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INDUSTRIAL RESOURCES

CYNTHIANA, KENTUCKY



INDUSTRIAL RESOURCES

CYNTHIANA, KENTUCKY

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Prepared by
Cynthiana-Harrison County Chamber of Commerce
and
The Kentucky Department of Economic Development
Frankfort, Kentucky
January, 1962

INDUSTRIAL RESOURCES

CYNTHIANA, KENTUCKY

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SUMMARY DATA FOR CYNTHIANA, KENTUCKY

POPULATION 1960:

Cynthiana - 5,641

Harrison County - 13,704

CYNTHIANA LABOR SUPPLY AREA:

Includes Harrison and all adjoining counties. Estimated number of workers available for industrial jobs in the labor supply area - 3,394 men and 3,923 women. Number of workers available from Harrison County - 459 men and 704 women.

TRANSPORTATION:

Railroads: Cynthiana is served by the Cincinnati Division of the Louisville and Nashville Railroad.

Air: The nearest commercial airport is Blue Grass Field, located in Lexington, 32 miles distant.

Trucks: Cynthiana is served by three firms, with the nearest terminal located in Lexington.

Bus Lines: The Southeastern Division of Greyhound Lines provides bus service to Cynthiana.

HIGHWAY DISTANCES FROM CYNTHIANA, KENTUCKY TO:

<u>TOWN</u>	<u>MILES</u>	<u>TOWN</u>	<u>MILES</u>
ATLANTA, GA.	428	CINCINNATI, OHIO	59
CHICAGO, ILL.	350	DETROIT, MICH.	321
ST. LOUIS, MO.	339	PITTSBURGH, PA.	333

UTILITIES:

Electricity: Cynthiana is supplied electricity by Kentucky Utilities Company.

Natural Gas: Natural Gas is supplied by Columbia Gas of Kentucky.

Water: The municipally owned system has a daily surplus of approximately 500,000 gallons.

Sewerage: The new disposal plant has a capacity of 900,000 gallons per day.

POPULATION AND LABOR

Population Growth

Table 1 shows population and recent rates of growth in Cynthiana, Harrison County, and Kentucky.

TABLE 1

POPULATION GROWTH IN CYNTHIANA, HARRISON COUNTY, AND KENTUCKY
1910-1960

YEAR	CYNTHIANA		HARRISON COUNTY		KENTUCKY
	POPULATION	% INCREASE	POPULATION	% INCREASE	% INCREASE
1910	3,603	---	16,873	---	6.6
1920	3,857	7.0	15,798	-6.4	5.5
1930	4,386	13.7	14,859	-5.9	8.2
1940	4,830	10.1	15,124	1.8	8.8
1950	4,847	.4	13,736	-9.2	3.5
1960	5,641	16.3	13,704	-.3	2.3

PER CENT OF NONWHITE POPULATION IN CITY AND COUNTY: 4.1

Labor Force*

Definition of Population Trend:

The Cynthiana labor supply area is defined for purposes of this statement to include Bourbon, Bracken, Grant, Harrison, Nicholas, Pendleton, Robertson, and Scott Counties. The population centers of all area counties are within 30 miles of Cynthiana, which makes commuting feasible from any point in the area.

According to the 1960 United States Bureau of Census, the population of this 8-county area was 82,033, which was a decrease of 2,852 from the 1950 Census of 84,885.

* Department of Economic Security, Labor Supply Statement for the Cynthiana, Kentucky area.

Economic Characteristics of the Area:

According to the 1959 Census of Agriculture, the area is economically agricultural with approximately 14,151 people employed in this industry. There were 6,941 farms in the area listed as commercial. Of this number, 965 area farms and 180 Harrison County farms had an income of less than \$2,500. Harrison County had 2,356 employed in agricultural jobs in 1959.

In March 1961, there were 3,319 manufacturing jobs in the area, with 784 of this number in Harrison County. Harrison County had 784 persons employed in manufacturing, which was the greatest number of manufacturing jobs of any area county.

Per capita income for the state in 1957 was \$1,372, as estimated by the University of Kentucky Bureau of Business Research. Area counties ranged from \$908 in Grant to \$1,701 in Harrison.

Estimated Labor Supply for Industrial Jobs:

There are three major components of the estimated area labor supply.

- (1) The total currently unemployed.
- (2) Men who would shift from low paying jobs such as farming, and women not now in the labor force but who would enter if jobs were available.
- (3) The future labor supply due to the aging of the population and measured here by the number of boys and girls becoming eighteen years of age during the next ten years.

It is estimated that there are 3,394 men and 3,923 women in the Cynthiana area who would be available for industrial jobs. Harrison County alone could furnish 459 men and 704 women included in the above total.

In addition to the current labor supply, 8,158 boys and 7,897 girls in the area will become eighteen years of age during the next ten years, with 1,260 boys and 1,189 girls of this number residing in Harrison County. It is likely that at least 80 per cent of the boys and 40 per cent of the girls will want jobs upon reaching working age.

MANUFACTURING INDUSTRIES

Existing Firms, Products and Employment

The following list of manufacturing firms indicates something of the demand for labor and products available in the immediate area of Cynthiana.

TABLE 2

MANUFACTURING FIRMS, PRODUCTS AND EMPLOYMENT

FIRM	PRODUCT	EMPLOYMENT		
		MALE	FEMALE	TOTAL
BLAKE & JOHNSON CO., INC.	WOOD, TAPPING AND MACHINE SCREWS	32	1	33
BLUE GRASS PLANT FOODS, INC.	CHEMICAL FERTILIZERS	34	4	38
CALVERT DISTILLING CO.	BOURBON WHISKEY	(SEASONAL)		80
CAVU SPORTSWEAR, INC.	LADIES' SHORTS, BERMUDA SHORTS, BLOUSES AND SKIRTS	0	50	50
CYNTHIANA CONCRETE PRODUCTS CO.	READY MIXED CONCRETE	8	1	9
CYNTHIANA MILLS, INC.	MEN'S SHORTS	5	120	125
CYNTHIANA PUBLISHING CO., INC.	NEWSPAPER, LETTERPRESS PRINTING	13	4	17
KAWNEER COMPANY	ALUMINUM APPLIANCE PARTS AND TRIM	330	10	340
LADISH COMPANY	PLUMBING VALVES AND FITTINGS	125	4	129
KENTUCKY CARDINAL DAIRIES, INC.	CHEDDAR CHEESE	30	3	33
MARION BLOCK CO.	CONCRETE BLOCKS	3	0	3
S. P. OWEN TOBACCO CO.	REDRIED LEAF TOBACCO	(SEASONAL)		75
WEBBER SAUSAGE CO.	PORK SAUSAGE	40	2	42

Unionization:

The one union represented in Cynthiana manufacturing firms is the Distillery Workers Union of America, AFL-CIO.

