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Industrial Resources: Pulaski County - Somerset

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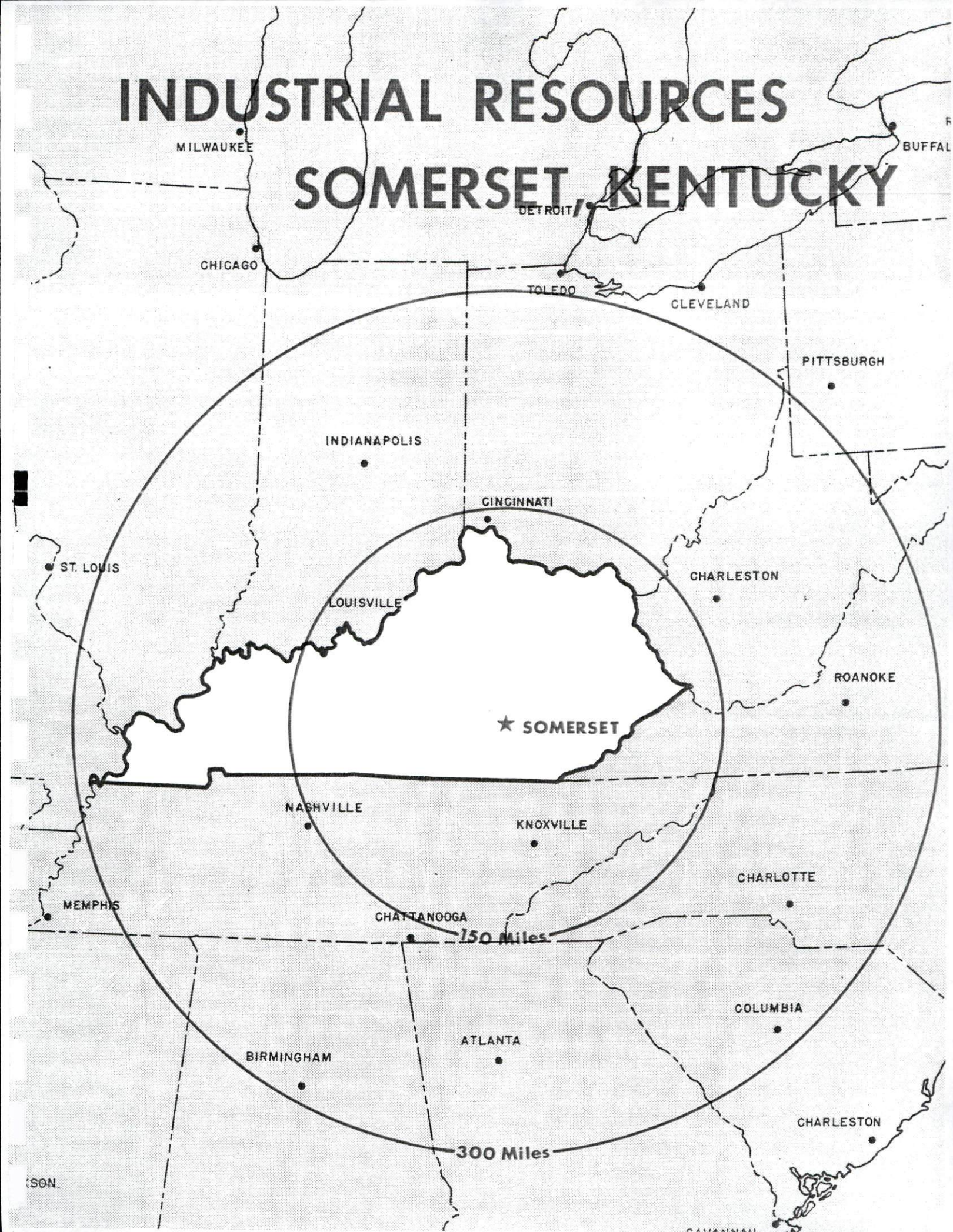
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INDUSTRIAL RESOURCES SOMERSET, KENTUCKY



INDUSTRIAL RESOURCES

SOMERSET, KENTUCKY

Prepared by

The City Council of Somerset

The Somerset Junior Chamber of Commerce

The Somerset Chamber of Commerce

and

The Kentucky Agricultural and Industrial Development Board

Frankfort, Kentucky

July, 1954

INDUSTRIAL RESOURCES - SOMERSET, KENTUCKY

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Aerial view of Somerset looking southeast

INDUSTRIAL RESOURCES -- SOMERSET, KENTUCKY

FOREWORD

This report sets forth industrial location data which manufacturers will find useful in considering expansion possibilities at Somerset, Kentucky.

Somerset, the county seat of Pulaski County, is located in the south-central section of the state, within 100 to 450 miles from such leading industrial and distribution centers as Atlanta, Chattanooga, Chicago, Cincinnati, Indianapolis, Louisville and St. Louis. The Somerset economy is based primarily on agriculture and to a lesser extent on manufacturing.

The statistical and factual data on Somerset, summarized on the following two pages and set forth in detail in the body of this report, cover basic industrial location factors -- population and labor supply, transportation, fuel and power, production materials, water, markets, existing industry, industrial sites, community facilities and services.

The report shows that an estimated 14,000 persons are available for industrial jobs in the Somerset labor supply area. By reason of the absence of heavy labor requirements from existing industry, the average wage for manufacturing jobs is below both the Kentucky and national averages. The availability of both Kentucky Utilities and TVA power, and the Cumberland Lake as a source of water, mean that Somerset can support industrial expansion of the type having large water and power requirements, as well as expansion of the light industry type. Forest and agriculture products as well as mineral resources of the Somerset area contribute to lower materials cost.

The Somerset Chamber of Commerce and the Agricultural and Industrial Development Board of Kentucky are in a position to supplement the information carried in this report and otherwise to assist manufacturers interested in Somerset. The Board maintains a staff of engineers and other specialists in a position to supply: Topographic maps and aerial photographs of sites; quantitative and qualitative analyses of water supplies; minerals surveys and analyses; power, fuel and freight rates; industrial and consumer market data; tax and other governmental information.

SUMMARY DATA FOR

POPULATION, 1950: Somerset - 7,097; Pulaski County - 38,452.

SOMERSET LABOR SUPPLY AREA. Includes Pulaski and all adjoining counties. Estimated number of workers available for industrial jobs in the labor supply area - 7,600 men and 6,400 women. Number of workers available from Pulaski County - 1,600 men and 1,400 women.

AVERAGE WEEKLY MANUFACTURING WAGES IN COVERED EMPLOYMENT, FOURTH QUARTER, 1953.

Pulaski County - \$42.00; Kentucky - \$72.66.

EXISTING INDUSTRY:

Firm	Product	Employment		
		Male	Female	Total
Palm Beach Co.	Men's suits	29	419	448
Superdraulic Corp.	Machine work	32	1	33
International Minerals and Chemical Corp.	Fertilizer	31	2	33
Somerset Refinery	Petroleum products	20	2	22

SITES: Somerset has a number of available and suitable industrial sites. For example:

Site #1: 120 acres, rolling terrain, road, rail, water, power and gas.

Site #2: 500 acres, flat to rolling terrain, road, rail, water, power and gas.

RAILWAY SERVICE: Served by Cincinnati, New Orleans and Texas Pacific Railroad.

TRUCK LINES: Eagle Express, Stokes, Elridge and Cheatham Truck Lines.

HIGHWAY DISTANCES: From Somerset

To	Miles	To	Miles
Atlanta, Ga.	395	Nashville, Tenn.	174
Cincinnati, Ohio	163	New York, N. Y.	833
Louisville, Ky.	132	St. Louis, Mo.	304

BUS LINES: Southeastern Greyhound and Short Way Lines.

AIRPORT: Somerset - Pulaski County Airport, no commercial stops. Bluegrass Field - Lexington (80 miles distant) served by Eastern, Delta and Piedmont.

POSTAL FACILITIES. Class Post Office - 1st; mail dispatched six times daily; mail received four times daily. 1953 postal receipts - \$82,215.

SOMERSET, KENTUCKY

TELEPHONE SERVICE: Southern Continental Telephone Company.

ELECTRICITY: Kentucky Utilities and South Kentucky RECC. Rates and service are regulated by the Kentucky Public Service Commission.

WATER: The Kentucky Water Service Co. Source of water - Cumberland Lake, Pitman Creek and Caney Creek; storage - 750,000 gallons; pumping capacity - 1,202,400 gallons per day. Rates - first 1,000 gallons - \$1.00 (minimum); next 4,000 gallons - \$.60 per 1,000 gallons; next 5,000 gallons - \$.55 per 1,000 gallons; next 20,000 gallons - \$.45 per 1,000 gallons; next 20,000 gallons - \$.35 per 1,000 gallons; next 50,000 gallons - \$.25 per 1,000 gallons.

GAS: Somerset Gas Service. Source - Petroleum Exploration, Inc.; Pressure 40#, BTU Content - 1,250, Specific Gravity - .728.

COAL: Source - There are 59 mines in Pulaski County; price of nut and slack - \$3.00 per ton at mine, \$5.00 per ton delivered; stoker - \$5.50 per ton at mine, \$8.00 per ton delivered.

FUEL OIL: Somerset Refinery. No. 2 - \$.117 per gallon at plant. No. 6 - \$.075 per gallon at plant.

SEWERAGE: Plant completed in 1944. Capacity of 1,540,000 gallons, with present daily flow of 1,181,000 gallons.

PROPERTY TAX RATES: Per \$100, 1953-54: Somerset - \$2.87, Pulaski County - \$2.12. Ratio of assessment to market value - Somerset - 30%; Pulaski County - 31%.

LOCAL CONSIDERATIONS:

Housing. Supply is good. Rental of two-bedroom house - \$50 - \$75 per month. Construction cost of two-bedroom house - \$9,500 to \$12,000. Housing project with 85 units is now being completed.

Schools.

System	Enrollment	Students per Teacher
Pulaski County Elementary	4,789	28
Pulaski County High	909	18
Somerset (Ind.) Elementary	1,550	36
Somerset (Ind.) High	417	16
St. Mildred (Par.) Elementary	89	29

RECREATION: Fishing docks, swimming and picnic facilities. Area facilities - Lake Cumberland State Park, Mammoth Cave National Park, Cumberland Falls State Park, Cumberland National Forest, Dale Hollow Reservoir.

POPULATION AND LABOR

Population

The population of Somerset was 7,097 in 1950. Table 1 shows population and recent rates of growth in Somerset, Pulaski County and Kentucky.

Table 1. Population Growth in Somerset, Pulaski County and Kentucky: 1920-1950

Year	Population Somerset	% Increase	Population Pulaski County	% Increase	% Increase Kentucky
1900	3,384	-	31,293	-	-
1910	4,491	32.7	35,986	15.0	6.6
1920	4,672	4.0	34,010	-5.5	5.5
1930	5,506	17.8	35,640	4.8	8.2
1940	6,154	11.8	39,863	11.8	8.8
1950	7,097	13.3	38,452	3.6	3.5
1953 (est.) 1/			34,563	-10.2	-1.1

Labor Force

Agriculture and Manufacturing. Of the 38,594 inhabitants of Pulaski County in 1950, 12,207 or 31% were in the labor force. Agriculture employed 5,082 while manufacturing employed 1,084. During the 1940-50 decade, agricultural employment declined from 6,177 to 5,082 or 18%. In the same period, employment in manufacturing increased from 459 to 1,084 or 57.6%.

Available Labor Supply. 2/ The Somerset labor supply area is defined to include Pulaski, Casey, Laurel, Lincoln, McCreary, Rockcastle, Russell and Wayne Counties, Kentucky. This area is very broad due to the above-average size of most of the counties in the section and as a result it is likely that most of the labor supply for jobs in Somerset would come from Pulaski County. However, it can be assumed that some commuting would take place from the adjoining counties if a substantial number of jobs were created at Somerset.

