

8-1951

Industrial Resources: Bell County - Pineville

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ECONOMIC & INDUSTRIAL
SURVEY

of

Pineville, Ky.



Prepared By

THE CHAMBER OF COMMERCE OF PINEVILLE, KY.

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

KENTUCKY

INDUSTRIAL & ECONOMIC
SURVEY
OF
PINEVILLE, KENTUCKY

Prepared by
The Agricultural and Industrial Development Board
of
Kentucky
August 8, 1951

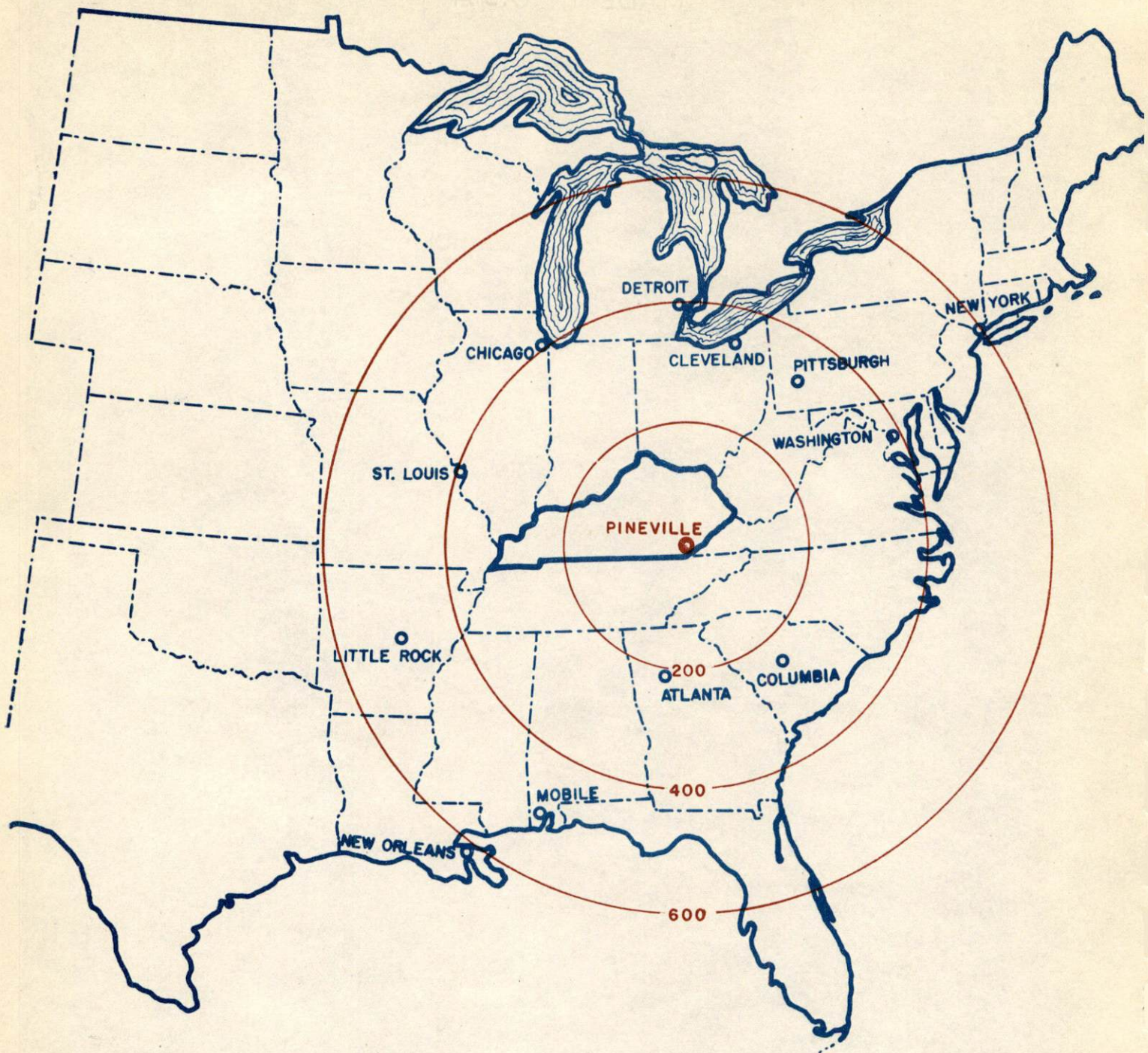
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AERIAL PHOTO

MANUSCRIPT COLLECTION



PINEVILLE, KENTUCKY
HAS 50,000,000 CUSTOMERS
WITHIN ITS MARKET AREA

PINEVILLE, KENTUCKY

Pineville is located in extreme southeastern Kentucky near famed Cumberland Gap, and is the seat of government for Bell County. (See Appendix A for History and General Description).

POPULATION AND LABOR:

Population Figures 1870 to 1950

	<u>Pineville</u>	<u>Bell County</u>
1870		3,731
1880		6,055
1890		10,312
1900	2,072	15,701
1910	2,161	28,447
1920	2,908	33,988
1930	3,567	38,747
1940	3,882	32,812
1950	3,879	47,528

Population Characteristics - The population within the city limits of Pineville has shown a decrease of .1% during the past decade. However, three residential areas have developed just outside the present corporate limits. The population of these areas added to that of Pineville proper would show some 5,000 persons within the metropolitan area. Bell County has registered an increase of 8.5% during the same period. The population is predominantly native-born white (89%), with 1% foreign born and 10% colored. Approximately 50% of the residents are female - 50% male. The median school years completed is 8.4.

Location and Population Trend - Middlesboro and Pineville are located 14 miles apart in Bell County. The labor supply area from which workers would commute to these towns would include all of Bell County, about half of Knox County, about one-fourth of Harlan County,

and that portion of Tennessee and Virginia just south of Middlesboro. The population of the commuting area cannot be estimated, due to lack of data for Virginia and Tennessee.

Industrial Pattern - In December 1950, employment covered by unemployment insurance totaled 5,373 with 2,315 in mining. There were 937 employed in manufacturing, including 493 in clothing and textiles, and 280 in lumber and woodworking. Farming is also of importance in Bell County, although a substantial percent of the farms have low money incomes. (See Appendix B for table showing number of workers covered by Kentucky Unemployment Insurance.)

Labor Supply - At least 3,000 workers could be recruited in the Kentucky portion of the area with about one-half being men and the remainder women. Most of the labor supply would be unskilled with either farm or home occupational background.