Wages:

Some examples of wages in the area are:

	Hourly Rate	
	Minimum	Maximum
Clerical & Secretarial	\$1.15	\$2.15
Laborer	1.32	1.57
Semi-skilled	1.72	2.17
Skilled	1.82	2.62

TRANSPORTATION

Railroads

The Cincinnati Division of the Louisville and Nashville Railroad serves Cynthiana with two local freights daily and two passenger trains daily (one north and one south). Switching service is available seven days a week on twelve tracks which can accommodate 100 cars. Package service is also available. Freight shipments consist of 65 inbound and 10 outbound loads per month.

Railway Express is available from Lexington, Kentucky, 32 miles distant.

TABLE 3

RAILWAY TRANSIT TIME FROM CYNTHIANA, KENTUCKY TO:*

<u>TOWN</u>	<u>NO. OF HRS.</u>	<u>TOWN</u>	<u>NO. OF HRS.</u>
ATLANTA, GA.	22 1/2	LOUISVILLE, KY.	27
BIRMINGHAM, ALA.	34	LOS ANGELES, CALIF.	95
CHICAGO, ILL.	24	NASHVILLE, TENN.	27 1/2
CINCINNATI, OHIO	5 1/2	NEW ORLEANS, LA.	51 1/2
CLEVELAND, OHIO	26 1/2	NEW YORK, N. Y.	58 1/2
DETROIT, MICH.	24 1/2	PITTSBURGH, PA.	33
KNOXVILLE, TENN.	14	ST. LOUIS, MO.	49

Highways

Highways which presently serve Cynthiana are U. S. 62, U. S. 27, Ky. 36 and Ky. 32. Interstate Highways I-64 (east-west) and I-75 (north-south) will both pass within a few miles of the city. The transportation map shows existing major highways, railroads, waterways and recreational areas in Kentucky.

* Director of Industrial Development, Louisville & Nashville Railroad Company, Louisville, Kentucky.

TABLE 4

HIGHWAY DISTANCES FROM CYNTHIANA, KENTUCKY TO:

TOWN	MILES	TOWN	MILES
ATLANTA, GA.	428	LEXINGTON, KY.	33
BIRMINGHAM, ALA.	456	LOUISVILLE, KY.	75
CHICAGO, ILL.	350	NASHVILLE, TENN.	253
CINCINNATI, OHIO	59	NEW YORK, N. Y.	665
DETROIT, MICH.	321	PITTSBURGH, PA.	333
KNOXVILLE, TENN.	233	ST. LOUIS, MO.	339

Truck Lines:

Cynthiana is served by Ecklar-Moore Express, Inc., Hayes Lines, Inc., and Cumberland Motor Freight, Inc. with both interstate and intrastate service. The following table shows the transit time to several urban areas throughout the country.

TABLE 5

TRUCK TRANSIT TIME FROM CYNTHIANA, KENTUCKY TO:*

TOWN	NO. OF DAYS BOTH TL AND LTL	TOWN	NO. OF DAYS BOTH TL AND LTL
ATLANTA, GA.	2ND MORNING	LOUISVILLE, KY.	OVERNIGHT
BIRMINGHAM, ALA.	2ND "	LOS ANGELES, CAL.	6 - 7 DAYS
CHICAGO, ILL.	2ND "	NASHVILLE, TENN.	2ND MORNING
CINCINNATI, OHIO	OVERNIGHT	NEW ORLEANS, LA.	3RD "
CLEVELAND, OHIO	2ND MORNING	NEW YORK, N. Y.	3RD "
DETROIT, MICH.	2ND "	PITTSBURGH, PA.	2ND "
KNOXVILLE, TENN.	2ND "	ST. LOUIS, MO.	2ND "

* ECKLAR-MOORE EXPRESS, INC., TRAFFIC MANAGER, LEXINGTON, KENTUCKY.

Bus Lines:

The Southeastern Greyhound Lines, Cincinnati to Lexington, serves Cynthiana with four northbound and four southbound buses daily.

Air Transportation

The nearest commercial airport is Blue Grass Field, a second-class airport which is served by Eastern, Delta, and Piedmont Airlines. There are twenty-four daily flights. The airport, 45 minutes from Cynthiana, is located four and one-half miles west of Lexington.

The newly constructed Cynthiana-Harrison County Airport has a 3,500 ft. turf runway. The air field is located two miles south of Cynthiana and \$60,000 was used to purchase the land and build the runway. This airstrip can accommodate light aircraft.

UTILITIES AND FUEL

Electricity

The Kentucky Utilities Company supplies electrical power to Cynthiana and, along with Harrison County RECC, to rural customers in Harrison County.

Kentucky Utilities Company provides electric service in 77 Kentucky counties. The company has a generating capacity of 575,000 KW in its five generating stations which are located in Eastern, Central and Western Kentucky. The company also has major interconnections with its neighboring utilities - Louisville Gas and Electric, Ohio Power Company, Kentucky Power Company, Electric Energy, Inc., Central Illinois Public Service Company, TVA, and through Louisville Gas and Electric and Ohio Power with Ohio Valley Electric Corporation. These interconnections provide a means of interchanging substantial blocks of electric power when desired. Rates for industry will be furnished by the company's Industrial Development Department in Lexington, Kentucky.

The Cynthiana peak demand in 1960 was 3,936 KW.

The Kentucky Utilities Company plans to change the district voltage lines from 34.5 thousand volts to 69 thousand volts in the near future.

Natural Gas

Cynthiana is supplied natural gas by Columbia Gas of Kentucky, Inc. Their source of supply is the parent company, Columbia Gas System. A 6" high pressure line (200 psi max.) connects Cynthiana with other lines of the system. The distribution mains are 3", 4", 6", and 8", pressure, 4 ounces. The BTU content of the gas is 1,050 and the specific gravity is .65. Rates are as follows:

RESIDENTIAL AND COMMERCIAL RATES

FIRST	1,000 CU. FT.	\$ 2.090
NEXT	49,000 " "	.835 PER MCF
NEXT	50,000 " "	.795 " "
NEXT	200,000 " "	.765 " "
ALL OVER	300,000 " "	.735 " "
MINIMUM BILL		2.03

INDUSTRIAL RATES

FIRST	800 MCF	\$ 414.72
NEXT	1,200 "	.5221 PER MCF
NEXT	3,000 "	.5121 " "
NEXT	5,000 "	.5021 " "
ALL OVER	10,000 "	.4821 " "

Water

The Cynthiana Water Company, a municipally owned system, obtains raw water from the South Licking River. The capacity of the system is 1,500,000 gallons daily and the average daily flow is 1,000,000 gallons. Storage facilities include one 300,000-gallon standpipe and one 300,000-gallon overhead tank. The water pressure averages 80 psi in mains which range from 4" to 12".

