

9-25-1953

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ECONOMIC & INDUSTRIAL
SURVEY

of

Frankfort, Ky.



Prepared by

FRANKFORT CHAMBER OF COMMERCE

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

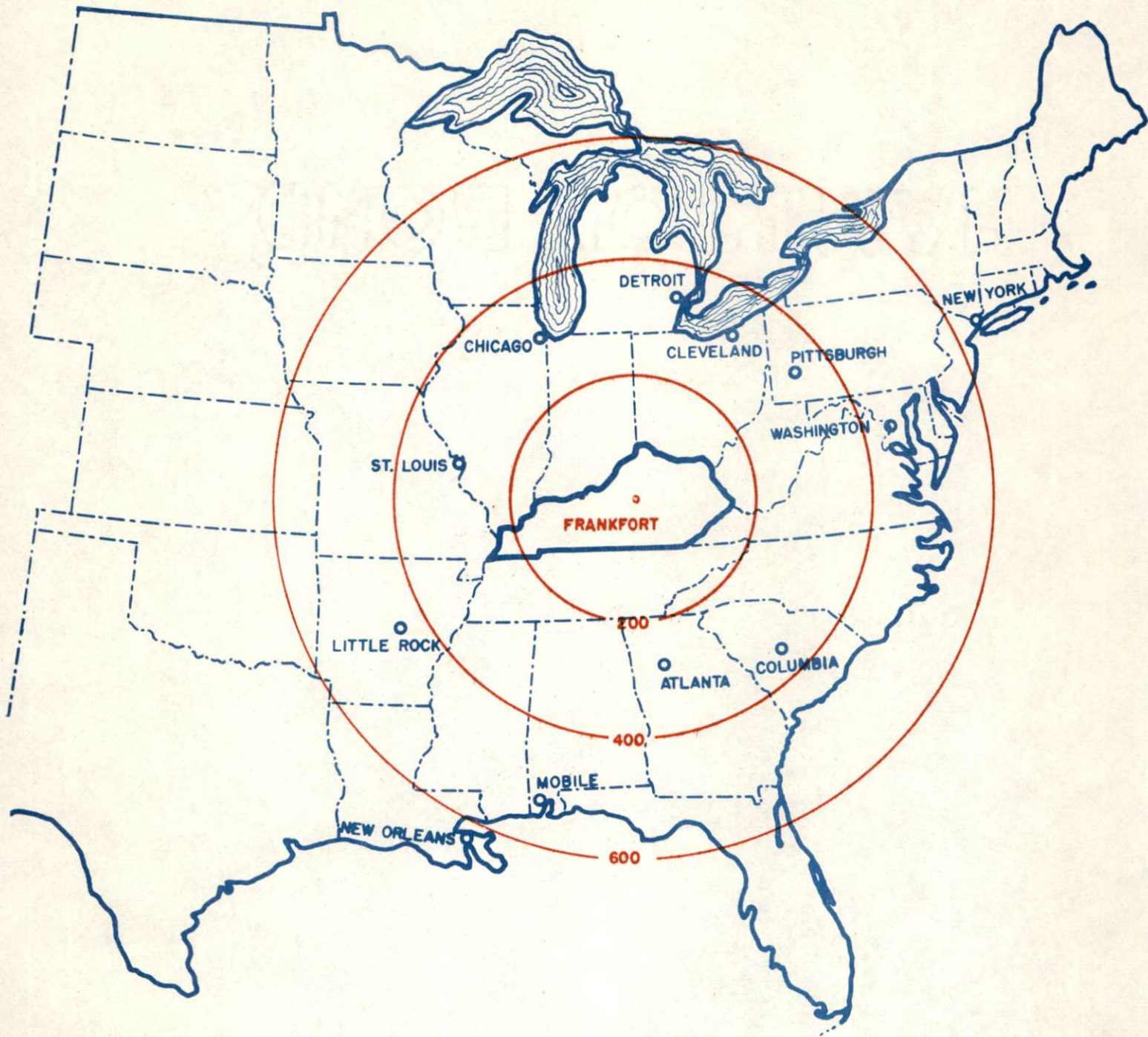
KENTUCKY

ECONOMIC & INDUSTRIAL SURVEY
OF
FRANKFORT, KENTUCKY

Prepared by

The Frankfort Chamber of Commerce
and
The Kentucky Agricultural & Industrial Development Board

September 25, 1953



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

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FRANKFORT, KENTUCKY

Frankfort, Kentucky, unlike many State Capitols, is located in a predominantly rural area, with farm employment overshadowing the economic influence of manufacturing and the State Government. Scenically situated on the Kentucky River, and in the Blue Grass Region of central Kentucky, Frankfort is the county seat and commercial center of Franklin County. (See Appendix A for History and General Description).

