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Industrial Resources: Harlan County - Cumberland

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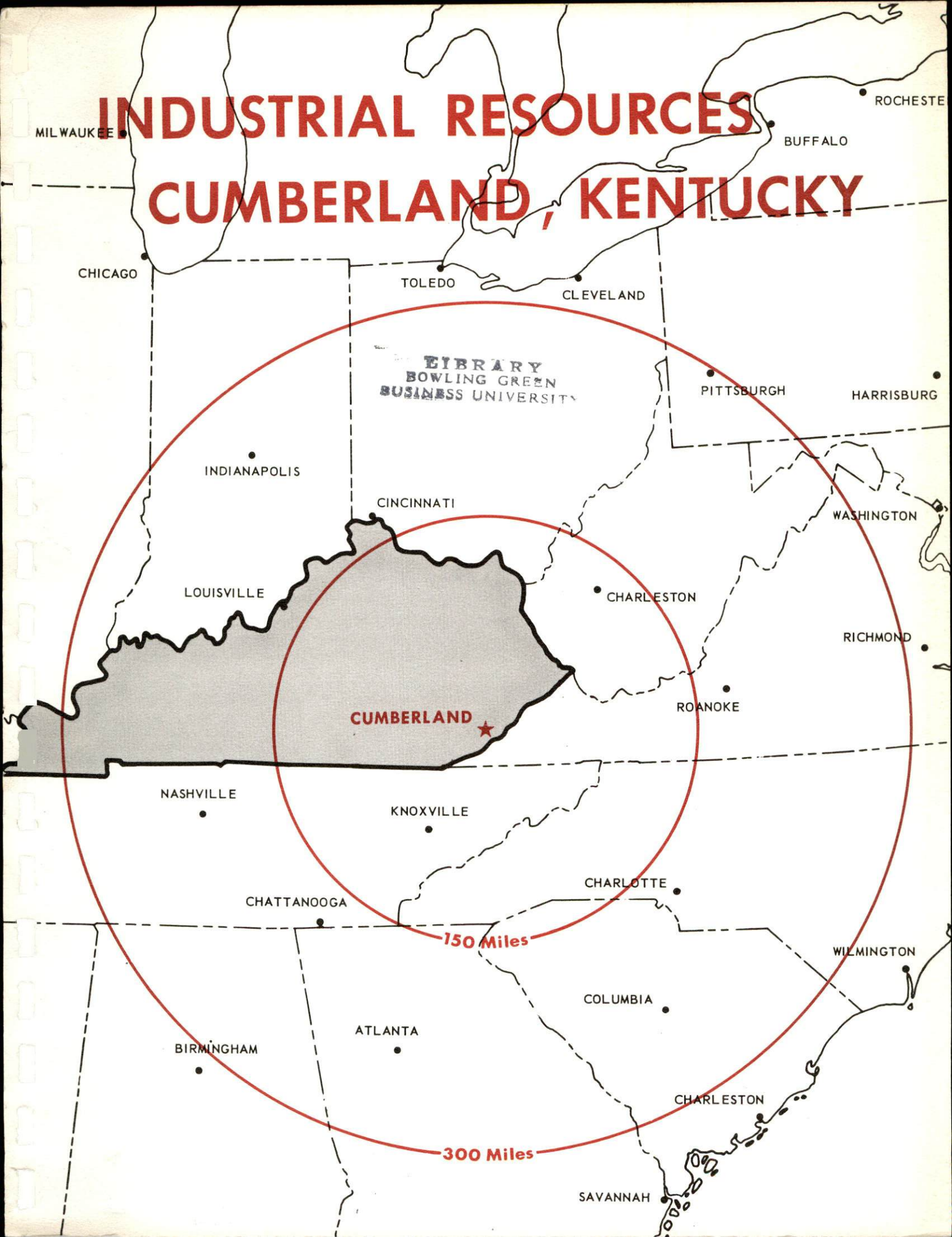
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INDUSTRIAL RESOURCES CUMBERLAND, KENTUCKY



INDUSTRIAL RESOURCES
CUMBERLAND, KENTUCKY

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Prepared by

The Cumberland Chamber of Commerce
and
The Kentucky Department of Commerce

Frankfort, Kentucky

July, 1962

INDUSTRIAL RESOURCES
 CUMBERLAND, KENTUCKY
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SUMMARY DATA FOR CUMBERLAND, KENTUCKY

POPULATION:

1960: Cumberland - 4,271

Harlan County - 51,107

CUMBERLAND LABOR SUPPLY AREA:

Includes Harlan and all adjoining counties. Estimated number of workers available for industrial jobs in the labor supply area - 10,638 men and 10,832 women. Number of workers available from Harlan County - 2,155 men and 3,918 women.

TRANSPORTATION:

Railroads: Cumberland is served by the Cumberland Valley Division of the Louisville and Nashville Railroad.

Air: The nearest commercial airports are the London Airport and the Tri-City Airport at Bristol, Virginia-Tennessee, both of which are 90 miles distant. The Harlan County Airport, which accommodates small aircraft, is 22 miles distant.

Trucks: Commercial trucking service is provided by three carriers; the nearest terminal is located in Harlan, Kentucky.

Bus Lines: The Cumberland Coach Lines provides four daily trips to Harlan where Greyhound connections can be made to all points.

HIGHWAY DISTANCES FROM CUMBERLAND, KENTUCKY TO:

<u>Town</u>	<u>Miles</u>	<u>Town</u>	<u>Miles</u>
Atlanta, Ga.	314	Memphis, Tenn.	525
Chicago, Ill.	524	New Orleans, La.	744
Cincinnati, Ohio	250	New York, N. Y.	646
Detroit, Mich.	490	St. Louis, Mo.	443
Los Angeles, Calif.	2,340	Washington, D. C.	520

Electricity

Cumberland is served by the Kentucky Utilities Company with a 33,000 volt, double-phase cable.

Natural Gas

Cumberland has no natural gas facilities.

Water

A municipally owned company serves the city with treated water. The plant capacity is 600,000 gallons per day, and the peak daily demand has been 355,000 gallons.

Sewerage

Cumberland has no sewerage disposal plant, but preliminary plans for such are in process.

POPULATION AND LABOR MARKET

Population Growth

Table 1 shows population and recent rates of growth in Cumberland and Harlan County, Kentucky.

Table 1

Population Growth in Cumberland and Harlan County, Kentucky
1900-1960

<u>Year</u>	<u>Cumberland</u>		<u>Harlan County</u>		<u>Kentucky</u>
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>% Change</u>
1900	----	----	9,383	----	15.5
1910	----	----	10,566	7.4	6.6
1920	300	----	31,546	189.6	5.5
1930	2,639	779.7	64,557	104.6	8.2
1940	4,149	57.2	75,275	16.6	8.8
1950	4,249	2.4	71,751	-4.7	3.5
1960	4,271	0.5	51,107	-28.8	3.2

Per cent of nonwhite population in city and county: 7.9

Labor Market*

Definition:

The Cumberland labor supply area is defined for purposes of this statement to include Harlan, Letcher, Perry, Leslie, and Bell Counties. The population centers of all area counties are within 55 miles of Cumberland, making commuting feasible from any point in the area.

According to the 1960 United States Bureau of Census, the population of this 5-county area was 161,540, which was a decrease of 59,438 from the 1950 census of 220,978.

* Department of Economic Security Labor Supply Statement for Cumberland, Kentucky Area .

Economic Characteristics of the Area:

According to the 1959 Census of Agriculture, the area is economically industrial with approximately 18,214 people employed in this industry. There were 412 farms in the area listed as commercial. Of this number, 390 area farms and 20 Harlan County farms had an income of less than \$2,500. Harlan County had 282 employed in agricultural jobs in 1959.

In June 1961, there were 1,757 manufacturing jobs in the area, with 497 of this number in Harlan County. Bell County had 770 persons employed in manufacturing, which was the greatest number of manufacturing jobs of any area county.

Per capita income for the state in 1957 was \$1,372, estimated by the University of Kentucky Bureau of Business Research. Area counties ranged from \$529 in Leslie to \$1,599 in Harlan.

Estimated Labor Supply for Industrial Jobs:

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

- (1) The current unemployed, measured here by unemployment insurance claimants.
- (2) Men who would shift from low paying jobs such as farming and women who would enter the labor force if jobs were available.
- (3) The future labor supply due to aging of the population and measured here by the number of boys and girls becoming 18 years of age during the next ten years.

It is estimated that there are 10,638 men and 10,832 women in the Cumberland area who would be available for industrial jobs. Harlan County alone could furnish 2,155 men and 3,918 women included in the above total.

In addition to the current labor supply, 31,685 boys and 30,008 girls in the area will become 18 years of age during the next 10 years, with 10,209 boys and 9,878 girls of this number residing in Harlan County. It is likely that at least 80% of the boys and 40% of the girls will want jobs upon reaching working age.

LOCAL MANUFACTURING

The following table shows existing firms and products manufactured in Cumberland and Harlan County.