A recent water main extension program has cost approximately \$350,000. Current rates are as follows:

CLASS I

(1 OR 2 WATER SERVICES)

2,500 GALLONS PER MONTH - \$2.00 MINIMUM BILL
2,500 - 4,000 GALLONS PER MONTH - \$2.50

CLASS 2

(3 OR MORE SERVICES)

	4,000 GALLONS PER MONTH	\$2.50		
4,000 - 8,000	" " "	.50 PER M GALL.		
8,000 - 20,000	" " "	.40	" " "	
20,000 - 50,000	" " "	.30	" " "	
50,000 - 75,000	" " "	.20	" " "	
75,000 - 100,000	" " "	.15	" " "	
OVER 100,000		.14	" " "	

Fuel Oil

Kentucky has four refineries located in Catlettsburg, Louisville, Somerset and Bellevue. Kentucky's fuel supply is supplemented by West Virginia and Ohio operations.

Delivered prices of the various grades may be obtained from the Kentucky Department of Economic Development.

Coal and Coke

Highly volatile bituminous coal may be supplied from both the Eastern and Western Kentucky coal fields. In 1960, these fields had a combined production of 67,067,740 tons.*

Coke can be furnished by plants in Kentucky and bordering states. Delivered prices of coal and coke may be obtained from the Department of Economic Development.

*Annual Report, Kentucky Department of Mines and Minerals, December 31, 1960.

INDUSTRIAL SITES

Site # 1:

This 60-acre tract of level land is adjacent to U. S. Highway 27. Available utilities include water, gas, sewerage, and electricity.

Site # 2:

This 10 acres, containing level-to-rolling land, is located one-quarter mile northwest of the city limits. All utilities are available.

Site # 3:

This level-to-gently-rolling 63 acres borders the Louisville and Nashville Railroad and the Licking River on the south. It is also adjacent to Ky. Highway 32-36. Utilities include water, sewerage, gas and electricity.

Site # 4:

This 57 acres of level land lies between the Louisville and Nashville Railroad on the east and a paved county road on the northwest. This site also borders the Licking River on the west. All utilities are available.

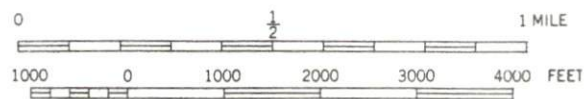
LEGEND:
UTILITIES AVAILABLE
W - WATER
G - GAS
E - ELECTRICITY
S - SEWERAGE

SITE-1
60 A
W.G.E.S.

SITE-4
57 A
W.G.E.S.

SITE-2
10 A
W.G.E.

SITE-3
63 A
W.G.E.S.



CONTOUR INTERVAL 20 FEET
BASE: USGS 7.5 MINUTE SERIES -1953-54

LOCAL GOVERNMENT AND SERVICES

Type Government

Cynthiana, a fourth-class city, is governed by a mayor and four commissioners. All are elected for a term of four years.

Laws Affecting Industry

Exemption to Industry:

As provided by Kentucky Revised Statute 92.300, Cynthiana may exempt new industry from paying property tax for five years. This exemption cannot be extended beyond the five year period.

Business Licenses:

The only city license required is an automobile and truck registration costing \$5.00.

Planning and Zoning:

The Cynthiana Planning and Zoning Commission has been in existence since November 1956. It has completed a base map of the city, a land-use map and has zoned seven subdivisions, six strictly residential and one semicommercial.

A new ordinance states that if any structure housing a business should be destroyed, the new structure be required to have a 30 ft. frontage unless proven to be a hardship.

Future plans are to provide proper industrial zoning ordinances in the city.

City Services

Fire Protection:

The Cynthiana Fire Department has seven full-time firemen and twenty-six volunteers. Equipment consists of three fully equipped pumpers, one newly purchased 1,000 gallon per minute pumper costing \$32,500.00 and two 750 gallon per minute pumpers. Other new equipment includes two gas masks, one smoke exhaust fan, and one deluge gun. Alarm is given by telephone and a centrally located siren.

Cynthiana has a Class-5 NBFU insurance rating.

Police Protection:

The police department personnel consists of a chief and eight patrolmen. The department has two cars (radio equipped). Car to car radio contact can be made with state police and the county sheriff.

Garbage and Sanitation:

The city renders a garbage collection service with daily collection in the business area and weekly collection in the residential areas. Equipment consists of a packer truck, an open truck, and a pickup truck. Charges are \$3.00 per quarter for residences and \$1.00 per pickup for businesses.

Sewerage:

A modern sewage disposal plant was completed in 1957. The system's capacity is 900,000 gallons per day and the maximum daily flow presently is approximately 350,000 gallons. Sewage is given both primary and secondary treatment before being disposed of into the Licking River. The separate storm and sanitary mains range from 8" to 18". Approximately 95% of the city is served.

Recent improvements include new 10" mains to the annexed portions of the city.

The rate is 60% of the water bill.

TAXES

Table 6 shows the property taxes applying in Cynthiana and Harrison County for 1961.

TABLE 6

PROPERTY TAX RATES PER \$100 OF ASSESSED VALUE

<u>TAXING UNIT</u>	<u>CYNTHIANA</u>	<u>HARRISON COUNTY</u>
COUNTY	\$.50	\$.50
STATE	.05	.05
CITY	.75	---
SCHOOL	1.50	1.50
OTHER	---	---
TOTAL	\$2.80	\$2.05*

LOCAL FINANCIAL STATEMENT

RATIO OF ASSESSMENT, 1960: (MEDIAN FROM RANGE OF MIDDLE HALF)

CYNTHIANA - 30.8%
HARRISON COUNTY - 30.3%

TOTAL ASSESSMENT:

CYNTHIANA - \$7,785,494.00

HARRISON COUNTY -
(NET ASSESSED VALUE OF PROPERTY
FOR COUNTY TAXES FOR 1960)
\$25,701,169.00

(NET ASSESSED VALUE OF PROPERTY
FOR STATE TAXES FOR 1960)
\$51,678,702.00

CITY INCOME, 1960:

\$142,825.01 (BALANCE MADE UP BY
\$152,208.28 ON HAND AT
THE BEGINNING OF YEAR)

CITY EXPENDITURES:

\$162,946.95

CITY BONDED INDEBTEDNESS:

\$550,000.00 WATER AND SEWER
(REVENUE BONDS)

ESTIMATED COUNTY BUDGET, FISCAL YEAR 1961:

\$173,196.00

COUNTY BONDED INDEBTEDNESS:

NONE

BERNARD M. GARDEN
BUSINESS UNIVERSITY

*A SOIL CONSERVATION TAX OF \$.005 PER ACRE IS LEVIED IN ADDITION TO THE \$2.05.

LOCAL CONSIDERATIONS

Housing

There is a shortage of rental property in Cynthiana while houses-for-sale will average 45 to 50 at any time. Available rental property will range from \$45 to \$75 per month for 2 or 3 bedroom houses. Construction costs for building 2 or 3 bedroom homes will range from \$9,000 to \$15,000, depending upon the materials used.