1/ Source: Kentucky Agricultural Experiment Station, Population Estimates for Kentucky Counties, April 1, 1953 (Lexington, October, 1953).

2/ Source: Kentucky Department of Economic Security, Damon W. Harrison, Labor Supply Statement for Somerset, Kentucky Area, June 17, 1954.

Factors upon which estimates are based: 1) Persons who would shift from low-paying jobs such as farming (mostly men) and new entrants into the labor force (mostly women) when labor force participation rates are low; 2) The current unemployment measured here by unemployment insurance claimants; 3) Future labor supply due to aging of population and measured by boys and girls becoming 18 during the next 10 years.

It is estimated that in the eight counties of the labor supply area there are approximately 7,600 men and 6,400 women in this area who would shift from low paying jobs or enter the labor market if industrial opportunities should increase greatly. It is roughly estimated that out of the area total, 2,500 men and 2,000 women could be recruited for jobs located at Somerset. Included in this number are 1,600 men and 1,400 women from Pulaski County.

In addition to this segment of labor supply, at the end of May, 1954, there were about 1,800 men and 300 women filing for unemployment insurance benefits in the area. About 430 of the men and 30 of the women were from Pulaski County. It is roughly estimated that 700 of the area's male claimants and 100 of the females could be attracted to Somerset employment.

In addition to the above estimates of current labor supply, the local labor force will be augmented during the next 10 years by 19,500 boys and 18,700 girls becoming 18 years of age. About 4,300 of the boys and 4,000 of the girls will be from Pulaski County. It can be reasonably assumed that 80 percent of the boys and 50 percent of the girls will be available for jobs when they become of working age. It is also assumed that a large majority of these younger workers, due to their greater mobility, could be attracted to employment at any single point in the area.

Migration. In assessing the potential supply of labor over the coming years the trend in migration is significant. Net out-migration from Pulaski County between 1940 and 1950 was 8,137. For Kentucky net out-migration was 303,000 in the ten years up to 1950, and the recent increases in manufacturing in the state have not begun to reduce the outflow since that date.

Wages. Some examples of wages in the area are: clerical and secretarial - \$1.00 and \$1.20 per hour; laborers - \$.75 and \$1.00 per hour; semi-skilled - \$1.20 and \$1.60 per hour; and skilled machine and tool operators - \$1.50 and \$2.50 per hour.

Average weekly wages in covered employment for the fourth quarter 1953 were \$42.00 for Pulaski County and \$72.66 for Kentucky.

In 1952 per capita income payments to individuals were \$675 for Pulaski County, \$1,130 for Kentucky and \$1,639 for the United States. 1/

Labor-Management Relations. Labor-managements relations in Somerset are described locally as excellent.

Existing Firms, Products and Employment. The following list of firms indicates something of the demand for labor and products available in the immediate area of Somerset.

1/ Will S. Myers, John L. Johnson and James W. Martin, Kentucky Income Payments by Counties (Bureau of Business Research, University of Ky., Feb. 1953)

Table 2. Somerset Manufacturing Firms, Products and Employment.

Firm	Product	Employment		
		Male	Female	Total
Carnation Milk Co.	Milk processing	7	0	7
The Cherry Tree Woodcraft	Furniture	3	0	3
Citizen's Milling Co.	Cornmeal, flour, feeds	5	0	5
The Commonwealth	Newspaper publisher, job printing	8	2	10
Cornett Machine Shop	Custom engine rebuilders	8	0	8
Cumberland Bedding Co., Inc.	Mattresses, box springs, felt	10	2	12
Cumberland Planing Co.	Lumber	3	0	3
Farmers Milling Co.	Flour, cornmeal, feeds	5	0	5
International Minerals & Chemical Corp.	Commercial fertilizer	31	2	33
Lancaster Printing Co.	Commercial printing	1	2	3
O. P. Link Handle Co.	Hickory & Oak tool handles	6	0	6
Palm Beach Co.	Men's "Palm Beach" summer suits	29	419	448
Elwin Pete Randall	Sawmill	6	0	6
Robinson Milling Co., Inc.	Flour, cornmeal, feeds	11	0	11
Somerset Coca-Cola Bottling Co.	Bottled Coca-Cola	10	0	10
Somerset Milk & Ice Cream	Dairy products, ice cream	20	1	21
The Somerset Refinery	Petroleum products	20	2	22
Somerset Stone Co., Inc.	Crushed limestone	18	0	18
Somerset Venetian Blind Mfg. Co.	Venetian blinds, traverse rods	1	1	2
Southern Ice Co.	Ice	4	0	4
Strunk Construction Co.	Limestone	27	0	27
Superdraulic Corp.	Machine work	32	1	33
Z. H. Todd Lumber Co.	Lumber, sawmill	4	0	4
The Cumberland Chair Co.	Chair parts	14	4	18
Vaught & Henry	Wooden bed frames	15	0	15
Pulaski Bakery	Baked goods	1	1	2
City Lumber	Planing mill, concrete blocks	10	1	11
Somerset Machine Shop	Septic tanks	11	0	11
Hardwick Concrete Blocks	Concrete blocks	8	0	8
Somerset Feed Co.	Fescue seed	2	1	3

MATERIALS

Agricultural Products

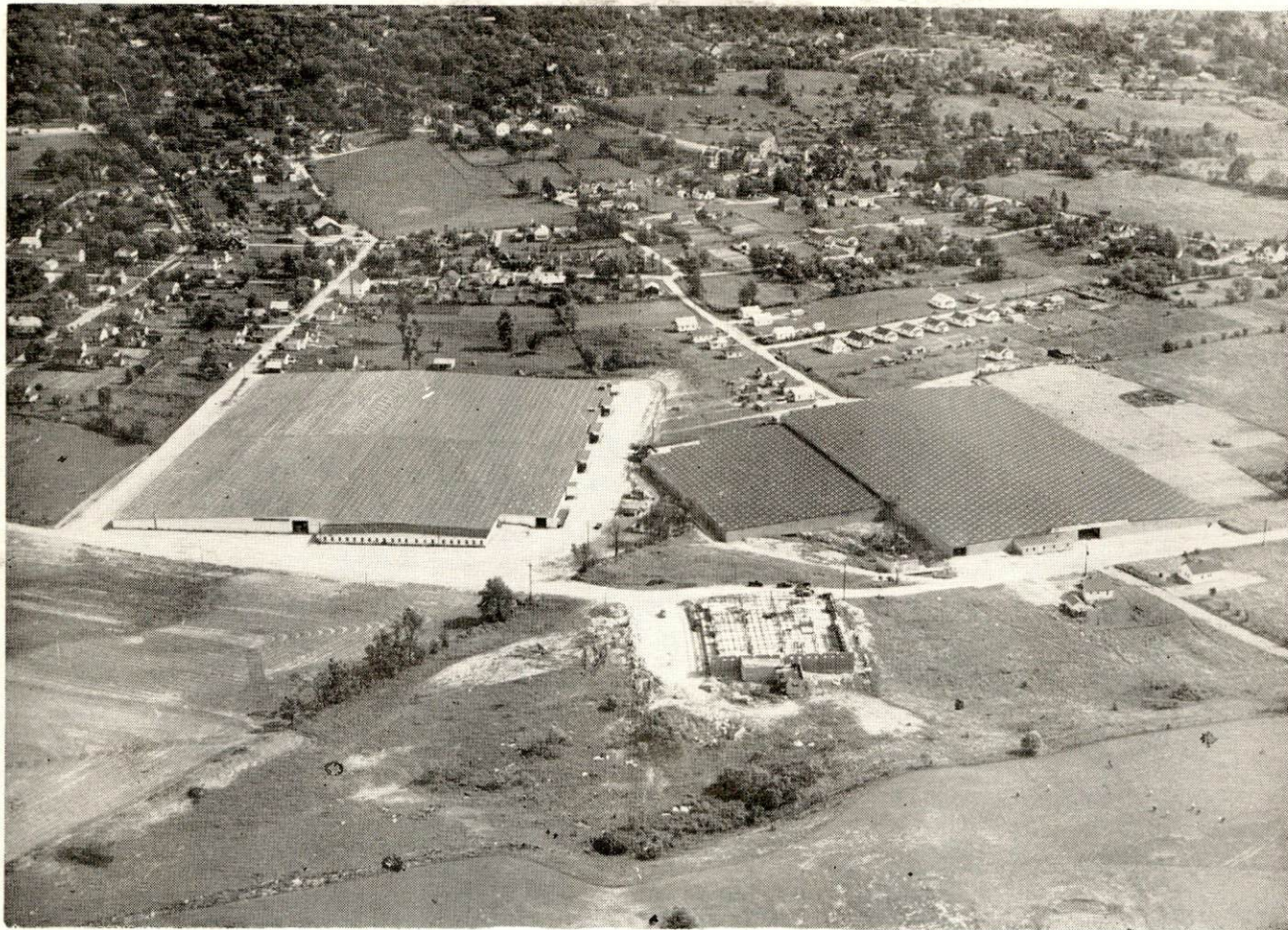
Pulaski County covers an area of 676 square miles and is the fourth largest county in the state. The economy of the county is based on agriculture. Corn and tobacco provide the largest source of crop income, but livestock and milk make up a larger portion of total farm income. The 1950 Census listed 4,591 farms with an average size of 68.7 acres.

Somerset has two of the largest tobacco warehouses in the state. One of these buildings covers more than seven acres. In the 1953-54 season, the local tobacco market sold 12,000,000 pounds of tobacco, netting the farmers \$6,496,988. This was an average of over \$55.10 per hundred and was the third highest average in the state. Table 3 shows more detailed data for crops and livestock production in 1950 and 1951.

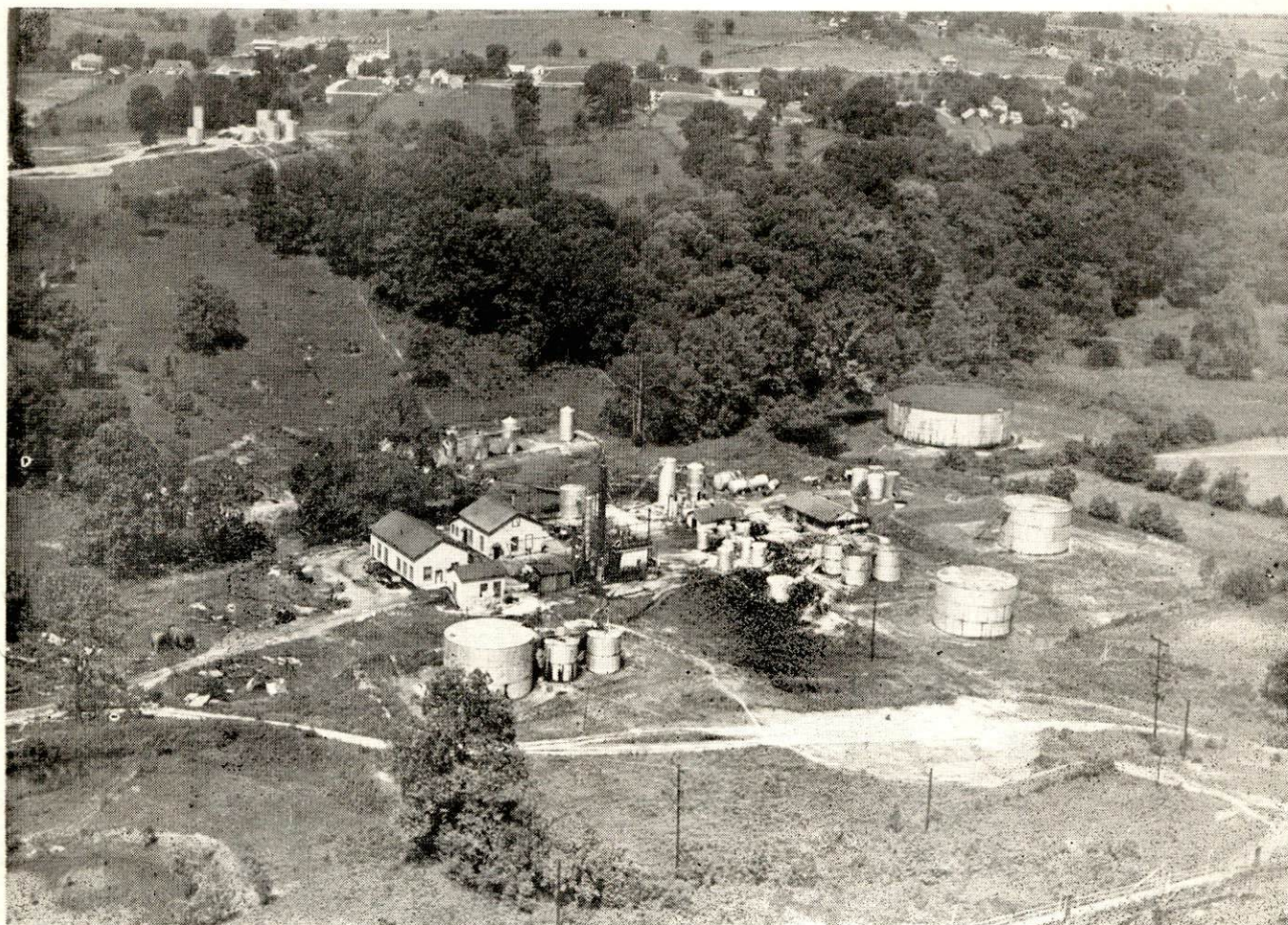
Table 3. Agricultural Statistics for Pulaski County, 1950 ^{1/}

