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Industrial Resources: Pike County - Elkhorn City

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P. 16

INDUSTRIAL RESOURCES

ELKHORN CITY, KENTUCKY



INDUSTRIAL RESOURCES
ELKHORN CITY, KENTUCKY

21832

Prepared by
The Citizens of Elkhorn City
and
The Kentucky Department of Economic Development
Frankfort, Kentucky
October, 1959

INDUSTRIAL RESOURCES - ELKHORN CITY, KENTUCKY

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S U M M A R Y D A T A F O R E L K H O R N C I T Y , K E N T U C K Y

POPULATION, 1950: Elkhorn City - 1,349; Pike County - 81,154.
1957 (est.) Pike County - 71,194.

ELKHORN CITY LABOR SUPPLY AREA: Includes Pike and all adjoining counties. Estimated number of workers available for industrial jobs in the labor supply area - 4,350 men and 7,350 women.

TRANSPORTATION:

Railroads: Elkhorn City is served by two railroads, the Chesapeake and Ohio and the Clinchfield.

Air: The local landing field is being improved to handle twin engine planes. Bristol's Tri-city Airport is the nearest commercial field.

Bus Lines. The Black and White Bus Line has three round trips daily to Pikeville and two round trips daily to Grundy, Virginia.

HIGHWAY DISTANCES: From Elkhorn City

To	Miles	To	Miles
Atlanta, Ga.	428	Louisville, Ky.	251
Knoxville, Tenn.	232	Chicago, Ill.	581
Nashville, Tenn.	425	Detroit, Mich.	454
St. Louis, Mo.	544	Pittsburgh, Pa.	388

UTILITIES:

Electricity: The Kentucky Power Company supplies electrical power to Elkhorn City.

Natural Gas: The Lyda Gas Company, which is privately owned, supplies a portion of the city from one 400,000 cu. ft. well.

Water: The Elkhorn City Water Department has a present surplus of approximately 250,000 gallons per day.

Sewerage: The city has sanitary mains to all sections. Raw sewage is piped to the Russell Fork of the Big Sandy River.

POPULATION AND LABOR

Population

The 1950 population of Elkhorn City was 1,349. Table 1 shows population and recent rates of growth in Elkhorn City, Pike County, and Kentucky.

Table 1. Population Growth in Elkhorn City, Pike County and Kentucky, 1900-50

Year	<u>Elkhorn City</u>		<u>Pike County</u>		<u>Kentucky</u>
	Population	% Increase	Population	% Increase	% Increase
1900			22,686		
1910			31,679	39.4	6.6
1920	821		49,477	56.4	5.5
1930	996	12.1	63,267	28.6	8.2
1940	1,030	10.3	71,122	11.8	8.8
1950	1,349	13.1	81,154	14.2	3.5
1957 (est.) <u>1/</u>			71,194	-12.3	.4

Percent of Negro Population in City and County - 1.5.

Percent of Foreign Born Population in City and County - .3.

Labor Force 2/

Definition and Population Trend. The Elkhorn City labor supply area is defined for purposes of this statement to include Pike and the following Kentucky counties: Knott, Letcher and Floyd. Martin County is usually included in this area but due to distances involved in commuting and the roads, it is omitted from this statement. Although the data presented in this statement relate to these four counties, it is likely that a large number of workers would also be attracted to Elkhorn City from Mingo County, West Virginia.

The population of the area as defined was 163,996 in 1957 according to estimates prepared by the University of Kentucky which represents a drop of 32,738 persons from the 1950 Census figure. Pike County population decreased sharply from 81,154 in 1950 to 71,194 in 1957.

There was a large decrease of 32,738 persons from this area between 1950-1956, which was undoubtedly the result of few job opportunities for the fast growing population.

Economic Characteristics of the Area. Economically the Elkhorn

City area is dominated by the bituminous coal mining industry. Mining employment totaled 10,361 in June 1958 with 4,109 of these from Pike County.

Agriculture furnishes jobs to about 5,236 in this area with most of these employed on low income farms.

The sharp drop in mining employment during the past several years has created a very unfavorable economic situation in this area. Both Pike and Floyd Counties are included in areas which are classified by the U.S. Department of Labor as having a critical surplus of labor. According to most experts, there appears to be little reason to expect the area economy to improve substantially in the near future.

During the first quarter of 1958 the average weekly wage in industries covered by unemployment insurance was \$69.83 in Pike County with an average in manufacturing of \$72.17. The national average is about \$10 higher than Kentucky's average which was \$74.61 for all industries and \$84.34 for manufacturing. Average wages are heavily affected by the high paying coal industry in this area, however it does not necessarily follow that this high wage would be necessary to attract workers to manufacturing industries located in this area.

Estimated Labor Potential for Industrial Jobs. There are three components of the estimated area labor supply.

1. The current unemployed, measured here by unemployment insurance claimants which is a minimum figure.
2. Men who would shift from low paying jobs such as farming and women not now in the labor force but who would enter the labor force if jobs were available.
3. The future labor supply due to the growth of the labor force and measured here by the number of boys and girls becoming 18 years of age during the next ten years.

It is estimated that 4,350 men and 7,350 women would be available for manufacturing jobs in the four counties in this area. This includes the current unemployed in addition to persons who would shift from low income jobs and women who would enter the labor force if jobs became available. It is likely that these seemingly high labor supply figures would actually be minimum for attractive industrial jobs.

Due to commuting problems not all of the area labor supply would be available for jobs located at Elkhorn City. However it is estimated that 2,275 men and 1,725 women could be attracted to that city for industrial jobs if they were available. Most workers would probably commute during the initial stages of work with many possibly moving to Elkhorn City if jobs became permanent.