Existing Industry -

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
Blackstone Lumber Co.	Lumber	5	0	5
Clear Creek Furniture Co.	Church furniture	35	5	40
Concrete Block Co.	Concrete blocks	5	0	5
Evans Stone Co.	Crushed limestone			
McCracken & McCall Lumber Co.	Finished lumber	145	1	146
Modern Bakery	Bread & pastries	27	21	48
Ritter Lumber Co.	Lumber	165	3	168
		<u>382</u>	<u>30</u>	<u>412</u>

TRANSPORTATION:

Railroads - Louisville & Nashville Railway Company

Carload Transit Times

Atlanta, Ga.	- 18 hrs.	New Orleans, La.	- 2 1/2 days
Chicago, Ill.	- 2 days	New York, N. Y.	- 3 days
Cleveland, Ohio	- 1 1/2 days	Pittsburgh, Pa.	- 2 days
Detroit, Mich.	- 2 1/2 days	St. Louis, Mo.	- 2 days
Mobile, Ala.	- 2 1/2 days	Washington, D. C.	- 3 days

Highway - U. S. #25E, #119; Ky. #221, #66, #190, #92

Highway Distances to Major Cities in Area

Atlanta, Ga.	274	Louisville, Ky.	219
Chicago, Ill.	509	Mobile, Ala.	590
Cincinnati, Ohio	218	Nashville, Tenn.	241
Detroit, Mich.	504	New York, N. Y.	845
Knoxville, Tenn.	88	Pittsburgh, Pa.	501
Lexington, Ky.	132	St. Louis, Mo.	473

Bus Lines Serving Pineville - Southeastern Greyhound with 25 busses daily; Kentucky-Tennessee Bus Lines, 3 round trips to Williamsburg; Straight Creek Bus Lines with 8 round trips to Stony Fork and 2 round trips to Big Run; J. M. Taylor Bus Company with 2 round trips daily to Fonde, via Clear Creek Springs and Henderson Settlement School at Frakes, Ky.; Balkan Bus Company with 4 round trips daily to Balkan, Ky.

Truck Lines Serving Pineville - Hayes Freight Lines, 115 North 15th Street, Matton, Ill.; Huber & Huber Motor Express, 970 South 8th Street, Louisville, Ky.; Meeks Motor Freight, 1311 West Market Street, Louisville, Ky.; Silver Fleet Motor Express, 216 East Pearl Street, Louisville, Ky.; Union Transfer & Storage Company, Spring & Vine Streets, Lexington, Ky.

Air -The Middlesboro Municipal Airport, 14 miles away, is a Class I airport. Nearest commercial service is at Knoxville, Tennessee, a 1 hour and 45 minute drive.

COMMUNICATIONS:

Postal Facilities - Pineville is served by a first class Post Office with 12 permanent employees. There are 2 city routes, and one rural route, with mail being received 6 times daily by rail, and once by truck from Corbin, Kentucky.

Telephone & Telegraph - Service is provided by the Southern Bell Telephone & Telegraph Company, with 22 employees, and 997 subscribers. (See Appendix C-1 for rates).

UTILITIES:

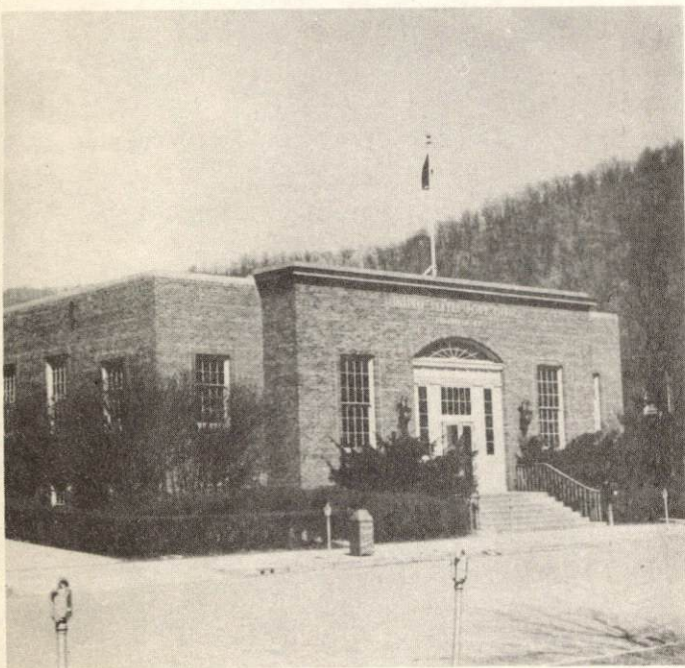
Gas - The Pineville Gas Company, granted a twenty-year franchise in 1946, purchases gas from the Bell-Knox Pipeline Company (7"). Gas has a heating value of 1168 BTU at 60 degrees fahrenheit and 14.7 pounds pressure, dry basis; specific gravity is -.694. (See Appendix C-2 for rates).

Water - The Pineville Water Company obtains water from 2 deep wells (105') each having a capacity of 550 gpm. The filtration plant has a capacity of 850 gpm. There is a 300,000 gallon reservoir where pressure is maintained at 45 pounds per square inch. There is also a 2,500 gallon storage tank. The city is served by 8", 6", and 4" water mains. (See Appendix C-3 for rates).

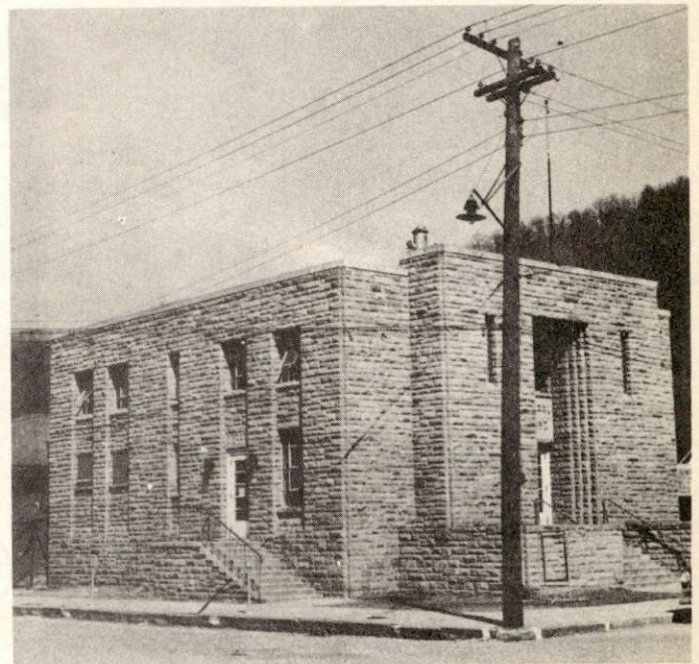
Electricity - Power is provided by the Kentucky Utilities Company from two 33,000-volt transmission lines from a 95,000 hp steam generator plant 4 miles distant. (See Appendix D for rates).