Crops	Production	Farm Value (dollars)
Corn (bu.)	1,313,000	\$2,311,000
Tobacco (lbs.)	4,826,000	2,292,000
Wheat (bu.)	63,700	134,000
Soybeans (bu.)	1,800	5,000
Alfalfa Hay (tons)	1,810	54,800
Clo-Tim Hay (tons)	11,600	306,000
Lespedeza Hay (tons)	31,670	792,000
Livestock	Number on Farms, 1951	Farm Value (dollars)
All cattle and calves	25,400	\$3,302,000
Milk cows	11,400	1,824,000
Hogs and pigs	13,300	279,300
Sheep and lambs	(not available)	(not available)
Chickens	230,000	253,000
Livestock Products	Production	Farm Value (dollars)
Eggs (doz.)	2,493,000	\$ 735,400
Milk (lbs.)	40,125,000	1,384,000

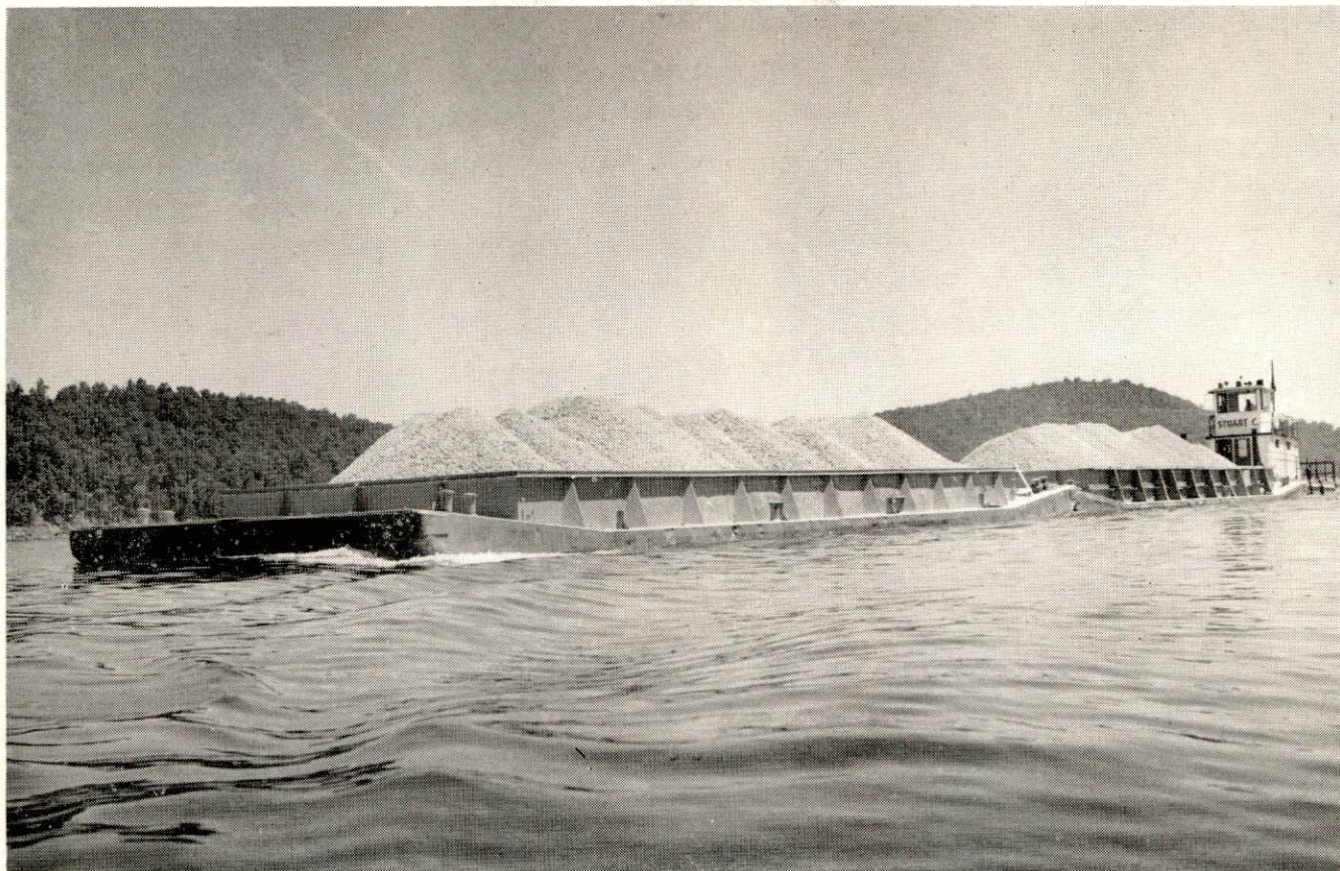
^{1/} U. S. Department of Agriculture, Kentucky Agricultural Statistics, 1950.



Burley Tobacco Warehouses



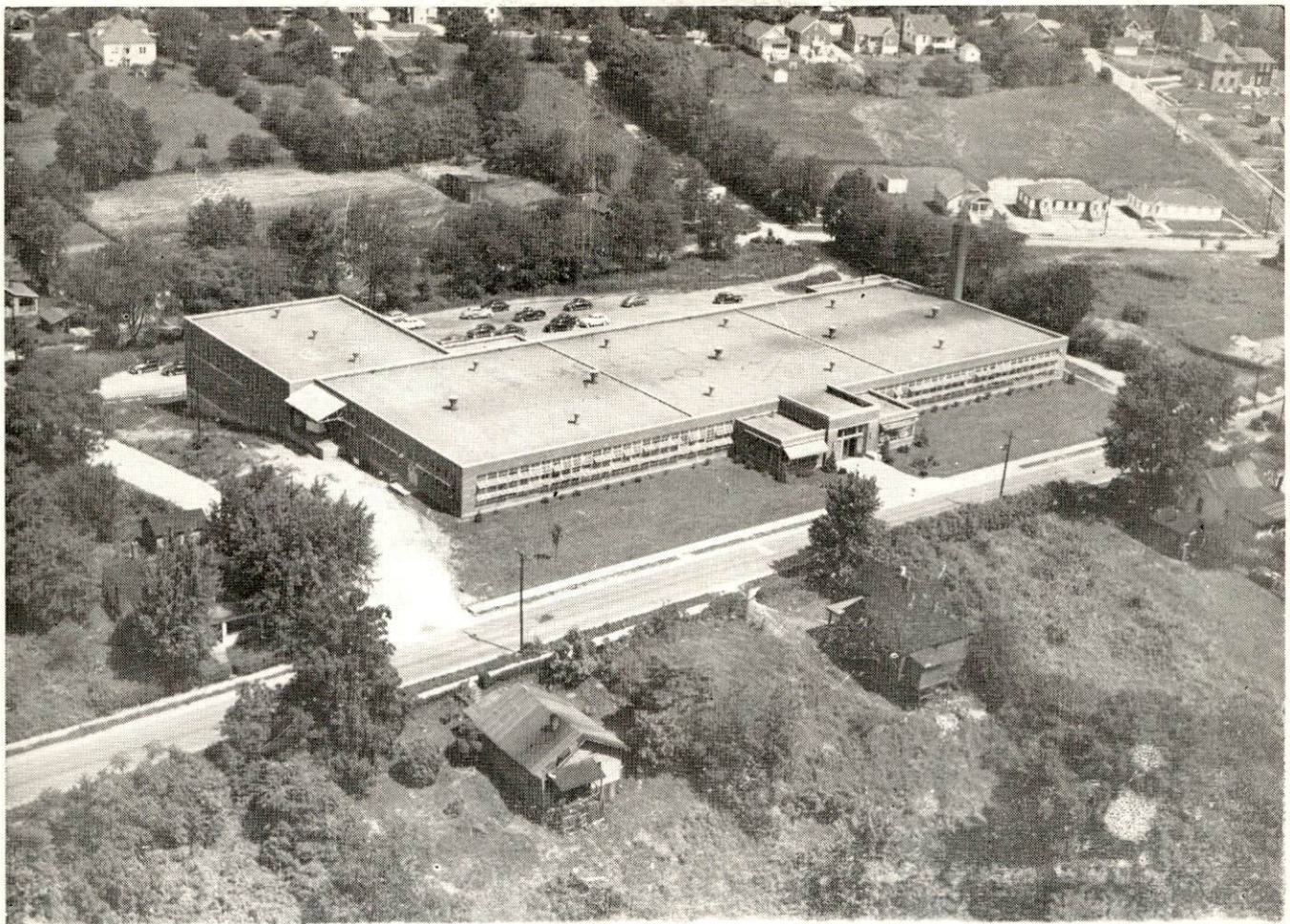
The Somerset Refinery



H. & S. Towing Company operates barges on Lake Cumberland



Somerset Manufacturing Division of Superdraulic Corp. produces precision tools and machinery



A modern branch factory of the Palm Beach Company is located in Somerset



The International Minerals & Chemical Corporation makes fertilizer here

Forests

Kentucky's forests are one of its largest resources. Both the amount of timber cut and the proportion used in manufacture 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 one-quarter of the lumber, veneer and bolts produced (611 billion board feet in 1948) are used in manufacture in the state.

In Pulaski County there were 84 sawmills that produced 12,616,000 board feet of lumber during 1947. ^{1/} The principal types of trees are: oaks, hickory, beech, yellow poplar, pine and red cedar. There are 209,000 acres of forested land which covers 48% of the total land area.

Mineral Resources

Pulaski County. The mineral resources of Pulaski County are coal, limestone, sands and gravels and clays. Small amounts of oil and natural gas have been secured. Non-commercial deposits of galena, sphalerite, calcite and barite occur. Coal and limestone are most important.

Coal occurs in the eastern portion of the County between Buck Creek and Rockcastle River. Three seams of commercial thickness are present. These are: Lee No. 1 (Hudson), Lee No. 2 (Beaver Creek), and Lee No. 3, (Barren Fork). Available information indicates that the coals are moderately low in sulphur content and run about 13,000 BTU value (dry basis). In 1952 Pulaski County produced 277,031 tons of coal.

Recent investigations indicate that stones of CaCO_3 content, high enough to offer definite possibilities for chemical uses, probably occur over wide areas with workable thicknesses and reserves adequate for most operations. Four quarries are now operated in the county. The stone is used mostly for road construction purposes at present. Sands and gravels occur along the major streams. They are suitable for local construction use.

