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Industrial Resources: Rockcastle County - Mount Vernon and Livingston

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ECONOMIC & INDUSTRIAL SURVEY

of

Mt. Vernon-Livingston, Ky.



Prepared By

THE ROCKCASTLE CHAMBER OF COMMERCE

— and —

THE AGRICULTURAL & INDUSTRIAL DEVELOPMENT BOARD

— of —

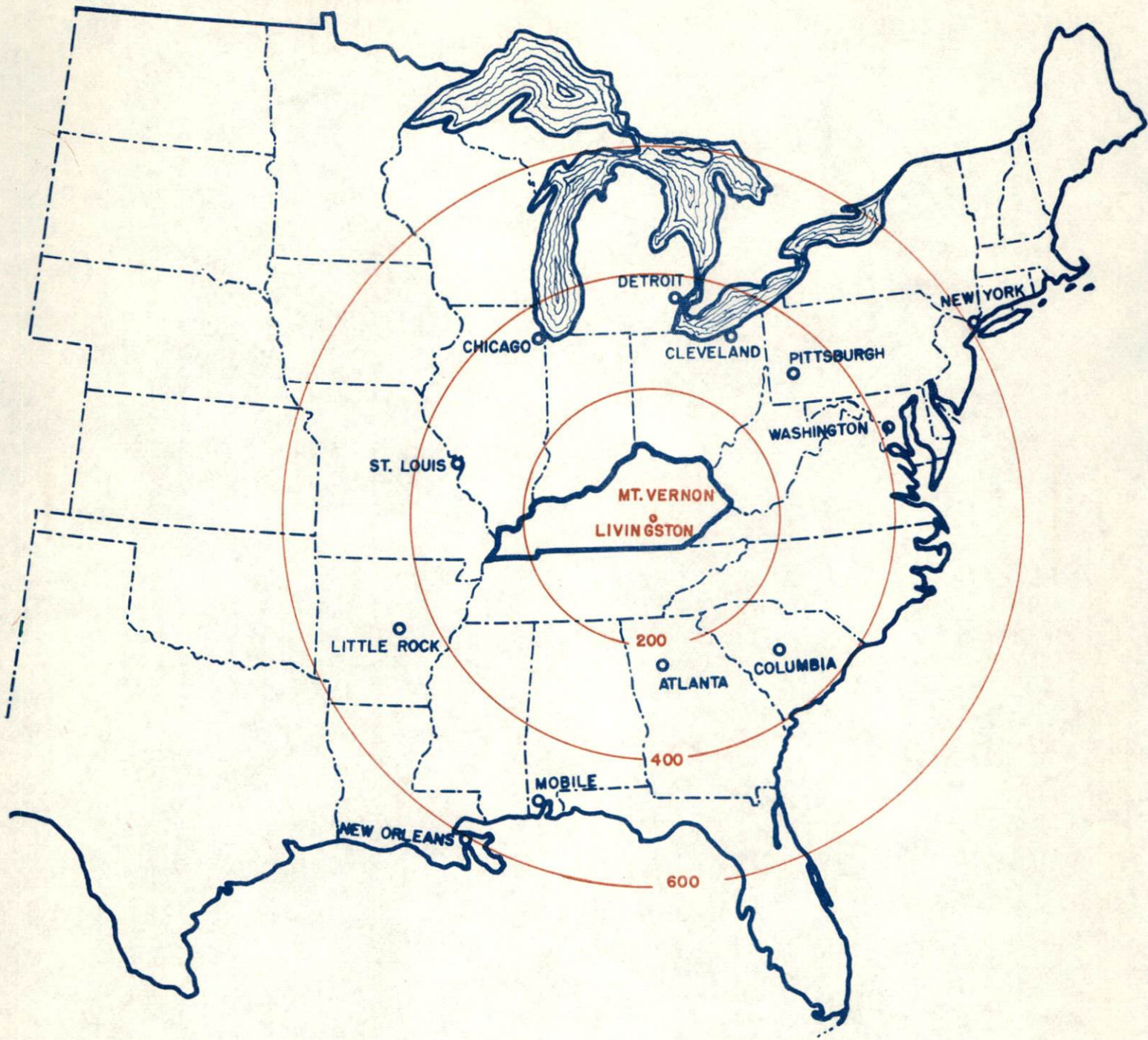
KENTUCKY

ECONOMIC & INDUSTRIAL SURVEY
OF
MT. VERNON-LIVINGSTON, KENTUCKY

Prepared by

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

July 14, 1953



MT VERNON - LIVINGSTON, KENTUCKY
HAS 50,000,000 CUSTOMERS
WITHIN ITS MARKET AREA

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MT. VERNON-LIVINGSTON, KENTUCKY