During the next ten years about 26,136 boys and 25,300 girls from this area will become 18 years of age. It is likely that at least 80 percent of the boys and 40 percent of the girls would accept employment upon attaining working age. This points to a continuing replenishment of the local supply over the years to come.

Wages. Some examples of wages in the area are:

	Hourly Rate	
	Min.	Max.
Clerical and secretarial	.75	1.25
Laborer	1.00	1.30
Semi-skilled	1.30	1.75
Skilled	1.75	2.50

Labor-Management Relations. Labor-management relations in Elkhorn City are described locally as excellent.

EXISTING INDUSTRY

Existing Firms, Products and Employment

The following list of employers indicates something of the demand for labor and products available in the immediate area of Elkhorn City. This list shows substantially the entire employment in the area except those employed in retail and services. Job opportunities for women are almost non-existent.

Firm	Products	Employment		
		Male	Female	Total
Blue Diamond Coal Company	Coal	100	0	100
Caudill Ward Coal Company	Coal	65	1	66

continued

Table 2, continued

Firm	Product	Employment		
		Male	Female	Total
Republic Steel Corporation	Coal	245	2	247
Russell Fork Coal Company	Coal	220	1	221
Johnson Brothers Limestone Co.	Crushed stone	15	0	15
Kentucky Silica Products	Silica sand and pebbles	Under development		
Clinchfield Railroad Company	Railroad terminal	25	0	25
Clevenger Lumber Company	Rough lumber	3	0	3
M. D. Belcher Lumber Company	Logs	12	0	12
R. B. Holland Logging Company	Logs	30	0	30
Grayson Hylton Logging	Logs	8	0	8
S S & K Lumber Company	Lumber	20	0	20
Elkhorn City Lumber & Supply	Lumber and millwork	4	0	4
Coleman Coal Company	Coal dock	3	0	3
V I C Coal Dock	Coal dock	2	0	2
Damrons Cabinet Company	Cabinets, woodworking	2	0	2
Epling Bros. Construction	Builders	3	0	3
Hogston Construction Company	Builders	3	0	3
Johnson Construction Company	Builders	8	0	8
Justice Construction Company	Builders	5	0	5

Unionization

There are two unions which cover principally the mining and construction industries. These are the United Mine Workers and the United Construction Workers unions.

TRANSPORTATION

Railroads

Elkhorn City is served by two railroads, the Chesapeake and Ohio Railway Company and the Clinchfield Railroad Company.

The Ashland Division of the Chesapeake and Ohio operates between Ashland and Elkhorn City which is the terminal point. There it connects with the Clinchfield. Daily shifters from the Shelby yards, 16 miles away, bring freight in and return outgoing freight to be put on through trains going north.

The Clinchfield Railroad handles all shipments going south from Elkhorn City. Connections are made with the Southern Railroad at Frisco and Johnson City, Tennessee; Marion, North Carolina; and Spartansburg, South Carolina with the Norfolk and Western at St. Paul, Virginia; with the Interstate Railroad at Miller Yard, Virginia, with the Seaboard Railroad at Bostic, North Carolina and the C & W C and P & N at Spartansburg, South Carolina.

The Clinchfield yard at Elkhorn City will handle 400 cars and switching service is available seven days a week. This yard is used by C & O and is the connecting point of the two railroads. Approximately 16,000 cars (empty and full) are handled each month.

Package car service is made available by both railroads.

Table 3. Railway Transit Time from Elkhorn City, Kentucky 3/

To	Arrive	To	Arrive
Atlanta, Ga.	2nd PM	Louisville, Ky.	1st PM
Birmingham, Ala.	3rd AM	Los Angeles, Calif.	5th PM
Chicago, Ill.	1st PM	Nashville, Tenn.	2nd PM
Cincinnati, Ohio	1st AM	New Orleans, La.	3rd AM
Cleveland, Ohio	2nd AM	Pittsburgh, Pa.	2nd PM
Detroit, Mich.	2nd AM	New York, N. Y.	3rd PM
Knoxville, Tenn.	2nd PM	St. Louis, Mo.	3rd AM

Highways

State Highway 80 connects Elkhorn City with U. S. Highway 460, sixteen miles to the northwest and also to east-west Virginia State Highway 83, eleven miles to the southwest. State Highway 197 connects Elkhorn City with U. S. 23 and 119, sixteen miles to the southwest. Other routes serving the immediate vicinity are Kentucky 195 and 1373.

Truck Lines. Common carrier truck lines which serve Elkhorn City include: Pinson Transfer Company, Inc., with a terminal in Pikeville; Hogan Storage and Transfer Company with a terminal in Williamson, West Virginia; Intermont Transfer and Service Storage of Bluefield, West Virginia; and Drury Transfer with a terminal in Pikeville.

Bus Lines. The Black and White Bus Lines has three round trips daily to Pikeville and two round trips daily to Grundy, Virginia. Connections with other lines are made at these points.

To	Miles	To	Miles
Atlanta, Ga.	428	Lexington, Ky.	188
Birmingham, Ala.	490	Louisville, Ky.	251
Chicago, Ill.	581	Nashville, Tenn.	425
Cincinnati, Ohio	252	New York, N. Y.	735
Detroit, Mich.	454	Pittsburgh, Pa.	388
Knoxville, Tenn.	232	St. Louis, Mo.	544

Airways

The nearest commercial airports are the Tri-State Airport near Huntington, West Virginia, and the Tri-City Airport at Bristol, Tennessee. Both are 130 miles from Elkhorn City.

A local landing strip at Breaks Inter-State Park, 5 miles, is soon to be improved to handle twin-engine craft. At present only small craft can be accommodated.