Kentucky. In 1950, Kentucky ranked 8th in the nation in the production of minerals. Total production was valued at \$460 million and the principal minerals were coal, petroleum, gas and stone. In addition to the minerals shown in Table 3, significant amounts of lead, zinc and native asphalt are mined.

^{1/} Source: American Forest Products Industries, Inc.

Table 4. Kentucky Mineral Production, 1950 ^{1/}

Mineral	Unit	Amount
Coal	Thousand short tons	78,496
Petroleum	Thousand 42 gal. bbls.	10,381
Natural Gas	Million cubic feet	73,316
Stone (except limestone for cement)	Thousand short tons	7,417
Clays	Thousand short tons	719
Fluorspar	Short tons	80,137
Sand and Gravel	Thousand short tons	2,383
Natural gas liquids	Thousand 42 gal. bbls.	1,779

FUEL AND POWER

Coal and Coke

There are 59 coal mines in Pulaski County, which produced 277,031 tons of coal in 1952. The price of nut and slack coal is \$3.00 per ton at the mine and \$5.00 per ton delivered. Stoker coal is \$5.50 per ton at the mine and \$8.00 per ton delivered.

High quality coke could be obtained in Somerset for industrial use from Ashland, Kentucky. The price varies from \$17 to \$24 per ton plus freight.

Gas

Somerset is supplied gas, by the Somerset Gas Service, a municipally-owned company. The Petroleum Exploration, Inc. supplies the gas from 1", 4" and 6" lines. A pressure of 40# is maintained, BUT content 1,250 and specific gravity of .728. Total use in 1953 was 247.2 mcf. Rates: \$1.50 first 1,000 cu. ft. per month; \$.50 next 1,000 cu. ft. per month. There is also a Propane gas plant in Somerset that produces 500,000 cu. ft. per day.

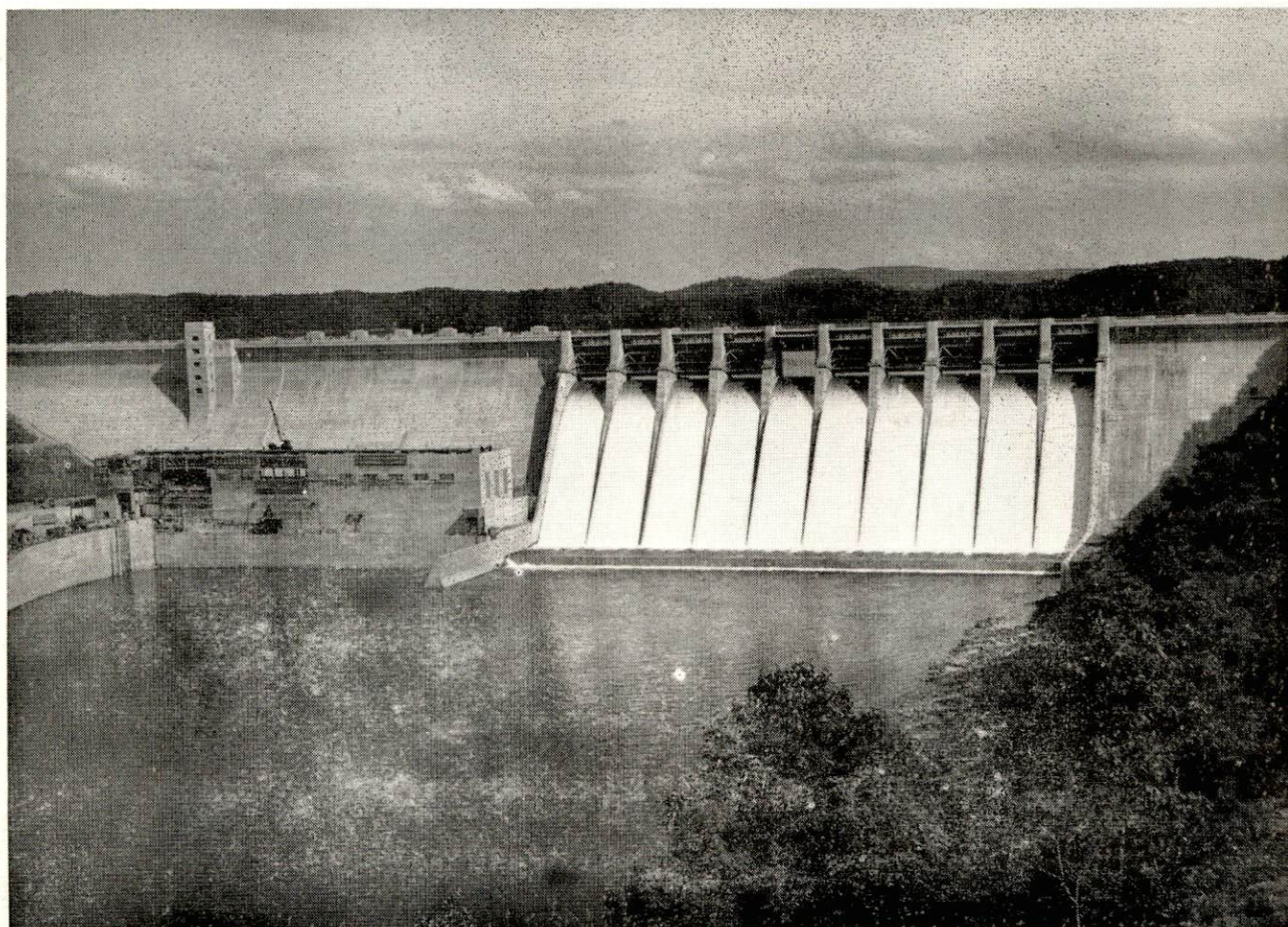
Fuel Oil

The Somerset Refinery supplies fuel oil for local and light industrial needs. The petroleum is piped and trucked to Somerset from parts of

^{1/} Source: Minerals Yearbook, 1950 (Bureau of Mines, 1953)



Aerial views of Wolf Creek Dam and Cumberland Reservoir.
 A flood control and power dam, is located in Somerset's back yard while the largest man-made lake east of the Mississippi River is only three miles from the city limits.



Kentucky and Tennessee. Production is 20,000 bbls. per day. The price of No. 2 fuel oil is 11.7¢ per gallon at the plant. No. 5 is \$.08 per gallon at the plant and No. 6 is \$.07 1/2 per gallon at the plant. 1/

Power

Electricity is supplied Somerset by the Kentucky Utilities Company. Rural customers in Pulaski County are served either by Kentucky Utilities Company or the South Kentucky Rural Electric Cooperative Corporation. The latter distributes TVA power. Small commercial and industrial loads are served by the organization whose lines are closest to the customer. By agreement large industrial loads are reserved to Kentucky Utilities Company.

Both of these companies are under the jurisdiction of the Public Service Commission of Kentucky. Therefore, both have their rates filed with the Commission and are considered to be fair and reasonable. Rates will be furnished upon request for any given use.

The Kentucky Utilities Company serves all or part of 75 counties of Kentucky. It has generating capacity of 430,500 KW and has started construction of a new plant which will have an ultimate capacity of an additional 424,000 KW. The Company is interconnected with Louisville Gas and Electric Company, Ohio Power, Kentucky Power, Electric Energy, Inc., Central Illinois Public Service Company, TVA, and indirectly through Louisville Gas and Electric Company with Ohio Valley Electric Corporation. 1/

WATER

The Somerset Water System is owned and operated by the Kentucky Water Service Co., Inc. The sources of supply of raw water for the Somerset Water System consist of (1) Pitman Creek, (2) an impounded lake on Caney Creek, and (3) Cumberland Lake (formerly Cumberland River). The primary source used is a collecting basin on Pitman Creek. The impounded lake is a supplement to the primary source, and has a storage capacity of 19,000,000 gallons. Cumberland Lake, the secondary source, is located 6 miles from the city, and is connected to the distribution system by an 8" transmission main.

Primary Source of Supply and Distribution System

Raw water is taken from the primary source into a settling basin and sand filter type plant. This plant was originally constructed in about 1913.

1/ Current prices of fuel oil and electricity will be supplied by the Agricultural and Industrial Development Board.

However, since that time additions and improvements have been made to the extent that the existing plant would be considered approximately 12 years old. Filter capacity is 1,166,400 gallons per day. Chemicals used during filtration and purification process are: Chlorine, alum and lime. The processed water is delivered into an all metal 750,000 gallon storage tank by pumps with a capacity of 1,202,400 gallons per day. From this storage tank, water is distributed by gravity into a distribution system, composed mainly of cast iron pipe in sizes ranging from 12" down to 2". The major portion of the system is made up of 10", 8", and 6" mains. Most of these mains were added to the system during 1950 and were paralleled and looped to the older and smaller mains previously in existence.

Secondary Source of Supply

During the early part of 1951, the new intake of the deep well type construction was built on Cumberland Lake. A new pump was installed at the same time, capable of sending 612,000 gallons per day. From this filter the finished water goes directly into the distribution system. In the event that the primary source of supply becomes inadequate, the secondary source offers an unlimited quantity of raw water, and can be utilized fully by installation of larger pump, filter installation, and additional transmission main.

Capacity Used

The total capacity of the system is determined by adding both the primary and secondary supply capacities together as both may be operated at the same time. This total capacity is 1,778,440 gallons per day. The average demand per day during 1950 was 674,000 gallons or 37.9% of total capacity.

Pressure

System pressure varies from 75 pounds per sq. in. to 150 pounds per sq. in. due to varied elevations of the city. Pressure in and around the business district is approximately 110 pounds per sq. in.

Rates

First 1,000 gal. per mo. - \$1.00 (minimum); next 4,000 gal. per mo. - \$.60 per M. gal.; next 5,000 gal. per mo. - \$.55 per M gal.; next 20,000 gal. per mo. - \$.45 per M gal.; next 20,000 gal. per mo. - \$.35 per M gal.; next 50,000 gal. per mo. - \$.25 per M gal.; over 100,000 gal. per mo. - \$.20 per M. gal.

General

The present operating system has been approved by the Kentucky Actuarial Bureau as being adequate for a reduced fire insurance rating in the city so far as the water system is concerned.

Cumberland River Basin ^{1/}

The Cumberland River drains an area of 18,080 square miles, about 7,025 square miles of which lie in Kentucky. Principal tributaries in Kentucky are Laurel, Rockcastle, South Fork, Cumberland and Little Rivers. A series of locks and dams provide navigation on the Cumberland River from the mouth to mile 331, a considerable distance above Nashville, Tennessee.

Spot samples have been collected during high and low water at gaging stations throughout the basin in Kentucky. There is considerable variation in chemical quality throughout the basin. The waters in the basin range in hardness from soft to hard, and in mineral content from low to high. The hardness observed ranged from 11 to 260 parts per million and dissolved solids from 24 to 919 parts per million. The analyses show various types of water containing varying amounts of calcium-magnesium, sodium-potassium, bicarbonate, sulfate, chloride and nitrate.

A chemical analysis of February, 1950 when the mean discharge was 2,090 second-feet, showed the following in parts per million: Total hardness 51; nitrate 1.3; bicarbonate 48; iron .04; silica 6.2; ph 7.9; and color 11.

SITES ^{2/}

Site #1: This site is across from the Southern Passenger Depot and contains 15 1/2 acres. All services are available and a sewage disposal plant is nearby. Some grading may be necessary.

Site #2: This site is adjacent to the Southern Railway Shops. The Southern RR owns 70 - 80 acres and adjoining this acreage there are another 35 - 40 acres that can be made available. All facilities and services are available, except sewerage.

^{1/} Source: Chemical Character of Surface Waters of Kentucky, 1949-51 (Agricultural and Industrial Development Board of Kentucky, Frankfort, 1953.)

^{2/} More information may be obtained from the Agricultural and Industrial Development Board of Kentucky, Frankfort, or the Somerset Chamber of Commerce.