POPULATION AND LABOR:

Population Figures 1850 - 1950

	<u>Mt. Vernon</u>	<u>Livingston</u>	<u>Rockcastle County</u>
1850			4,697
1860	156		5,343
1870	252		7,145
1880			9,670
1890			9,841
1900	422		12,416
1910	930		14,473
1920	719		15,406
1930	939		15,149
1940	1,100	669	17,165
1950	1,106	378	13,925

Population Characteristics - The population of Mt. Vernon has shown an increase of 0.6% during the past decade, Livingston has shown a decrease of 43.5% during this period, and Rockcastle County has shown a decrease of 18.9% during the period. 99.85% of the population of Rockcastle County are native-white, 0.07% foreign-born white, and 0.08% negro.

Labor Market Area - The Mt. Vernon-Livingston labor supply area is defined to include Rockcastle, Lincoln, and Jackson Counties. This is the area from which workers would be expected to be drawn to jobs located in Mt. Vernon and Livingston.

The population of the area was 45,694 in 1950, down by about 7,500 from 1940. Between 1940 and 1952 there was a net out-migration of 17,292 persons from this area.

Economic Characteristics - Employment opportunities in the area are mainly in agriculture with 7,200 persons working on the area's 6,287 farms in April, 1950. Manufacturing employment was exceedingly thin with only 300 jobs in September, 1952. Farm employment totaled about 2,100 in Rockcastle County, while manufacturing jobs totaled only 50 in the county. Agriculture is not uniformly productive in these counties as about 40% of all farms had 1949 cash incomes of below \$600 with about one-half of the 1,755 farms in Rockcastle County following in this low income bracket. Per capita income in 1951, as estimated by the University of Kentucky Bureau of Business Research, was \$564 in Rockcastle County, \$662 in Lincoln County, and \$496 in Jackson County. This is well below the national per capita income figure of \$1,584 and the Kentucky average of \$1,071.

Estimated Potential Labor Supply - Estimating the number of persons who would be available for jobs located at any particular Kentucky city is a difficult task. The estimates shown below are based on a number of economic factors including (1) population, (2) number of persons of labor force age, (3) labor force participation rates, (4) economic structure, (5) per capita income, (6) current manufacturing employment and past trends, (7) observations of availability of labor supply in areas where new facilities have been located, and (8) estimates of current unemployment. In predominantly rural areas, female labor supply will come mainly from those not now in the labor force, while men will represent

shifts from low income farms, and other low paid jobs. Most of the potential labor supply will be unskilled in factory processes. Estimates are shown for the entire labor market area, the county where the city is located, and the portion of the total we estimate as being available for jobs in the city. All of the area labor supply will not be available for jobs at any specific point because of travel involved. Additional detail as to estimating techniques will be furnished to users of these data on request. In the Mount Vernon labor supply area it is estimated that 2,100 men and 2,700 women would be available for factory jobs. Rockcastle County could furnish about 700 of the men and 800 of the women. Attractive factory jobs located at Mt. Vernon would attract about 1,400 of the men and 1,400 of the women included in the area total.

Existing Industry - Mt. Vernon

<u>Industry</u>	<u>Product</u>	<u>M</u>	<u>F</u>	<u>T</u>
Cantrill Asphalt Co.	Asphalt road mix	20	0	20
Kentucky Stone Co.	Limestone	100	0	100
Lambert Bros. Stone Co.	Crushed stone			

Industrial employment for Rockcastle County is shown on Page 2.

TRANSPORTATION:

Railroads - Mt. Vernon and Livingston are served by two divisions of the L & N Railroad: the Cincinnati Division - Corbin to Cincinnati; and the Lebanon Division - Corbin to Louisville.