The Cynthiana Municipal Housing Commission has materialized a broad Urban Renewal Program. Two tracts of land were purchased, one on the east bank of the Licking River and the other on the west bank, to hold two low-rent housing projects with a total of 100 units. A 70 unit project has duplex structures with each unit having 1 to 4 bedrooms and cost \$900,000. A 30 unit project is of duplex nature with the exception of one building which is two-story and contains 4 apartments. The units of this project have 1 to 4 bedrooms and the project cost \$373,000. These projects were completed in late 1960.

Future plans of the Commission call for a slum clearance program, which when completed will hold more low-rent housing projects.

Health

Hospitals:

The Harrison Memorial Hospital has a capacity of 60 beds and 12 bassinets. The staff includes 11 private practicing physicians, 16 registered nurses, 1 registered lab technician and 10 practical nurses. The hospital has facilities for operating, diagnosis, and X-ray. It also holds a clinical laboratory, blood bank, and electric cardiogram.

Cynthiana has three private nursing homes.

Public Health:

The Harrison County Health Department is housed in a modern building located in Cynthiana. The staff includes a medical consultant, a part-time health officer, a part-time administrator, registered sanitarian, a part-time nutritionist, a part-time health educator, a part-time dentist, 3 registered nurses and a full-time clerk. A physical therapist can be obtained if needed. Their programs include communicable disease control, venereal disease control, tuberculosis control, maternity, infant and preschool health and sanitation service, adult examinations, health education and a chronic disease program.

Education

Graded Schools:

The Harrison County School System has a new 25-room consolidated high school and 6 elementary schools with a total of 57 rooms.

The Cynthiana Independent System has a 16-room high school and 2 elementary schools with a total of 21 rooms.

Neither has any new construction under way; however, Cynthiana is anticipating the construction of a new school in the near future. The following table shows all the systems, enrollment and teachers in Harrison County.

TABLE 7

SCHOOLS, ENROLLMENT, NUMBER OF TEACHERS AND STUDENT-TEACHER RATIO IN
CYNTHIANA AND HARRISON COUNTY
1960-1961

<u>SYSTEM</u>	<u>ENROLLMENT</u>	<u>NUMBER OF TEACHERS</u>	<u>STUDENT- TEACHER RATIO</u>
HARRISON COUNTY HIGH	510	27	19
HARRISON COUNTY ELEMENTARY	1,420	51	28
CYNTHIANA HIGH (IND.)	290	14	21
CYNTHIANA ELEMENTARY (IND.)	559	20	28
ST. EDWARD ELEMENTARY (PAR.)	80	3	27

Vocational Schools:

Kentucky's vocational education program utilizes fourteen highly specialized regional schools, which are partly integrated with secondary education. These special area trade schools prepare Kentuckians for a variety of trade and industrial occupations.

Cynthiana is served by the Lafayette Area Vocational School, Lexington, Kentucky, 32 miles. Courses offered include: auto mechanics, auto body mechanics, drafting, electronics, machine shop, practical nursing, radio, television, sheet metal and air conditioning, and general industrial electricity.

The trade preparatory courses listed above are normally two years in length. In addition to the above, short unit courses for the up-grading of employed workers are offered on a continuous basis wherever needs exist and upon request. These short unit courses are provided in all occupations of an industrial nature. New courses are constantly added as needs arise and facilities permit.

Colleges:

These institutions are within 32 miles of Cynthiana: Georgetown College, Georgetown, Kentucky; University of Kentucky, Lexington, Kentucky; and Transylvania College, Lexington, Kentucky. Both Georgetown and Transylvania Colleges are coeducational institutions offering B.A. and B.S. degrees. The University of Kentucky confers B.A., B.S., M.A., and Ph.D. degrees.

Other institutions of the area include:

Berea College, Berea, Kentucky, 67 miles
Centre College, Danville, Kentucky, 68 miles
Eastern Kentucky State College, Richmond, Kentucky, 53 miles
Kentucky State College, Frankfort, Kentucky, 39 miles
Morehead State College, Morehead, Kentucky, 71 miles
Villa Madonna College, Covington, Kentucky, 63 miles
University of Louisville, Louisville, Kentucky, 90 miles
Bellarmine College, Louisville, Kentucky, 90 miles
Nazareth College, Louisville, Kentucky, 90 miles
Ursuline College, Louisville, Kentucky, 90 miles

Libraries

The Cynthiana Public Library has moved into a new \$90,000 building. The library has approximately 12,000 volumes with an annual circulation of 60,885. Recently \$7,000 worth of books were added to the library.

A bookmobile serves the rural areas in conjunction with the library.

Churches

There are 12 churches in Cynthiana having a combined membership of 4,849 with an average attendance of 40 per cent. The denominations represented are Baptist, Catholic, Christian, Methodist, Church of Advent, Church of God, Nazarene, Pilgrim Holiness, and Presbyterian.

FINANCIAL INSTITUTIONS

STATEMENT AS OF DECEMBER 31, 1960

	<u>TOTAL ASSETS</u>	<u>TOTAL DEPOSITS</u>
FARMERS NATIONAL BANK	\$6,876,811.69	\$6,056,612.27
HARRISON DEPOSIT BANK AND TRUST COMPANY	\$2,573,926.49	\$1,693,777.32
THE NATIONAL BANK OF CYNTHIANA	\$8,246,084.02	\$7,565,933.47
CYNTHIANA BUILDING & SAVINGS ASSOCIATION	\$2,455,251.49	\$2,365,288.22

Hotel and Motel Accommodations

Harrison Hotel	50 rooms
Evergreen Motel	27 units
Kentucky Colonel Motel	16 units

Newspapers, Radio and Television

Newspapers:

Cynthiana's only newspaper, the Cynthiana Democrat, is published weekly and has a circulation of 5,200.

Radio:

The local radio station, WCYN, operates at 1400 KC with a power of 250 watts. Operating time is from 6:00 A.M. to 11:00 P.M. daily.

Television:

Television reception is good from Lexington, Kentucky, and Cincinnati and Dayton, Ohio, with all three major networks represented.

Communication

Postal Facilities:

Cynthiana has a first-class post office with 28 employees. Mail is received four times daily and dispatched three times daily. Postal receipts for 1960 totaled approximately \$78,000.00.

Telephone and Telegraph:

The Southern Bell Telephone and Telegraph Company provides telephone service in the city and portions of Harrison County with a manual system. Two other companies which serve parts of the county are the Citizens Telephone Company at Boyd and the Sunrise Telephone Company at Sunrise. Southern Bell is serving approximately 3,381 customers in Cynthiana. Long distance service is considered good. Southern Bell plans a dial system for Cynthiana, which is to be in operation by November 1962.

Western Union has an office providing 24-hour service.

Clubs and Organizations

Civic:

Chamber of Commerce, Rotary, Jaycees, Lions, Business Men's Club, Kiwanis, Business and Professional Women's Club, PTA, Medical Society, and Licking River Boat Club.

Fraternal:

American Legion, VFW, Masonic Lodge, Elks, Odd Fellows, DAV, and Rod and Gun.