BELL COUNTY COURT HOUSE



U.S. POST
OFFICE



MUNICIPAL
BUILDING

Sewage - Pineville is served by separate storm and sanitary sewers with 20" and 30" storm sewers and 12" sanitary sewers. Raw sewage is discharged into the Cumberland River. An engineering firm has been engaged to enlarge the storm sewers.

CITY GOVERNMENT AND SERVICES:

Type Government - Pineville, a 4th class city, is governed by a mayor and council. The mayor is elected for a four-year period, with the 6 councilmen being elected for 2-year terms. (See Appendix E for Board of Councilmen Resolution favoring new industry).

Tax Rates and Laws -

Property Rates per \$100 in 1950

	<u>Within City Limits</u>	<u>Outside City Limits</u>
State	\$.05	\$.05
City	.90*	.75
School	<u>1.50</u>	<u>1.50</u>
Total	\$ 2.45	\$ 2.30

*includes 15¢ levy to retire bridge bonds.

(See Appendix F for Kentucky Corporation Tax Laws)

Assessment Practice - City - 33 1/3% of sale value
County - 33 1/3% of sale value

Total Assessment of all Property - City - \$2,618,831
County - \$18,868,517

Bonded Indebtedness -City - \$28,000 (voted) for bridge bonds;
\$4,000 due June 1 of each year at 4 1/2% interest. A 15¢ levy is used to retire these bonds.

County - \$607,000 road and bridge bonds (voted); \$212,000 funding bonds (voted); total - \$819,000. An annual payment of \$66,000 is made from the sinking fund toward retirement of bond issues.

Average Annual City Income - \$70,308.26 (1950)

Average Annual City Expenditures - \$70,308.26 (1950)

Laws Affecting Industry - (See Appendix G for Statute governing bond issue plan).

Exemptions to Industry - The city allows a 5-year exemption which cannot be extended. Machinery and raw materials are exempt from local taxes.

Services -

Fire Protection - The fire department staff includes a chief, assistant chief, and 6 firemen. Equipment consists of an International pumper (1947) with 750 gpm capacity, and 2,000 feet of new hose; and a 500 gpm booster pump with 500 feet of new hose. Pineville has a 7th class fire insurance rating.

Police Protection - Personnel includes a chief, night chief, two patrolmen, and one parking meter patrolman. One police car is used for patrolling purposes.

Streets - A crew of 3 men are charged with maintaining the five miles of paved streets in Pineville. Equipment consists of a dump truck with additional equipment being leased from the City of Middlesboro when needed.

LOCAL CONSIDERATIONS:

Housing - 20 building permits were issued during 1950. Single-story, five-room frame houses predominate, with building costs estimated at 60¢ per cubic foot.



LOOKING NORTH ON PINE
STREET BUSINESS DISTRICT



KENTUCKY UTILITIES STEAM
GENERATION PLANT

Two new subdivisions, Highlands and Straight Creek, are fast growing, with 20 homes having been constructed in the Highlands during the past 5 years.

Health -

Hospitals - Pineville Community Hospital with 58 beds.

Doctors - 9 MD's, 3 of them surgeons, and 8 dentists. There are 40 RN's in Bell County.

Public Health Program - Headquarters for the Bell County Health Department are in Pineville. The program comprises: Communicable disease control program, venereal disease control program, tuberculosis control program, child health program, crippled children's program, general sanitation, laboratory services, health education activities.

Schools - The city grade school has an enrollment of 692 with a capacity of 750; the city high school has an enrollment of 117 with a capacity of 217. The city schools employ a total of 24 teachers.

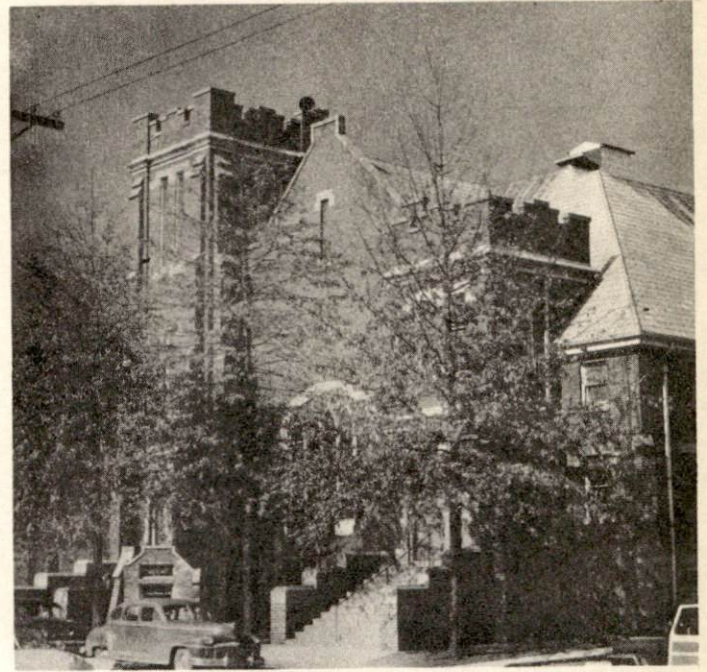
Bell County High School - total enrollment of 654, employing 21 teachers. Lone Jack High School, an independent school district, has an enrollment of 322 pupils with 14 teachers.

Henderson Settlement School - Grade and high school supported by the Methodist Church, is 22 miles away.