POPULATION AND LABOR:

Population Figures 1850 - 1950

	<u>Frankfort</u>	<u>Franklin County</u>
1850	3,308	12,462
1860	3,702	12,694
1870	5,396	15,300
1880	6,958	18,699
1890	7,892	21,267
1900	9,487	20,852
1910	10,465	21,135
1920	9,805	19,357
1930	11,626	21,064
1940	11,492	23,308
1950	11,949	25,936
1953*	18,000	

*Estimated population increase due to annexation of suburbs by City of Frankfort.

Population Characteristics - The population of Frankfort shows an increase of 4% and Franklin County an increase of 11.3% from 1940 - 1950. The residents of Frankfort are predominately native-born white (84.5%), with 9% foreign-born white, and 14.6% negro.

Approximately 53% of the population is female, 47% male. The median school years completed for persons over 25 years of age is 10.4 for female, 7.4 for male.

Labor Market Area - The Frankfort labor market area is defined to include the following Kentucky counties: Franklin, Woodford, Anderson, Shelby, and Scott. The population center of each of these counties is within 22 miles of Frankfort, which is easy commuting distance in this section of the state. Population of the area was 78,182 in 1950, about 2,000 above 1940.

Although area population went up between 1940 and 1950, there was a net out-migration of 3,795 persons from the area. This out-migration probably was caused to a large extent by high school and college graduates having to leave to seek employment elsewhere.

Economic Characteristics - According to the 1950 Census of Agriculture, there are 7,420 farms in this five-county area with an average size of 103.1 acres. Farm employment provides jobs for approximately 10,000 workers. Industrial employment in the same area accounts for only about 3,700 jobs. Manufacturing employment is equivalent to less than 4% of the population as compared to 5% for the state, and 10% for the nation.

Manufacturing employment in Franklin County was approximately 3,200 in March, 1953. More than one-half of the manufacturing in the area is in the food and beverage industry, particularly in the manufacture of

whiskey. Employment in plants manufacturing clothing and shoes is also important in the area. Due to the Kentucky State Capitol being located in Frankfort, government employment is also important.

Labor Supply - The following estimates of potential labor supply are based on many economic factors including: (1) employment distribution by industry, (2) female labor force participation rates, (3) current insured employment, (4) number of low income farms, (5) number of workers available in other areas when new plants were located.

Within the five-county Frankfort area, 2,000 men and 2,100 women are estimated as potentially available for factory jobs. The male labor supply would come mainly from the current unemployed, lower income farm jobs, and low paying or seasonal non-farm jobs. The supply of female workers would be made up of new entrants into the labor force from the home, currently unemployed, and some shifting from low paying industries.

Due to the necessity for either commuting or moving to Frankfort for employment, all of this potential labor supply existing in the area would not be available for work in Frankfort. It is estimated that the number who would be available for jobs in Frankfort would be 1,400 women and 1,500 men. Franklin County, alone, could supply 450 women and 500 men.

Existing Industry

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
Bacon Machine Shop	Machine shop	5	1	6
The Albert B. Blanton Co.	Bourbon whiskey	600	314	914
J. B. Blanton	Building supplies	12	3	15
Blue Bonnet Ice Cream	Ice cream	12	7	19
Brown-Forman Distillers	Whiskey	46	1	47
Bryan Mfg. Co.	Precision metal parts	26	3	29
Capital Baking Co.	Bread, rolls, donuts	9	0	9
Cozine Monument Co.	Marble products	3	0	3
Dreyer, Whitehead, & Goedecke	Machine shop	14	0	14
Frankfort Automotive	Machine shop	3	0	3
Frankfort Ice & Coal Co.	Ice	22	3	25
Frankfort Lbr. & Mfg. Co.	Lumber, millwork	17	2	19
George W. Gayle & Son	Precision made parts	11	1	12
General Shoe Corp.	Ladies' shoes	110	225	335
Hankins Appliance (Jett)	Liquified petroleum gas	4	2	6
H. B. Milk Co.	Dairy products	35	5	40
Kentucky Chemical Co.	Tallow & meat scrap	5	0	5
Lyons Lbr. Co.	Lumber	14	3	17
National Distillers Products Corporation	Whiskey			
Old Crow		196	53	249
Old Taylor		195	70	265
Old Grand Dad		160	80	240
Ohio River-Frankfort Cooperage Corp.	Used whiskey barrels	55	5	60
Pennington Bros. Bakery	Bakery products	50	7	57
Pennington Economy Lbr. & Supply Co.	Building supplies	9	1	10
Rebecca-Ruth Candy Co.	Candy	1	4	5
Roberts Printing Co.	Commercial printing	7	6	13
Rocky Ford Distillery	Whiskey	20	35	55
Southern Mouldings Corp.	Auto trim	52	48	100
Perry Publishing Co.	Job printing	35	7	42
Union Underwear Co.	Men's underwear	73	488	561
Winston's Bakery	Sweet dough products	5	4	9
Geo. R. Workman	Concrete products	5	2	7