Women's

Women's Club, Junior Women's Club, Eastern Star, DAR, Rebekah, Homemakers, Garden, American Legion Auxiliary, and VFW Auxiliary.

Youth:

Boy Scouts, Girl Scouts, FFA, 4-H, and Y-Teens.

Recreation

Local Facilities:

The Harrison County 4-H Center is composed of 27 acres and is located 2 miles southeast of Cynthiana. It has an exhibit hall, refreshment stand, lighted show ring, and two stock barns. It is the home of the annual Harrison County Fair and the annual Cynthiana Horse Show.

A youth recreational facility known as the Y-Teen Club Center is supervised by a manager who is paid by the Harrison County Recreation Board. The center offers dancing and a variety of indoor sports and games. A juke box is also made available. During the summer months four recreation directors are made available by the Harrison County Recreation Board to supervise the center and playground areas. During the summer, the Teen Club is open every day including Sunday and every other night based on a six-day week. It is made available two afternoons and nights during the school months.

Cynthiana has two city-owned recreation areas. One contains a swimming pool (lighted), tennis courts, lighted football stadium, two baseball fields (one lighted) and a playground. The other area has a playground, tennis courts, picnic ovens and tables. The city schools all have equipped playgrounds.

During the months of the spring, summer and fall, boating, fishing, and water skiing is enjoyed on the South Fork of the Licking River which flows north and south through Cynthiana. A boat and ski club is spearheading this type of recreation.

Cynthiana's new country club has a nine-hole golf course, swimming pool, and clubhouse.

There is one downtown movie and one drive-in theater.

Area Facilities:

Cynthiana is located only 32 miles from Lexington which is in the heart of the Blue Grass Region and 60 miles from the Greater Cincinnati Area. These metropolitan areas offer a variety of recreational and cultural activities easily accessible to the residents of Cynthiana.

Community Improvements

Recent:

1. A new health center was built at a cost of \$65,000.00.
2. A municipal housing project was completed at a cost of \$1,250,000.00.
3. Recently annexed areas have had new water and sewer mains installed at a cost of \$350,000.00.
4. A municipal swimming pool was built at a cost of \$57,500.00.
5. The Harrison County Hospital added a wing costing \$125,000.00.
6. Harrison County High School cost \$650,000.00 to construct.
7. The Cynthiana Country Club has built a clubhouse, swimming pool, and nine-hole golf course costing \$152,000.00.
8. The Cynthiana-Harrison County Airport has recently opened; it cost \$60,000.00.
9. A new 4-H Club Center was opened at a cost of \$25,000.00.
10. The library has been moved into a new building valued at \$90,000.00.
11. Approximately five miles of streets have been repaved at a cost of \$150,000.00.
12. Fifty-five mercury vapor street lights have recently been installed in the business area.

13. The city fire department boasts a new 1,000 gallon per minute pumper truck which cost \$32,500.00.
14. Five new industries have located at Cynthiana employing approximately 1,000 people.

Planned:

1. A slum clearance program is planned. The cleared land will hold low-rent housing projects.
2. The city zoning ordinances are to be revised and additions inserted where needed.

NATURAL RESOURCES

Agricultural Products

In 1959 there were 1,624 farms covering 188,718 acres, and averaging 116.2 acres per farm. The following table shows some agricultural statistics for Harrison County and Kentucky.

TABLE 8

AGRICULTURAL STATISTICS FOR HARRISON COUNTY AND KENTUCKY 1959:

<u>CROPS</u>			<u>ACRES HARVESTED</u>	<u>YIELD PER ACRE</u>	<u>TOTAL PRODUCTION</u>
<u>CORN:</u>					
HARRISON COUNTY	(BU)		6,285	58.0	365,009
KENTUCKY	(BU)		1,649,000	42.5	70,184,000
<u>WHEAT:</u>					
HARRISON COUNTY	(BU)		1,118	21.0	23,501
KENTUCKY	(BU)		158,000	24.5	3,876,000
<u>SOYBEANS:</u>					
HARRISON COUNTY	(BU)		13	15.3	200
KENTUCKY	(BU)		181,000	22.1	4,012,000
<u>BURLEY TOBACCO:</u>					
HARRISON COUNTY	(LBS)		4,456	1,566.3	6,979,504
KENTUCKY	(LBS)		189,000	1,604.5	303,261,000
<u>ALFALFA HAY:</u>					
HARRISON COUNTY	(TONS)		7,774	2.2	17,427
KENTUCKY	(TONS)		289,000	2.1	620,000
<u>CLO-TIM HAY:</u>					
HARRISON COUNTY	(TONS)		8,450	1.6	14,048
KENTUCKY	(TONS)		427,000	1.3	582,000
<u>LESPEDeza HAY:</u>					
HARRISON COUNTY	(TONS)		2,264	1.4	3,182
KENTUCKY	(TONS)		549,000	1.2	703,000

TABLE 9

LIVESTOCK STATISTICS FOR HARRISON COUNTY AND KENTUCKY
1959*

<u>LIVESTOCK</u>	<u>NUMBER ON FARMS AS OF JANUARY 1, 1960</u>
<u>ALL CATTLE AND CALVES:</u>	
HARRISON COUNTY	27,087
KENTUCKY	1,947,000
<u>MILK COWS:</u>	
HARRISON COUNTY	4,501
KENTUCKY	466,000
<u>SHEEP:</u>	
HARRISON COUNTY	26,699
KENTUCKY	546,000

Forests

Harrison County contains approximately 37,000 acres of forested land which represents 19% of the total land area. The predominant tree is red cedar.

Kentucky's forests are one of its largest resources. Both the amount of timber cut and the proportion used in manufacturing within the State could well be increased. The total annual net growth of Kentucky forests is substantially greater than the amount of drain, and less than 1/4 of the lumber, veneer and bolts produced (500 to 600-million board feet per year) is used in manufacturing in the State.

* Kentucky Agricultural Statistics, 1960, Kentucky Crop and Livestock Reporting Service.

Minerals

Limestone constitutes the most important mineral resource of Harrison County. Residual clays of quality suitable for brick manufacture are present. These might be developed providing sufficient quantities are available.

Limestone:

The Cynthiana and Lexington limestone formation occur throughout the drainage areas of South Fork Licking and Licking Rivers. These formations generally afford an excellent source of stone suitable for roadway construction, concrete aggregate and agstone. Two quarries were operated in 1961.

In 1959 Kentucky ranked tenth in the nation in the value of minerals produced. Total production was valued at \$416,391,000 and the principal minerals were coal, petroleum, natural gas and stone. Among the states, Kentucky ranked third in bituminous coal and second in ball clay and flourspar production.