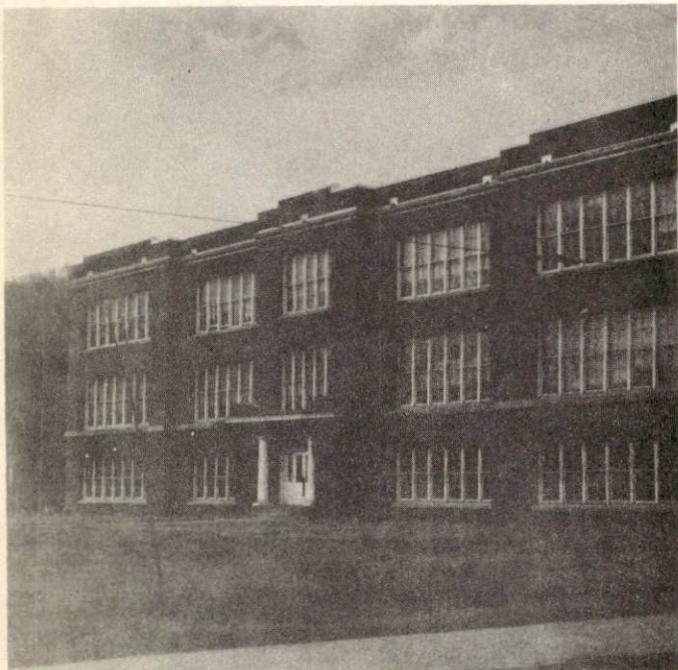
Red Bird Settlement School - A 12-year secondary school Evangelical supported, with a total enrollment of 326, is 18 miles distant.



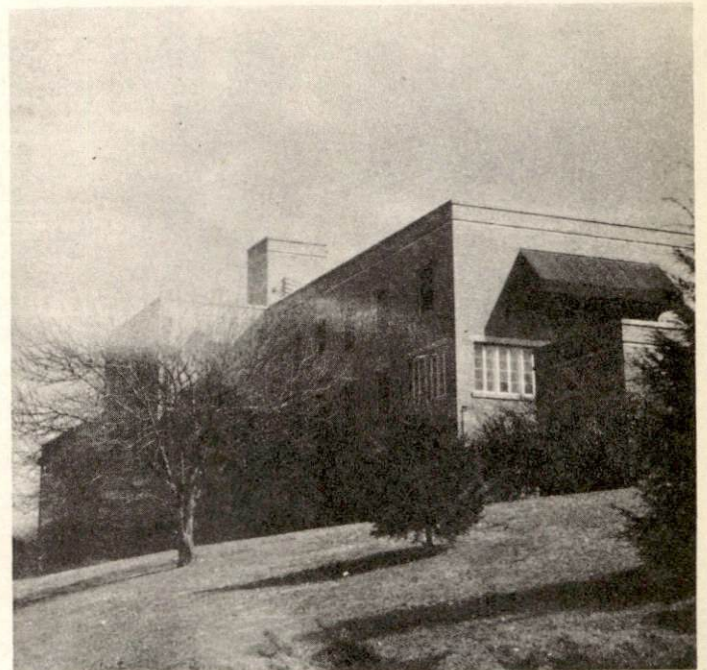
FIRST METHODIST
CHURCH



FIRST BAPTIST
CHURCH



PINEVILLE
HIGH SCHOOL



PINEVILLE
COMMUNITY HOSPITAL

Clear Creek Mt. Preachers School - A Baptist minister training school, 4 miles away, has 140 students enrolled.

Colleges - Pikeville Jr. College, Pikeville, 135 miles; Sue Bennett College, London, 49 miles; University of Kentucky and Transylvania College, Lexington, 132 miles; Eastern State College, Richmond, 106 miles; Berea College, Berea, 93 miles; Morehead State College, Morehead, 142 miles; Cumberland College, a Baptist Jr. College at Williamsburg, 26 miles.

Churches - Presbyterian, Catholic, Baptist, Methodist, Church of God and Nazarene.

Libraries - Pineville Public Library with 7,838 volumes and a circulation of 45,971 based on 1950.

Recreation -

Parks and Playgrounds - The Athletic Club is now converting 4 vacant lots into playgrounds.

Kentucky Ridge Forest Park (4 miles) and Pine Mountain State Park (1 mile) have excellent camping facilities.

The football stadium---Samuel's Field---Pineville Athletic Field is unsurpassed throughout eastern Kentucky. It has a concrete tier seating arrangement on 2 sides of the field. Capacity is 1800 and standing room is unlimited. Directed recreation in football, softball, basketball, tennis, horseshoes, etc. is held at the high school football field during the summer months.

The Kentucky Utilities Park, 4 miles distant, is a favorite spot for boating and fishing. A swimming pool owned and maintained by the Pineville High School is open to all residents.

Theaters - There are 2 theaters in Pineville which change programs three times weekly.

Points of interest near Pineville:

Bear Wallow Gap - scenic area in Pine Mountain State Park
Breastwork's Hill - commanding vantage point of Cumberland Ford
Clear Creek Mountain Preachers School & Clear Creek Springs
Cumberland Falls - one hour's drive
Fording Rock - large boulder in Cumberland River; ancient water guage indicating when safe to cross river
First House built in Kentucky - Dr. Thomas Walker's Park at Barbourville
Hemlock Gardens - in Kentucky Ridge Forest
Henderson Settlement School - Frakes, Kentucky
Indian Mound - located on Pine Street with residence situated thereon
Intriguing Driveway - winding up and around the mountain slope, in Kentucky Ridge Forest & Pine Mt. State Park
Kentucky Ridge Forest Park
Kentucky Utilities Power Plant - 15 million dollar coal burning steam generating electric power plant.
Mountain Laurel Cove - in Pine Mountain State Park
Nature's "Living Stairway" - in Kentucky Ridge Forest
Pine Mountain State Park - Chained Rock
Pioneer Settler's "grave yard" - one block from court house square
Red Bird Settlement School - Beverly, Kentucky
"The Narrows" at south approach to Pineville - winner of contest for Kentucky's "Most Beautiful Spot"
"The Pinnacle" - towering high over Middlesboro
The Himyar - Flat Lick Natural Gas Fields
Cumberland Ford - historic crossing of the Cumberland River

Tourist Accommodations - Continental Hotel - 75 rooms;

Pineville Motel - 17 rooms; Pineville Hotel - apartments and rooms.

Newspapers - One weekly newspaper, The Sun, with a circulation of 1,600.

Radio Stations - Station WMIK, located at Middlesboro, serves the area.

Radio Stations - First State Bank with total resources of \$6,159,000 and total deposits of \$5,832,000.

Retail Businesses

Auto Dealers	5
Clothing	9
Drugs	3
Eating	11
Electrical Appliances	5
Farm Supplies & Hdwe	4
Food-Groceries	19
Furniture	5
Lumber	3
Variety	1

Service Establishments

Barber Shops	3
Beauty Shops	8
Dry Cleaning	5
Frozen Food Lockers	0
Laundry	2

Wholesale, Retail and Service Trade Sales - Wholesale,

retail, and service establishments located in Bell County, Kentucky, showed a substantial expansion in dollar volume of trade from 1939 to 1948 according to figures from the 1948 Census of Business compiled by the Bureau of the Census, U. S. Department of Commerce.