UTILITIES

Electricity

Electricity is supplied by the Kentucky Power Company. Kentucky Power is an integrated part of the American Electric Power Company's interconnected system which has a generating capacity of over 5,000,000 kilowatts. The area served by Kentucky Power is substantially covered with distribution and transmission lines. Large users of electric power will find ample capacity available at many points in the area. Rates will be furnished upon request by The Kentucky Department of Economic Development and the Kentucky Power Company.

Natural Gas

Natural gas is supplied to part of Elkhorn City by the privately owned Lyda Gas Company. The source of supply is one 400,000 cu. ft. well located within the city limits. A 3" transmission line from the well runs to the 1 1/4" distribution mains which reach approximately 50 customers. The BTU content is 1100, specific gravity is .60, and pressure 8 ounces.

Extensive drilling is being done in the area by the United Fuel Gas Company, the Kentucky-West Virginia Gas Company and others.

Lyda Gas Company rates in Elkhorn City are as follows:

First	3,000 cu. ft.	.83 1/3	per M plus tax
Next	5,000 cu. ft.	.75	per M plus tax
Next	5,000 cu. ft.	.65	per M plus tax
Next	5,000 cu. ft.	.55	per M plus tax
All over	18,000 cu. ft.	.50	per M plus tax

Water

The municipally owned Elkhorn City Water Department obtains its raw water from the Russell Fork of the Big Sandy River. The system's rated pumping capacity is 250 gallons per minute and storage capacity is 200,000 gallons. Presently, the average pumping time to meet daily requirements is 8 hours (1 pump). Normal usage is approximately 40,000 gallons per day and the peak usage is 50,000 gallons daily. A five-day normal supply can be stored in the 200,000 gallon elevated steel tank. The distribution mains are 8", 6", and 4" and average pressure is 130 psi. The water rates are as follows:

First	2,000 gallons	1.75	per M gallon (\$3.50 minimum)
Next	2,000 gallons	1.00	per M gallon
Next	4,000 gallons	.80	per M gallon
Next	4,000 gallons	.70	per M gallon
Next	4,000 gallons	.60	per M gallon
Next	4,000 gallons	.50	per M gallon
Next	20,000 gallons	.40	per M gallon
All over	40,000 gallons	.30	per M gallon

FUEL

Fuel Oil and Coke

There are large suppliers of fuel oil and coke in Kentucky and bordering states. Fuel oil for industrial purposes would be available from the Ashland Oil and Refining Company at Catlettsburg, Kentucky. The Semet-Solvay Company has a coking plant in Ashland and Hellier Coal and Coke Company has a plant at Hellier, Kentucky, 15 miles from Elkhorn City.

Coal

Coal is the most important mineral resource of Pike County. In 1957, there were 8,707,975 tons mined in the county, 5,578,819 tons by rail mines and 3,129,156 tons by truck mines. ^{4/} The cost of coal, delivered to users in Elkhorn City, is approximately \$6.00 per ton.

COMMUNICATIONS

Postal Facilities

The second class post office has seven employees. Mail is dispatched and received three times daily, once by train and twice by truck. The 1958 postal receipts totaled \$8,996.

Telephone and Telegraph

The Southern Bell Telephone and Telegraph Company serves Elkhorn City with a modern dial system. Long distance service is excellent.

Telegraph service is provided by Western Union.

