Markets Venture Capital Company. Rogers was joined Monday by officials from the Tennessee Valley Authority, the Small Business Administration and the Appalachian Regional Commission for the announcement.

In addition to the equity investments to be made by the Southern Appalachian Fund, Kentucky Highlands and Technology 2020 will provide operational assistance to actual or prospective portfolio companies, to include marketing, accounting, legal, engineering and other technical assistance that aids a small business in its development.

“We look forward to the opportunities that the Southern Appalachian Fund will bring to our area,” said Ray Moncrief, executive vice-president and chief operating officer of Kentucky Highlands and president of the Southern Appalachian Management Company, LLC. “We are excited for what this means to our area and we are ready for the challenges, as well as the rewards that lie ahead.”

Grady Vanderhoofven, vice-president, equity programs for Technology 2020 and executive vice-president of the Southern Appalachian Management Company, LLC, called the launch of the Southern Appalachian Fund a “landmark event for our region.” “This fund can be a source of equity capital for businesses that historically have not had access to equity capital,” said Vanderhoofven. “Our ability, through operational assistance, to support the companies in which the fund invests could prove particularly beneficial to the fund’s portfolio companies.”

Investors and limited partners, whose contributions to the fund total \$12.5M, include Appalachian Regional Commission, Small Business Administration, F.B. Heron Foundation, John D. and Catherine T. MacArthur Foundation, TVA, BankOne Neighborhood Development Corp., National City Bank of Kentucky, Farmers and Merchants Bank of Clarksville, Tenn., First Bank of Lexington, Tenn., Tennessee Commerce Bank of Franklin, Tenn., and Concord EFS, Inc.