Table 2

Manufacturing Firms, Products and Employment

<u>Firm</u>	<u>Product</u>	<u>Employment</u>		
		<u>Male</u>	<u>Female</u>	<u>Total</u>
Creech Lumber Co.	Rough lumber	8	0	8
Edward Morris	Mine timbers	7	0	7
Gilbert Lumber Co.	Rough lumber	40	0	40
Hurricane Gap Sand & Gravel	Sand and gravel	30	0	30
Tri-City Printing Co.	Newspaper & job printing	2	2	4
United States Steel Corp.	Bituminous coal mining	1,100	9	1,109
Wisconsin Steel Coal Mines of the International Harvester Corp.	Bituminous coal mining	386	14	400

Prevailing Wage Rates

Some examples of wages in the area are:

<u>Classification</u>	<u>Rate Per Hour</u>
Labor	\$1.15 to \$1.75
Semi-skilled	1.50 to 2.00
Skilled	2.00 to 3.00
<u>Classification</u>	<u>Rate Per Week</u>
Clerical	\$30 to \$45
Secretarial	35 to 75

Unions

Name of Union

Name of Company

United Mine Workers of America

U. S. Steel Corp.

Progressive Mine Workers of America

Wisconsin Steel Coal
Mines

TRANSPORTATION

Railroads

Cumberland is served by the Cumberland Valley Division of the Louisville and Nashville Railroad which operates between Corbin and Lynch. There are two local freights daily traveling both north and south. Switching service and Railway Express pickup and delivery service is available 5 days per week.

There is an average of 5,500 outbound carloads per month consisting mainly of coal.

Table 3

Railway Transit Time from Cumberland, Kentucky, To:*

<u>Town</u>	<u>No. of Hours</u>		<u>Town</u>	<u>No. of Hours</u>	
	<u>CL</u>	<u>LCL</u>		<u>CL</u>	<u>LCL</u>
Atlanta, Ga.	35 1/2	59 1/2	Louisville, Ky.	32	56
Birmingham, Ala.	59 1/2	107 1/2	Los Angeles, Calif.	120	264
Chicago, Ill.	52 1/2	100 1/2	Nashville, Tenn.	51	51
Cincinnati, Ohio	22 1/2	46 1/2	New Orleans, La.	77	101
Cleveland, Ohio	54	102	New York, N. Y.	84	156
Detroit, Mich.	53	101	Pittsburgh, Pa.	59	107
Knoxville, Tenn.	28 1/2	52 1/2	St. Louis, Mo.	65	113

Highways

Cumberland is served by U. S. Route 119 and Kentucky Route 160.

Table 4

Highway Distances from Cumberland, Kentucky, To:

<u>Town</u>	<u>Miles</u>	<u>Town</u>	<u>Miles</u>
Atlanta, Ga.	314	Lexington, Ky.	174
Birmingham, Ala.	388	Louisville, Ky.	243
Chicago, Ill.	524	Nashville, Tenn.	309
Cincinnati, Ohio	250	New York, N. Y.	646
Detroit, Mich.	490	Pittsburgh, Pa.	517
Knoxville, Tenn.	123	St. Louis, Mo.	443

* Louisville and Nashville Railroad, Louisville, Kentucky

Truck Lines: Cumberland is served with both interstate and intrastate services by the Pinson Transfer Co., Huntington, West Virginia; Railway Express Agency, Inc., New York, N.Y.; and Conken Freight Lines, Inc., Harlan, Kentucky.

The nearest terminal is located in Harlan, 22 miles distant.

Table 5

Truck Transit Time from Cumberland, Kentucky, To:*

<u>Town</u>	<u>No. of Days</u>		<u>Town</u>	<u>No. of Days</u>	
	<u>TL</u>	<u>LTL</u>		<u>TL</u>	<u>LTL</u>
Atlanta, Ga.	3	3	Louisville, Ky.	1	1
Birmingham, Ala.	3	3	Los Angeles, Calif.	6	6
Chicago, Ill.	4	4	Nashville, Tenn.	3	3
Cincinnati, Ohio	3	3	New Orleans, La.	5	5
Cleveland, Ohio	4	4	New York, N. Y.	4	4
Detroit, Mich.	5	5	Pittsburgh, Pa.	3	3
Knoxville, Tenn.	ON**	ON**	St. Louis, Mo.	3	3

Bus Lines: Cumberland Coach Lines operates four daily buses from Cumberland to and from Harlan. Greyhound connections are available in Harlan.

Air

The nearest commercial airports are the London Airport and the Tri-City Airport at Bristol, Tennessee, both 90 miles distant. The London Airport has one runway 100 feet wide and 4,000 feet long. The field is equipped for night operations and has a CAA radio and weather station. Piedmont Airlines serves the airport with three flights daily.

The Harlan County Airport, located two miles northwest of Harlan, 22 miles distant, provides services for small aircraft only.

* Conken Freight Lines, Harlan, Kentucky

** Overnight

UTILITIES AND FUEL

Electricity

Cumberland is served by the Kentucky Utilities Company with a 33,000 volt, 2-way feed cable. The peak demand has been 2,200 KW. By the end of this year, the Kentucky Utilities Company plans to have the present transmission line increased to 69,000 volts with a 2-way feed.

The Kentucky Utilities Company provides electric service in 77 Kentucky counties. The company has a generating capacity of 575,000 KW in its five generating stations which are located in Eastern, Central and Western Kentucky. The company also has major interconnections with its neighboring utilities - Louisville Gas and Electric, Ohio Power Company, Kentucky Power Company, Electric Energy, Inc., Central Illinois Public Service Company, TVA, and through Louisville Gas and Electric and Ohio Power with Ohio Valley Electric Corporation. These interconnections provide a means of interchanging substantial blocks of electric power when desired. For complete rate schedules, contact the Kentucky Department of Commerce or Director of Industrial Development, Kentucky Utilities Company, Lexington, Kentucky.

Natural Gas

Cumberland has no natural gas facilities.

Fuel Oil

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

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

Coal and Coke

Cumberland is located in the heart of the Eastern Kentucky Coal Field. The total 1960 production of this field was 36,663,991 tons.*

Kentucky has three coke plants located in Ashland, Calvert City, and Dawson Springs. This supply is supplemented by border state operations.

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

Water

Cumberland is provided finished water by the municipally owned Cumberland Water Works, whose source of supply is the Cumberland River. The capacity of the treatment plant is 600,000 gallons per day and the peak demand has been 355,000 gallons with the average daily use being 280,000 gallons. The water is treated with chlorine, alum, lime, flouride, and activated carbon. Storage facilities consist of a 300,000 gallon elevated tank and a 55,000 gallon underground tank. Both contain finished water. Water is distributed in 2" to 12" mains at a pressure of 75 to 90 psi.

Rates:

Domestic

First	2,000 gal.	\$2.00 Minimum
From 2,000 -	8,000 gal.	.40 per thousand gal.
Over	8,000 gal.	.35 per thousand gal.

Commercial

First	22,000 gal.	\$6.40
Over	22,000 gal.	.30 per thousand gal.

Sewerage

Cumberland has no sewerage disposal plant, but raw sewage is collected in 8" to 14" mains and directly discharged into the Cumberland River. Approximately 80% of the city is connected with this system.

The city is in the process of getting a preliminary survey completed for the purpose of constructing a sewerage disposal plant.

INDUSTRIAL SITES

- Site # 1: Acreage and Topography: 4 acres, level land
Location: Within the eastern city limits of Cumberland on Kentucky Route 160.
Highway Access: Located on Kentucky Route 160.
Railroad Access: Borders the Louisville and Nashville Railroad property on the north.
Water: Cumberland Water Works
Electricity: Kentucky Utilities Company
Sewerage: Sewerage mains are available. Cumberland has no disposal plant.
Gas: None
- Site # 2: Acreage and Topography: 5 1/2 acres, level land
Location: On Kentucky Route 160, just east of the eastern city limits of Cumberland.
Highway Access: Located on Kentucky Route 160.
Railroad Access: The L & N Railroad parallels Kentucky Route 160 on the opposite side from the site.
Water: Cumberland Water Works
Electricity: Kentucky Utilities Company
Sewerage: None
Gas: None
- Site # 3: Acreage and Topography: 10 acres, level land
Location: Approximately 1/4 mile east of the southeastern Cumberland city limits.
Highway Access: Has an access road leading to Kentucky Route 160 located 300 feet away.
Railroad Access: The L & N Railroad passes just north of this site.
Water: Cumberland Water Works
Electricity: Kentucky Utilities Company
Sewerage: None
Gas: None
- Site # 4: Acreage and Topography: 6 acres, level land
Location: Approximately 1/2 mile east of the southeastern Cumberland city limits.
Highway Access: An access road leads to Kentucky Route 160 which is 300 feet to the north.
Railroad Access: Bound on the north by the L & N Railroad.
Water: Cumberland Water Works
Electricity: Kentucky Utilities Company
Sewerage: None
Gas: None