TRANSPORTATION:

Railroads - Frankfort is served by the Louisville & Nashville Railroad, and the Frankfort & Cincinnati Railroad (connects with the Southern Railway System at Georgetown, Kentucky).

Class Rates in Cents per 100 pounds from Frankfort*

<u>To</u>	<u>Miles</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>Tariff Authority</u>
Atlanta	421	248	210	174	136	111	99	Raasch's ICC 485
Chicago	347	188	160	132	105	84	76	Schuldt's ICC 3636
Cleveland	342	199	169	141	110	89	80	Boyn's ICC A-800
Detroit	357	205	175	143	113	92	83	Spaninger's ICC 513
Mobile	687	312	264	219	172	141	125	
New Orleans	784	337	286	237	186	152	135	
New York	819	284	241	199	155	128	113	
Pittsburgh	403	204	174	142	111	91	81	
St. Louis	320	186	158	130	103	84	75	
Washington	601	238	202	166	132	106	95	

*The above rates are those in effect as of June 30, 1953.

Freight Schedules from Frankfort*

Leave Frankfort

<u>L&N</u>	<u>Time</u>	<u>Day</u>	<u>Arrive</u>	<u>Time</u>	<u>Day</u>	<u>Rt. Beyond</u>
#142	1:00 p. m.	Mon.	Atlanta	12:15 p. m.	Tues.	L & N
#143	2:00 a. m.	Tues.	Chicago	5:45 p. m.	Wed.	L & N
#142	1:00 p. m.	Mon.	Cleveland	2:45 p. m.	Wed.	L & N
#142	1:00 p. m.	Mon.	Detroit	12:45 p. m.	Wed.	L & N
#143	2:00 a. m.	Tues.	Mobile	1:30 p. m.	Wed.	L & N
#143	2:00 a. m.	Tues.	New Orleans	10:30 p. m.	Wed.	L & N
#142	1:00 p. m.	Mon.	New York	2:30 p. m.	Thurs.	L & N
#142	1:00 p. m.	Mon.	Pittsburgh	11:30 a. m.	Wed.	L & N
#143	2:00 a. m.	Tues.	St. Louis	12:45 a. m.	Wed.	L & N
#142	1:00 p. m.	Mon.	Washington	12:30 p. m.	Thurs.	L & N

*The above freight schedules are those in effect as of June 30, 1953

F & C - Southern Railway Time

Atlanta	1st morning	New Orleans	2nd afternoon
Chicago	2nd morning	New York	4th morning
Cleveland	2nd morning	Pittsburgh	2nd morning
Detroit	2nd morning	St. Louis	1st morning
Mobile	2nd afternoon	Washington	3rd morning

Highways - U. S. #60, #460, #421; Ky. #35, #40.

Highway Distances To -

Atlanta	431	Louisville	49
Birmingham	478	Nashville	239
Chicago	351	New York City	717
Cincinnati	89	Pittsburgh	372
Detroit	352	St. Louis	317

Bus Lines Serving Frankfort - Frankfort is served by the Southeastern Greyhound Lines with 40 busses daily; Midway Bus Lines with 6 stops daily; Trailway Bus Lines, with 8 busses daily.

Truck Lines Serving Frankfort - Hayes Freight Lines; Ecklar-Moore Express; Claxon Truck Lines; Huber & Huber; Reliance Truck Lines; Hulette Transfer; Parrish Transfer Co.

Air - Blue Grass Field, 20 miles distant (near Lexington), has scheduled stops for Eastern, Delta, and Piedmont Airlines. Capitol City Airport, estimated cost of \$500,000, is now under construction on the Louisville Road, 2 miles west of Frankfort. This will be a feeder type operation, with a paved runway of 2800' x 80', 60°- 240°, apron 150' x 150' paved. Plans have been made to extend the runway to 3500' x 100', build hangers and administration building.