Retail sales in the county during 1948 aggregated \$26.5 million, an increase of 273 percent over the \$7.1 million in 1939, Wholesale sales in the county reached a total of \$9.5 million in 1948 as compared with \$5.9 million in 1939. The service trades included in the Census of Business recorded receipts totaling \$1.3 million in 1948 compared with \$0.3 million in 1939.

Employment in the county also rose over the 9-year period between 1939 and 1948 for the above trades. Establishments in these trades reported a combined total of 1,796 paid employees for the workweek ended nearest November 15, 1948. This compared with a total of 1,018 employees reported for the week of November 15, 1939.

Clubs and Organizations -

Civic - Chamber of Commerce, Kiwanis, Rotary, Sportsmen's Club, Pineville Athletic Club, Lions.

Fraternal - American Legion, VFW, Masonic, Red Men

Women's Clubs - Pineville Woman's Club, Jr. Woman's Club, Homemakers, Eastern Star, Daughters of America, Mt. Laurel Garden Club, Pineville Garden Club.

Youth Clubs - 4-H Club, FFA & FHA Chapters.

Climate -

Average Precipitation, Temperature and Humidity

	Temp. <u>52 yr. period</u>	Prec. <u>61 yr. period</u>	Rel. Hum.		
			8 am <u>43 yr.</u>	n <u>13 yr.</u>	8 pm <u>43 yr.</u>
Jan.	38.3	4.48	83	66	69
Feb.	39.2	3.83	81	62	64
Mar.	49.3	4.79	78	55	59
Apr.	56.3	4.11	75	51	54
May	65.8	4.40	78	54	59
June	73.7	4.64	81	55	65
July	76.6	4.93	83	55	67
Aug.	75.9	4.69	86	57	69
Sept.	70.6	3.42	85	55	67
Oct.	59.4	2.63	86	54	64
Nov.	47.3	3.38	84	61	64
Dec.	39.2	3.82	84	66	69
Ann. Avg.	57.6	49.12	82	58	64

Prevailing Winds - South

Average Number of Days with Sunshine - 57%

The above information was taken from the nearest weather station which is located at

*Mineral Resources - The consolidated surface rock of Bell County are all sandstones, sandstone conglomerates, shales and coals, deposited during the Coal Measure (Pennsylvanian) period. They are divided into two major divisions: (1) The Pottsville and (2) the Allegheny. The former are widely distributed, but the latter consists of only a few isolated ridge top outliers on the Log Mountains in the vicinity of Chenoa and Logmont. The entire sequence of the Mississippian limestones, sandstones and shales underlain by the Chattanooga (Devonian) black shale are exposed in the Pine Mountain overthrust fault. The areal extent of these Pre-Pennsylvanian sediments, however, is very elongated and very limited. Alluviums of Tertiary, Pleistocene and Recent age consisting of sands, gravels, and clays, occur in the stream bottoms, particularly in the Yellow Creek Valley near Middlesboro.

The principal natural resource of Bell County is bituminous coal. Out of a total sequence of at least thirty seams, the following ten are of principal commercial importance: Straight Creek, Mason, Barner, Harlan, Lower Hignite, Dean, Jellico, Poplar Lick, Jackrock, and Winona. Vast areas in this county underlain with commercial coals, including some canals, are yet undeveloped.

Resources of secondary importance in Bell County are limestones along the Pine Mountain fault suitable for general rural building and highway and railway construction. Sand suitable for general building construction is available as a transported deposit in stream beds and on flood plains, and weather shale and transported clays may be had for brick manufacture.

Petroleum is a possibility, while natural gas in small quantities has already been produced in one or two isolated wells.

*Prepared by Willard R. Jillson.

Natural Growth - Chestnut oak, white oak, yellow poplar, beech, red-black spanish oak, maple and hickory are listed among woods found in quantity.

INDUSTRIAL MARKETS:

There are, within the market area of Pineville (600 mile radius), an estimated 50,000,000 customers. The area includes such cities as St. Louis, Chicago, Detroit, Pittsburgh, New York, and Atlanta.

AVAILABLE INDUSTRIAL SITES:

There are several good industrial sites adjacent to highway and rail facilities. For further information write Mr. W. H. Gaddie, Secretary, Chamber of Commerce, Pineville, Kentucky; or the Kentucky Agricultural and Industrial Development Board, 415 Ann Street, Frankfort, Kentucky.

APPENDIX

History and General Description	App. A
Table Showing number of workers covered by Kentucky Unemployment Insurance	App. B
Telephone Rates	App. C-1
Gas Rates	App. C-2
Water Rates	App. C-3
Kentucky Utilities Rates	App. D
Resolution by Board of Councilmen favoring new industry	App. E
Kentucky Corporation Taxes	App. F
Kentucky Revised Statutes - Bond Issue Plan	App. G
Cooperating State Agencies	App. H

HISTORY & GENERAL DESCRIPTION

Bell County, situated in the extreme southeastern corner of the State, is famed near and far as a scenic area. The county has the general appearance of an irregular triangle, with Virginia and Tennessee forming the base, and the apex more than twenty-five miles north from the State line, as the crow flies. It was created out of Knox and Harlan Counties in 1867, a portion of Whitley County being later added. The county was first called Josh Bell County, being named after Joshua Fry Bell, a brilliant Kentucky lawyer during the middle of the last century. The first half of the name was dropped during the 70's. The first white men known to have entered the interior of Eastern Kentucky passed from Virginia through Cumberland Gap into Bell County in 1750.

The entire county is mountainous. In fact, it may be described as a region of magnificent altitudes, with Middlesboro (at the railroad station) having a height of 1,137 feet above sea level, while Pineville is 1,028 feet higher than the sea.