Freights - Mt. Vernon - Cincinnati Division - 2 through freights each way daily, and 1 local each way daily; Lebanon Division - 2 through freights each way daily, and 1 local each way daily. Livingston - Cincinnati Division - 3 through freights daily, 1 local each way daily; Lebanon Division - 4 through freights daily, and 1 local each way daily.

Switching is done by local freights. Daily package car service is available both north and south. Pick up and delivery service is provided at Mt. Vernon.

Outbound cars - Mt. Vernon - 8 cars per month. Principal shipments for both Mt. Vernon and Livingston are forest products.

Inbound cars - Mt. Vernon - 8 cars per month consisting of fertilizer and cement. Livingston inbound cars consist mostly of fertilizer.

Terminals - Nearest terminal is at Corbin.

Passenger Service - Provided over both L & N Division at Livingston.

Highways - Mt. Vernon - U. S. #'s 25 and 150; Livingston - U. S. #'s 25 and 150.

Highway Distances -

Atlanta, Ga.	328	Louisville, Ky.	134
Birmingham, Ala.	356	Mobile, Ala.	510
Chicago, Ill.	488	Nashville, Tenn.	285
Cincinnati, O.	142	New York, N. Y.	772
Cleveland, O.	380	Pittsburgh, Pa.	407
Detroit, Mich.	400	St. Louis, Mo.	403
Knoxville, Tenn.	144	Washington, D. C.	608

Truck Lines - Mt. Vernon - Daily service is provided by Hayes Freight Lines, Mattoon, Illinois; Meeks Motor Freight, Inc., Louisville; and Lawrenceburg Transfer Company, Lawrenceburg. Livingston - Daily service is provided by Hayes Freight Lines, and Meeks Motor Freight, Inc.

Bus Lines - Both Mt. Vernon and Livingston are served by the Southeastern Greyhound Lines operating 12 round trips daily between Lexington and Knoxville; Trailway Bus Lines operating 2 round trips between Cincinnati and Knoxville.

Air - Bluegrass Airport at Lexington (57 miles distant) is served by Eastern, Delta, and Piedmont Airlines; London (34 miles south) has a Class III Airport which will be served by Piedmont Airlines later this year.

COMMUNICATIONS:

Postal Facilities - Mt. Vernon - second class post office with 3 employees, and 3 star routes. Mail is received and sent out 4 times daily - twice by truck and twice by rail. Postal receipts for 1952 were \$10,800.

Livingston - third class post office with 2 employees and 2 star routes. Mail is received and sent out twice daily by truck and twice daily by rail.

Telegraph Service - Western Union office at Mt. Vernon.

Telephone - Both Mt. Vernon and Livingston are served by the Mt. Vernon Telephone Company which has 2 employees and 241 subscribers. (See Appendix B-1 for rates).

UTILITIES:

Electricity - Electric power is supplied Mt. Vernon and Livingston by the Kentucky Utilities Company through one 33,000 KVA line and one 69,000 KVA line. (See Appendix C for rates).

Natural Gas - Mt. Vernon and Livingston do not have natural gas facilities.

Water - Mt. Vernon - municipal water plant. Water from underground springs is collected in a 13,000,000 gallon artificial lake. Pumping capacity is 700,000 gallons per day, daily use 150,000 gallons, storage capacity 105,000 gallons in tanks. Treatment of water consists of pre-chlorination, coagulation, settlementation, filtration, post chlorination. (See Appendix B-2 for rates).

Livingston - water is supplied from private wells.

Sewage - Mt. Vernon - Septic tank system with a 100,000 gallon capacity, present volume about 50%, separate storm and sanitary, 8" lines. There is no sewage charge.

Livingston - Municipal sewage disposal plant, separate storm and sanitary sewers, 8" and 10" lines. There is no sewage charge.

CITY GOVERNMENT AND SERVICES:

Type Government - Mt. Vernon, a 5th class city, is governed by a mayor, elected for 4 years, and 6 councilmen, elected for 2 years. Livingston, a 6th class city, is governed by a council of 5, with 2-year office terms. (See Appendix D for Resolution by Mt. Vernon city council).