COMMUNICATIONS:

Postal Facilities - Frankfort is served by a first class post office with 50 permanent employees. There are 11 city routes, 4 rural routes, and 4 star routes.

Telephone and Telegraph - The Southern Bell Telephone Company serves Frankfort with 134 employees and 8,613 telephones in the city.

A dial system was installed in December, 1951. (See Appendix B for rates).

Western Union office is open daily from 7:30 a. m. to 8:00 p. m., and on Sundays from 9:00 a. m. to 1:00 p. m.

UTILITIES:

Electricity - Frankfort Electric & Water Plant Board purchases power from Kentucky Utilities Company. There are 4 transmission lines serving Frankfort: 66,000 volt line direct from Tyrone generating station; 66,000 volt line from Louisville interconnected to LG&E; 33,000 volt line from Lexington; and 33,000 volt line from Georgetown. There are 6,908 electric meters in the city. (See Appendix C for rates).

Gas - Natural gas is supplied by the Frankfort, Kentucky Natural Gas Company, with an average BTU content of 1,000 and specific gravity of .67. Main source of supply is the Central Kentucky Natural Gas Company (Charleston Group of Columbia System), by two 6" lines from Lexington. Local pressure is 4 oz., maximum pressure is 200 lbs. (See Appendix B-2 for rates).

Water - The water system is municipally owned by the Frankfort Electric and Water Plant Board. Water is obtained from the Kentucky River and pumped to a 7,000,000 gallon reservoir. The filtration plant has a capacity of 6,000,000 gallons daily. Maximum daily use is 2,500,000 gallons. Average pressure is 120 pounds psi. with 20" pump lines and 14" feeder lines. There are 4,940 water connections. (See Appendix B-3 for rates).

Sewage - Frankfort is completing an expansion and modernization program of present sewage facilities. Capacity will be approximately 3,000,000 gallons daily flow; present flow has been estimated at 2,000,000 gallons. Estimated cost of the sewage disposal plant is \$250,000, sewage pumping station \$250,000, and collecting sewer and force main \$380,000. Sewers will be 90% combined, 10% separate. Mains range in size from 8" to 27".

CITY GOVERNMENT AND SERVICES:

Type Government - Frankfort is governed by a Mayor, elected for 4 years, and 12 Councilmen, elected for 2 years.

Tax Rates and Laws -

Property Tax Rates per \$100 in 1953

	<u>Within City Limits</u>	<u>Outside City Limits</u>
State	\$.05	\$.05
County	.50	.50
City	1.00	
Sinking Fund	.20	
School	<u>1.78</u>	<u>1.50</u>
Total	\$3.53	\$2.05

(See Appendix D for Kentucky Corporation Tax Information).

Assessment Practice - City - 65% of 1941 replacement value
County - 40% of sale value

Total Assessment - City - \$13,344,019
County - \$45,531,495

City Bonded Indebtedness - \$222,500 (voted indebtedness) scheduled
to be retired in 1970.

Annual City Receipts - \$279,272.13

Annual City Expenditures - \$270,034.11

Annual County Receipts - \$143,577.40

Annual County Expenditures - \$131,298.83

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

Exemption to Industry - City - 5 years. State law permits the
five-year local tax exemption which cannot be extended. Manufacturing
machinery and raw materials are exempt from local taxes.

Planning & Zoning - A planning and zoning ordinance was adopted
10/27/52.

City Services -

Fire Protection - The department consists of a chief, 2 assistant
chiefs, and 12 full-time firemen. Equipment includes 2 pumpers:
1948 LaFrance 750 gpm; 1927 LaFrance 750 gpm; 1951 Federal
hose truck, 5,700 feet of 2 1/2" hose, and 800 feet of 1 1/2" hose.

There are 175 fire hydrants and 25 fire alarm boxes. Approximately
100 additional hydrants are to be installed in the newly annexed

area within the next year. Frankfort has a 7th class fire insurance rating. 1952 fire losses were \$20,000.

Police Protection - The police department is comprised of a chief, 2 assistant chiefs, 3 sergeants, 6 corporals, and 12 patrolmen.

Equipment includes: 2 radio equipped patrol cars; 2 radio equipped motorcycles; 2-way radio - 60 watts, 155.61 MC. The main offices of the Kentucky State Police are located in Frankfort.

Garbage - Frankfort has municipal garbage collection twice weekly.

Streets - A crew of a foreman and 16 men maintain Frankfort's 61 miles of paved streets. Equipment consists of 5 dump trucks, an oil distributor, broom, sand spreader, 2 air compressors, roller, number 4 and number 2 concrete mixers, and a street flusher.