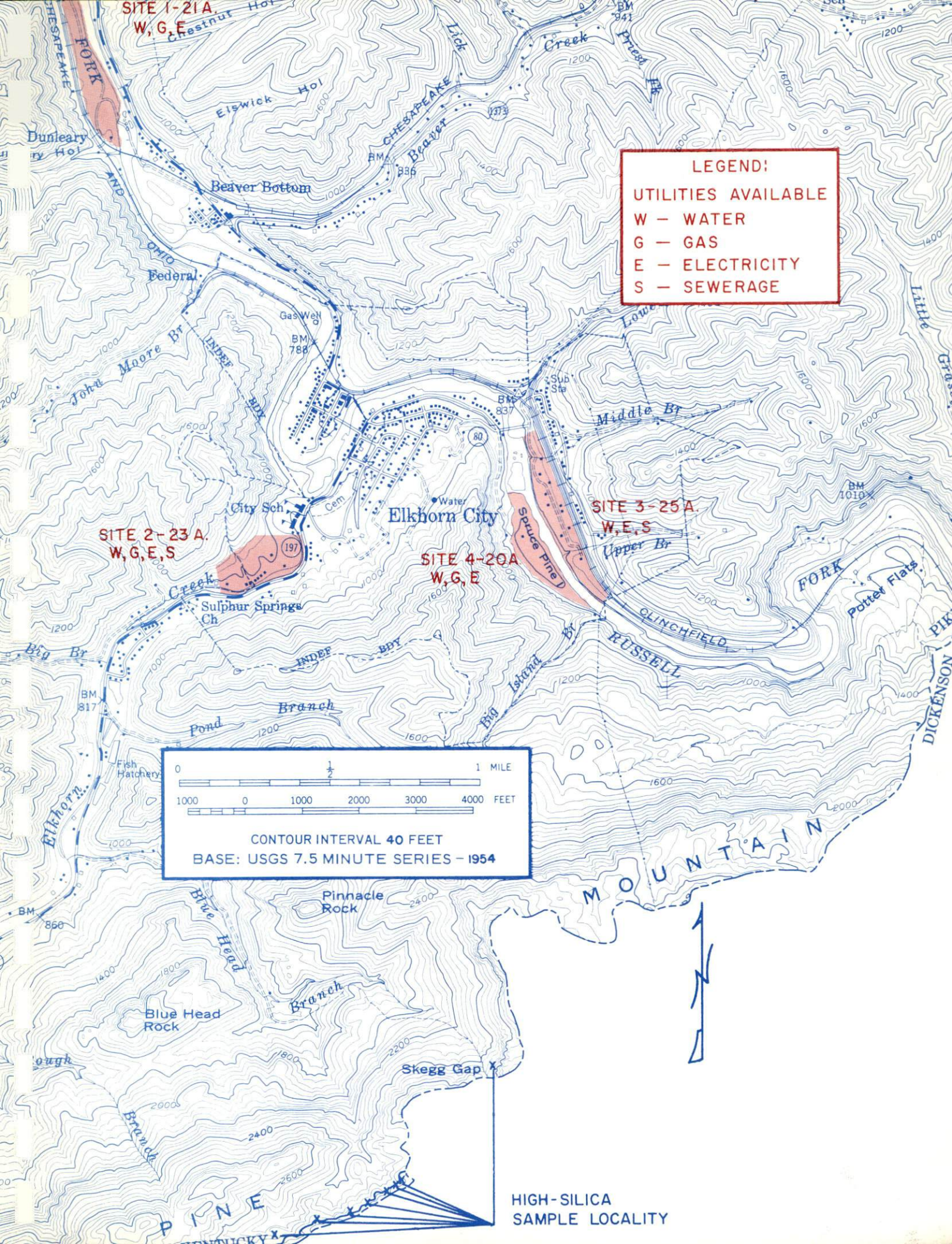
INDUSTRIAL SITES

Site #1. Contains 21 acres and located between the Chesapeake and Ohio Railway and the Russell Fork of the Big Sandy River. The access to this site would be from State Route 80 across Russell Fork. Natural gas, electricity and ground water are available. This site is outside the city limits.

Site #2. Bounded on the south by State Route 197, this site contains approximately 23 acres. Electricity, natural gas, sewerage and city water are available. The site is partially in the city limits.

Site #3. Contains 25 acres, and is between the Clinchfield Railroad Yards and Russell Fork. Electricity, city and ground water, and sewers are available. It is in the city limits and is accessible from city street.

Site #4. Contains 20 acres within the city and is bounded on the northeast by Russell Fork and accessible from a city street. Natural gas, city and ground water and electricity available.



LOCAL GOVERNMENT AND SERVICES

Type Government

The city is governed by a mayor, elected for four years and six councilmen, elected for two-year terms.

Laws Affecting Industry

Exemption to Industry. As provided by Kentucky Revised Statute 92.300, Elkhorn City will allow to new industry a five year property tax exemption. This exemption cannot be extended beyond the five year period.

Business Licenses. The city requires that a Business and Professional License costing \$25.00 be purchased.

City Services

Fire Protection. The city fire department has a full-time paid chief and twenty volunteer firemen. The equipment consists of one 500 gallon per minute pumper with all necessary hose and extinguishers. There are twenty-five fire hydrants located within the city limits. The majority of these are on 4" mains. Elkhorn City has a Class 7 NBFU insurance rating.

Police Protection. The city employs two full-time policemen. The equipment consists of one late model patrol car.

Garbage and Sanitation. Garbage and trash are collected once weekly in residential sections and twice per week in the business section. Cost to residents is \$.75 per month and to businesses \$1.50 per month. Disposal is by means of a land fill.

Sewerage. All sections of the city are on sanitary sewers. The mains range from 4" to 14". Raw sewage is piped into the Russell Fork of the Big Sandy. The city does not have a sewerage charge to users and will bring the main to the user's property line without charge.

TAXES

Table 5 on the following page shows the property taxes applying in Elkhorn City and Pike County for 1959.

Table 5. Property Tax Rates per \$100 of Assessed Value;
Elkhorn City and Pike County, 1959.

	<u>Elkhorn City</u>	<u>Pike County</u>
County	\$.50	\$.50
State	.05	.05
City	.75	
School	1.50	1.50
Other (Health District)	<u>.065</u>	<u>.065</u>
Total	<u>\$2.865</u>	<u>\$2.115</u>

Ratio of Assessment. - Elkhorn City - 27%; Pike County - 27%.

Total Assessment. - Elkhorn City - \$1,065,000;
Pike County - \$45,814,201.

City Income, 1958. - \$20,000.

City Expenditures, 1958. - \$20,000.

City Bonded Indebtedness. - \$250,000 revenue bonds for water system.

County Income, fiscal year -----)
1958-59 Budget - \$376,197.

County Expenditures, fiscal year -----)

County Bonded Indebtedness. - None.

LOCAL CONSIDERATIONS

Housing

At present there is no surplus housing; however, there are thirty building lots available which have all utilities. Four qualified contractors handle the area's building needs.

Health

In Elkhorn City there is one practicing physician, one dentist and one osteopath.

Hospitals. There are two hospitals at Pikeville, Kentucky, 23 miles from Elkhorn City. The Methodist Hospital of Kentucky has 140 adult beds and 24 bassinets and the Pikeville Memorial Hospital (UMW) has 50 adult beds and 19 bassinets. Both are general community hospitals and have the modern equipment and fully staffed departments that are essential for good patient care.

Public Health. The Pike County Health Department, with headquarters in Pikeville, has a staff which includes a full-time doctor, three sanitarians, an x-ray technician and four clerks. Part-time dental care is given by local dentists. Programs include communicable disease control, maternal and child health, general laboratory and sanitation services.

Education

Schools. A new school was constructed at Elkhorn City in 1955. This building added 29 grade school and 15 high school rooms to the Pike County system. No new construction will be required in the near future because of the new construction and consolidation of other schools throughout the county. The following table shows the enrollment and teachers of all school systems in the county.