Tax Rates and Laws -

Property Tax Rates per \$100

	<u>Mt. Vernon</u>	<u>Livingston</u>	<u>Rockcastle County</u>
State	\$.05	\$.05	\$.05
County	.50	.50	.50
City	.90	.75	
School	<u>1.50</u>	<u>1.50</u>	<u>1.50</u>
Total	\$2.95	\$2.80	\$2.05

(See Appendix E for Kentucky Corporation Tax Information).

Assessment Practice - Mt. Vernon - 33%
 Livingston - 33%
 Rockcastle County - 33%

Total Assessment - Mt. Vernon - \$890,670.00
 Livingston - \$168,952.00
 Rockcastle County - \$6,371,881.00

1952 City Income - Mt. Vernon - \$13,219.28; 5-yr. avg. - \$11,634.00
 Livingston - \$2,000.00; 5-yr. avg. - \$1,800.00

1952 City Expenses - Mt. Vernon - \$15,227.23; 5-yr. avg. - \$11,655.00
 Livingston - \$2,000.00; 5-yr. avg. - \$1,800.00

1952 County Income - \$145,680.92; 5-yr. avg. - \$115,090.92

1952 County Expenses - \$116,708.22; 5-yr. avg. - \$84,009.37

City Bonded Indebtedness - Mt. Vernon - General funding bonds

\$10,000 issued in 1942 at 5%, \$4,500 outstanding, due 1962;

water works bonds \$29,000 issued in 1936 at 4%, \$11,500 outstanding,

due in 1956; water works bonds \$15,000 issued in 1949 at 3 1/2%,

\$15,000 outstanding, due in 1969.

County Bonded Indebtedness - Road and bridge bonds \$75,000 issued in 1925 at 3%, \$18,000 outstanding, due in 1955; general funding bonds \$123,000 issued in 1940 at 3%, \$15,000 outstanding, due in 1980.

Laws Affecting Industry - (See Appendix F for statute governing the bond issue plan).

Exemption to Industry - Mt. Vernon - 5 years. State law permits the five-year local tax exemption which cannot be extended.

City Services -

Fire Protection - Mt. Vernon - 16-man volunteer fire department equipped with a 1937 Howe-Ford 500 gpm pumper with 100 gallon booster tank, 1500' of 2 1/2" hose, 500' of 1 1/2" hose, and 200' of 1" hose. There are 25 fire hydrants served by 6" mains. Pressure is 95 - 100 psi. Losses in 1952 were \$100.00

Livingston does not have a fire department.

Police Protection - Mt. Vernon has 2 policemen; Livingston - 2.

Garbage - Mt. Vernon - municipal garbage collection by a 2-man crew. Livingston - none.

Streets - Mt. Vernon has 11 miles of paved streets and 2 miles of unpaved streets that are cleaned daily. Maintenance work is done as needed by city employees.

Livingston - U. S. 25 is maintained and cleaned as needed by the Kentucky Department of Highways.



Mount Vernon High School, Mount Vernon, Kentucky



Main Street, Mount Vernon, Kentucky

LOCAL CONSIDERATIONS:

Housing - A few units are available in Mt. Vernon and Livingston.

Rental on a 2-bedroom house is from \$35 - \$45 per month; construction cost of a 2-bedroom house is from \$6,000 to \$10,000.

Health -

Hospitals - London Hospital (34 miles) - 40 beds; Somerset City Hospital (25 miles) - 85 beds; Stanford Hospital (25 miles) - 14 beds; Berea College Hospital, Berea (18 miles) - 54 bed general hospital.

Doctors - MD's - 3; Dentists - 3

Public Health Program - The health department staff includes: a health officer, registered nurse, sanitarian, and clerk. Health services - communicable disease and venereal disease control, tuberculosis control, maternal and child health, school health, vital statistics, and sanitation services.

<u>Schools</u> -	Elementary		High School	
	<u>Enrollment</u>	<u>Teachers</u>	<u>Enrollment</u>	<u>Teachers</u>
<u>Mt. Vernon (Independent)</u>	353	8	172	8
<u>Livingston (County)</u>	254	8	160	7

Colleges - Colleges in the area include: Berea College, Berea; Sue Bennett Junior College, London; Lindsey Wilson Junior College, Columbia; Cumberland Junior College, Williamsburg; Union College, Barbourville; Centre College, Danville; University of Kentucky and Transylvania College, Lexington; Eastern State College, Richmond.