LOCAL CONSIDERATIONS:

Housing - Single-story, five-room, frame houses predominate at an approximate construction cost of 60¢ per cu. ft.

Health -

Hospitals - Kings Daughters Hospital - 75 beds. A \$750,000 enlargement program has been financed and is in the hands of an architect.

Doctors - MD's - 16, of which 4 are surgeons; Dentists - 11;
RN's - 30.

Health Program - Franklin County has a full-time health department with a staff of 2 nurses, 1 clerk, 1 sanitarian, and 1 full-time health officer. The program includes venereal disease and tuberculosis control, maternal and child health services, sanitation services and general public health activities.

<u>Schools</u> -	Elementary		High School	
	<u>Enrollment</u>	<u>Teachers</u>	<u>Enrollment</u>	<u>Teachers</u>
<u>City</u> (W)*	895	31	322	18
(C)	118	6	68	6
<u>County</u> (W)**	1,717	58	942	55
(C)	66	3		

*In the city school system there is 1 high school, 3 four-grade schools, 1 six-grade school, and 1 kindergarten through 8th grade, 1 colored elementary, and 1 colored high.

**In the county school system there are 4 twelve-grade schools, 1 eight-grade school, and 1 colored four-grade school.

Private - Good Shepherd School, Catholic, with grades 1 - 12, has an enrollment of 200 with 10 teachers.

Colleges - Colleges in the area include: Georgetown College, Georgetown; University of Kentucky and Transylvania College, Lexington; University of Louisville, Louisville; Centre College, Danville; Eastern State College, Richmond; Bellarmine College (male), Louisville; Nazareth College (female), Bardstown. Kentucky State College is located in Frankfort.

Churches - Frankfort has 17 churches representing the following denominations: Baptist, Christian Science, Catholic, Northern Presbyterian, Southern Presbyterian, Methodist, Christian, Episcopal, Nazarene, Assembly of God, Church of Christ, Pentecostal, and Salvation Army.

Recreation -

Theaters - 2 downtown and 1 drive-inn, all of which change programs 3 times weekly.

Recreation Department - The Frankfort Recreation Department is a member of the National Recreation Association. It has a paid staff of a full-time director, an assistant director, 6 playground supervisors, a movie operator and maintenance crew, 1 colored director, and 1 colored supervisor.

The Department, at present, operates 6 splendidly equipped neighborhood playgrounds. Four additional playgrounds have been included in the 1953 budget.

The Department teaches and schedules programs in tennis, baseball, softball, swimming, square and ballroom dancing, arts and crafts.

Two teen-age orchestras provide music for the Junior Cotillion Club dances. The First Annual Kentucky Square Dance Festival (adults) was held in Frankfort in 1953. The nearly 400 dancers participating represented 37 counties in Kentucky and 3 neighboring states.

On July 1, 1953 the City of Frankfort purchased an 180 acre tract adjoining the city for a major park development. A nationally-known professional organization has been employed to plan the recreational facilities in this park. They will include swimming and wading pools, a nine-hole golf course, tennis courts, baseball and football fields.

Camping, Fishing, Boating and Swimming - Private camps are located all along the banks of the Kentucky River. Elkhorn Creek is a favorite spot for fishing.

Tourist Accommodations -

Hotels - Capital - 80 rooms; Southern - 50 rooms; Frankfort - 50 rooms.

Motels - Frankfort Motel - 14 units; Patton Motel - 4 units; Hines Motel - 21 units; Anchor Inn - 6 units; Pewitt's Motel - 8 units; Mays Motel - 4 units; Sleepy Hollow Motel - 4 units.

Newspapers - The State Journal, daily except Saturday, with a circulation of 6,000. National and international news is also provided by the Lexington Herald-Leader, and the Louisville Courier-Journal and Times.

Libraries - The Frankfort Public Library, maintained principally by the Women's Club, has 25,000 volumes and a yearly circulation of 23,131 volumes. The Library Extension Division is a State-supported institution ("Friends of Kentucky Libraries" supply Bookmobiles to aid in state-wide distribution), having 45,000 volumes and a yearly circulation of 25,559. Service is available to all Kentucky residents.

Radio Stations - WFKY, Frankfort, 250 watts, 1490 on your dial.

Television - Reception is clear from Channel 5 (WLW Cincinnati), Channel 3 (WAVE Louisville), Channel 9 (WCPO Cincinnati), and Channel 11 (WHAS Louisville). Community Service, Inc., a non-profit organization, has installed a master antenna on a hill south of Frankfort. Excellent reception is available through a coaxial cable in downtown Frankfort. Connection charge is \$108, monthly service fee is \$3.78.