Site # 5: Acreage and Topography: 14 acres, level land
Location: Approximately 1/2 mile south of the Southern Cumberland city limits.
Highway Access: A county road and city streets lead to the junction of U. S. Route 119 and Kentucky Route 160 which is approximately 1 mile north.
Railroad Access: The L & N depot of Cumberland is 1 mile distant
Water: Cumberland Water Works
Electricity: Kentucky Utilities Company
Sewerage: None
Gas: None

Site # 6: Acreage and Topography: 12 acres, level land
Location: Approximately 3/4 mile south of the southern Cumberland city limits.
Highway Access: A county road and city streets lead to the junction of U. S. Route 119 and Kentucky Route 160 which is approximately 1 1/4 miles to the north.
Railroad Access: The L & N depot of Cumberland is 1/4 mile distant
Water: Cumberland Water Works
Electricity: Kentucky Utilities Company
Sewerage: None
Gas: None

Site # 7: Acreage and Topography: 19 acres, level land
Location: Approximately 1 mile west of the western city limits of Cumberland.
Highway Access: An access road leads to U. S. Route 119 which is approximately 300 yards to the north.
Railroad Access: This site bounds the L & N freight yards.
Water: Cumberland Water Works
Electricity: Kentucky Utilities Company
Sewerage: None
Gas: None

Available Industrial Buildings

Cumberland has two industrial buildings. One is located in the western portion of Cumberland; the other is in Benham, which is approximately 2 miles to the east of Cumberland.

LEGEND:
UTILITIES AVAILABLE
W—WATER
E—ELECTRICITY
S—SEWERAGE

SITE-7
19 Ac.
W.E

SITE-5
14 Ac.
W.E

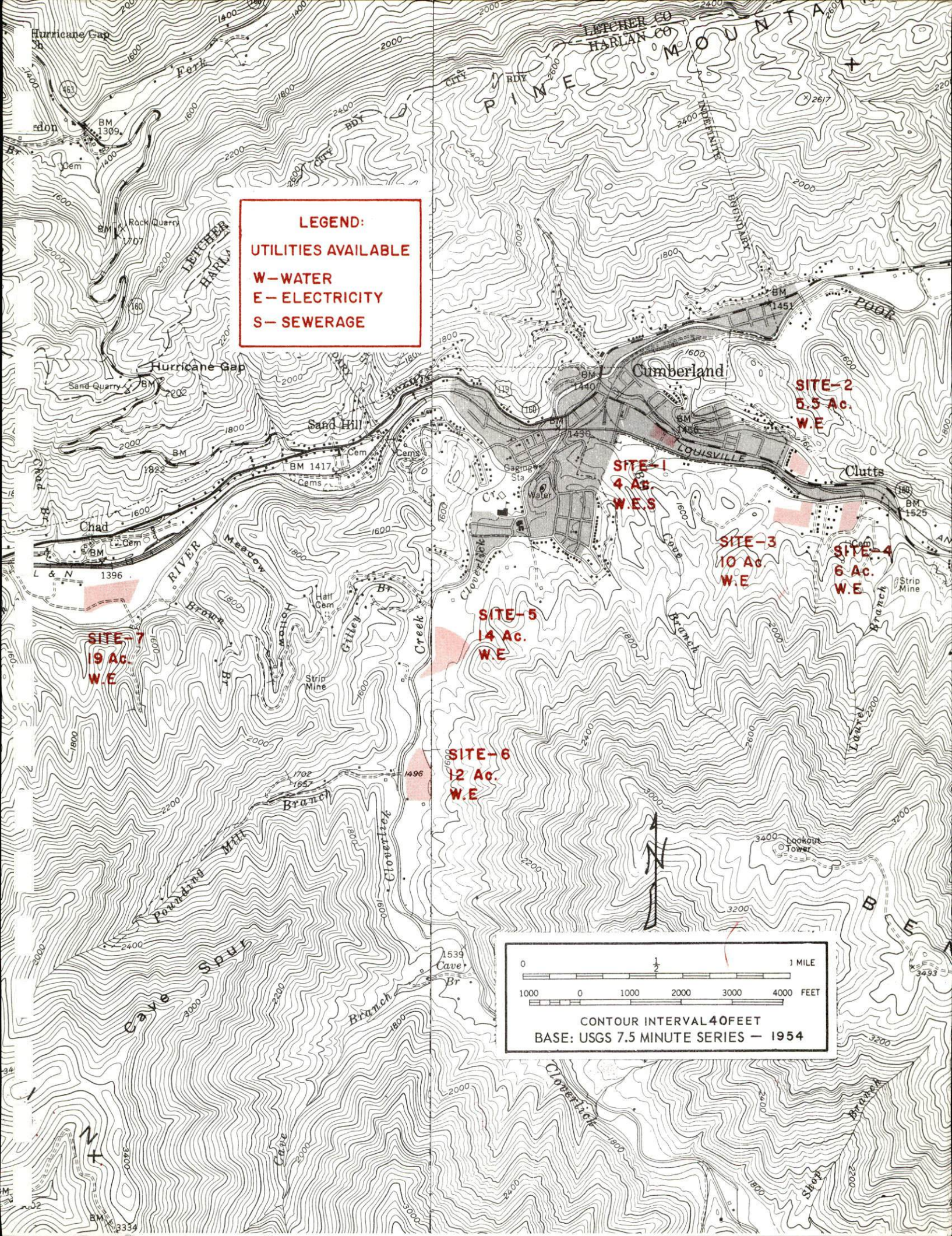
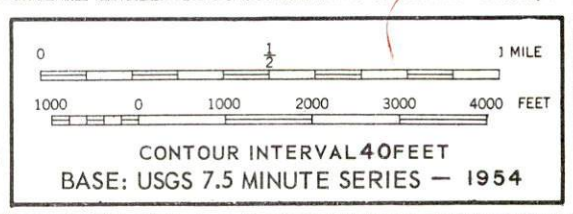
SITE-6
12 Ac.
W.E

SITE-1
4 Ac.
W.E.S

SITE-3
10 Ac.
W.E

SITE-4
6 Ac.
W.E

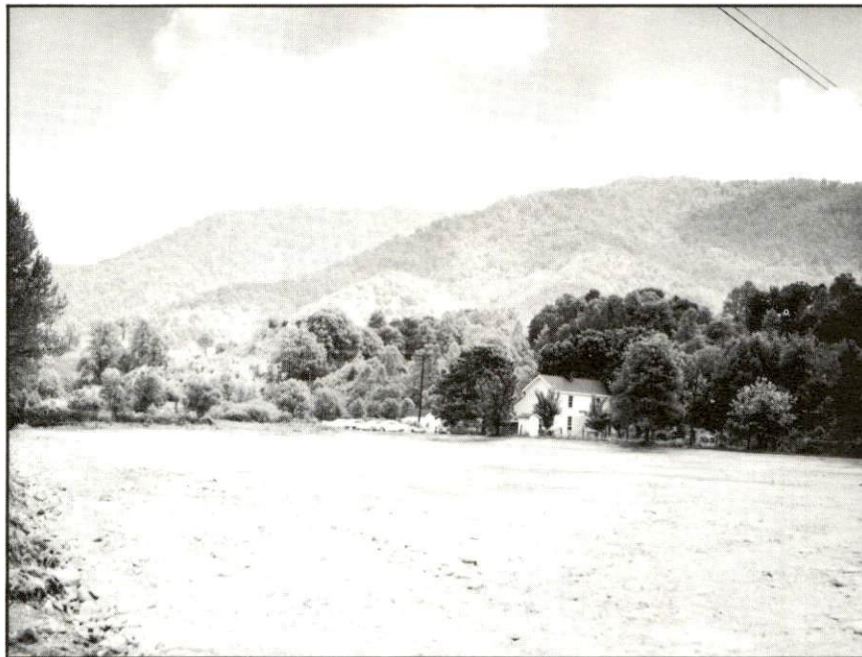
SITE-2
5.5 Ac.
W.E





LARGE INTERNATIONAL HARVESTER BUILDING AVAILABLE FOR INDUSTRY

INDUSTRIAL SITES



THIS INDUSTRIAL SITE LOCATED IN HEART OF CITY

LOCAL GOVERNMENT AND SERVICES

Type Government

Cumberland is governed by a mayor elected for a 4-year term, and 7 councilmen elected for 2-year terms.

Laws Affecting Industry

Exemption to Industry: As provided by state law, Cumberland may allow a five-year property tax exemption to new industry. This exemption cannot be extended beyond five years.

Business Licenses: Cumberland requires business and occupational licenses. Fees range from \$2.00 to \$101.00, depending upon the type of business or occupation.

Planning and Zoning

Cumberland has had an active Planning and Zoning Commission since 1957. The Commission has recently revised the zoning ordinance and prepared a revision of the city base map.

The Commission has a very progressive Urban Renewal Program. A recently purchased tract of land will be the site of a \$1,000,000 low-rent housing project which is to be completed in 1964.