Mount Vernon Christian Church, Mount Vernon, Kentucky



Mount Vernon Baptist Church, Mount Vernon, Kentucky

Churches - Mt. Vernon - Baptist, Christian, Nazarene, Pentecostal;
Livingston - Baptist, Christian, and Holiness.

Tourist Accommodations - Mt. Vernon

Hotels - Rockcastle - 40 rooms; Mt. Vernon - 22 rooms; Dixie
Boone - 17 rooms.

Motels - 10 with a total of 127 units.

Radio Stations - Louisville stations, and Somerset Station WSFC,
250 watts.

Newspapers - Mt. Vernon Signal (weekly).

Recreation -

Theaters - Vernon Theater with 4 program changes weekly.

Other - Youth Center, Renfro Valley, Cumberland Falls State Park,
Levi Jackson State Park, Cumberland Lake.

Banks - Bank of Mt. Vernon with total resources of \$1,938,966.60
and total deposits of \$1,790,152.04.

Retail Businesses (Mt. Vernon)

Service Establishments

Appliance	5	Barber shops	2
Clothing	3	Beauty shops	4
Furniture & hdwe.	3	Funeral homes	2
Drugs	2	Restaurants	8
Variety	2	Service stations	11

Retail, Wholesale, and Service Establishment Sales -

Retail, wholesale and service establishments located in Rockcastle County,
Kentucky showed a substantial expansion in dollar volume of trade from
1939 to 1948 according to the 1948 Census of Business.



U. S. Highway No. 25, near Mount Vernon, Kentucky



Renfro Valley Barn Dance, 2 miles North of Mount Vernon, Kentucky

Retail sales in the county during 1948 aggregated \$3.2 million, an increase of 220% over the \$1.0 million in 1939. Wholesale sales in the county reached a total of \$612,000 in 1948 as compared with \$132,000 in 1939. The service trades included in the Census of Business recorded receipts totaling \$123,000 in 1948 compared with \$63,000 in 1939.

Employment in the county also rose over the 9-year period between 1939 and 1948 for the above trades. Establishments in these trades reported a combined total of 145 paid employees for the workweek ended nearest November 15, 1948, as compared with a total of 100 employees reported for the week of November 15, 1939.

Clubs and Organizations -

Mt. Vernon - Civic - Chamber of Commerce, Lions Club, and Farm Bureau.

Fraternal - Masonic, Eastern Star, D of A.

Women's Clubs - Women's Club.

Youth - 4-H, Boy Scouts, Girl Scouts, Cub Scouts.

Livingston - Civic - Lions, Business Men's Club.

Fraternal - Masonic, Eastern Star.

Women's Clubs - Women's Club.

Climate -

Days Cloudy or Clear (62-yr. rec.) - Cloudy - 130
Partly Cloudy - 106
Clear - 129

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

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

No. of Days With - Prec. over 0.01 in. (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

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

	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.	35.4	4.25	83	75	73
Feb.	36.6	3.66	82	70	68
Mar.	46.2	4.76	80	65	65
Apr.	55.0	3.86	75	59	60
May	64.0	4.20	76	59	64
June	71.9	4.11	78	58	66
July	75.2	4.11	78	56	67
Aug.	74.3	4.10	81	58	67
Sept.	69.0	3.19	81	58	65
Oct.	57.3	2.69	79	58	62
Nov.	45.7	3.24	80	66	68
Dec.	37.0	3.86	84	73	70
Ann. Norm.	55.6°F	46.03 inches			

RESOURCES:

The mineral resources of Rockcastle County are limestones, sandstones, coal, and clays. Sands, suitable for local construction purposes, are present, and small non-commercial amounts of oil and natural gas have been secured.

Limestones - Important limestone deposits are present. Several quarries are operated. Limestones, suitable for roadway and building purposes, occur in large amounts. High calcium limestones, which

might be used for agricultural lime and many other purposes, are available. Three quarries are operated in the vicinity of Mt. Vernon. Two are operated the year around and one is a seasonal operation. Below are typical analyses of stone from one of the year around quarries:

Typical Analyses of High Calcium Limestone from Quarry Nr. Mt. Vernon

<u>CaCO₃</u>	<u>MgCO₃</u>	<u>Insoluble</u>	<u>Meta₁ Content</u>
94.14	2.09	1.46	1.80
96.56	0.42	1.86	0.44
96.31	0.28	2.90	0.50
92.75	1.64	4.86	0.50

Sandstones - Sandstones, which are suitable for building and other construction purposes, occur.