Banks - Farmers Bank & Capital Trust Company with total deposits of \$36,584,000 and total resources of \$38,696,000; State National Bank of Frankfort with total deposits of \$4,253,000 and total resources of \$4,748,000. (Financial statements as of June 30, 1953).

Retail Businesses

Auto dealers	14
Bakeries	4
Clothing	19
Drugs	7
Electrical appliances	9
Farm Equip. & hdwe.	12
Groceries	50
Furniture	10
Lumber	4
Variety	7

Service Establishments

Barber shops	8
Beauty shops	15
Garages	18
Laundry & cleaning	10
Restaurants	34
Service stations	33

Retail Sales* - The retail sales estimate for the Frankfort Trade Area for 1950 was \$22,000,000.

*Retail sales estimates 1950, University of Kentucky, College of Commerce, Bureau of Business Research.

Wholesale Sales - There are 15 wholesale houses in Franklin County with total receipts of \$4,439,000.

Clubs and Organizations -

Civic - Kiwanis Club, Rotary Club, Lions Club, Optimist Club, East Frankfort Kiwanis Club, Chamber of Commerce, Junior Chamber of Commerce.

Fraternal - Elks Club, Masonic, IOOF, Moose, Eagles, Knights of Columbus, Knights of Pythias, American Legion, VFW.

Women's Clubs - American Legion Auxiliary, VFW Auxiliary, DAR, Eastern Star, Homemakers, Garden Club, Daughters of Confederacy, Younger Women's Club, B&PW Club.

Youth - Boy and Girl Scouts, Cubs, Brownies.

Other - Country Club, Newcomers Club, Music Club, Art, Writers, Gun, Sportsmen's, and Boat Clubs.

Climate -

	Temperature (30-yr. rec.)	Precipitation (30-yr. rec.)	Relative Humidity		
			6:30 a. m. (51-yr. rec.)	12:30 p. m. (21-yr. rec.)	6:30 p. m. (16-yr. rec.)
Jan.	35.1	4.12	83	75	73
Feb.	36.8	3.37	82	70	68
Mar.	45.9	4.42	80	65	65
Apr.	55.6	3.93	75	59	60
May	65.1	3.75	76	59	64
June	73.8	3.97	78	58	66
July	77.2	4.09	78	56	67
Aug.	75.6	3.52	81	58	67
Sept.	69.5	2.85	81	58	65
Oct.	57.6	2.49	79	58	62
Nov.	46.3	3.14	80	66	68
Dec.	37.0	3.37	84	73	70

Ann. Norm. 56.3° F. 43.02 inches

Prevailing Winds (62-yr. rec.) - from southwest

Days Cloudy or Clear (62-yr. rec.) - 129 clear
106 partly cloudy
130 cloudy

Percent of Possible Sunshine (34-yr. rec.) - Annual - 52%

No. of Days With - Prec. over 0.01 inch (66-yr. rec.) - 133
1.0 or more snow, sleet, hail (62-yr. rec.) - 6
Thunderstorms (62-yr. rec.) - 44
Heavy Fog (44-yr. rec.) - 11

Frost-free Period - April 15 - October 20; Growing Season - 188 days.

Seasonal Heating Degree Days - (49-yr. rec.) - long-term means,
4,763 degree days.

FUEL:

Coal - Bituminous coal is available from both the East and West Kentucky Coal Fields. Prices on this coal will be furnished upon request.

Oil - Since the delivery price of fuel oil varies from day to day, and since there is such a variety of types and grades, no estimated prices are given in this report. Delivery prices of any grade of fuel oil in tank car lots will be furnished within 24 hours by the A&ID Board.

RESOURCES:

Mineral - The mineral resources of Franklin County consist principally of limestones and clays. The Tyrone limestone is exposed in this County along the Kentucky River. This chalky white limestone is a highly desirable building stone and has been used widely in Franklin County and vicinity for all general construction purposes. The Old Capitol Building, completed in 1828, is made of this stone. There are indications that some of the Tyrone formation might be high calcium limestone.

Other limestones are found in Franklin County, which are used for building, highway, and railway construction. These limestones have wide distribution.

Clays, which are suitable for ordinary brick making, occur in the County, and a light grey clay, found in the Farmdale vicinity, can be used in making stoneware and pottery. Of minor importance in Franklin County are non-commercial natural gas deposits and mineral water occurrences.