Other components of the over-all development plan include existing land-use studies, subdivision regulations, future land use plan, community facilities plan, and annexation studies.

Fire Protection

The Cumberland Volunteer Fire Department is staffed by a chief and 14 volunteers. Equipment includes one 750 gpm pumper truck and one 500 gpm pumper truck, both of which are equipped with 1,200' of 2 1/2" hose and 400' of 1 1/2" hose and a 24' extension roof ladder. The department also has two MSA all purpose masks and one MSA air-mask. This equipment is housed in two buildings.

Drilling programs are held weekly.

Cumberland has a Class 7 NBFU insurance rating.

LIBRARY
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Police Protection

Police protection is provided by a chief and four patrolmen. Equipment includes one late model cruiser with a 2-way radio.

Garbage and Sanitation

Both wet and dry garbage is collected weekly in the residential areas and biweekly in the business areas by three city employees which utilize one open truck. The waste is emptied into a city-rented open dump.

Rates:

Residential	\$1.00 per month
Business	\$5.00 to \$15.00, depending upon the frequency of collection

TAXES

The following table shows the property taxes applying in Cumberland and Harlan County for 1961. A more detailed explanation of taxes is shown in Appendix E.

Table 6

Property Tax Rates per \$100 of Assessed Value

<u>Taxing Unit</u>	<u>Cumberland</u>	<u>Harlan County</u>
County	\$.50	\$.50
State	.05	.05
City	1.15	---
School	1.50	1.50
Total	<u>\$3.20</u>	<u>\$2.05</u>

Local Financial Statement

<u>Ratio of Assessment:</u>	<u>City Bonded Indebtedness as</u>
(Based on 1960 State and County Tax Levies)	<u>of December 31, 1961:</u>
Harlan County - 26.1%	Water Bonds -
Cumberland - 26.1%	\$123,000.00
	General Obligation -
	\$ 55,000.00
<u>Total Assessment:</u>	Street Improvement -
Cumberland - \$ 3,128,657.50 (Net assessed value of property subject to full local rate 1961)	\$ 39,000.00
Harlan County - \$33,861,391.00 (Net assessed value of property subject to county taxes 1960)	<u>City Expenditures, 1961:</u>
Harlan County - \$62,648,319.00 (Net assessed value of property subject to state taxes 1960)	\$85,612.54
	<u>Estimated County Budget, 1962:</u>
<u>City Income, 1961:</u>	\$219,524.00
\$86,645.87 (Includes \$7,367.06 balance at beginning of year)	<u>County Bonded Indebtedness:</u>
	\$16,000.00

OTHER LOCAL CONSIDERATIONS

Housing

It has been estimated that nine houses and four apartments could be rented at any time. Construction cost of an average three-bedroom brick home with full basement is \$12,000 to \$18,000. Cumberland has four subdivisions with 406 lots, of which 164 are vacant.

The city of Cumberland Municipal Housing Commission has recently purchased 19 acres within the southeastern city limits at a cost of \$9,150 for the purpose of constructing a low-rent housing project. This \$1,000,000 project will contain 60, one to five bedroom duplex units and the project is to be completed by early 1964.

Health

Hospitals: Cumberland is served by the Valley View Hospital located in Benham, 2 miles distant, with 23 beds and 4 bassinets. The staff includes two doctors, five registered nurses, a laboratory technician, an administrator, a clerk, a cook, a janitor, and five maids. Facilities are available for major and minor surgery, x-ray, cardiographs, and diagnostic tests.

Clinics: The Cumberland Clinic located in Cumberland, and the Lynch Medical Services Clinic located in Lynch, 5 miles distant, are staffed with a combined total of 11 medical doctors and 4 registered nurses. Both offer outpatient service only and have facilities for x-ray, laboratory and emergency facilities.

Public Health Service: The Harlan County Health Department is located in Harlan, Kentucky. It is staffed by a health officer, nurse, and two sanitarians and clerks. At present, the department has a substantial wide-range program, including a variety of services and constant communication and medical professionals of the county.

Education

Graded Schools: The two Cumberland schools are part of the Harlan County School District. The grade school includes grades 1 through 8 and has 34 classrooms. The high school has 24 classrooms and includes grades 9 through 12. Besides having a combined total of 68 classroom teachers, the schools have one instrumental music director, 4 lunchroom employees, and 5 maintenance employees. Both schools serve hot lunches.

Recent improvements include a six-room addition to the elementary school in 1961 and a combination vocational agriculture and industrial arts building which has just been completed.

Harlan County has three other school systems: the Harlan Independent, the Lynch Independent, and the Harlan County Parochial.

Table 7

Schools, Enrollment, Number of Teachers and Student-Teacher Ratio in Cumberland and Harlan County

<u>System</u>	<u>Enrollment</u>	<u>Number of Teachers</u>	<u>Student-Teacher Ratio</u>
Cumberland (elem.)	975	33	30
Cumberland (high)	624	30	21
Harlan Co. (elem.)	3,889	146	27
Harlan Co. (high)	2,294	146	16
Harlan (elem.) (Ind.)	1,306	45	29
Harlan (high) (Ind.)	504	22	23
Lynch (elem.) (Ind.)	690	25	28
Lynch (high) (Ind.)	462	26	18
Harlan Co. (Par.)	131	6	22

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

Cumberland is served by the Harlan Area Vocational School, Harlan, Kentucky. Courses offered are in auto mechanics, auto body mechanics, general industrial electricity, machine shop, and wood working and carpentry.

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

Colleges: Colleges and Universities near Cumberland are:

Union College, Barbourville, 49 miles
Cumberland College, Williamsburg, 72 miles
Sue Bennett College, London, 77 miles
Pikeville College, Pikeville, 97 miles
Berea College, Berea, 125 miles
Eastern State College, Richmond, 137 miles
University of Kentucky, Lexington, 163 miles
Transylvania College, Lexington, 163 miles

Libraries

The Cumberland area uses the library of the Southeast Center of the University of Kentucky. The library houses 5,221 volumes in an 80' x 30' building space and has an annual circulation of 4,680.

Churches

There are 16 churches in Cumberland representing the following denominations: Methodist, Baptist, Regular Baptist, Missionary Baptist, Christian, Nazarene, Church of God, Jehovah's Witnesses, Penecostal, Catholic, Church of Christ and A. M. E. Zion.

The combined membership of the churches is 2,505 and the average attendance is 64%.

Financial Institution

Statement as of December 31, 1961

	<u>Assets</u>	<u>Deposits</u>
Guaranty Deposit Bank	\$3,028,323.52	\$2,755,921.71

Hotels and Motels

<u>Name</u>	<u>No. of Units</u>
Cumberland Motel	15
Gilliam's Motel	5

Communication

Telephone and Telegraph: The Cumberland Telephone Company serves the city with a dial system. The 1,051 subscribers have a 7-mile radius of toll free exchange.

A direct dialing system will be installed after Harlan converts to the dial system. Western Union, with an office in Harlan, serves Cumberland. Messages are telephoned to Harlan for relay.

Postal Facilities: Cumberland has a second class post office with six employees. Mail is dispatched and received twice daily via star route.

Postal receipts for 1961 totaled \$28,889.78.

Newspapers: Cumberland is served by the Tri-City News, a weekly paper which is published each Thursday. This paper is printed in Cumberland and has a circulation of 2,000.

Daily papers are received from Harlan, Louisville, and Knoxville.

Radio: Cumberland has one local station, WCPM, operating on 1280 kilocycles with 1,000 watts from 6:00 A.M. to 6:15 P.M. daily.

Excellent reception comes from Harlan, Kentucky, and Norton, Virginia.

Television: Television in Cumberland is received by cable from Ashland, Bristol, Johnson City and Knoxville, with all three major networks represented.

Clubs and Organizations

Civic: Rotary Club, Lion's Club, Tri-City Improvement Association, P. T. A.

Fraternal: Masonic Lodge, VFW, American Legion, FOP, Rod and Gun Club, Redskin Athletic Council.

Women: Eastern Star, Women's Club, Homemakers Club, Beta Sigma Phi, Lonesome Pine Garden Club.

Youth: Boy Scouts, Girl Scouts, Cub Scouts, Brownies, Little League, Babe Ruth League, FFA, FTA, FHA, FBLA.

Recreation

Local: The Cumberland City Park, comprised of 10 acres, houses an all-purpose 40' x 60' building, swimming pool and bathhouse, picnic tables, outdoor grills, basketball goals, three tennis courts, and amphitheater and bleachers.

There is a City Recreation Program and a supervised Youth Center during the summer months.

Cumberland has two indoor theaters, a drive-in theater, and a 16-lane bowling alley.

The Sleepy Hollow Country Club, located in Cumberland, has a 9-hole golf course and a clubhouse.

The Lynch Country Club located in Lynch, 6 miles distant, has a 7-hole golf course, a clubhouse, and a swimming pool.