Coal - Considerable amounts of coal are produced in the eastern portion of the County. The county's production during 1951 amounted to more than 200,000 tons.

Clays - Clays, which might be used for common brick and tile manufacture, also occur.

INDUSTRIAL MARKETS:

There are, within the market area of Mt. Vernon and Livingston, an estimated 50,000,000 customers. Some major cities in the area include St. Louis, Chicago, Detroit, Atlanta, and New Orleans.

AVAILABLE INDUSTRIAL SITES:

Livingston has a good, 25 acre site on the L & N Railroad, U. S. 25, and the Rockcastle River. For detailed information contact the Lions Club, Livingston, Kentucky; or the Agricultural & Industrial Development Board, Capitol Annex Office Building, Frankfort.

APPENDIX

History and General Description	App. A
Telephone Rates	App. B-1
Water Rates	App. B-2
Power Rates	App. C
Resolution by City Council	App. D
Kentucky Corporation Taxes	App. E
Kentucky Revised Statutes	App. F
Cooperating State Agencies	App. G

HISTORY AND GENERAL DESCRIPTION

Rockcastle County is rich in tradition. It was first traversed by Daniel Boone prior to the Revolution on his trip from North Carolina to Boonesboro. In its early days this territory was claimed by Britain, Spain, France, and the Indians. It was at one time a part of Virginia, and finally was organized as Rockcastle County in 1810.

At Mt. Vernon the Boone Trail branched, one going north through Boones Gap, Berea, and on to Boonesboro; the other going westward through Crab Orchard, Danville, and on to Louisville.

Credit is largely due to the efforts some 50 years ago of Col. James Maret, publisher of the "Mountain Signal" and to the Mt. Vernon Chamber of Commerce for securing two very important highways which follow the Boone trails. One is the Dixie Highway, U. S. 25 coming from the north through Cincinnati and Lexington, and the other is the Wilderness Trail, U. S. 150 from the northwest through Louisville and Danville. Both these highways converge at Mt. Vernon and continue south as the Dixie Highway, U. S. 25. Through his untiring efforts for good roads, Col. Maret is known as "The Father of good roads in Kentucky."

Rockcastle County lies on the border separating the mountains from the Blue Grass. Approximately one-half of its area is well adapted to farming. The soil is excellent and the yield is high. It produces the highest grade Burley.

Rockcastle County ranks high in scenic beauty, in tourist attractions and in folk lore. John Lair of Renfro Valley fame has done much to preserve the traditions, customs, and music of the Hills and Mountains. The nation beats a path to the doors of his Renfro Valley Settlement, 2 miles north of Mt. Vernon, where each Saturday night a Barn Dance is given, followed the next day by the "Sunday Morning Gathering," both broadcast over a CBS coast to coast network. In his library and museum are wonderful collections of original manuscripts, songs, guns, tools, household articles, etc., which played such an important part in the lives of the early settlers.

TELEPHONE RATES - Appendix B-1

Business	\$4.25
Residential	\$3.25

WATER RATES (Mt. Vernon) - Appendix B-2

First	2,000 gal.	\$1.00 (minimum)
Next	40,000 gal.	.50 per M gal.
Over	42,000 gal.	.35 per M gal.

KENTUCKY UTILITIES COMPANY
INCORPORATED

P. S. C. No. 2

FORM KU 17-12

ELECTRIC RATE SCHEDULE

L. P.

Billing Code No. 56

Combined Lighting and Power Service

APPLICABLE in all territory served by Company.
AVAILABILITY

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

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

CHARACTER OF SERVICE

The electric service furnished under this rate schedule will be 60 cycle, alternating current. The nominal secondary voltages delivered from load centers and the phase are as follows: Single phase, 120 volts, two wire, or 120/240 volts, three wire, or 120/208 Y volts three wire where network system is used. Where company has three phase service available, such service will be supplied at 240,480 volts, or 208 Y volts when delivered from network system. The nominal primary voltages of company where available are 2400, 4160 Y, 7200, 8320 Y and 12470 Y.