INDUSTRIAL MARKETS:

There are, within the market area of Frankfort, an estimated 50,000,000 customers. Some major cities in the area include: St. Louis, Chicago, Detroit, Pittsburgh, New York, and Atlanta.

AVAILABLE INDUSTRIAL SITES:

There are several excellent industrial sites adjacent to railroad sidings and highways, and within the limit of available utilities. For complete information, write the Executive Secretary, Chamber of Commerce, Frankfort; or the Agricultural & Industrial Development Board, Capitol Annex Office Building, Frankfort.

APPENDIX

History and General Description	App. A
Telephone Rates	App. B-1
Gas Rates	App. B-2
Water Rates	App. B-3
Power Rates	App. C
Kentucky Corporation Taxes	App. D
Kentucky Revised Statutes - Bond Issue Plan	App. E
Cooperating State Agencies	App. F

*HISTORY AND GENERAL DESCRIPTION

Frankfort, the Capital of Kentucky, was founded by General James Wilkinson on lands which he had purchased from Senator Humphrey Marshall. The General Assembly of Virginia chartered Frankfort in an act passed and approved during October, 1786. Despite many natural and some artificial inducements, the growth of Frankfort was slow until the General Assembly of Kentucky, sitting at Lexington in 1792, voted, upon the recommendation of its "Commission for fixing the permanent seat of Government" to select it as the Capital. The recorded history of Frankfort townsite, however, finds its beginning many years before the period of Charter and Capital establishment. In 1751, Christopher Gist was here, and was followed in 1752 by John Findley. Others may have preceded him of which nothing is now known, but in 1770 Daniel Boone crossed the Kentucky and killed an Indian within what is now Frankfort.

Three years later, in 1773, the brothers, James and Robert McAfee, were here with their surveyor, Captain Hancock Taylor, and on July 16 "laid off" the first survey in this area, one which involves today much of the area within "north" Frankfort. In the early summer of 1774 Captain James Harrod and his party of about forty men from the Monongahela Country were here for a short time, and in the succeeding year, 1775, Nicholas Cresswell and James Nourse, English gentlemen, visited this area enroute to Harrod's Fort.

At the mouth of Elkhorn Creek they found Captain Hancock Lee and his brother Willis Lee who, later in the summer, were to "lay off" Leestown, now a part of Frankfort. George Rogers Clark visited Leestown in 1775 and again in 1776.

*W. R. Jillson

It was during the summer of this year that Daniel Campbell and Robert Edmiston, coming up the Kentucky River by canoe, stopped at Leestown, just after an Indian raid and found that all the inhabitants had fled leaving the body of Willis Lee, who had been killed by the savages, beside the block house door. During the summer of 1780, Stephen Frank, one of a party of pioneers on its way from Lexington and Bryant's Station to Mann's Lick to procure salt, was killed by Indians while camping at the old ford where Frankfort is now located. His death gave the ford and the locality some notoriety and caused it to be called "Franks-Ford" throughout Central Kentucky. This name suggested Frankfort to General Wilkinson when he drafted the bill for the Virginia Legislature which established the town in 1786.

Though Frankfort became the legal name of the town so early, the locality name "Franks-Ford" continued in general usage and conversation, until about 1835, when with the passing of the older generation of pioneers it gradually died out. In contemplating the history of this extremely interesting part of Kentucky, it is well to remember that Frankfort, the Capital of the State, is one of the oldest towns in Kentucky. Since it now embraces Leestown, the first surveyed and fortified settlement north of the Kentucky River, Frankfort's historical record stretches down through the years from the summer of 1775, which considerably antedates the settlement of both Louisville and Lexington, and is only exceeded by Harrodsburg - the "Mother of Kentucky."

TELEPHONE RATES - Appendix B-1

	<u>Individual</u>	<u>Two-party</u>	<u>Four-party</u>	<u>Extension</u>
Business	\$8.25	\$7.20	----	\$1.75
Residential	3.90	3.35	\$3.05	1.25

GAS RATES - Appendix B-2

Service Charge	50¢	Plus 5% delayed payment charge
First 4,000 cu. ft.	70¢ per MCF	if not paid by 10th of following
Over 4,000 cu. ft.	56¢ per MCF	month. Minimum delayed payment
		charge 10¢.

WATER RATES - Appendix B-3

	<u>In City Limits</u>	<u>Outside City Limits</u>
First 5,000 gal. per mo.	30¢ per M gal.	40¢ per M gal.
Next 20,000 gal. per mo.	20¢ per M gal.	20¢ per M gal.
Next 175,000 gal. per mo.	15¢ per M gal.	15¢ per M gal.
Next 800,000 gal. per mo.	12¢ per M gal.	12¢ per M gal.
Next 1,000,000 gal. per mo.	08¢ per M gal.	08¢ per M gal.
Excess	06¢ per M gal.	06¢ per M gal.