The Ravens Rock State Park is located in Cumberland. This 275 acre park will be completed in 1964. It will have a 20 acre lake, surrounded by a variety of outdoor recreational facilities and a lodge.

Area: Nearby parks offering excellent facilities include: Stone Mountain Park, Pine Mountain State Park, Cumberland Gap National Historical Park, Cumberland Falls State Park, and the Great Smoky Mountains National Park.

Community Improvements

- Recent:
- (1) The Southeast Center of the University of Kentucky located in Cumberland in 1960.
 - (2) A dial system was installed in 1960.
 - (3) A \$50,000 access road was built to Ravens Rock State Park.
 - (4) A 16-lane bowling alley was opened in 1961.
 - (5) The VFW has built a new building.

- Planned:
- (1) The Ravens Rock State Park is to be completed and formally opened in 1964.
 - (2) A 30-mile, scenic Skyline Drive is to be completed in 1962. This will connect with Ravens Rock State Park.
 - (3) A \$1,000,000 low-rent housing project containing 60 units is to be completed by 1964.
 - (4) Kentucky Utilities Company is to increase the present transmission line to 69,000 volts with a 2-way feed by the end of this year.

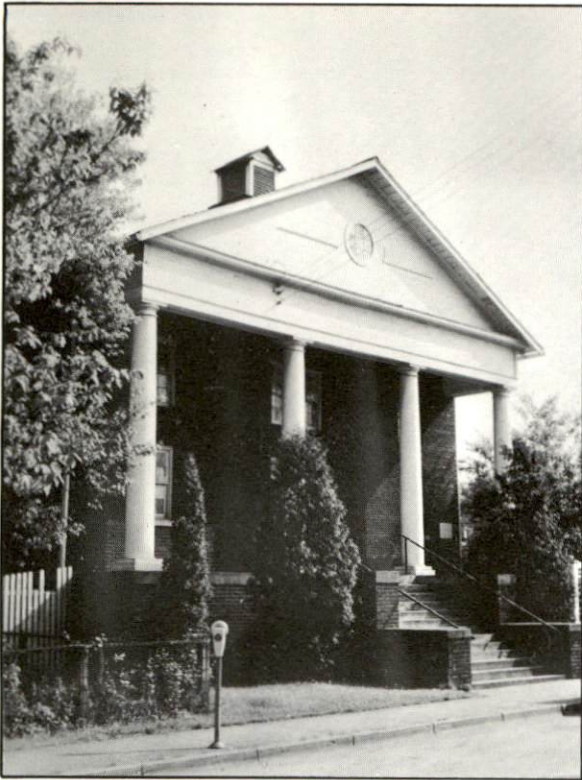


SOUTHEAST CENTER UNIVERSITY OF KENTUCKY

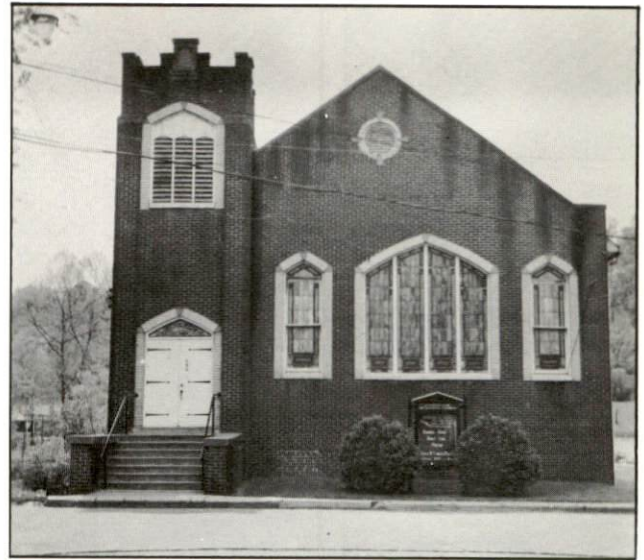
EDUCATION



SOUTHEAST CENTER UNIVERSITY OF KENTUCKY

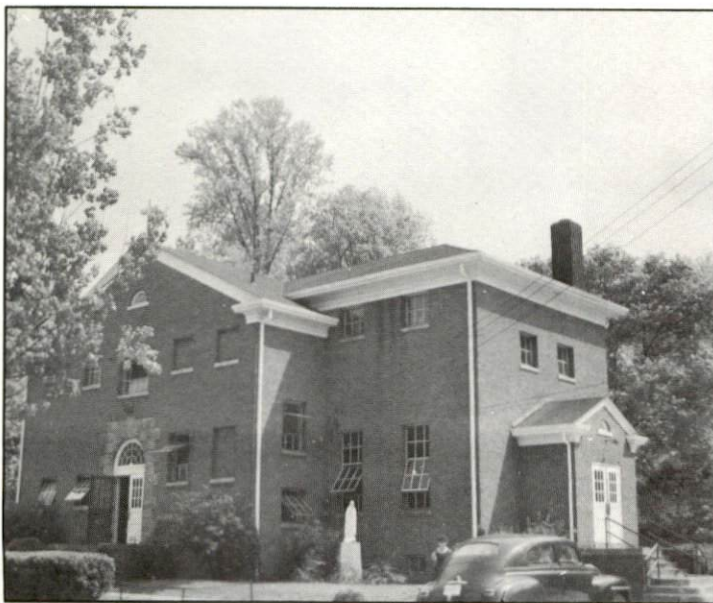


CUMBERLAND BAPTIST CHURCH

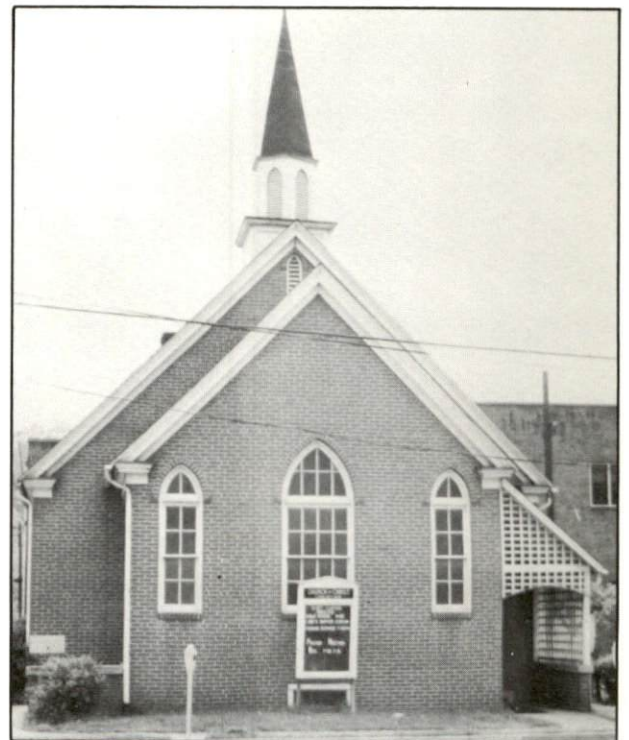


CUMBERLAND METHODIST CHURCH

A COMMUNITY IS KNOWN BY IT'S CHURCHES



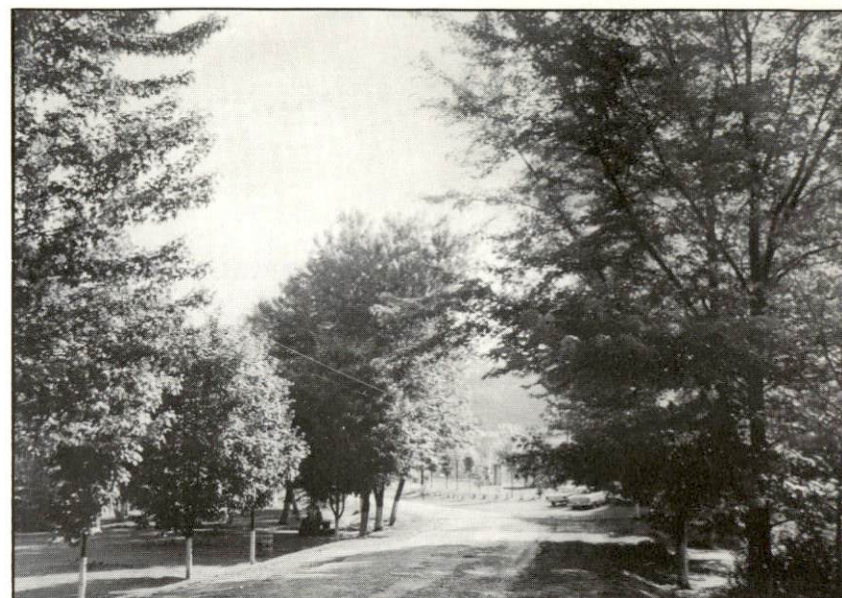
ST. STEPHENS CATHOLIC CHURCH



CHURCH OF CHRIST

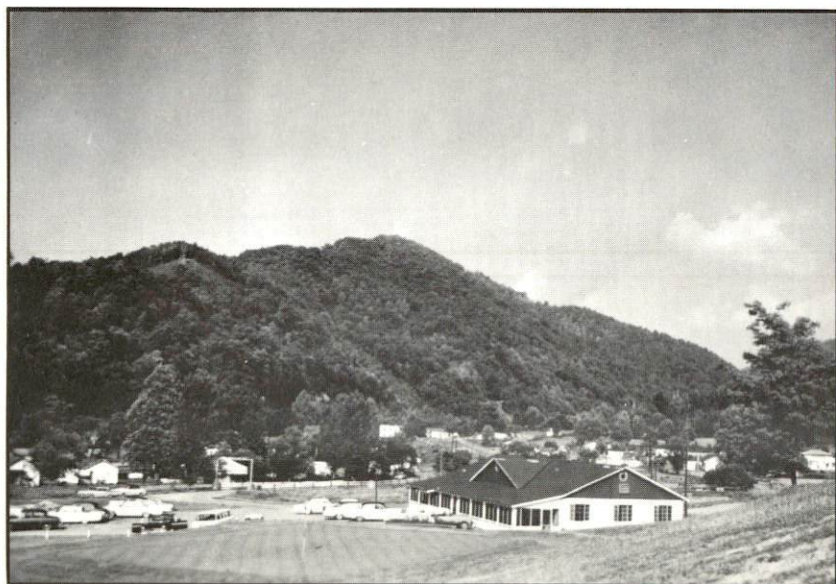


TRI-CITY BOWLING LANES

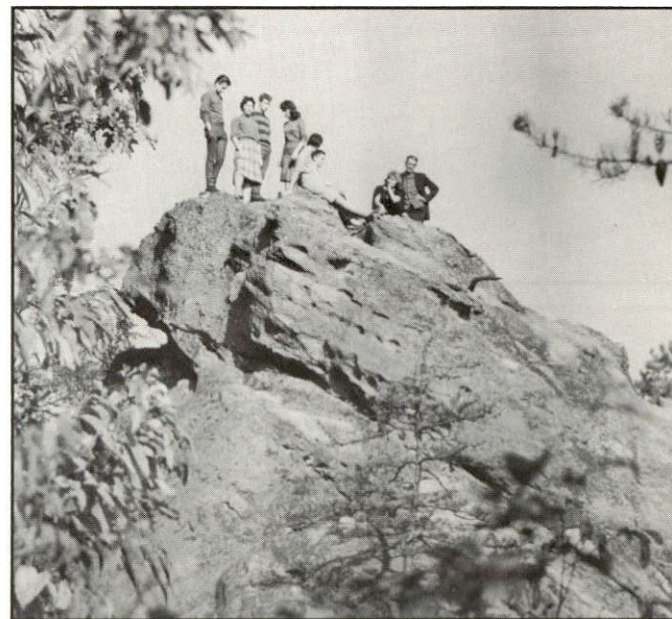


ENTRANCE, CITY OF CUMBERLAND
MUNICIPAL PARK AND SWIMMING POOL

RECREATION



CLUB HOUSE: SLEEPY HOLLOW GOLF COURSE



"RAVEN'S ROCK" IN KINGDOM COME STATE PARK

NATURAL RESOURCES

Agricultural Products

In 1959 there were 358 farms in Harlan County covering 33,472 acres, an average of 93.5 acres per farm. The following table shows some agricultural statistics for Harlan County and Kentucky.

Table 8

Agricultural Statistics for Harlan County and Kentucky
1959*

<u>Crops</u>		<u>Acres Harvested</u>	<u>Yield Per Acre</u>	<u>Total Production</u>
<u>Corn:</u>				
Harlan Co.	(bu)	1,097	29.9	32,812
Kentucky	(bu)	1,649,000	42.5	70,184,000
<u>Alfalfa Hay:</u>				
Harlan Co.	(tons)	72	1.7	124
Kentucky	(tons)	289,000	2.1	620,000
<u>Clo-Tim Hay:</u>				
Harlan Co.	(tons)	399	1.2	480
Kentucky	(tons)	427,000	1.3	582,000
<u>Lespedeza Hay:</u>				
Harlan Co.	(tons)	126	1.1	143
Kentucky	(tons)	549,000	1.2	703,000

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

Table 9

Livestock Statistics for Harlan County and Kentucky
1959*

<u>Livestock</u>	<u>Number on Farms as of January 1, 1960</u>
<u>All cattle and calves:</u>	
Harlan Co.	1,113
Kentucky	1,947,000
<u>Milk cows:</u>	
Harlan Co.	309
Kentucky	466,000
<u>Sheep:</u>	
Harlan Co.	143
Kentucky	546,000

Forests

There are approximately 273,000 acres of forest in Harlan County which comprise 91% of the total land area. The principal tree types are Oak, Hickory, Beech, Yellow Poplar and Pine.

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

Minerals

Coal is by far the most important mineral resource of Harlan County. Other minerals of importance include petroleum and natural gas, limestone, sandstone and glass sand, and clay. Gravel suitable for general construction purposes occurs locally along the Cumberland River and its larger tributaries. Harlan County ranked fourth among Kentucky counties in value of minerals produced in 1960 with a total of \$34,970,028 from coal and petroleum (Minerals Yearbook, 1960).

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