Prepared by Willard R. Jillson

NUMBER OF WORKERS IN MANUFACTURING INDUSTRIES COVERED BY
KENTUCKY UNEMPLOYMENT INSURANCE LAW
FOR BELL AND ADJOINING COUNTIES

County	Total	Food & Kindred Products	Tobacco	Clothing, Textiles, Leather	Lumber & Furniture	Printing, Publishing & Paper	Chemicals, Petroleum, Coal & Rubber	Stone, Clay, Glass	Pri- mary metals	Mach., Metal Prod., Equip.	Other
Bell	608	81	0	399	51	26	1	0	0	50	0
Knox	260	12	0	44	183	9	0	12	0	0	0
Whitley	491	95	0	290	58	27	0	15	0	0	6
Harlan	657	221	0	0	394	24	0	11	0	0	7
Leslie	163	0	0	0	163	0	0	0	0	0	0
Total	2179	409	0	733	849	86	1	38	0	50	13

NUMBER OF WORKERS COVERED BY
KENTUCKY UNEMPLOYMENT INSURANCE LAW
FOR BELL AND ADJOINING COUNTIES

County	All Industries	Mining & Quarrying	Contract Con- struction	Manufac- turing	Transpor- tation, Com- munication, & Utilities	Whole- sale & Retail Trade	Finance, Insurance, & Real Estate	Services	Other
Bell	5,061	2,433	43	608	361	1,054	108	453	1
Knox	788	247	10	260	27	181	10	53	0
Whitley	2,137	625	63	491	126	551	57	224	0
Harlan	14,932	11,941	205	657	198	1,462	70	396	3
Leslie	663	482	0	163	0	14	4	0	0
Totals	23,581	15,728	321	2,179	712	3,262	249	1,126	4

TELEPHONE RATES - App. C-1

	<u>Individual</u>	<u>Two-party</u>	<u>Four-Party</u>	<u>Extension</u>
Business	\$7.50	\$6.75	\$6.00	\$1.50
Residential	3.50	3.00	2.75	1.00

GAS RATES - App. C-2 (commercial Rates)

First	70,000 cu. ft.	46¢ per mcf
Next	80,000 cu. ft.	39¢ per mcf
Over	150,000 cu. ft.	36¢ per mcf

WATER RATES - App. C-3

First	1,000 gal. per mo. or less	\$1.25 Minimum
Next	9,000 gal. per mo.	.50 per M gal.
Next	20,000 gal. per mo.	.40 per M gal.
Next	20,000 gal. per mo.	.30 per M gal.
Next	25,000 gal. per mo.	.25 per M gal.
Over	75,000 gal. per mo.	.22 per M gal.

An additional charge of 10% will be added to all bills not paid within 10 days from the date thereof.

Kentucky Utilities Company
Incorporated

Revised 2/1/46
Reworded 3/1/48

COMBINED LIGHTING & POWER SERVICE - RATE LP

AVAILABILITY

This rate schedule is available for secondary or primary service on an annual basis for lighting and/or heating and/or power where no class rate is available.

It is optional with the customer whether service will be billed under this schedule for the entire requirements, or under various other schedules applicable to the various services. The customers having selected this schedule will continue to be billed under it for not less than twelve (12) consecutive months, unless there should be a material and permanent change in the customer's service.

RATE

Maximum Load Charge

\$1.75 per kilowatt for the first 25 kilowatts of the maximum load in the month, but not less than \$105.00 per year.

\$1.50 per kilowatt for all in excess of 25 kilowatts per month.

Plus an Energy Charge

2.5¢ per kilowatt-hour for the first 1,000 kilowatt-hours used per month

1.5¢ per kilowatt-hour for the next 9,000 kilowatt-hours used per month

1.0¢ per kilowatt-hour for the next 40,000 kilowatt-hours used per month

.9¢ per kilowatt-hour for the next 50,000 kilowatt-hours used per month

.8¢ per kilowatt-hour for the next 400,000 kilowatt-hours used per month

.7¢ per kilowatt-hour for all in excess of 500,000 kilowatt-hours per month

DETERMINATION OF MAXIMUM LOAD

The load will be measured and will be the average kilowatt load used by the Customer during the 15 minute period of maximum used during the month.

MINIMUM ANNUAL BILL

Service under this schedule is subject to an annual maximum of \$21.00 per kilowatt for each yearly period based on the highest monthly maximum load during such yearly period, but not less than \$105.00 per year. Payment to be made monthly of not less than 1/12 of the Annual Minimum, until the aggregate payments during the contract year equal the Annual Minimum. However, payments made in excess of the amount based on above rate schedule will be applied as a credit on billings for energy used during the contract year. A new customer or an existing customer having made a permanent change in the operation of his electrical equipment that materially affects the use in kilowatt-hours and/or use in kilowatts of maximum load will be given an opportunity to determine his new service requirements, in order to select the most favorable contract year period and rate applicable.

DUE DATE OF BILL

Customer's monthly bill will be due within 10 days from date of bill.

RULES AND REGULATIONS

Service will be furnished under the company's general RULES AND REGULATIONS OR TERMS AND CONDITIONS.

PRIMARY DISCOUNT

Applicable to customers having a maximum load of 50 kilowatts or more.

At the option of the customer there will be a discount of 5% of the energy charge only on all monthly bills, in which there is a maximum load charge for 50 kilowatts or more, provided the Customer owns and maintains all facilities (including transformers, if necessary) for taking service from the primary distribution or transmission system from which line the customer is served, and where the service is metered at the primary voltage.

RESOLUTION

WHEREAS, it is desirable that new industry come to our City; and

WHEREAS, our City is well situated with regard to transportation, labor, education, and other facilities:

NOW THEREFORE, BE IS RESOLVED BY THE BOARD OF COUNCILMEN of the City of Pineville, Bell County, Kentucky, as follows:

A cordial invitation is extended to acceptable industrial enterprises and businesses to locate in our city, and we pledge our cooperation and assure them of the aid and good will of our officials, the Chamber of Commerce and the citizens in general.

WHEREFORE, by unanimous vote of the Board of Councilmen present, this Resolution was passed and approved the 5th day of March, 1951.

CITY OF PINEVILLE

A. F. Smith, Mayor

ATTEST: _____
Mrs. Louise Combs, City Clerk

KENTUCKY CORPORATION TAXES

Corporation Organization Tax

Domestic corporations having capital stock divided into shares are required to pay an organization tax to the Secretary of State at the time of corporation. The tax is based upon the number of shares authorized:

	<u>Rate per Share (Par Value)</u>	<u>Rate Per Share (No Par Value)</u>
First 20,000 shares	1¢	1/2¢
20,001 through 200,000 shares	1/2¢	1/4¢
Over 200,000 shares	1/5¢	1/5¢

The minimum tax is \$10. If additional shares are authorized the tax is computed on the basis of the total number of shares, as amended, and the tax due in excess of that already paid must be paid at the time the amendment to the articles of incorporation is filed.

The tax applies to the capital of foreign corporations in case of merger or consolidation with a Kentucky corporation.