City Fire Hydrants

\$10.00 per year per hydrant

Minimum Bill - 5/8" & 3/4"	\$ 1.00 per mo.	\$ 1.25 per mo.
1 1/2" 1"	1.50 per mo.	1.50 per mo.
1 1/2" & 1 1/4"	2.50 per mo.	2.50 per mo.
2"	5.00 per mo.	5.00 per mo.
3"	10.00 per mo.	10.00 per mo.
4"	20.00 per mo.	20.00 per mo.
5"	30.00 per mo.	30.00 per mo.
8"	50.00 per mo.	50.00 per mo.

Booster Pumping (outside City) - Rural rate plus 20%

Sprinkler Service and private fire hydrants:

Size of service - 2"	\$12.00 per year
4"	30.00 per year
6"	60.00 per year

Terms of payment - The above rates are Net and apply on all bills paid within ten days from date thereof. On all bills not so paid, an additional charge of 10% of the amount billed (in no case less than 10¢) will be made.

FRANKFORT ELECTRIC & WATER PLANT BOARD RATES

<u>RESIDENTIAL</u>		<u>City</u>	<u>Rural</u>
First	20 KWH or less per mo.	\$1.00	\$1.25
Next	30 KWH per mo. per KWH	.04	.04
Next	50 KWH per mo. per KWH	.03	.03
Next	100 KWH per mo. per KWH	.02	.02
Over	200 KWH per mo. per KWH	.015	.015
Minimum monthly bill per meter		1.00	1.25

<u>COMMERCIAL</u>		<u>City</u>	<u>Rural</u>
First	20 KWH or less per mo.	\$1.00	\$1.25
Next	100 KWH per mo. per KWH	.04	.04
Next	180 KWH per mo. per KWH	.03	.03
Over	300 KWH per mo. per KWH	.025	.025
Minimum monthly bill per meter		1.00	1.25

LARGE POWER SERVICE

City and Rural

Demand Charge -	First 50 KW per mo. per KW	\$1.50
	Over 50 KW per mo. per KW	1.25
Energy Charge -	First 10,000 KWH per mo.	.014 per KWH
	Next 10,000 KWH per mo.	.0125 per KWH
	Next 10,000 KWH per mo.	.01 per KWH
	Over 30,000 KWH per mo.	.009 per KWH

Minimum Charge - The demand charge, but in no case less than for 5 KW.

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¢ on 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% 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

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 on 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 this state, less the amount loaned to shareholders residing in the 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

103.200. It is the policy of the State to encourage the construction of industrial buildings and the establishment of industrial plants and to provide for the financing of such buildings and plants. To that end, the State hereby grants to every city the right to issue bonds for the purpose of financing the construction of industrial buildings and the establishment of industrial plants and to provide for the financing of such buildings and plants. The State hereby grants to every city the right to issue bonds for the purpose of financing the construction of industrial buildings and the establishment of industrial plants and to provide for the financing of such buildings and plants. The State hereby grants to every city the right to issue bonds for the purpose of financing the construction of industrial buildings and the establishment of industrial plants and to provide for the financing of such buildings and plants.

103.200. The bonds may be issued for the purpose of financing the construction of industrial buildings and the establishment of industrial plants and to provide for the financing of such buildings and plants. The bonds may be issued for the purpose of financing the construction of industrial buildings and the establishment of industrial plants and to provide for the financing of such buildings and plants.

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.

(2) The bonds may provide that they or any part thereof shall be payable in whole or in part at the option of the issuer at any time after the date of maturity of the bonds, at a rate not exceeding 103 and accrued interest, most conditions fixed by the legislative body before issuing the bonds.

103.210. Bonds negotiable, assignable, and payable only to the order of the issuer or to the order of any person named in the bonds, shall be issued for the purpose of financing the construction of industrial buildings and the establishment of industrial plants and to provide for the financing of such buildings and plants. The bonds shall be issued for the purpose of financing the construction of industrial buildings and the establishment of industrial plants and to provide for the financing of such buildings and plants.

Distributed by the

Agricultural and Industrial Development Board of Kentucky

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.

The Following Amendment was made to KRS 103.200 to 103.280 by the 1952 Kentucky Legislature.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF KENTUCKY:

Section 103.200 of the Kentucky Revised Statutes is amended to read as follows:

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

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.