TABLE 10

KENTUCKY MINERAL PRODUCTION IN 1959*

<u>MINERAL</u>	<u>UNIT</u>	<u>QUANTITY</u>
BARITE	SHORT TONS	26,598
CLAYS	SHORT TONS	984,000
COAL	SHORT TONS	62,810,000
FLUORSPAR	SHORT TONS	18,579
GEM STONES		(1)
LEAD (RECOVERABLE CONTENT OF ORES, ETC.)	SHORT TONS	409
NATURAL GAS	MILLION CUBIC FEET	72,400
NATURAL-GAS LIQUIDS:		
NATURAL GASOLINE	THOUSAND GALLONS	35,868
LP-GASES	THOUSAND GALLONS	213,171
PETROLEUM (CRUDE)	THOUSAND 42-GAL. BBLs.	26,343 (2)
SAND AND GRAVEL	SHORT TONS	5,081,000
SILVER (RECOVERABLE CONTENT OF ORES, ETC.)	TROY OUNCES	75
STONE	SHORT TONS	16,063,000
ZINC (RECOVERABLE CONTENT OF ORES, ETC.)	SHORT TONS	673

(1) WEIGHT NOT RECORDED.

(2) PRELIMINARY FIGURE.

*THE MINERAL INDUSTRY OF KENTUCKY, MINERALS YEARBOOK, 1959.

Water

Surface Water:

The largest supply of surface water is available from South Fork Licking and Licking Rivers. The average discharges (USGS, 16 years record) of South Fork Licking River at Cynthiana and Licking River at McKinneysburg are 735 cfs and 2,869 cfs, respectively. Other sources may also be secured from impounded small streams.

Ground Water:

The occurrence of ground water is from the Middle and Upper Ordovician series. Available information (USGS) indicates that most wells yield more than 500 gallons a day along the South Fork Licking and Licking Rivers. Some wells produce as much as 150 gallons per minute from alluvium or thick limestone along large streams. Along lesser drainage lines, most wells will produce from 100 to 500 gallons a day with a hand pump. Most wells drilled on the higher ridges will not yield enough water for a dependable domestic supply (100 gallons a day).

MARKETS

Retail sales of Harrison County in 1958 totaled \$15,158,000.00.*

Per capita income in 1957 was \$1,701.00.**

Kentucky and the seven adjoining states make up one-fourth (1/4) of the National Market.

In 1957, the population was 39,901,000 -- or 23.4% of the United States; personal income was \$80,029,000,000.00 -- or 23.2% of the United States; value added by manufacturing was \$40,684,782,000.00 -- or 28.2% of the United States.

In 1958, retail sales in this area totaled \$44,817,920,000.00 -- or 22.3% of the United States.***

* 1958 Census of Business, Retail Trade, Kentucky, United States Bureau of Census.

** Personal Income in Kentucky Counties, 1957, Bureau of Business Research, University of Kentucky, Lexington, Kentucky.

*** Kentucky Industrial Directory, 1959-60, Kentucky Department of Economic Development.

CLIMATE

The average annual precipitation in Kentucky ranges from 38 to 40 inches in the northern part of the state to 50 inches or more in the south-central part. Late summer is normally the driest part of the year.

Winter is usually relatively open, with midwinter days averaging 32 degrees in the northern parts to 40 degrees in the southern, for about six weeks' duration.

Midsummer days average 74 degrees in the cooler uplands to 79 degrees in the lowland and southern areas.

The growing season varies from 180 days in the north to 210 in the south. Seasonal heating-degree days average about 4,500 for the state. Sunshine prevails for an average of at least 52% of the year and increases to 60% or more to the southwest.

Kentucky's climate is temperate. The climatic elements of sunlight, heat, moisture, and winds are all in moderation without prolonged extremes. Rainfall is abundant and fairly regular throughout the year. Warm-to-cool weather prevails, with only short periods of extreme heat and cold.

APPENDIX

- A. History
- B. Employment by Industry Division
- C. Economic Characteristics of the Population
- D. Climatic Data
- E. Kentucky Corporation Taxes
- E.-1 Taxes Applicable to a Manufacturing Concern
- F. City Bond Issues for Industrial Buildings
- G. Instructions for Filing Articles of Incorporation
- H. Cooperating State Agencies

HISTORY

Harrison County, the 17th in order of formation, was established in 1794 by the Kentucky legislature. It was named for Colonel Benjamin Harrison, then a representative from Bourbon County. Cynthiana's name was derived from Cynthia and Anna, two daughters of Robert Harris, the original owner of the land upon which the city was built. The topography of Harrison County varies from gently rolling plains to hill country, but the soil of all areas is rich and productive. The richness of the soil of this area produced 886,150 bushels of corn, 2,604 tons of hay, 53,330 bushels of wheat, 259,620 pounds of tobacco and 15,050 pounds of hemp for Harrison County's farmers in 1870. In addition, over 24,000 head of horses and cattle were grazed on these farms in that year.

Cynthiana felt the horror of the Civil War in a direct way. Twice she was the scene of battle for the men in blue and grey. The first raid by General John Hunt Morgan, C.S.A., was on July 17, 1862, when he defeated a force of some five hundred home guards, killing, wounding, or capturing three-fourths of them. General Morgan entered Cynthiana again in June of 1864, retreating before the forces of General Burbridge. One citizen of Cynthiana who witnessed the first battle recalled that many of the Union men, who had boasted of what they would do to Morgan if he came to Cynthiana, fled to the woods. One of them was found bent over with his head in a hollow stump, the rest of him sticking out in an ostrich-like pose.

The Church provided the discipline for the early frontier. The old records of the Beaver Baptist Church of Harrison County, formed in 1809, give us some indication of the rigidity of their moral code. Members were expelled from the church for working on Sunday, false-witnessing, and gambling on their marksmanship. The charges were usually brought before the congregation by other church members, but on occasion the defendants indicted themselves. Usually the penalty was light for too much drinking but hard for the inability to forgive or working on Sunday.

Although from 1860 to 1960 the population in Harrison County remained steady, Cynthiana more than quadrupled, growing from 1,237 in 1860 to 5,641 in 1960. Indeed in the last ten years (1950-1960) there has been a 16% increase in the population of this seat of county government. The late rise was due to the addition of six new industries of various sizes to the manufacturing community. The largest of these industrial concerns is the Kawneer Company which employs some 311 citizens of Cynthiana in the manufacture of finished aluminum parts. According to the Kentucky Industrial Directory some 148 workers were employed by Cynthiana industries in 1949, as compared to 746 in 1959-1960. The number is growing as these companies enlarge their facilities. A news story in the December 4, 1960 issue of the Lexington Herald-Leader exudes the optimism of Cynthiana citizens for economic growth and progress. The local paper, the Cynthiana Democrat, is the largest weekly in Kentucky and was judged the leading weekly in Kentucky in 1959 by the Kentucky Press Association. A new library has been completed. One hundred units of municipal housing were recently built, and the tobacco warehouses have been enlarged.