Coal:

Production: Harlan County is one of the outstanding coal producers in Kentucky. In 1960 a total of 7,004,559 short tons was produced from 35 rail mines and 177 truck mines (Kentucky Department of Mines and Minerals). Harlan County leads the state in accumulative coal production through 1960 with a total of nearly 464 million tons.

Quality: Harlan County coals are classified as high volatile bituminous and rank among the nation's best. They are low in sulphur and ash content and have a high btu value. Typical analyses of the more important seams are given below:

<u>Seam</u>	<u>Mois- ture</u>	<u>Volatile Matter</u>	<u>Fixed Carbon</u>	<u>Ash</u>	<u>Sulphur</u>	<u>BTU Dry Basis</u>	<u>Ash Softening Temp. °F</u>
Harlan	2.5	37.3	57.2	3.0	.6	15,140	2,720
Highsplint	4.1	37.9	54.7	3.3	.6	15,000	2,300
Darby	3.5	37.3	57.4	1.8	.5	15,020	2,170

Source: U. S. Bureau of Mines

Reserves: Total remaining reserves, as of January 1, 1952, for Harlan County, are estimated at 3,048.39 million short tons by the U. S. Geological Survey, "Coal Resources of Eastern Kentucky." This includes measured, indicated and inferred resources in beds 14 inches or more in thickness.

Petroleum and Natural Gas: The only reported oil production in Harlan County came in 1958 and 1960 when 73 and 146 barrels, respectively, were secured. Commercial amounts of natural gas have also been found. Further exploration, however, is needed to determine the economic potential of these important minerals.

Limestone: Mississippian limestone formations have been brought to the surface along the Pine Mountain thrust fault. Some zones within these formations contain high-calcium stone (95 per cent or more CaCO₃) which offers important uses in the chemical industry. One quarry produced crushed stone for general construction purposes in 1961.

Sandstone and Glass Sand: Local sandstone deposits have been used for building and highway purposes. The recent development of a high-silica sandstone and conglomerate deposit in the Lee formation on Pine Mountain near Elkhorn City has opened a new source of raw material for the glass industry. This formation forms the crest of Pine Mountain beginning near Elkhorn City and extending southwestward into Tennessee. Washed samples of this sandstone near the top of Pine Mountain, approximately three miles north of Harlan and one mile west-northwest of Cumberland, show the following chemical analyses:

<u>Location</u>	<u>SiO₂</u>	<u>Fe₂O₃</u>	<u>Al₂O₃</u>	<u>CaCO₃</u>	<u>MgCO₃</u>
Near Harlan	97.880%	.079%	1.511%	.090%	.030%
Near Cumberland	97.795%	.056%	1.644%	.070%	.054%

Source: Kentucky Geological Survey

Clay: Recent investigations indicate that residual clays of quality suitable for the manufacture of heavy clay products such as building brick are present. Deposits in the Wallins vicinity, ranging from 10 to 22 feet in thickness, have been sampled and analyzed. However, no quantitative work has been done.

In 1960, Kentucky ranked fifteenth in the nation in value of mineral production including natural gas liquids with a total of \$413,517,000. In order of value, the minerals produced were coal, petroleum, stone, natural gas, natural gas liquids, sand and gravel, clays and fluorspar. Kentucky ranked second among the states in the production of bituminous coal and ball clay, and third in the production of fluorspar. Fuels constituted 88 percent of the total value with coal accounting for 68 percent, petroleum - 15 percent, and natural gas - 5 percent. Stone represented 5 percent, sand and gravel - 1 percent, and clay - 1 percent. All other minerals, which include natural gas liquids, fluorspar, barite, lead, silver, zinc, cement, crushed sandstone and gem stone, accounted for 5 percent.