Site #3: This site has 500 acres, located three miles south of Somerset outside the city limits, between U. S. 27 and the Southern RR. Rail, road and power are available.

TRANSPORTATION AND TRANSFER FACILITIES

Railroads

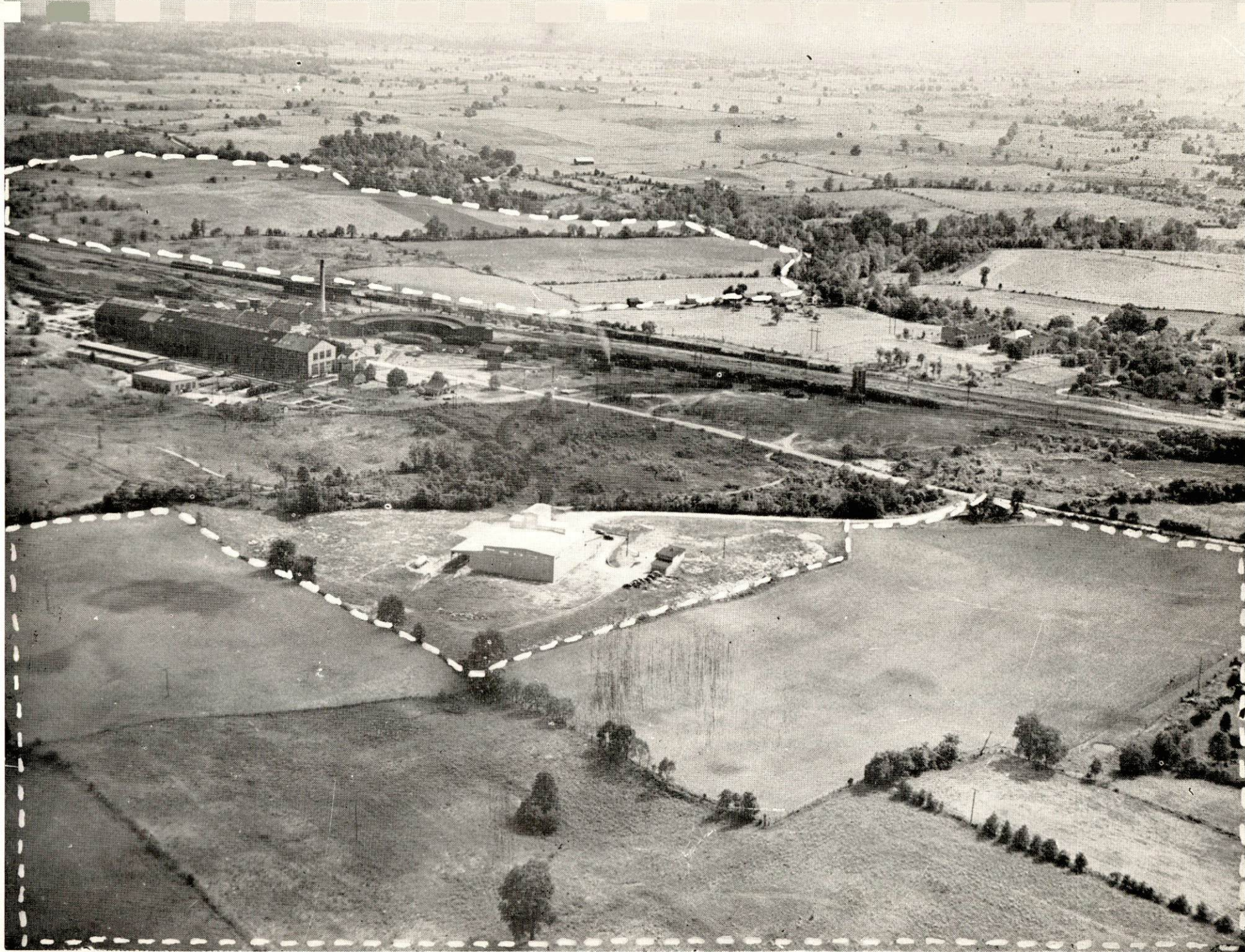
The Southern Railway System serves Somerset with regular freight and passenger service. There is one round-trip freight daily between Cincinnati and Chattanooga. The following table shows railway transit time from Somerset to important market centers.

Table 5. Transit Time from Somerset, Kentucky	
To	Arrive
Atlanta, Ga.	Next day (morning)
Birmingham, Ala.	Next day (morning)
Chicago, Ill.	Second day (morning)
Cincinnati, O.	Same day (evening)
Cleveland, O.	Second day (morning)
Detroit, Mich.	Second day (morning)
Knoxville, Tenn.	Next day (evening)
Louisville, Ky.	Next day (morning)
Los Angeles, Calif.	Seventh day
Nashville, Tenn.	Next day (evening)
New Orleans, La.	Next day (evening)
Pittsburgh, Pa.	Third day (morning)
St. Louis, Mo.	Next day

Somerset has freight and Railway Express pick-up and delivery and package car service.



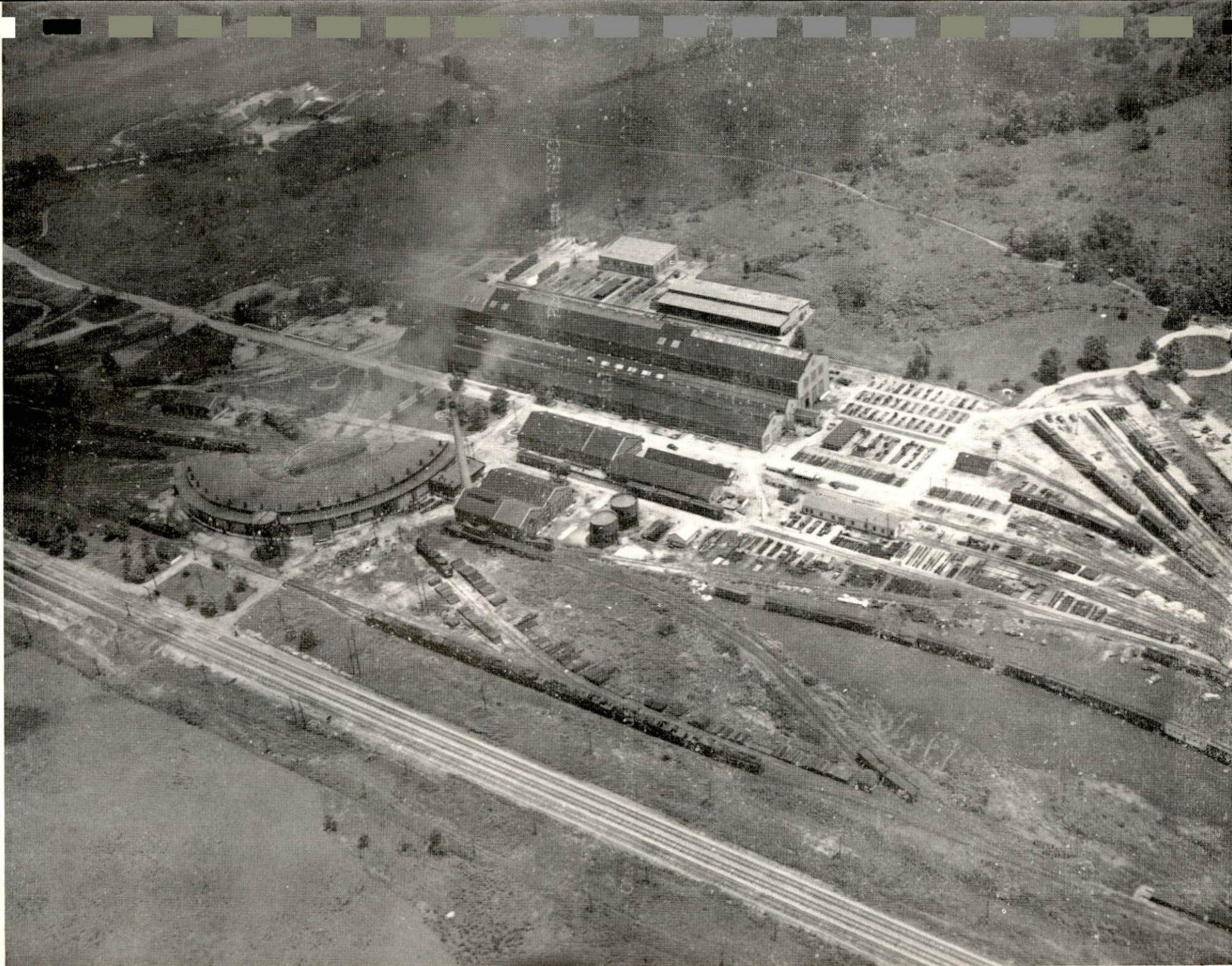
Outlined: An industrial site within the city limits of Somerset



Outlined: Industrial sites in the vicinity of the Southern Railway Shops



Outlined: An industrial site located within 400 yards of the city limits and at the intersection of two highways



Southern Railway Shops south of Somerset—buildings and grounds now available for industrial development

Motor Carriers

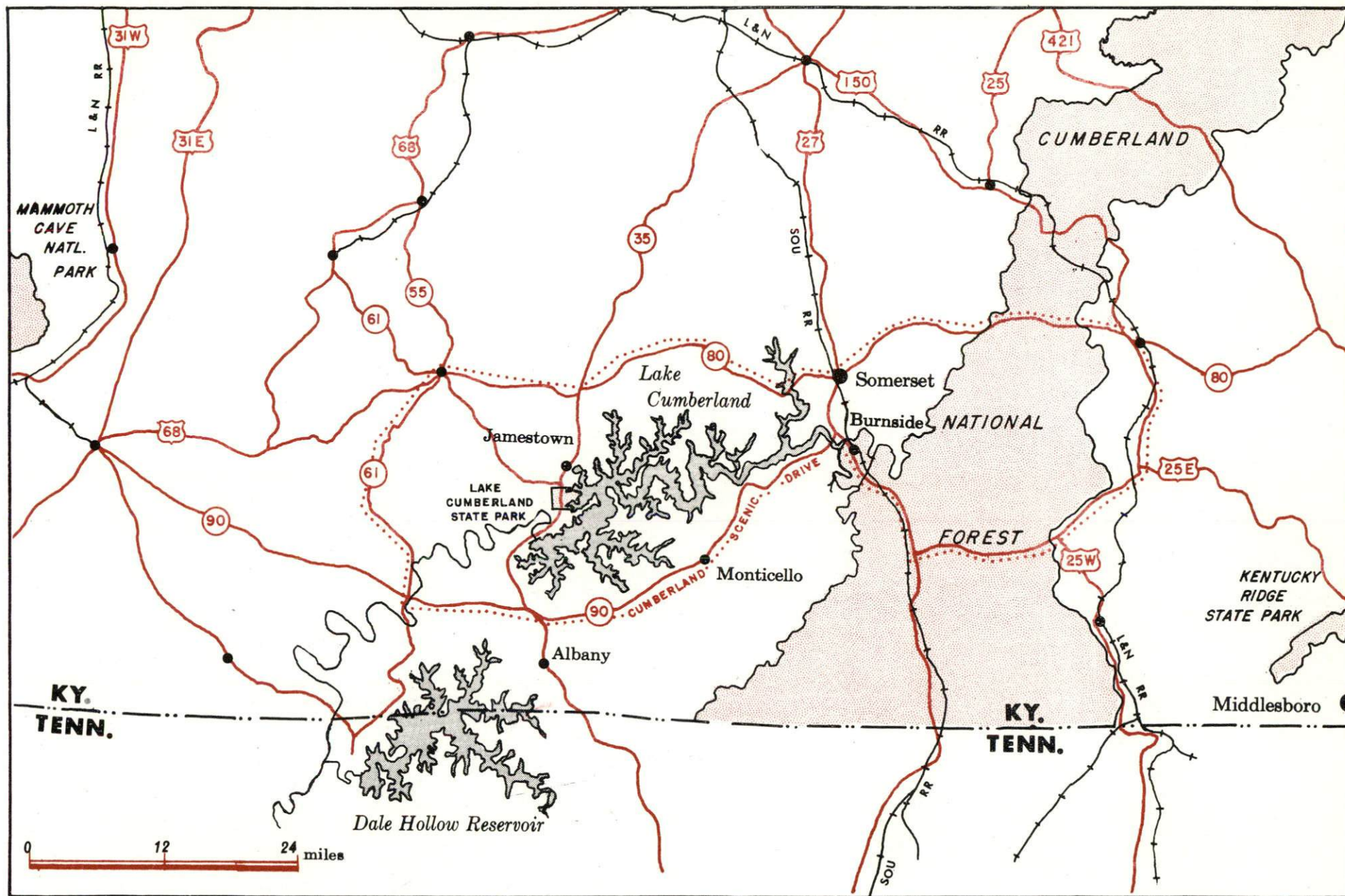
Somerset is served by several major highways, U. S. route 27 and state route 80 intersect in the city. The transportation map on the next page shows the railroad, major highways and navigable waterways in the immediate area of Somerset.