RATE

Maximum Load Charge

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

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

Plus an Energy Charge

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

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

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

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

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

.7 cents per kilowatt-hour for the next 500,000 kilowatt-hours used per month.

.6 cents per kilowatt-hour for all in excess of 1,000,000 kilowatt-hours used for month.

DETERMINATION OF MAXIMUM LOAD

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

MINIMUM ANNUAL BILL

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

DUE DATE OF BILL

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

FUEL CLAUSE (Applies only to the .6 cent step of the above rate.)

The .6 cent per kilowatt-hour step of this rate is based upon the weighted average cost of fuel consumed by the Company at the Green River, Tyrone and Pineville generating stations.

If, during any monthly period such average cost is in excess of 21 cents per 1,000,000 BTU, an additional charge will be made for the second month thereafter on the kilowatt-hours purchased by the customer at this step of the rate during said month at .001323 cents per kilowatt-hour for each .1 cent increase in the cost of fuel above 21 cents per 1,000,000 BTU. (The fuel clause applicable to the other steps of this rate was suspended until further notice as of June 1, 1944).

RULES AND REGULATIONS

Service will be furnished under the Company's general **RULES AND REGULATIONS** or **TERMS AND CONDITIONS**.

PRIMARY DISCOUNT. (Applicable to customers having a maximum of 50 kilowatts or more.)

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

Date of Issue October 1, 1951

Date Effective November 1, 1951

Issued by
W. REED, Vice President
Lexington, Ky.

RESOLUTION

WHEREAS, it is the desire of the Rockcastle County, Kentucky citizens that industries and new businesses be induced to locate in our County, and

WHEREAS, Mount Vernon, the county seat, as well as Brodhead and Livingston and the community of Wildie are each well located with available rail and highway facilities, electric power, coal and wood, and a generous supply of labor, and

WHEREAS, each community has an abundant water supply (Mt. Vernon and Brodhead both having city systems) the citizens of the county are eager to obtain an industry which will produce useful material from our natural resources:

NOW THEREFORE, BE IT RESOLVED: That the Citizens of Rockcastle County hereby extend an invitation to industries to locate within our midst. The Mt. Vernon City Council, my unanimous vote at its session of May 7, 1953, pledges its support and cooperation to any prospective industry.

/s/ Roy Cummins
Roy Cummins, Mayor

ATTEST: /s/ Mary C. Bryant
Mary C. Bryant, City Clerk

KENTUCKY CORPORATION TAXES

Corporation Organization Tax

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

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

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

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

Corporation License Tax

All corporations except foreign insurance companies, domestic life insurance companies, building and loan associations, banks and trust companies, race track corporations, and franchise paying corporations are liable for the state corporation license tax of 70¢ 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.

The Department of Revenue assesses bank deposits in Kentucky banks as of January 1 and detailed reports are required on or before November 1 following the assessment. The tax on bank deposits is due on or before the department renders its report and on or before the assessment date. The tax on bank deposits is levied on the balance of deposits on or before the assessment date. The tax on bank deposits is levied on the balance of deposits on or before the assessment date.

Other property is assessed for state, county and county school taxes by the Department of Revenue as of January 1 and must be listed as of January 1 between January 1 and January 15. Tax payment is due between the following dates: January 1 to January 15, before November 1; the count of 1/2 applies. Expenses for money in bank deposits in out-of-state banks and tobacco, which are assessed as of September 1, are due the second succeeding September 1.

City and county 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 10¢ 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 within which it is located is required by February 1. Tax payment is due by July 1. The tax is levied on the total value of the stockholders' shares as of January 1 following the assessment date. The assessed value of tangible property may be deducted from the total value of the shares.

STATUTE GOVERNING RIGHT OF CITIES TO
CONSTRUCT INDUSTRIAL BUILDINGS

KENTUCKY REVISED STATUTES (1948)

Sec. 103.200 - 103.280

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

Distributed
by the

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Frankfort, Kentucky

KENTUCKY REVISED STATUTES

1948

STATUTE GOVERNING RIGHT OF CITIES TO
CONSTRUCT INDUSTRIAL BUILDINGS 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.

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.