Table 10

KENTUCKY MINERAL PRODUCTION 1960 (1)
(Units in short tons unless specified)

<u>Mineral</u>	<u>Quantity</u>	<u>Value</u>
Barite	(2)	(2)
Clays	951,000 (3)	2,646,000 (3)
Coal	66,846,000	282,395,000
Fluorspar	25,855	1,173,000
Gem Stones	(4)	(5)
Lead (recoverable content of ores, etc.)	558	131,000
Natural Gas (cubic feet)	75,329,000,000	18,380,000
Natural Gas Liquids:		
Natural Gasoline (gallons)	(2)	(2)
LP Gases (gallons)	(2)	(2)
Petroleum (crude-barrels)	21,144,000 (6)	60,260,000 (6)
Sand and Gravel	5,113,000	5,763,000
Silver (recoverable content of ores, etc. - troy ounces)	-----	-----
Stone (7)	15,810,000	21,493,000
Zinc (recoverable content of ores, etc.)	869	224,000
Value of items that cannot be disclosed: cement, ball clay (1960), crushed sandstone, and values indicated by foot- note 2.	-----	22,080,000

- (1) Mineral Industry of Kentucky, Minerals Yearbook, 1960. Production as measured by mine shipments, sales, or marketable production (including consumption by producers).
- (2) Figure withheld to avoid disclosing individual company confidential data.
- (3) Excludes ball clay; included with "Value of items that cannot be disclosed."
- (4) Weight not recorded.
- (5) Less than \$1,000.
- (6) Preliminary figure.
- (7) Excludes crushed sandstone; included with "Value of items that cannot be disclosed."

Water

Surface Water: The Cumberland River is the largest source of water for both industrial and domestic use. The average discharge of this river at Harlan is 632 cfs (USGS, 14 years record). The average discharge of Poor Fork at Cumberland is 136 cfs (USGS, 14 years record).

Ground Water: The occurrence of ground water is primarily from rocks of the Pennsylvanian System except along the Pine Mountain fault where Devonian and Mississippian rocks are aquifers. This has been summarized in Hydrologic Investigations Atlas HA-10 (U. S. Geological Survey) as follows:

Devonian and Mississippian Systems, Undifferentiated

"The outcrop areas of the Devonian and Mississippian systems are along the Pine Mountain thrust fault. The limestone yields water to springs, one of which is used for public supply."

Pennsylvanian System

"Where sandstone, siltstone, or conglomerate crops out in broad uplands or in valleys, it yields enough water for domestic use to most drilled wells. A number of wells yield more than 50 gpm for public and industrial supplies. Some water is obtained from limestone and coal beds. Little water is available from shale. Sandstone and conglomerate yield water to numerous springs and seeps, but most of the springs are small and go dry in late summer."

Because of local variations, the above conditions may not apply to any given locality but should serve only as a guide to the general ground water conditions in these systems.

MARKETS

Retail sales in Harlan County were \$34,014,000 in 1958.*

Per capita income in Harlan County was \$1,599 in 1957.**

Kentucky and the seven adjoining states make up one-fourth of the National Market.

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

In 1958, retail sales in this area totaled \$44,817,920,000 - 22.3% of the United States.***

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

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

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

CLIMATE

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

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

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

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

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

APPENDIX

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

HISTORY

The city of Cumberland, located at an altitude of 1,430 feet, lies in the northeastern section of Harlan County. Primarily a mining and lumber town, its industrial and civic activities were stimulated first by the building of the railroad in 1911, and second by the building of better highways in more recent years.

Like most mountain towns, Cumberland is surrounded with narrow valleys and high mountains which have an elevation that provides good tourist scenery. Originally known as Poor Fork, the town is located at the junction where the Looney Creek meets with the Poor Fork Creek. A few miles to the southwest, Martin's Fork Creek joins with Clover Fork Creek at Harlan, and these two streams flow north as one to join the Poor Fork Creek, hence, giving birth to the Cumberland River.

In 1939, Cumberland had a population of 2,639; today, a population of 4,271. The sudden increase in population from 1939 to about 1949 was probably due to the demand for coal and timber supplies during the Second World War. Cumberland's present population is slightly more than Harlan's-- the county seat. Yet in the last decade, Cumberland suffered less than a 1% change in its population, whereas Harlan reported a - 13%. The explanation for this lies in the fact that, while the coal mines at the Cumberland-Benham-Lynch region maintained production during the recent labor disputes, those located at the Harlan region were gradually forced to close down due to strikes and less demand for coal.

In 1911 the Louisville and Nashville Railroad was built through Cumberland, passing on to the big coal centers at Benham and Lynch. Almost overnight, coal mines began to be developed and sprang up like mushrooms. However, it was not until 1928 that roads and highways for automobiles began to reach the area.

Naturally the railroad played a big role in the history and development of this area. Throughout the years the Louisville and Nashville railroad handled, in this area, a coal movement which increased from 341,796 tons (roughly 8,500 cars) in 1913 to a peak movement of 232,958 cars in 1926. The shipments from the Cumberland Valley increased from 25,841 tons (roughly 600 cars) in 1911 to a peak total of 356,339 cars in 1928. The coal movement has declined somewhat since that time, but in 1939, for example, the Louisville and Nashville handled a total of 24,141,118 tons of coal, and most of this originated up in its Eastern Kentucky and Cumberland Valley divisions.

Even today, the chief industry for Cumberland and Harlan County is still coal production. Different seams of coal are worked and there are several mines producing more coal each month than was produced in the entire county in 1911. The coal is of exceptional quality, sold from coast to coast, and is nationally known. It is an all around purpose coal, not only used for the generation of heat, but also for the production of coke, tar, gas ammonia, perfume, medicine, and billiard balls.

Harlan County became the sixtieth in the order of formation, erected by act of the General Assembly in 1819. Formed out of parts of Knox and Floyd counties, it was named in honor of Major Silas Harlan, a young Virginian, who commanded a company of scouts in the Illinois campaigns of 1779 against the Indians, under General George Rogers Clark. He was a major at the battle of the Blue Licks, in which he died, bravely fighting at the head of his command.

From 1819 until 1867, a period of 48 years, Harlan County was the extreme southeastern county of the state, until Bell County was formed out of its southern and southeastern part. It is now bound on the north by Leslie, Perry, and Letcher counties, on the east and south by the State of Virginia, and on the west by Bell County. It is one of the highest, most rugged, and mountainous of all the mountain counties, but it possesses a fertile soil, and is still, in great part, covered with its original heavy forests, which abound with excellent timber of the most valuable kinds, such as oak, beech, and pine. Other valuable and merchantable hardwoods are plentiful, but those named predominate.

On the county's southern boundary lies the great Stone or Cumberland Mountain, which is surmounted by a stupendous rock, one mile long and six hundred feet high. On the northern border line is the Pine Mountain, which lies in a northeast to southwest direction, and separates Harlan from Leslie, Letcher, and Perry counties. Finally, in the northeastern part, only eight miles from Cumberland, lies the Big Black Mountain, the highest peak in Kentucky with an altitude of 4,150 feet, and whose tree-covered crest can be seen from miles away.

The history of Harlan County would be strikingly incomplete without some slight mention to the unfortunate, widely-spread, bloody feuds, which resulted in a miniature civil war, and which prevailed not long ago in that quarter of the "Highlands" of Kentucky. The feuding was brought to a sudden stop by a fearful parricide, and the prompt but legal punishment of the criminal. Law and order was established, backed by the authority of the good citizens of the county, and now Harlan County is as peaceful and law-abiding as any county of the "Lowlands".

COVERED EMPLOYMENT BY MAJOR INDUSTRY DIVISION
HARLAN COUNTY AND KENTUCKY

<u>Industry, September, 1961</u>	<u>Harlan County</u>		<u>Kentucky</u>	
	<u>Number</u>	<u>Per cent</u>	<u>Number</u>	<u>Per cent</u>
All Industries	6,054	100.0	450,797	100.0
Mining & Quarrying	2,993	49.4	30,480	6.7
Contract Construction	164	2.7	38,043	8.4
Manufacturing	499	8.2	169,562	37.6
Food & kindred products	283	4.6	25,996	5.7
Tobacco	1	.01	10,520	2.3
Clothing, tex, & leather	0	---	25,542	5.6
Lumber & furniture	192	3.1	14,151	3.1
Printing, pub. & paper	23	.3	10,432	2.3
Chemicals, petroleum, coal & rubber	0	---	13,713	3.0
Stone, clay & glass	0	---	5,904	1.3
Primary metals	0	---	9,737	2.1
Machinery, metals & equip.	0	---	51,097	11.3
Other	0	---	2,470	.5
Transportation, Communication & Utilities	271	4.4	33,214	7.3
Wholesale & Retail Trade	1,123	18.5	117,790	26.1
Finance, Ins. & Real Estate	120	1.9	20,663	4.5
Services	884	14.6	39,208	8.6
Other	0	---	1,837	.4