Appendix A

As early as 1818 industry had established itself in Cynthiana. In that year Alexander Downing built a flour mill, and a cotton factory was established by other local citizens. From 1816 to 1825, Samuel Patterson owned and operated a woolen factory in Cynthiana. There were also ropewalks for manufacturing cordage and lanyards among the numbers of the early industrial community. One of the largest early industries of Harrison County was the manufacture of whiskey from the corn produced locally. Almost all of the large farms had their stillhouses where the product was made. Whiskey was easier to ship than the bulky corn and brought a good return for the farmers when shipped by boat to New Orleans and sold. In 1874, there were thirty distilleries in Harrison County, producing some 50,000 barrels of whiskey annually. Collins says this constituted the great wealth of the county. The one remaining distillery produces more than half as much whiskey as the earlier thirty, and recent alterations enable it to produce more than 5,000 barrels per month. Today the industries of Harrison County are varied. Clothing and aluminum and steel products have become important items in the industrial life and economic success of this area.

APPENDIX B

COVERED EMPLOYMENT BY MAJOR INDUSTRY DIVISION
HARRISON COUNTY AND KENTUCKY

INDUSTRY, SEPTEMBER, 1960	HARRISON COUNTY		KENTUCKY	
	NUMBER	PER CENT	NUMBER	PER CENT
ALL INDUSTRIES	1,859	100.0	456,188	100.0
MINING & QUARRYING	19	1.0	33,672	7.3
CONTRACT CONSTRUCTION	113	6.0	37,503	8.2
MANUFACTURING	733	39.4	172,028	37.7
FOOD AND KINDRED PRODUCTS	160	8.6	26,979	5.9
TOBACCO	3	.1	10,603	2.3
CLOTHING, TEX. & LEATHER	152	8.1	26,586	5.8
LUMBER & FURNITURE	1	.05	14,995	3.2
PRINTING, PUB. AND PAPER	16	.8	10,302	2.2
CHEMICALS, PETROLEUM, COAL & RUBBER	34	1.8	13,632	2.9
STONE, CLAY & GLASS	0	0	6,222	1.3
PRIMARY METALS	0	0	9,120	1.9
MACHINERY, METAL & EQUIP.	367	19.7	51,219	11.2
OTHER	0	0	2,368	.5
TRANSPORTATION, COMMUNICATION & UTILITIES	325	17.4	33,704	7.3
WHOLESALE & RETAIL TRADE	501	26.9	120,282	26.3
FINANCE, INS. & REAL ESTATE	79	4.2	20,138	4.4
SERVICES	71	3.8	36,976	8.1
OTHER	18	.9	1,885	.4

APPENDIX C

ECONOMIC CHARACTERISTICS OF THE POPULATION FOR HARRISON CO. AND KENTUCKY
1950

SUBJECT	HARRISON COUNTY		KENTUCKY	
	MALE	FEMALE	MALE	FEMALE
TOTAL POPULATION	6,864	6,872	1,474,987	1,469,819
EMPLOYMENT STATUS				
PERSONS 14 YEARS OLD & OVER	5,143	5,232	1,039,654	1,048,459
LABOR FORCE	4,107	913	799,094	214,162
CIVILIAN LABOR FORCE	4,103	913	777,155	213,916
EMPLOYED	4,007	876	748,658	206,328
PRIVATE WAGE & SALARY	1,457	632	437,752	156,377
GOVERNMENT WORKERS	219	124	45,354	28,787
SELF-EMPLOYED	2,235	106	235,407	15,104
UNPAID FAMILY WORKERS	96	14	30,145	6,060
UNEMPLOYED	96	37	28,497	7,588
EXPERIENCED WORKERS	93	36	28,082	7,281
NEW WORKERS	3	1	415	307
NOT IN LABOR FORCE	1,036	4,319	240,560	834,297
KEEPING HOUSE	15	3,515	5,495	665,564
UNABLE TO WORK	398	239	70,583	38,564
INMATES OF INSTITUTIONS	23	20	14,764	7,223
OTHER AND NOT REPORTED	600	545	149,718	122,946
14 TO 19 YEARS OLD	339	385	84,410	85,890
20 TO 64 YEARS OLD	144	116	47,447	28,952
65 AND OVER	117	44	17,861	8,104
MAJOR OCCUPATION GROUP OF EMPLOYED PERSONS				
ALL EMPLOYED	4,007	876	748,658	206,328
PROFESSIONAL & TECHNICAL	115	119	34,405	25,410
FARMERS & FARM MGRS.	1,849	21	169,728	2,264
MGRS., OFFICIALS & PROPS.	250	50	57,432	9,706
CLERICAL & KINDRED WKRS.	165	103	33,228	47,520
SALES WORKERS	393	5	35,141	20,534
CRAFTSMEN AND FOREMEN	237	89	107,292	3,096
OPERATIVES & KINDRED WKRS.	10	120	152,280	37,609
PRIVATE HOUSEHOLD WKRS.	115	153	1,584	21,408
SERVICE WORKERS	96	7	30,522	28,000
FARM LABORERS, UNPAID FAM.	414	7	29,165	3,260
FARM LABORERS, OTHER	197	2	38,358	788
LABORERS, EX. FARM & MINE	86	51	49,848	1,843
OCCUPATION NOT REPORTED	93	36	9,675	4,890

SOURCE: BUREAU OF THE CENSUS, 1950 CENSUS OF POPULATION (WASHINGTON, 1952),
VOL. II, PART 17, TABLES 25, 28, AND 43.

APPENDIX D

CLIMATIC DATA FOR CYNTHIANA, HARRISON COUNTY, KENTUCKY

MONTH	TEMP. NORM** DEG. FAHRENHEIT	TOTAL PREC. NORM** INCHES	AV. RELATIVE HUMIDITY READINGS***	
			7:00 AM	7:00 PM (CST)
JANUARY	35.0	4.33	83	77
FEBRUARY	29.6	3.08	81	70
MARCH	28.4	4.99	81	65
APRIL	56.3	3.88	78	62
MAY	59.9	3.33	81	63
JUNE	70.6	4.68	83	64
JULY	73.1	3.61	85	66
AUGUST	76.3	3.30	87	66
SEPTEMBER	69.6	3.68	85	64
OCTOBER	56.7	1.92	86	66
NOVEMBER	43.8	3.12	82	69
DECEMBER	27.2	2.99	83	74
ANNUAL NORM	52.6	40.83		

**STATION LOCATION: CYNTHIANA, KENTUCKY

***STATION LOCATION: LEXINGTON, KENTUCKY

LENGTH OF RECORD - 7:00 AM READINGS - 59 YEARS

7:00 PM READINGS - 24 YEARS

DAYS CLOUDY OR CLEAR: (70 YEARS OF RECORD) 100 DAYS CLEAR, 106 DAYS PARTLY CLOUDY, 159 DAYS CLOUDY

DAYS WITH PRECIPITATION OF 0.01 INCH OR MORE: (74 YEARS OF RECORD) - 130 DAYS

DAYS WITH 1.0 OR MORE SNOW, SLEET, HAIL: (70 YEARS OF RECORD) - 5 DAYS

DAYS WITH THUNDERSTORMS: (70 YEARS OF RECORD) - 47 DAYS

DAYS WITH HEAVY FOG: (52 YEARS OF RECORD) - 18 DAYS

PREVAILING WIND: (70 YEARS OF RECORD) - SOUTH

SEASONAL HEATING DEGREE DAYS: (57 YEARS OF RECORD) - APPROXIMATE LONG-TERM MEANS 4,677 DEGREE DAYS.