Table 6. Highway Distances from Somerset

To	Miles	To	Miles
Atlanta, Ga.	395	Lexington, Ky.	80
Birmingham, Ala.	394	Louisville, Ky.	132
Chicago, Ill.	429	Nashville, Tenn.	174
Cincinnati, O.	163	New York, N. Y.	833
Detroit, Mich.	421	Pittsburgh, Pa.	465
Knoxville, Tenn.	132	St. Louis, Mo.	304

Bus Lines. Somerset is served by the Southeastern Greyhound and Short Way Lines. Greyhound operates between Cincinnati and Lexington to points south and Short Way has service to nearby towns within fifty miles of Somerset.

Truck Lines. Common carrier truck service is provided by Stokes Transfer, Eagle Express, Elridge Truck Lines and Cheatham Transport.



Railroads, Navigable Waterways, Major Highways and
Recreation Areas of Southern Kentucky

Airways

The nearest commercial airport is Blue Grass Field in Lexington, 80 miles from Somerset. It is served by Eastern, Delta and Piedmont Airlines. The Somerset-Pulaski County airport, a class 2 field, is available for private planes. There are no commercial stops at this field.

Water Transportation

The Cumberland Barge Lines, operating on Lake Cumberland, provides water transportation for coal and stone. There is a dock at Burnside that has loading and unloading facilities.

Mail Service

Somerset has a first class Post Office with sixteen employees and 1953 receipts of \$82,215. Mail is received four times daily and is dispatched six times via Cincinnati, Chattanooga and Louisville.

Transfer Facilities

Marketing and transfer facilities in Somerset include: cold storage, packing and crating and pick-up and delivery. There are also ten wholesale and distributor outlets for groceries, farm products and tobacco.

MARKETS

Somerset is located near the center of Pulaski County in the southern part of the state of Kentucky. Cincinnati, Knoxville, Lexington, Louisville, Nashville and St. Louis all lie within 300 miles of Somerset. Somerset is considered a primary trading center for a seven county area.

In 1952 retail sales in Somerset were estimated at \$15,139,000. Effective buying income was estimated at \$1,149 per person and \$3,993 per family. ^{1/}

^{1/} Source: Sales Management Magazine (May 10, 1953)

LOCAL GOVERNMENT

Pulaski County, the 27th county formed in Kentucky, was created by an Act of the General Assembly in December, 1798, six years after Kentucky was founded. Pulaski County was named in honor of Count Pulaski, a Polish officer and patriot, who served as a volunteer on the staff of General Washington during the Revolution. Pulaski is the 4th largest Kentucky county and was formed from parts of Lincoln and Green Counties.

Somerset was incorporated by an Act of the General Assembly on March 13, 1888, and was probably named after Somerset County, England, as the majority of the first settlers were from that English county. Early industries in Somerset included a tan yard, woolen mill, furniture factory, buggy and carriage factory and flour mill

The topography of the county is gently rolling in the northern part, the remainder being hilly or mountainous. Pulaski County is bound by Lincoln, Rockcastle, Laurel, McCreary, Wayne, Russell and Casey Counties. Principal streams are: The Cumberland, Rockcastle, and South Fork of the Cumberland River, and Linn, Buck, Pitman's, White Oak, and Fishing Creeks.

Somerset, the county seat and principal town, is a third class city governed by a mayor elected for four years and twelve councilmen elected for two years.

City Services

Fire Protection. Somerset has 3 full-time and 12 volunteer firemen. Equipment consists of an International Pumper (1946) with capacity of 750 gpm, plus a 350 gallon booster tank, which carries 1,400 feet of 2 1/2" hose; and an American LaFrance (1923) pumper with an 80 gallon chemical tank and 800 feet of 2 1/2" hose. Somerset has an eighth class rating for fire insurance purposes.

Police Protection. The Somerset Police Department is comprised of a Chief and 10 full-time officers. Two-way radio equipped patrol cars serve both the business and residential areas.

Streets. The city has approximately 40 miles of paved streets. The city maintains the street department with a crew of 12 men. Equipment consists of 4 trucks, a roller, street flusher, tar pot and concrete mixer. Streets in the business section are cleaned daily, with residential area streets cleaned weekly.

Garbage. There is a free garbage collection daily in the business area and weekly in the residential district. The method of disposal is a sanitary fill.

Sewerage. There is an adequate sanitary and partial storm sewerage system. Rates are adjusted in comparison with the size of the building, from \$.80 per month for a four room house, up to \$12.00 per month for larger buildings.

Taxes. Table 7 shows the property taxes applying in Somerset and Pulaski County for 1953.

Table 7. Property tax rates per \$100 of assessed value; Somerset and Pulaski County, 1953

	Somerset	Pulaski County
County	\$.50	\$.50
State	.05	.05
City	1.15	--
School	1.50	1.50
Other	.07	.07
Total	\$3.27	\$2.12

The ratio of assessment to market values is 32% for Somerset and Pulaski County. This means that the effective tax on property in Somerset is not \$3.27, but is \$1.04 per \$100, or 10.4 mills. Outside of Somerset, the effective rate is \$.68 per \$100, or 6.8 mills. The total assessed value of Pulaski County is \$22,165,076.

Total city income in fiscal year, 1953, was \$155,989, while expenditures were \$128,981. City bonded indebtedness in 1953 was \$646,000. Total county income for the year ending in June 1953 was \$146,686, while expenditures were \$140,000. County bonded indebtedness was \$277,000. As permitted by state law, the city does allow a five year property tax exemption for new industry.

LIVING CONDITIONS

Housing

It is estimated that there are forty to fifty available houses in Somerset.

Two bedroom frame houses rent from \$50 to \$75 per month and cost \$9,000 to \$12,000 to construct. The Public Housing Administration and the city of Somerset have just completed an 85 unit housing program to supplant sub-standard housing.

Recreation

Somerset is located seven miles from Lake Cumberland. This territory is rapidly becoming a favorite vacation and water sports area. The Lake has a shoreline of 1,255 miles and there are many well-equipped fishing docks where boats and motors are available. Widely known places of interest in the vicinity include Cumberland National Forest, Cumberland Falls State Park, Lake Cumberland State Park, Dale Hollow Reservoir, Wolf Creek Dam, Renfro Valley and Mammoth Cave National Park.

Local facilities include a 3-acre picnic park, directed recreation at school playgrounds, a Country Club with a 9-hole golf course, 2 theatres, 3 drive-in theatres, Civic Concert Association, Little Theater Group, bowling alley, skating rink, swimming pool and softball league.

Education

Graded Schools. The Somerset area school system is adequately equipped to handle the present demand and further extensions are in progress. The Kentucky Department of Education gives a high school rating of "A" to the Somerset and Pulaski County High Schools. This means the high school courses through grade twelve are accredited.

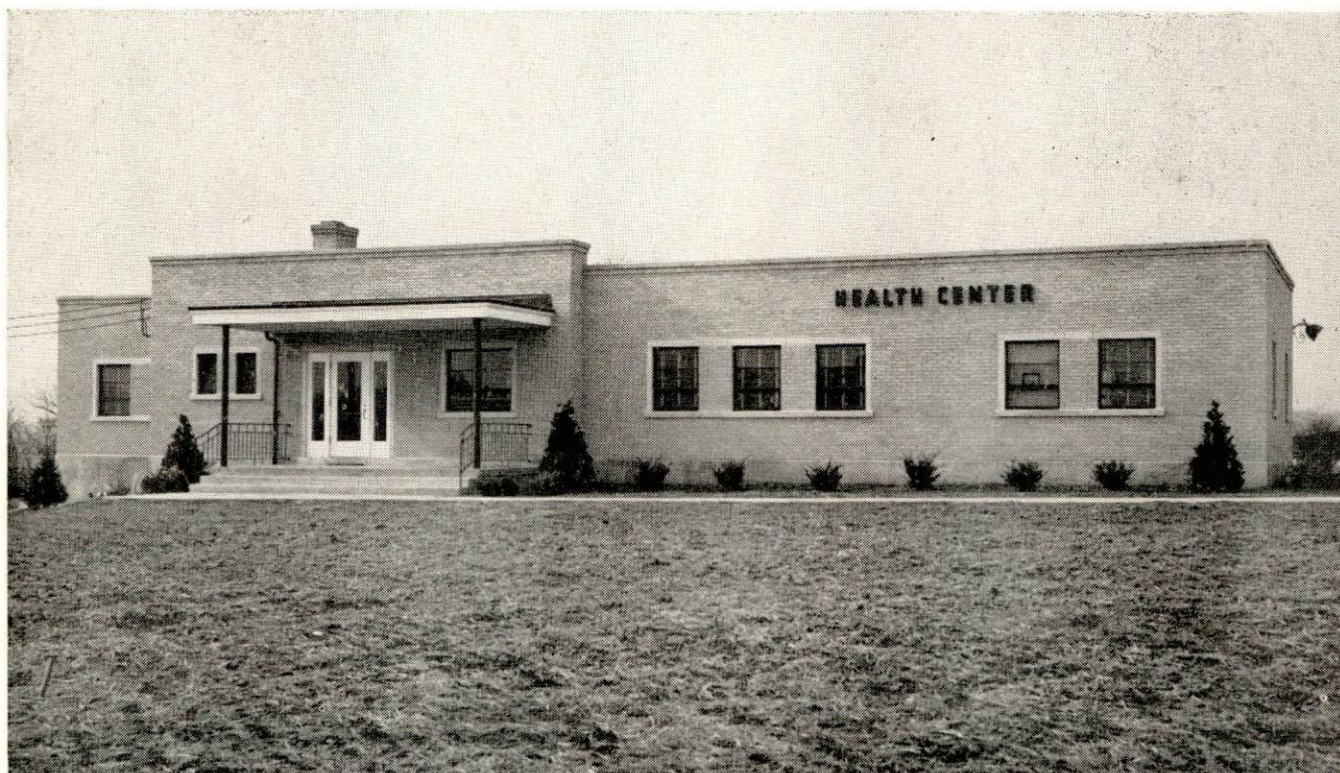
Table 8. Schools, Enrollment and Student-Teacher Ratio in Somerset and Pulaski County.

System	Enrollment	Students per Teacher
Pulaski County Elementary	4,789	28
Pulaski County High	909	18
Somerset (Ind.) Elementary	1,550	36
Somerset (Ind.) High	417	16
St. Mildred (Par.) Elementary	89	29

Vocational Education. Kentucky's vocational education program utilizes thirteen highly specialized regional schools, partly integrated with regular secondary education work and partly outside it. These special area trade schools prepare Kentuckians for work in a variety of trade and industrial occupations.