System	Enrollment	Number of Teachers
Pike County Elementary	15,967	492
Pike County High	3,791	148
Pikeville Elementary (Ind.)	698	23
Pikeville High (Ind.)	525	20
Pikeville College Training (Pri.) (Ele.)	109	7
St. Francis (Par.) (Ele.)	52	2

Vocational Schools. Kentucky's vocational education program utilizes thirteen specialized regional schools which are partly integrated with secondary education. Each area vocational school program is developed with the counsel of leaders from industry, labor organizations, business and representative school officials from the areas served. Courses offered at these schools are changed when necessary to meet the demands of industry and business. Training is offered in the automotive trades, building trades, drafting and design, electronic and electrical trades, refrigeration and air conditioning and many others. The Mayo State Vocational School at Paintsville serves Pike County.

Colleges. Pikeville College, which is located 23 miles from Elkhorn City, was founded in 1889 by the Ebenezer Presbytery. This school offers degrees in liberal arts and education. Until 1955 it operated as a junior college. The third year was added in 1955 and the fourth year in 1956. Present faculty numbers 43 for a student body of over 700.

Other Kentucky colleges which are nearest Elkhorn City include Ashland Junior College, 132 miles; Morehead State College, 150 miles; Lees Junior College at Jackson, 119 miles; Union College at Barbourville, 167 miles; the University of Kentucky and Transylvania College at Lexington, 189 miles; and Eastern Kentucky State College at Richmond, 185 miles.

Libraries

The Pike County School Library at Elkhorn City makes its services available to the public.

Churches

There are five churches in Elkhorn City representing the Baptist, Christian, Church of God and Methodist denominations.

Banks

The Citizens Bank of Pikeville has a branch bank in Elkhorn City.
Statement as of December 31, 1958 - Deposits - \$9,570,327.43;
- Total Resources - \$10,163,855.85.

Retail Businesses and Service Establishments

Dry Goods	2	Barber Shop	2
Groceries	4	Restaurants	4
Hardware & furniture	2	Jewelry	1
Variety store	2	Beauty Shops	4
Appliance	2	Auto Supply	1

Hotel and Motel Accommodations

Cedarville Motel	10 units
Breaks Motel	10 units

Newspapers, Radio and Television

Daily newspapers are received from Louisville, Knoxville, Huntington,

and Williamson.

The local radio stations are WLSI (1,000 watt) and WPKE (250 watt) located at Pikeville, 24 miles.

Television is received, through a cable hook-up, from Huntington (2 stations), Bluefield and Charleston.

Clubs and Organizations

Fraternal. American Legion.

Women's. Woman's Club, American Legion Auxiliary.

Youth. Teen's Club, Boy Scouts, FHA, 4-H.

Other. Fish & Game Club, PTA, Boosters Club.

Recreation

The Elkhorn City Park provides an equipped playground for children and a lighted football and baseball stadium. Little League baseball and Midget League football are sponsored by local business men. There is one downtown and one drive-in theater. Several privately owned stocked fishing ponds are located in the vicinity.

Breaks Interstate Park is only 3 miles distant. This park, a joint project of Kentucky and Virginia, is now under development. The "Breaks", a giant gorge astride the Kentucky-Virginia border, is often called "the Grand Canyon of the South". Facilities for the park include a restaurant, gift shop, picnic shelters, hiking trails, camping area and even an amphitheatre. Two proposed Corps of Engineers flood control reservoirs will be located near the park, one in Virginia and one in Kentucky.

COMMUNITY IMPROVEMENTS

The city is presently concentrating its efforts toward the following projects.

1. Building an athletic field house.
2. Getting a new Post Office building.

3. Getting a new underpass under the C & O Railroad.
4. Widening and improving main street, including curbs and gutters.

RESOURCES

Agricultural Products

Pike County covers an area of 503,040 acres, 196,650 of which were in farms in November 1954. The 3,913 farms averaged 50.3 acres each. The average acre was valued at \$64.16. As indicated by the statistics below the county is not primarily agricultural.

Crops	Acres Harvested	Yield Per Harvested Acre	Total Production
Corn (bu.)	8,800	33.0	290,000
Burley tobacco (lbs.)	1	1500.0	2,000
Alfalfa hay (tons)	250	2.5	510
Clo-Tim hay (tons)	700	1.35	940
Lespedeza hay (tons)	600	1.40	840
Value of Farm Product Sold 1954			
Crops			161,000
Livestock and livestock products			182,000
Dairy			20,000
Poultry			61,000
Forest			40,000

Livestock	Number on Farms, Jan. 1, 1957	Total Value (Dollars)
All cattle and calves	1,863,000	165,807,000
Milk cows	654,000	76,518,000
All hogs and pigs	1,239,000	25,895,000
Sheep and lambs	605,000	11,616,000
Chickens (not including broilers)	8,745,000	7,958,000
Turkeys	70,000	308,000

Forests

Of the total land area in Pike County 84%, or 422,000 acres, is forested. Heavy stands of oak, beech and hickory occur throughout the county. Yellow poplar and pine are also present but in much less quantity.



RESTAURANT AND CONCESSION BUILDING AT BREAKS INTERSTATE PARK



AN OVERLOOK AT BREAKS INTERSTATE PARK

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 million board feet in 1948) is used in manufacture in the state.

Mineral Resources

Pike County. The mineral resources of Pike County consist of coal, oil and natural gas, glass sands, sands and gravels, sandstones, limestones, and clays. In total value of mineral output, Pike County ranked second in the state in 1957.

Coal. Coal is by far the most important resource. Since 1904, a total of 298,848,903 tons have been produced. During 1957, Pike County was the state's third largest producer. Production figures for that year are as follows:

	Strip Tonnage	Underground Tonnage	Auger Tonnage	Total Tonnage
29 Rail Mines	-----	5,478,905	99,914	5,578,819
490 Truck Mines	20,324	2,364,512	744,320	3,129,156
Total				8,707,975

Source: "Annual Report", Kentucky Department of Mines and Minerals, 1957.