Corporation License Tax

All corporations except foreign insurance companies, domestic life insurance companies, building and loan associations, banks and trust companies, race track corporations, and franchise paying corporations are liable for the state corporation license tax of 70¢ of each \$1,000 value of capital stock represented by property owned or business transacted in Kentucky. The minimum license tax is \$10. An annual report of facts concerning the corporation and its business is required to be filed with the Department of Revenue not later than the 15th day of the 4th month following the close of the corporation's taxable year. The amount of the tax is computed from this return. The corporation income and license tax returns have been consolidated. Tax payment is due within 30 days after certification of the assessment of its capital stock.

Corporation Income Tax

The corporation income tax of 4 1/2%¹ applies to the entire net income allocable to this state. Federal income taxes are allowed as a deduction. State and national banks, trust companies, domestic building and loan associations, insurance companies, and non-profit corporations are exempt from the tax. Payment is due on the 15th day of the fourth month after the close of the tax year. Payment of one-third of the tax may be deferred until the 15th day

¹ Temporary rate of 4 1/2% reverts to 4% at expiration of second calendar or fiscal year beginning after January 1, 1950.

of the seventh month and an additional one-third until the 15th day of the 11th month following the close of the tax year without interest.

Interest, dividends, rents and royalties, and capital gains not received in connection with the regular business of a corporation are subject to taxation by this state only when such income is received from sources within this state.

Kentucky's portion of taxable corporate income derived from public utilities and the manufacture and sale of tangible property is determined by applying to net income an average of the ratios of the value of tangible property, payroll, and amount of sales in this state to the total value of tangible property, payroll, and amount of sales of the corporation.

In general, this same method is used for allocating taxable income of corporations engaged in other types of business.

Franchise Company Taxes

Property of franchise companies (public service companies, railroad companies, common carrier trucking companies, etc.) is subject to taxation at the following rates per \$100 value: real, 5¢; tangible personal, 50¢; non-operating intangible property, 25¢; manufacturing machinery, 50¢; franchise and rolling stock of car line companies, \$1.50; and franchise (value over and above the actual value of tangible property), 50¢. With the exception of manufacturing machinery, franchise and rolling stock of car line companies, and non-operating intangibles, such property is also subject to local taxation.

Franchise companies must, between January 1 and March 31, file an annual report of its operations during the past calendar year. Assessment of franchise property is made by the Department of Revenue as of December 31 of each year. The total over-all value of the company is fixed by various means, among which are (1) capitalizing net utility operating income and (2) determining the market value of the company's stocks and bonds.

Tax payment is due within 30 days after the department's assessment becomes final.

General Property Taxes

Kentucky's constitution provides that all property, unless specifically exempt, shall be subject to property taxation. Assessments are required to be at fair cash value. Classification is provided. Kentucky courts have consistently held that uniformity takes precedence over full value. The state-wide assessment level on real estate is not more than 40%, on tangible personalty considerably less than 40% generally, and on intangible personalty approximately full value.

Both foreign and domestic corporations, other than franchise companies, must pay general property taxes in tangible property situated within this state and on intangible property which has acquired a situs in Kentucky at the following rates per \$100 value: real property, 5¢; agricultural products, 25¢; other tangible personalty, 50¢; bank deposits, 10¢; brokers accounts receivable, 10¢; and other intangible property, 25¢. Manufacturing machinery, all intangibles except bank shares, and livestock are exempt from local taxation. Agricultural products in storage may be taxed by counties at the rate of 15¢ per \$100. Real estate and all other tangible personalty are subject to full local levies.

County rates have a maximum of 70¢ but average about 65¢; school rates average \$1.45 with a maximum of \$1.50 except for special voted levies not to exceed 50¢. City rates average about 75¢ with a maximum of \$1.50 for cities over 15,000 population.

The Department of Revenue assesses bank deposits in Kentucky banks as of September 1 and distilled spirits and marginal accounts as of January 1. Tax payment is due on bank deposits on or before November 1 following the assessment date and on marginal accounts within 30 days after the department renders its tax bill to the taxpayer. The tax on distilled spirits may be paid tri-annually on January 1, May 1, and September 1, or annually between September 1 and January 1.

Other property is assessed for state, county, and county school taxes by county tax commissioners, and must be listed as of January 1 between January 1 and March 1. Tax payment is due between the following September 15 and January 1; if rendered before November 1 a discount of 2% applies. Exceptions are money in hand, deposits in out-of-state banks, and tobacco, which are assessed as of September 1; tax payments are due the second succeeding September 15.

City and city school assessment and payment dates vary.

Special Taxes

Banks and trust companies, building and loan associations, and insurance companies, which are exempt from corporation license and income taxes, are subject to special taxes.

Banks - Each bank and trust company is required to pay for its stockholders an annual state tax of 50¢ per \$100 value of its capital stock. An annual report to the Department of Revenue and to the assessing officer of the county, city, and school district in which it is located is required by February 1. Tax payment, subject to a 2% discount if paid by November 1, is due between September 15 and December 31 following the assessment date. The assessed value of tangible property may be deducted from the total value of its shares.

Maximum local rates per \$100 are: counties, 20¢; cities, 20¢; and school districts, 40¢.

Building and Loan Associations - A state tax of 10¢ per \$100 is levied on capital stock of domestic building and loan associations in lieu of all other state and local taxes. A report to the Department of Revenue as of January 1 is required by January 31 of each year. Tax payment is due by July 1 of the same year. Shares of borrowing members where the amount borrowed equals or exceeds the amount paid in by those members are exempt from taxation.

Foreign building and loan associations are required to pay an annual tax of \$3 on each \$100 received from shareholders residing in Kentucky, less the amount loaned to shareholders residing in this state. A report must be filed with the Department of Banking on January 1 each year.

STATUTE GOVERNING RIGHT OF CITIES TO
CONSTRUCT INDUSTRIAL BUILDINGS

KENTUCKY REVISED STATUTES (1948)

Sec. 103.200 - 103.280

This Statute was held constitutional by the Court of Appeals of Kentucky in a decision rendered on July 14, 1950, in the case of E. P. Faulconer, et. al., vs. the City of Danville, Kentucky, et. al.

Distributed
by the

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of
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415 Ann Street
Frankfort, Kentucky

KENTUCKY REVISED STATUTES
1948

103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

103.200 Definitions for KRS 103.200 to 103.280. As used in KRS 103.200 to 103.280, "industrial building" means any building or structure suitable for and intended for use as a factory, mill, shop, processing plant, assembly plant, or fabricating plant, to be rented or leased to an industrial concern by the city by which it is acquired.