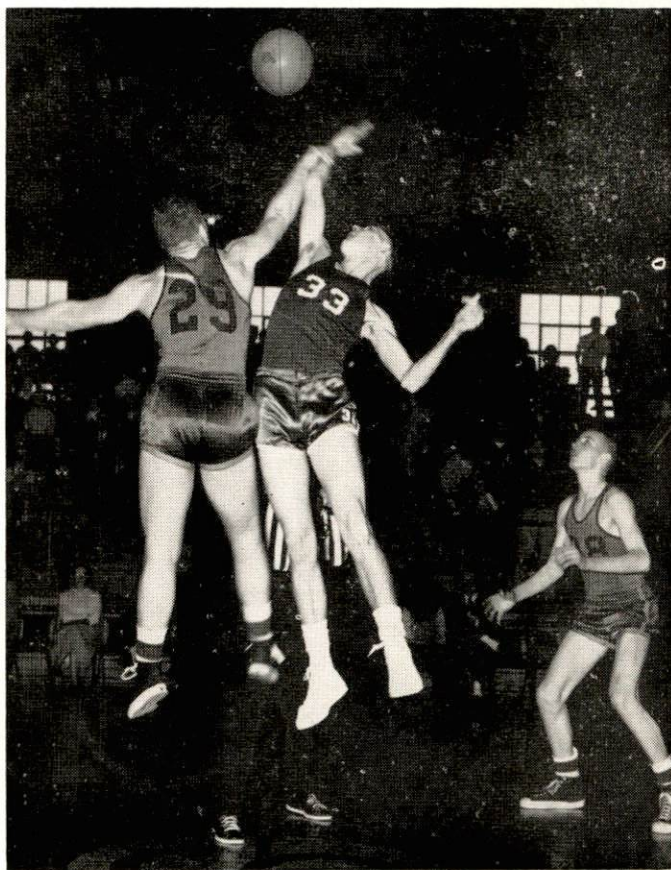
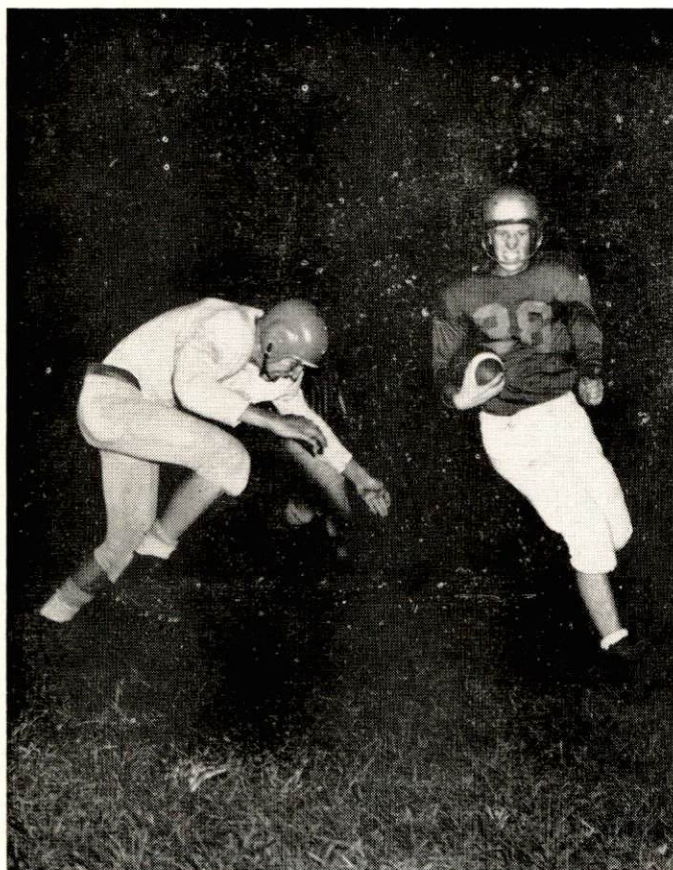
One of Somerset's housing projects being constructed. This one will be completed in July, another this fall



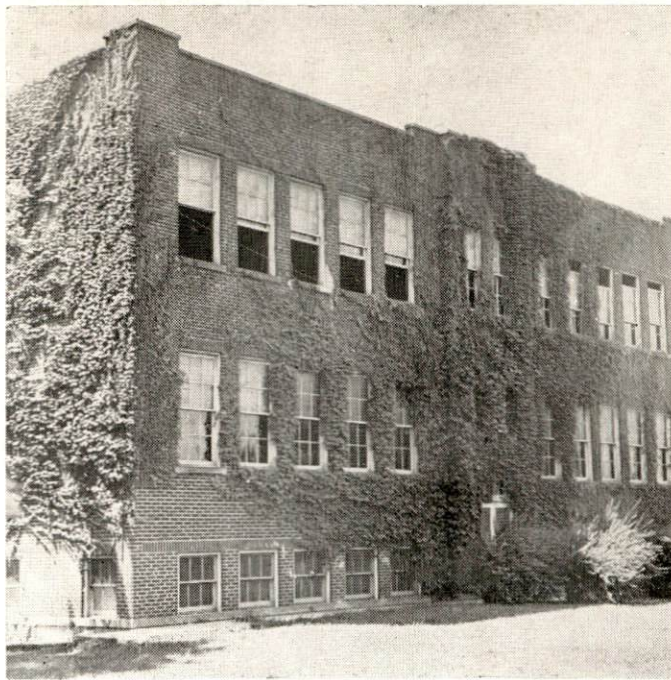
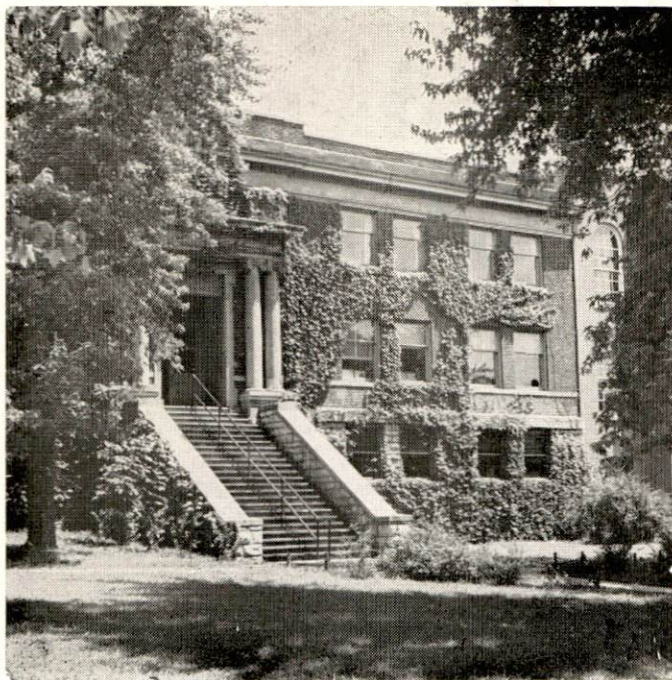
New Pulaski County Health Center located in Somerset



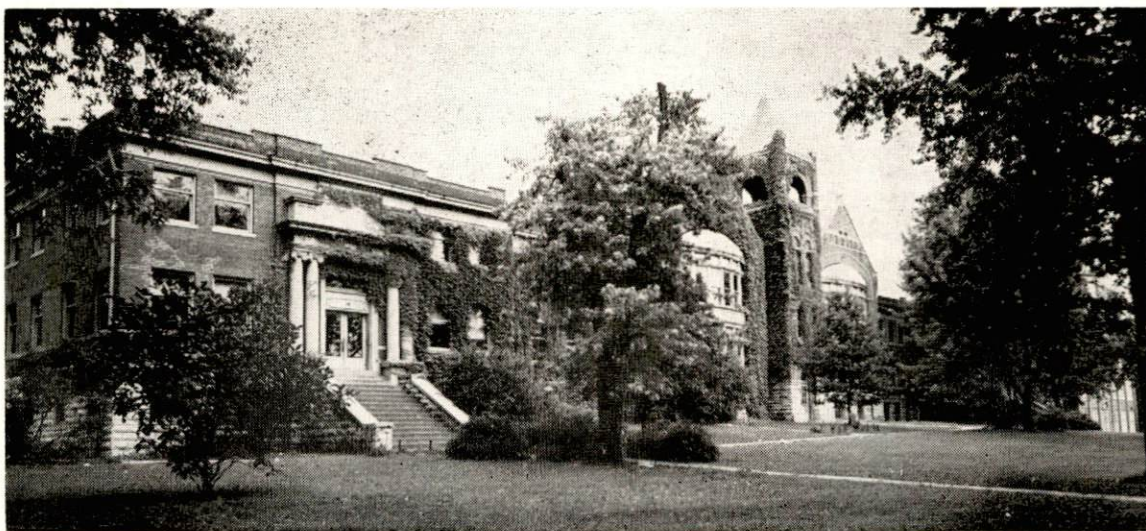
Somerset Country Club and Golf Course



Somerset High School has the best athletic teams and facilities in this section of the State



Somerset's five public schools and two high schools rank with the best in the State
A new building improvement program was launched this spring to add more modern facilities
and larger classrooms to the existing schools and to build new buildings.





Somerset Ready-Mix Concrete Plant



Radio Station WSFC



Somerset's airport is located just south of the city limits

One of these vocational schools is located in Somerset. As of November, 1953, there was an enrollment of 408 students. Courses offered include: auto mechanics, electricity, machine shop, printing, sheet metal and woodwork. It should be noted that the courses are subject to change as the demand changes.

Colleges. Institutions of higher learning within 100 miles include: Centre College, Danville, 45 miles; University of Kentucky and Transylvania College, Lexington, 80 miles; Union College, Barbourville, 60 miles; Sue Bennett College, London, 32 miles; Cumberland College, Williamsburg, 68 miles; Lindsey Wilson Junior College, Columbia, 42 miles; Eastern Kentucky State College, Richmond, 70 miles; and Berea College, Berea, 50 miles.

Health

Hospitals. Somerset City Hospital with 75 beds, has 16 physicians and a staff of 86 persons. The Somerset Clinic has a staff of 2 surgeons, one eye-ear-nose and throat specialist, one internal medicine specialist, one obstetrician, one pediatrician, 2 dentists, 1 X-ray technician, 3 graduate nurses and additional laboratory technicians.

The Pulaski County Health Department has a staff of a public health officer, nurse, two sanitarians, chest and x-ray technician and two clerks. Construction of a \$102,000 County Health Center has been completed and is now in operation.

The program comprises: communicable disease control program - immunizations and tests; Venereal Disease Control Program - field and office visits; Tuberculosis Control Program - X-ray services and clinic; maternal and child health program; school health program; general sanitation; laboratory services; general public health activities, such as lectures, movies and interviews.

Churches

The following denominations are represented: Baptist, Christian, Methodist, Presbyterian, Catholic, Church of God, Church of Christ, and Seventh Day Adventist. Estimated total active membership is 4,000.

Newspapers, Radio and T-V

There are two newspapers in Somerset. The Commonwealth, a weekly with 4,300 subscribers and the Somerset Journal, a weekly with 3,100 subscribers.

Somerset has one radio station, WSFC, 250 watts and is affiliated with the Mutual Broadcasting System.

T-V reception from Louisville and Nashville is good.

Telephone and Telegraph

Somerset is served by the Southern Continental Telephone Company. Telegraph service is provided by a Western Union office.

Hotels and Tourist Accommodations

Tourist accommodations are provided by the Hotel Beecher, the Kenwick Hotel, The Newtonian Hotel, the Wright Hotel and eight modern motels.