Analyses: Over a dozen important seams are worked, with the Elkhorn No. 2, Alma, Warfield, and others, being outstanding. The coal is high volatile, with low ash and sulphur content. Much of it is satisfactory for coking. Selected analyses of the Elkhorn No. 2, Alma, and Warfield seams show:

<u>Seam</u>	<u>Moisture</u>	<u>Volatile Matter</u>	<u>Fixed Carbon</u>	<u>Ash</u>	<u>Sulphur</u>	<u>B. t. u. Dry Basis</u>
Elkhorn No. 2	3.2	33.1	58.7	5.0	1.1	15,230
Alma	2.8	33.7	58.9	4.6	.7	15,240
Warfield (Pond Creek)	2.8	33.3	59.3	4.6	.7	15,450

Source: U. S. Department of the Interior, Bureau of Mines, Technical Paper 652, 1944.

Reserves: Coal reserves for Pike County as of January 1, 1958, have been estimated at 5,765,91 millions of short tons in a recent publication, "Coal Reserves of Eastern Kentucky" by the United States Geological Survey. This includes measured, indicated, and inferred resources.

Oil and Natural Gas. The county contains part of the Big Sandy Gas Field, which also includes portions of Floyd, Knott, Martin, Johnson, and Magoffin Counties. This Field accounts for over 95 percent of Kentucky's natural gas production and contains virtually all of the state's gas reserves, which are estimated at 1,325,588,000 mcf. Selected analyses of natural gas from the Big Sandy Field, in Pike County, are as follows:

<u>Producing Horizon</u>	<u>Methane</u>	<u>Nitrogen</u>	<u>Ethane</u>	<u>Propane</u>	<u>Isobutane</u>	<u>N-Butane</u>	<u>Pentane</u>
Big Lime	83.0	0.7	11.4	3.7	0.1	0.8	0.3
Devonian Shale	83.4	0.6	11.0	3.7	0.1	0.9	0.3
Devonian Shale	86.9	0.8	9.9	2.3	0.3	0.5	0.3

Source: Coleman D. Hunter, Chief Geologist, Ky. W. Va. Gas Company, Ashland.

Oil production was first reported in Pike County in 1935. Since 1947, when 174 barrels were produced, there has been a steady increase in oil production with 60,472 barrels being produced in 1958. The increased drilling activities during the past few years are expected to cause this upward trend to continue.

Glass Sands. The recent recognition of a high-silica sandstone and conglomerate deposit in the Lee formation (Pennsylvanian) on Pine Mountain near Elkhorn City has opened possibilities for a new source of raw material for glass manufacturers. This formation forms the crest of Pine Mountain beginning near Elkhorn City and extends southwestward into Tennessee. High-silica deposits along this crest near Pineville, Cumberland, and Whitesburg have also been reported.

The following analyses were made under the supervision of the University of Kentucky mining laboratory, College of Engineering. The samples were taken at intervals near the Kentucky-Virginia State Line in the vicinity of Skegg Gap.

<u>Sample No.</u>	<u>SiO₂</u>	<u>Fe₂O₃</u>	<u>Al₂O₃</u>	<u>TiO₂</u>	<u>CaO</u>	<u>MgO</u>	<u>Total</u>
1 Raw	97.78	.041	1.07	.12	.22	.03	99.3
Washed	98.13	.020	.86	.10	.08	.03	99.2

Continued

Sample No.	SiO ₂	Fe ₂ O ₃	Al ₂ O ₃	TiO ₂	CaO	MgO	Total
2 Raw	97.91	.061	.87	.07	.20	.02	99.1
Washed	98.20	.027	.69	.08	.19	.02	99.2
2a Raw	98.19	.042	.75	.06	.19	0	99.2
Washed	98.21	.033	.75	.06	.11	0	99.2
3 Raw	97.91	.046	1.05	.10	.11	.03	99.3
Washed	98.00	.043	.95	.10	.09	0	99.2
4 Raw	98.05	.037	.75	.07	.10	.03	99.0
Washed	98.15	.033	.72	.07	.08	0	99.1
5 Raw	98.46	.033	.69	.07	.15	.02	99.4
Washed	98.54	.012	.57	.06	.03	0	99.2
6 Raw	98.31	.038	.75	.08	.13	.04	99.4
Washed	98.35	.021	.70	.08	0	0	99.2
7 Raw	98.57	.022	.54	.06	.08	.03	99.3
Washed	98.72	.013	.56	.04	.04	0	99.4

A spot check of some of the samples indicated that the ignition loss would average approximately 0.3 percent. See map opposite page 10 for location of glass sand samples.

Source: Kentucky Geological Survey Information Circular 1, "High-Silica Sandstone and Conglomerate on Pine Mountain near Elkhorn City, Kentucky."

Sands and Gravels. Sands and gravels can be obtained from along the larger stream beds for local construction and other uses.

Sandstones. Sandstones, suitable for local construction and limited building purposes, are available in quantity.

Limestones. Limestones occur in a limited zone in the southwest margin of the county, along the Pine Mountain overthrust fault. The stone is used for road construction and concrete aggregate. One quarry was operated in 1958.

Clays. Clays and clay shales, suitable for brick manufacture, are found in the county, but large commercial deposits have not been reported.

Recent investigations indicate the presence of an excellent bloating shale in the Breathitt formation which would make a good light weight aggregate material.

Kentucky. In 1954, Kentucky ranked 11th in the nation in the production of minerals. Total production was valued at \$327 million and the principal minerals were coal, petroleum, gas and stone. In addition to the minerals shown in Table 8, significant amounts of lead, zinc and native asphalt are mined.