Economic Characteristics of the Population for Harlan County and Kentucky
1960

Subject	Harlan County		Kentucky	
	Male	Female	Male	Female
Total Population	25,221	25,886	1,508,536	1,529,620
EMPLOYMENT STATUS				
Persons 14 years old & over	16,178	17,222	1,036,440	1,074,244
Labor force	9,508	2,954	743,255	219,234
Civilian labor force	9,496	---	705,411	290,783
Employed	8,184	2,788	660,728	275,216
Private wage & salary	6,948	2,015	440,020	208,384
Government workers	501	525	58,275	44,462
Self-employed	716	191	156,582	16,109
Unpaid family workers	19	57	5,851	6,261
Unemployed	1,312	166	44,683	15,567
Not in labor force	6,670	14,268	293,185	783,010
Inmates of institutions	80	9	15,336	8,791
Enrolled in school	2,384	2,431	94,734	97,825
Other & not reported	4,206	13,600	183,115	676,394
Under 65 years old	2,691	10,354	91,626	539,838
65 and over	1,515	3,246	91,489	139,556
MAJOR OCCUPATION GROUP OF EMPLOYED PERSONS				
All employed	8,184	2,788	660,728	275,216
Professional & technical	565	579	46,440	36,879
Farmers & farm mgrs.	72	4	91,669	2,339
Mgrs., officials, & props.	707	165	58,533	10,215
Clerical & kindred workers	305	502	35,711	66,343
Sales workers	401	425	39,837	25,265
Craftsmen & foremen	440	15	114,003	2,836
Operatives & kindred workers	3,777	92	140,192	45,305
Private household workers	11	387	1,123	25,183
Service workers	289	537	29,844	40,156
Farm laborers & farm foremen	31	---	33,143	2,046
Laborers, ex. farm & mine	368	---	44,227	1,671
Occupation not reported	210	82	26,006	16,978

Source: Bureau of the Census, 1960 Census of Population (Washington, 1962), General Social and Economic Characteristics of Kentucky, Tables 52, 56, 57, 83, and 84.

CLIMATIC DATA FOR CUMBERLAND, HARLAN COUNTY, KENTUCKY

<u>Month</u>	<u>Temp. Norm*</u>	<u>Total Prec. Norm*</u>	<u>Av. Relative</u>	
	<u>Deg. Fahrenheit</u>	<u>Inches</u>	<u>Humidity Readings**</u>	
			<u>7:00 A. M.</u>	<u>1:00 P. M.</u>
			<u>(EST)</u>	
January	36.9	3.58	85	65
February	33.6	5.07	83	58
March	31.3	4.87	81	54
April	56.6	1.75	79	50
May	60.0	3.12	85	52
June	70.1	4.47	86	54
July	73.1	5.29	88	56
August	75.1	5.34	92	55
September	69.3	5.24	90	53
October	58.6	2.57	89	51
November	44.9	2.58	84	56
December	29.5	3.19	83	61
Annual Norm	53.3	47.07		

* Station Location: Benham, Letcher County, Kentucky

** Station Location: Bristol, Tennessee

Length of record: 7:00 A.M. readings 12 years;
1:00 P.M. readings 12 years.

Days cloudy or clear: (23 yrs. of record) 90 days clear, 161 days cloudy,
and 114 days partly cloudy

Per cent of possible sunshine: Not Available

Days with precipitation of 0.01 inch or over: (15 yrs. of record) - 135 days

Days with 1.0 or more snow, sleet, hail: (17 yrs. of record) - 4 days

Days with thunderstorms: (17 yrs. of record) - 47 days

Days with heavy fog: (17 yrs. of record) - 39 days

Prevailing wind: (6 yrs. of record) - West

Seasonal heating degree days: (29 yrs. of record) Approximate long-term means, 4,148 degree days

KENTUCKY CORPORATION TAXESCorporation Organization Tax

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

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

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

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

Corporation License Tax

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

Corporation Income Tax

The corporation income tax rate is 5% on the first \$25,000 of taxable net income and 7% on all over \$25,000 taxable net income. Taxable net

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

State and national banks, trust companies, domestic building and loan associations, insurance companies, and non-profit corporations are exempt from the tax. Payment is due on the 15th day of the fourth month after the close of the tax year.

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

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

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

Franchise Company Taxes

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

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

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

General Property Taxes

Kentucky's constitution provides that all property, unless specifically exempt, shall be subject to property taxation. Classification is provided and assessments are required to be at fair cash value. However, Kentucky courts have consistently held that uniformity takes precedence over full value. As of 1955, the statewide assessment level on real estate and tangible personalty is about 35 per cent, and on intangible personalty is approximately full value.

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

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

^{1/} County rates have a maximum of 70¢ but average 62¢; school rates average \$1.56 with a maximum of \$1.50 except for special voted levies not to exceed 50¢. City rates average about 75¢ with a maximum of \$1.50 for cities over 15,000 population.

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

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

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

City and city school assessment and payment dates vary.

Special Taxes

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

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

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

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

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

MAJOR KENTUCKY STATE AND LOCAL TAXES
APPLICABLE TO A MANUFACTURING CONCERN

	<u>State</u>	<u>Local</u>									
Business Taxes	<p>1. Corporation income tax of 5% on first \$25,000 and 7% on all over \$25,000 of taxable net income which is allocated to Kentucky, <u>after</u> deduction of Federal corporation income tax attributable to Kentucky operations.</p> <p>2. Corporation license tax of 70 cents on each \$1,000 of that part of the value of capitol stock represented by property owned or business transacted in Kentucky; minimum tax \$10.</p>	There are no local taxes levied on business firms outside corporate limits of Kentucky cities.									
Personal & Individual	Individual income tax consisting of: (1) a normal tax which ranges from 2% on the first \$3,000 of net income to 6% on net income in excess of \$8,000 <u>after the deduction of Federal individual income tax payments</u> , which is reduced by a tax credit of \$20 for each exemption. (Effective January 1, 1961, individual income taxes were reduced by an average of 40%.)	There are no local individual income taxes levied outside the corporate limits of Kentucky cities.									
Real Estate	Five cents on each \$100 of assessed valuation. The average county assessment ratio is approximately 33 per cent of current market value.	Local rates vary within limits imposed by law.									
Machinery & Equipment	Fifty cents on each \$100 of assessed valuation. The average assessment ratio is approximately 33 per cent of current market value.	No local taxing jurisdiction allowed to impose a property tax on manufacturing machinery and equipment.									
Inventory	Fifty cents on each \$100 of assessed valuation. The average assessment ratio is approximately 33 per cent of current market value.	No local taxing jurisdiction is allowed to impose a property tax on manufacturing inventories, raw materials and goods in process.									
Sales & Use	Three per cent retail sales and use tax with broad exemptions for industry.	None									
Intangible Property	The assessment ratios and tax rates per \$100 of assessed value for the various classes of intangible property are as follow: <table border="0" style="margin-left: 20px;"> <tr> <td>Bank Deposits</td> <td>100%</td> <td>1/10 of 1¢</td> </tr> <tr> <td>Stocks & Bonds</td> <td>100%</td> <td>25¢ per \$100</td> </tr> <tr> <td>Accounts Receivable</td> <td>85%</td> <td>25¢ per \$100</td> </tr> </table>	Bank Deposits	100%	1/10 of 1¢	Stocks & Bonds	100%	25¢ per \$100	Accounts Receivable	85%	25¢ per \$100	No local taxing jurisdiction allowed to impose a property tax on intangible property.
Bank Deposits	100%	1/10 of 1¢									
Stocks & Bonds	100%	25¢ per \$100									
Accounts Receivable	85%	25¢ per \$100									

KENTUCKY REVISED STATUTES
1948

103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF STATE

Secretary of State, Frankfort, Kentucky

INSTRUCTIONS FOR FILING ARTICLES
OF
INCORPORATION FOR FOREIGN CORPORATIONS
IN KENTUCKY

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

For further information write to

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

COOPERATING STATE AGENCIES

As a state, Kentucky realizes the importance of industry in developing her many resources. In addition to the Department of Economic Development, which was created for the express purpose of promoting the economic development of the Commonwealth, there are many state agencies actively engaged in programs which, directly or indirectly, contribute materially to the solution of problems which affect our industrial growth. Since it is a statutory function of the Department of Economic Development "to coordinate development plans," contact with the following state agencies and others concerned may be established through this agency.

The Kentucky Highway Department, in planning its program of development and expansion, gives every consideration to the needs of existing and proposed industries. During the year 1959, 2,645 miles of highway and bridges were placed under contract at a total cost of \$62,905,575. Kentucky has ranked in the upper fourth of all states in recent years in both the number of miles of highway construction and in the amount of money spent.

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

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

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

The Kentucky Department of Economic Development takes pride, not only in the services it has to offer to industries seeking locations in Kentucky, but in the service it attempts to render on a continuing basis to existing industry. Established industries have found the state to be considerate of their welfare and we welcome the opportunity to introduce representatives of prospective new industries to our present family of industries.