103.210 Issuance of Bonds. In order to promote the reversion to peace-time economy, to relieve the conditions of unemployment, to aid in the rehabilitation of returning veterans and to encourage the increase of industry in this state, any city may borrow money and issue negotiable bonds for the purpose of defraying the cost of acquiring any industrial building, either by purchase or construction, but only after an ordinance has been adopted by the legislative body of the city specifying the proposed undertaking, the amount of bonds to be issued, and the maximum rate of interest the bonds are to bear. The ordinance shall further provide that the industrial building is to be acquired pursuant to the provisions of KRS 103.200 to 103.280.

103.220 Interest on Bonds; terms. (1) The bonds may be issued to bear interest at a rate not to exceed six percent per annum, payable either annually or semi-annually, and shall be executed in such manner and be payable at such times not exceeding twenty-five years from date thereof and at such place or places as the city legislative body determines.

(2) The bonds may provide that they or any of them may be called for redemption prior to maturity, on interest payment dates not earlier than one year from the date of issuance of the bonds, at a price not exceeding 103 and accrued interest, under conditions fixed by the city legislative body before issuing the bonds.

103.230 Bonds negotiable; disposal; payable only from revenue. Bonds issued pursuant to KRS 103.200 to 103.280 shall be negotiable. If any officer whose signature or countersignature appears on the bonds or coupons ceases to be such officer, before delivery of the bonds, his signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. The bonds shall be sold in such manner and upon such terms as the city legislative body deems best, or any contract for the acquisition of any industrial building may provide that payment shall be made in such bonds. In no event shall any bonds be negotiated on a basis to yield more than 6% except as provided in subsection (2) in KRS 103.220. The bonds shall be payable solely from the revenue derived from the building, and shall not constitute an indebtedness of the city within the meaning of the Constitution.

It shall be plainly stated on the face of each bond that it has been issued under the provisions of KRS 103.200 to 103.280 and that it does not constitute an indebtedness of the city within the meaning of the constitution.

103.240 Use of proceeds of bonds. All money received from the bonds shall be applied solely for the acquisition of the industrial building, and the necessary expense of preparing, printing and selling said bonds, or to advance the payment of interest on the bonds during the first three years following the date of the bonds.

103.250 Receiver in case of default. If there is any default in the payment of principal or interest of any bond, any court having jurisdiction of the action may appoint a receiver to administer the industrial building on behalf of the city, with power to charge and collect rents sufficient to provide for the payment of any bonds or obligations outstanding against the building, and for the payment of operating expenses, and to apply the income and revenue in conformity with KRS 103.200 to 103.280 and the ordinance referred to in KRS 103.210.

103.260 Application of revenue; charges for use. (1) At or before the issuance of bonds the city legislative body shall, by ordinance, set aside and pledge the income and revenue of the industrial building into a separate and special fund to be used and applied in payment of the cost thereof and in the maintenance, operation and depreciation thereof. The ordinance shall definitely fix and determine the amount of revenue necessary to be set apart and applied to the payment of principal and interest of the bonds, and the proportion of the balance of the income and revenue to be set aside as a proper and adequate depreciation account, and the remaining proportion of such balance shall be set aside for the reasonable and proper operation and maintenance of industrial building.

(2) The rents to be charged for the use of the building shall be fixed and revised from time to time so as to be sufficient to provide for payment of interest upon all bonds and to create a sinking fund to pay the principal thereof when due, and to provide for the operation and maintenance of the building and an adequate depreciation account.

103.270 Depreciation account. (1) If a surplus is accumulated in the operating and maintenance funds equal to the cost of maintaining and operating the industrial building during the remainder of the calendar, operating or fiscal year, and during the succeeding like year, any excess over such amount may be transferred at any time by the city legislative body to the depreciation account, to be used for improvements, extensions or additions to the building.

(2) The funds accumulating to the depreciation account shall be expended in balancing depreciation in the industrial building or in making new constructions, extensions or additions thereto. Any such accumulations may be invested as the city legislative body may designate, and if invested the income from such investment shall be carried into the depreciation account.

103.280 Additional bonds. (1) If the city legislative body finds that the bonds authorized will be insufficient to accomplish the purpose desired, additional bonds may be authorized and issued in the same manner.

(2) Any city acquiring any industrial building pursuant to the provisions of KRS 103.200 to 103.280 may, at the time of issuing the bonds for such acquisition, provide for additional bonds for extensions and permanent improvements, to be placed in escrow and to be negotiated from time to time as proceeds for that purpose may be necessary. Bonds placed in escrow shall, when negotiated, have equal standing with the bonds of the same issue.

(3) The city may issue new bonds to provide funds for the payment of any outstanding bonds, in accordance with the procedure prescribed by KRS 103.200 to 103.280. The new bonds shall be secured to the same extent and shall have the same source of payment as the bonds refunded.

COOPERATING STATE AGENCIES

As a state, Kentucky realized the importance of industry in developing her many resources. In addition to the Agricultural and Industrial Development Board, which was created for the express purpose of promoting the economic development of the Commonwealth, there are many state agencies actively engaged in programs, which, directly or indirectly, contribute materially to the solution of problems which affect our industrial growth.

The Kentucky Highway Department, in planning its program of development and expansion, gives every consideration to the needs of existing and proposed industries. During the year, 1950, 2,461 miles of highway and bridges were placed under contract at a total cost of \$35,000,000. This brings the total of the last three years to more than \$88,000,000 for 7,000 miles of highway construction. In national standing, according to the United States Bureau of Public Roads, Kentucky was 7th in the number of miles of highway construction placed under contract in 1950, and 11th in the amount of money spent. If the national war emergency does not interfere, they expect to exceed this figure in 1951.

The Kentucky Department of Economic Security stands ready at all times to assist new industries in determining sources of various classes of labor, prevailing labor rates, and labor practices throughout the State. In addition, they provide, on request, a labor procurement and counseling service for existing industries.

The Kentucky Department of Industrial Relations has been highly successful in its relations with both management and labor. Representatives of this department are available at all times to consult with industries on any matter in which they can be of service.

The Kentucky Department of Revenue offers the services of its tax consultants to industries seeking locations within the State, as well as to resident industries.

Established industries have found the State to be considerate of their welfare and we welcome the opportunity to introduce representatives of prospective new industries to their choice of our present family of industries.

The Kentucky Agricultural and Industrial Development Board takes pride, not only in the services it has to offer to industries seeking locations in Kentucky, but in the service it attempts to render on a continuing basis to existing industry.