Table 8. Kentucky Mineral Production, 1954		7/
Mineral	Unit	Amount
Coal	Short tons	56,964,408
Petroleum	Thousand 42 gal. bbls.	13,791
Natural gas (marketed production)	Million cubic feet	72,713
Stone (except limestone for cement)	Short tons	10,129,725
Clays	Short tons	571,481
Fluorspar	Short tons	35,481
Sand and gravel	Short tons	4,729,606
Natural gas liquids	Thousand gal.	218,190

MARKETS

Pike is the largest and most eastern Kentucky county and borders on both Virginia and West Virginia. Pikeville is its seat of government and primary retail trading center. Elkhorn City is located in southeastern Pike County within three miles of the Virginia border. Its two railroads furnish excellent transportation both north and south. Within a 300 mile radius are the cities of Cincinnati, Louisville, Lexington, Huntington, Charleston and Knoxville.

In 1957, Pike County retail sales were estimated at \$27,032,000, effective buying income at \$852 per capita and \$3,773 per household. 8/

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. Late summer is normally the driest part of the year.

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. Midsummer days average 74 degrees F. in the cooler uplands, to 79 degrees F. 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 percent of the year, and increases to 60 percent 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. The seasons differ markedly, though warm to cool weather prevails with only short periods of extreme heat and cold.

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- 5/ Kentucky Public School Directory, 1958-59, Department of Education, October, 1958, Frankfort, Kentucky.
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- 7/ Minerals Yearbook, 1954 (Volume III, Area Reports).
- 8/ Sales Management Magazine (May 10, 1958)

APPENDIX

History	Appendix A
Employment by Industry Division	Appendix B
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Climatic Data	Appendix D
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HISTORY

Pike County, the eastern-most in Kentucky, was established in 1821, the 70th in order of formation. It was named for General Zebulon M. Pike, the explorer. Pike's Peak, in Colorado is also named for General Pike. In 1870 a small part of the county was taken to form Martin County. It is still Kentucky's largest county.

This portion of Kentucky was a favorite hunting ground of the Shawnee, Cherokee and other Indian tribes and was one of the last sections taken by the white man. There was considerable action in Pike County during the Civil War. General James A. Garfield and his Union forces were active there for some time. The Battle of Middle Creek, in neighboring Floyd County, has been called the first substantial Union victory.

With the coming of the railroads and the opening of the coal mines after 1900, the county's population began to increase. Elkhorn City as well as other towns, was settled during this period.

Appendix B

Covered Employment by Major Industry Division Pike County, Kentucky				
Industry, June, 1958	Pike County		Kentucky	
	Number	Percent	Number	Percent
All Industries	6,835	100.0	427,276	100.0
Mining & Quarrying	4,109	60.1	36,055	8.4
Contract Construction	142	2.1	32,312	7.6
Manufacturing	595	8.7	157,594	36.9
Food and kindred products	128	1.9	26,520	6.2
Tobacco	1	--	9,731	2.3
Clothing, Tex. & Leather	0	--	22,775	5.3
Lumber & furniture	162	2.4	13,964	3.3
Printing, Pub. and paper	22	.3	9,769	2.3
Chemicals, petroleum, coal & rubber	0	--	12,276	2.8
Stone, clay & glass	0	--	5,132	1.2
Primary metals	277	4.1	8,011	1.9
Machinery, metal & equip.	5	--	47,339	11.1
Other	0	--	2,077	.5
Transportation, Communication & Utilities	391	5.7	33,133	7.8
Wholesale & Retail Trade	1,120	16.4	112,449	26.3
Finance, Ins. & Real Estate	142	2.1	18,743	4.4
Services	333	4.9	35,139	8.2
Other	3	--	1,851	.4

Appendix C

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

Subject	Pike County		Kentucky	
	Male	Female	Male	Female
Total Population	41,102	40,052	1,474,987	1,469,819
EMPLOYMENT STATUS				
Persons 14 years old & over	25,388	24,658	1,039,654	1,048,459
Labor force	17,692	2,562	799,094	214,162
Civilian labor force	17,678	2,561	777,155	213,916
Employed	16,809	2,436	748,658	206,328
Private wage & salary	13,850	1,705	437,752	156,377
Government workers	451	417	45,354	28,787
Self-employed	2,237	249	235,407	15,104
Unpaid family workers	271	65	30,145	6,060
Unemployed	869	125	28,497	7,588
Experienced workers	856	122	28,082	7,281
New workers	3	--	415	307
Not in labor force	7,696	22,096	240,560	834,297
Keeping house	169	17,329	5,495	665,564
Unable to work	1,143	549	70,583	38,564
Inmates of institutions	52	25	14,764	7,223
Other and not reported	6,032	4,193	149,718	122,946
14 to 19 years old	3,655	3,172	84,410	85,890
20 to 64 years old	1,902	863	47,447	28,952
65 and over	475	158	17,861	8,104

MAJOR OCCUPATION GROUP
OF EMPLOYED PERSONS

All employed	16,809	2,436	748,658	206,328
Professional & technical	437	382	34,405	25,410
Farmers & farm mgrs.	1,092	15	169,728	2,264
Mgrs., officials & props.	1,054	187	57,432	9,706
Clerical & kindred wkrs.	526	484	33,228	47,520
Sales workers	480	434	35,141	20,534
Craftsmen and foremen	2,232	18	107,292	3,096
Operatives & kindred wkrs.	9,505	132	152,280	37,609
Private household wkrs.	10	283	1,584	21,408
Service workers	226	392	30,522	28,000
Farm laborers, unpaid fam.	254	8	29,165	3,260
Farm laborers, other	183	7	38,358	788
Laborers, ex. farm & mine	623	17	49,848	1,843
Occupation not reported	187	77	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 ELKHORN CITY, PIKE COUNTY, KENTUCKY

Month	Temperature Norm <u>1/</u>	Total Prec. Norm <u>1/</u>	Average Relative Humidity Readings <u>2/</u>	
	Degrees Fahrenheit	Inches	6:30 AM	6:30 PM (CST)
January	36.9	3.63	85	74
February	38.5	3.39	83	62
March	49.0	4.32	79	58
April	52.7	3.60	78	57
May	67.1	3.78	86	65
June	75.0	4.34	87	68
July	77.6	4.60	91	73
August	77.0	4.19	92	75
September	70.6	2.88	92	73
October	59.9	2.69	91	69
November	47.1	2.78	82	66
December	37.8	3.47	86	67
Annual Norm	57.3	43.67		

1/ Station Location: Pikeville, Kentucky.