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</u> <u>(Par Value)</u>	<u>Rate Per Share</u> <u>(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 rate is 5% on the first \$25,000 of taxable net income and 7% on all over \$25,000 taxable net income. Taxable net

income is that portion of the corporation's entire net income which is attributable to Kentucky operations. Federal income taxes are allowed as a deduction in arriving at taxable net income to the extent that such Federal income tax is applicable to Kentucky operations.

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.

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 corporation 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 their 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. Classification is provided and assessments are required to be at fair cash value. However, Kentucky courts have consistently held that uniformity takes precedence over full value. As of 1955, the statewide assessment level on real estate and tangible personalty is about 35 per cent, and on intangible personalty is approximately full value.

State ad valorem tax rates, applicable to the various classes of property, are shown on the table below. Property which may be taxed locally, subject to constitutional or statutory limits, is indicated by the designation "full" or by the maximum rate which may be levied on a particular class of property.

	Rate Per \$100 Assessed Value			
	State	County	City	School
Annuities	\$.05	\$No	\$No	\$ No
Bank deposits	.10	No	No	No
Bank shares	.50	.20	.20	.40
Brokers accounts receivable	.10	No	No	No
Building and loan association capital stock	.10	No	No	No
Car lines	1.50	No	No	No
Distilled spirits	.50	Full <u>1/</u>	Full	Full
Farm products in storage	.05	.05 (tobacco) .15 (other)	.05 (tobacco) .15 (other)	No
Farm products in the hands of producers or agent	.25	No	No	No
Intangibles, franchise	.50	Full	Full	Full
Intangibles, franchise nonoperating	.25	No	No	No
Intangibles, not elsewhere specified	.25	No	No	No
Livestock and poultry	.50	No	No	No
Machinery, agricultural and manufacturing	.50	No	No	No
Raw materials and products in course of manufacture	.50	No	No	No
Real property	.05	Full	Full	Full
Tangible personalty, not elsewhere specified <u>2/</u>	.50	Full	Full	Full

1/ County rates have a maximum of 70¢ but average 62¢; school rates average \$1.56 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.

2/ Includes automobiles and trucks, merchants inventories and manufacturers finished goods, business furniture and fixtures, etc.

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.

KENTUCKY STATE AND LOCAL TAXES
APPLICABLE TO A MANUFACTURING CONCERN

	<u>State</u>	<u>Local</u>									
Business Taxes	<p>1. Corporation income tax of 5% on first \$25,000 and 7% on all over \$25,000 of taxable net income which is allocated to Kentucky, <u>after</u> deduction of Federal corporation income tax attributable to Kentucky operations.</p> <p>2. Corporation license tax of 70 cents on each \$1,000 of that part of the value of capitol stock represented by property owned or business transacted in Kentucky; minimum tax \$10.</p>	There are no local taxes levied on business firms outside corporate limits of Kentucky cities.									
Personal & Individual	Individual income tax consisting of: (1) a normal tax which ranges from 2% on the first \$3,000 of net income to 6% on net income in excess of \$8,000 <u>after</u> the deduction of Federal individual income tax payments, which is reduced by a tax credit of \$13 for each exemption.	There are no local individual income taxes levied outside the corporate limits of Kentucky cities.									
Real Estate	Five cents on each \$100 of assessed valuation. The average county assessment ratio is approximately 33 percent of current market value.										
Machinery & Equipment	Fifty cents on each \$100 of assessed valuation. The average assessment ratio is approximately 33 percent of current market value.	No local taxing jurisdiction allowed to impose a property tax on manufacturing machinery and equipment.									
Inventory	Fifty cents on each \$100 of assessed valuation. The average assessment ratio is approximately 33 percent of current market value.	No local taxing jurisdiction is allowed to impose a property tax on manufacturing inventories, raw materials and goods in process.									
Sales & Use	Three percent retail sales and use tax with broad exemptions for industry.	None									
Intangible Property	<p>The assessment ratios and tax rates per \$100 of assessed value for the various classes of intangible property are as follows:</p> <table> <tr> <td>Bank Deposits</td><td>100%</td><td>1/10 of 1¢</td></tr> <tr> <td>Stocks & Bonds</td><td>100</td><td>25</td></tr> <tr> <td>Accounts Receivable</td><td>85</td><td>25</td></tr> </table>	Bank Deposits	100%	1/10 of 1¢	Stocks & Bonds	100	25	Accounts Receivable	85	25	No local taxing jurisdiction allowed to impose a property tax on intangible property.
Bank Deposits	100%	1/10 of 1¢									
Stocks & Bonds	100	25									
Accounts Receivable	85	25									

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 reconversion 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.

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF STATE

Secretary of State, Frankfort, Kentucky

INSTRUCTIONS FOR FILING ARTICLES
OF
INCORPORATION FOR FOREIGN CORPORATIONS
IN KENTUCKY

1. Original articles of incorporation and all existing and subsequent amendments to original articles must be filed with the Secretary of State of Kentucky, certified by the Secretary of State of the state of incorporation, as of the current date, in chronological order. A \$25.00 filing fee for original articles and amendments is required. A fee of \$10.00 is required for recording articles and amendments.
2. A statement of corporation designating a process agent and place of business in Kentucky is required, for which the filing fee is \$5.00. Our Constitution requires that the process agent reside at the place of business.
3. Photostatic copies will be accepted for filing and recording, if they are PLAINLY LEGIBLE and in proper legal form with respect to size, durability, etc., and of such size and quality as to permit them to be rephotostated.

For further information write to

Henry H. Carter,
Secretary of State,
Commonwealth of Kentucky.

COOPERATING STATE AGENCIES

As a state, Kentucky realizes the importance of industry in developing her many resources. In addition to the Department of Economic Development, 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. Since it is a statutory function of the Department of Economic Development "to coordinate development plans," contact with the following state agencies and others concerned may be established through this agency.

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 1959, 2,645 miles of highway and bridges were placed under contract at a total cost of \$62,905,575. Kentucky has ranked in the upper fourth of all states in recent years in both the number of miles of highway construction and in the amount of money spent.

The Department of Economic Security will furnish data regarding potential labor supply, prevailing wage rates, characteristics of labor supply and employment and economic characteristics for any area in the State. The Department's Division of Employment Service with offices in 24 cities in the State is available at all times to assist in recruitment of workers for industry both old and new. All local offices in the State are equipped to administer specific aptitude tests for 270 different occupations as a part of the recruitment process. These tests facilitate getting the "round peg" into the "round hole" thereby helping to reduce worker turnover and training time.

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.

The Kentucky Department of Economic Development 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. 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 our present family of industries.