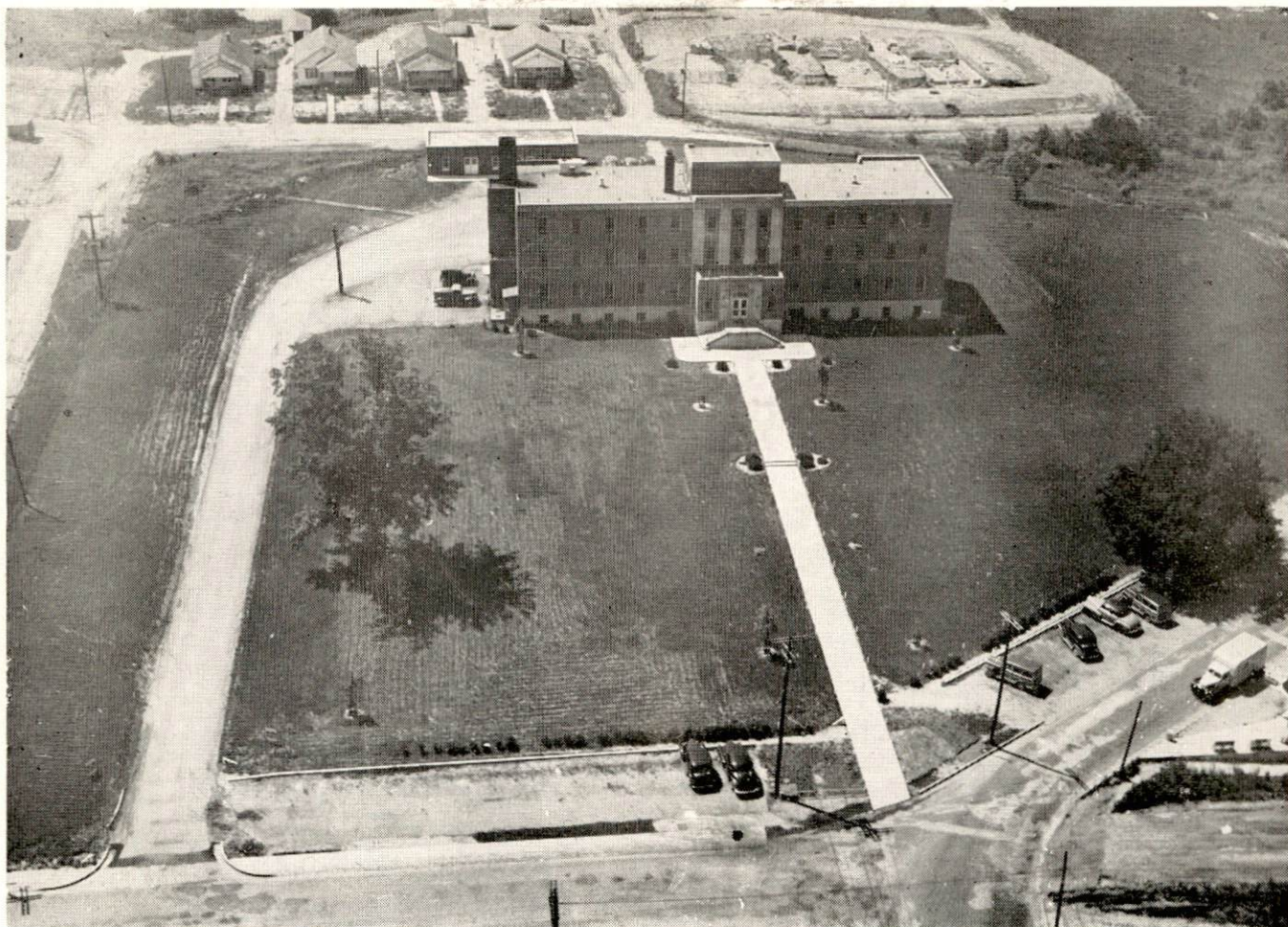
Clubs and Organizations

Among the various clubs and organizations are: Chamber of Commerce, Junior Chamber of Commerce, Lions Club, Rotary Club, Kiwanis Club; IOOF, Masonic, American Legion, Veterans of Foreign Wars, Holy Name Society, and Junior Order of American Mechanics; Business and Professional Women's Club, Women's Legion Auxiliary, DAR, Eastern Star, and Chautauqua; Jr. Women's Club, Boy Scouts and Girl Scouts; Outdoorsmen's Club, Boat Club, Booster Club and Skeet Club.

CLIMATE

The average annual precipitation in Kentucky ranges from 38-40 inches in the northern part of the state to 50 inches or more in the south-central part. Most falls as rain with the greatest amounts during the spring months. Late summer is normally the driest part of the year. Thunderstorms can occur at any time, but are most frequent during March through September. Hail occasionally accompanies these thunderstorms, but the average is only once a year. Deep snowfalls are rare.

Winter is usually relatively open with midwinter days averaging 32 degrees F. in the northern parts to 40 degrees F. in the southern for about six weeks duration. Mid-summer days average 75 degrees F. in the cooler uplands, to 79 degrees F. in the lowland and southern areas. The highest temperature ever recorded was 114 degrees F., but 100 degrees F. or higher rarely occurs more than once a year. The lowest temperature ever



Somerset City Hospital



The Somerset Clinic



Top Left—1st. Presbyterian

Lower Left—1st. Methodist

Somerset Churches

Top Right—1st. Baptist

Lower Right—1st. Christian



St. Mildred's Catholic Church and School



Somerset's Hotel Beecher, one of Kentucky's finest

recorded was -30 degrees F., but temperatures 0 degrees or lower occur seldom more than once a year. The growing season varies from 180 days in the north to 210 days in the south. Seasonal heating degree days average about 4,500 for the state.

Winds from the south and west prevail most of the year, but in winter, north winds may prevail for short periods. Wind velocities average 6 to 13 mph.

Sunshine prevails for an average of at least 52% of the year, and increases to 60 percent or more to the southwest. Humidity is moderately high throughout the year. Mornings average about 80 percent during the year, and the average for noon and evening is about 60 percent in summer and 70 percent in winter.

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. The seasons differ markedly, yet warm to cool weather prevails with only short spells of extreme heat and cold.

APPENDIX

Employment by Industry Division	Appendix A
Economic Characteristics of the Population	Appendix B
Climatic Data	Appendix C
Kentucky Corporation Taxes	Appendix D
City Bond Issues for Industrial Buildings	Appendix E
Instructions for Filing Articles of Incorporation	Appendix F
Cooperating State Agencies	Appendix G

APPENDIX A

Table 10. Covered Employment by Major Industry Division, Pulaski County, Kentucky, June 1953.

Industry	Pulaski County		Kentucky Percent
	Number	Percent	
All Industries	2,621	100.0	100.0
Mining and surveying	129	4.9	10.7
Contract construction	44	1.7	11.1
Manufacturing	926	35.3	36.1
Food and products	36	1.5	5.8
Tobacco	1	0.1	2.0
Clothing and textiles	410	15.7	5.6
Lumber and furniture	361	13.8	3.9
Printing and paper	17	0.7	1.8
Chemicals, petroleum, etc.	48	1.8	2.9
Stone, clay and glass	16	0.6	1.2
Primary metals	0	0.0	1.8
Machinery and metal products	6	0.2	10.3
Other	23	0.9	0.8
Transportation and utilities	272	10.4	6.7
Wholesale and retail trade	885	33.8	24.4
Finance and real estate	62	2.4	3.4
Service	289	11.0	7.4
Other	14	0.5	0.2

Economic Characteristics of the Population for Pulaski County and Kentucky: 1950

Subject	Pulaski County		Kentucky	
	Male	Female	Male	Female
Total population	19,525	18,927	1,474,987	1,469,819
EMPLOYMENT STATUS				
Persons 14 years old & over	13,293	13,090	1,039,654	1,048,459
Labor force	10,168	2,039	799,094	214,162
Civilian labor force	10,161	2,038	777,155	213,916
Employed	9,761	1,966	748,658	206,328
Private wage & salary	3,893	1,300	437,752	156,377
Government workers	474	300	45,354	28,787
Self-employed	4,423	208	235,407	15,104
Unpaid family workers	971	158	30,145	6,060
Unemployed	400	72	28,497	7,588
Experienced workers	378	58	28,082	7,281
New workers	22	14	415	307
Not in labor force	3,125	11,051	240,560	834,297
Keeping house	80	9,140	5,495	665,564
Unable to work	1,143	539	70,583	38,564
Inmates of institutions	17	1	14,764	7,223
Other and not reported	1,885	1,371	149,718	122,946
14 to 19 years old	1,073	1,034	84,410	85,890
20 to 64 years old	589	260	47,447	28,942
65 and over	223	72	17,861	8,104
MAJOR OCCUPATION GROUP OF EMPLOYED PERSONS				
All employed	9,761	1,966	748,658	206,328
Professional & technical	308	214	34,405	25,410
Farmers and farm mgrs.	3,513	71	169,728	2,264
Mgrs., officials & props.	614	107	57,432	9,706
Clerical & kindred wkrs.	235	297	33,228	47,520
Sales workers	316	216	35,141	20,534
Craftsmen and foremen	1,163	118	107,292	3,096
Operatives & kindred wkrs.	1,119	394	152,280	37,609
Private household workers	9	178	1,584	21,408
Service workers	208	292	30,522	28,000
Farm laborers, unpaid fam.	951	107	29,165	3,260
Farm laborers, other	418	5	38,358	788
Laborers, ex. farm & mine	798	9	49,848	1,843
Occupation not reported	109	58	9,675	4,890

Source: Bureau of the Census, 1950 Census of Population (Washington, 1952), Vol. II, Part 17, Tables 25, 28 and 43.

CLIMATIC DATA FOR SOMERSET, PULASKI COUNTY, KENTUCKY

Month	Temperature Norm <u>1/</u>	Total Prec. Norm. <u>2/</u>	Average Relative Humidity Readings <u>3/</u>			
	Degrees Fahrenheit	Inches	1:30 AM	7:30 AM	1:30 PM	7:30 PM (EST)
January	35.4	4.71	80	83	65	69
February	36.6	4.24	75	81	60	64
March	46.2	5.28	73	78	54	59
April	55.0	4.21	71	75	49	53
May	64.0	4.29	78	78	51	58
June	71.9	4.20	82	80	53	63
July	75.2	4.70	85	83	55	66
August	74.3	4.12	87	86	57	68
September	69.0	3.35	85	86	53	66
October	57.3	2.71	85	86	52	63
November	45.7	3.43	79	83	57	64
December	37.0	4.26	80	84	65	69
ANNUAL NORM:	55.6	49.50				

1/ Thirty year norm: Station Location: Science Hill, Pulaski County, Kentucky.

2/ Thirty year norm: Station Location: Burnside, Pulaski County, Kentucky.

3/ Length of record: 1:30 AM - 12 years; 7:30 AM - 64 years; 1:30 PM - 34 years; 7:30 PM - 64 years.
Station Location, Knoxville, Tennessee

Days Cloudy or Clear: (81 yr. rec.) - 120 clear; 121 partly cloudy; 124 cloudy.

Percent of Possible Sunshine: Annual - 57 percent.

Days with Precipitation Over 0.01 inch: (81 yr. rec.) - 133 days.

Days with 1.0 or More Snow, Sleet, Hail: (68 yr. rec.) - 3 days.

Days with Thunderstorms: (21 yr. rec.) - 48 days.

Days with Heavy Fog: (71 yr. rec.) - 18 days.

Prevailing Wind: (33 yr. rec.) - SW.

Seasonal Heating Degree Days: (51 yr. rec.) - Approximate long-term means, 3,777 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 (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.

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 present date, in the chronological order. All articles and amendments must be accounted for in the certification of the Secretary of State of the state of incorporation. 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 process agent and place of business in Kentucky is required. Filing fee \$5.00.
3. Annual verification report of statement of corporation and annual statement of existence is required to be filed on or before July 1st, of each year. Filing fee for each is \$1.00.
4. 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 re-photostated.

For further information write to:

Charles K. O'Connell
Secretary of State
Commonwealth of Kentucky
Frankfort, Kentucky

COOPERATING STATE AGENCIES

As a state, Kentucky realizes 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. Since it is a statutory function of the A&ID Board "to coordinate development plans," contact with the following state agencies and others concerned may be established through the Board.

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, 1952, 2,542 miles of highway and bridges were placed under contract at a total cost of \$34,400,000. 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 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. 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.