2/ Station Location: Bristol, Tennessee.

Length of record - 6:30 AM readings - 3 years; 6:30 PM readings - 3 years.

Days Cloudy or Clear: (14 years of record) - 85 clear, 124 partly cloudy, 156 cloudy.

Percent of Possible Sunshine: Not available.

Days with Precipitation over 0.01 Inch: (14 years of record) - 134 days.

Days with 1.0 or More Snow, Sleet, Hail: (8 years of record) - 3 days.

Days with Thunderstorms: (8 years of record) - 53 days.

Days with Heavy Fog: (8 years of record) - 50 days.

Prevailing Wind: (11 years of record) - West.

Seasonal Heating Degree Days: (14 years of record) - Approximate long-term means - 4,272 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 associa- tion capital stock	.10	No	No	No
Car lines	1.50	No	No	No
Distilled spirits	.50	Full <u>1/</u>	Full	Full
Farm products in storage	.05	.05 (tobacco) .15 (other)	.05 (tobacco) .15 (other)	No
Farm products in the hands of producers or agent	.25	No	No	No
Intangibles, franchise	.50	Full	Full	Full
Intangibles, franchise nonoperating	.25	No	No	No
Intangibles, not else- where specified	.25	No	No	No
Livestock and poultry	.50	No	No	No
Machinery, agricultural and manufacturing	.50	No	No	No
Raw materials and products in course of manufacture	.50	No	No	No
Real property	.05	Full	Full	Full
Tangible personalty, not elsewhere specified <u>2/</u>	.50	Full	Full	Full

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

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

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

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

City and city school assessment and payment dates vary.

Special Taxes

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

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

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

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

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

KENTUCKY STATE AND LOCAL TAXES
APPLICABLE TO A MANUFACTURING CONCERN

	<u>State</u>	<u>Local</u>									
Business Taxes	<p>1. Corporation income tax of 5% on first \$25,000 and 7% on all over \$25,000 of taxable net income which is allocated to Kentucky, <u>after</u> deduction of Federal corporation <u>income</u> 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 capital stock represented by property owned or business transacted in Kentucky; minimum tax \$10.</p>	There are no local taxes levied on business firms outside corporate limits of Kentucky cities.									
Personal & Individual	Individual income tax consisting of: (1) a normal tax which ranges from 2% on the first \$3,000 of net income to 6% on net income in excess of \$8,000 <u>after</u> the deduction of Federal individual income tax payments, which is reduced by a tax credit of \$12 for each exemption; and (2) a surtax which ranges from 10% on the first \$25 normal tax to 30% on all over \$100 normal tax.	There are no local individual income taxes levied outside the corporate limits of Kentucky cities.									
Real Estate	Five cents on each \$100 of assessed valuation. The average county assessment ratio is approximately 33 percent of current market value.										
Machinery & Equipment	Fifty cents on each \$100 of assessed valuation. The average assessment ratio is approximately 33 percent of current market value.	No local taxing jurisdiction allowed to impose a property tax on manufacturing machinery and equipment.									
Inventory	Fifty cents on each \$100 of assessed valuation. The average assessment ratio is approximately 33 percent of current market value.	No local taxing jurisdiction is allowed to impose a property tax on manufacturing inventories, raw materials and goods in process.									
Sales & Use	None	None									
Intangible Property	The assessment ratios and tax rates per \$100 of assessed value for the various classes of intangible property are as follows:	No local taxing jurisdiction allowed to impose a property tax on intangible property.									
	<table border="0" style="margin-left: 40px;"> <tr> <td>Bank Deposits</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">10¢</td> </tr> <tr> <td>Stocks & Bonds</td> <td style="text-align: center;">100</td> <td style="text-align: center;">25</td> </tr> <tr> <td>Accounts Receivable</td> <td style="text-align: center;">85</td> <td style="text-align: center;">25</td> </tr> </table>	Bank Deposits	100%	10¢	Stocks & Bonds	100	25	Accounts Receivable	85	25	
Bank Deposits	100%	10¢									
Stocks & Bonds	100	25									
Accounts Receivable	85	25									

KENTUCKY REVISED STATUTES
1948

103.200 - 103.280

INDUSTRIAL BUILDINGS FOR CITIES GENERALLY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF STATE
Secretary of State, Frankfort, Kentucky

INSTRUCTIONS FOR FILING ARTICLES
OF
INCORPORATION FOR FOREIGN CORPORATIONS
IN KENTUCKY

1. Original articles of incorporation and all existing and subsequent amendments to original articles must be filed with the Secretary of State of Kentucky, certified by the Secretary of State of the state of incorporation, as of the current date, in chronological order. A \$25.00 filing fee for original articles and amendments is required. A fee of \$10.00 is required for recording articles and amendments.
2. A statement of corporation designating a process agent and place of business in Kentucky 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

Thelma L. Stovall,
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 1955, 2,560 miles of highway and bridges were placed under contract at a total cost of \$49,133,000. This figure does not include \$30,000,000 which was spent on a new turnpike opened in August 1956, between Louisville and Elizabethtown, Kentucky. 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.