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## Industrial Resources: Pike County - Pikeville

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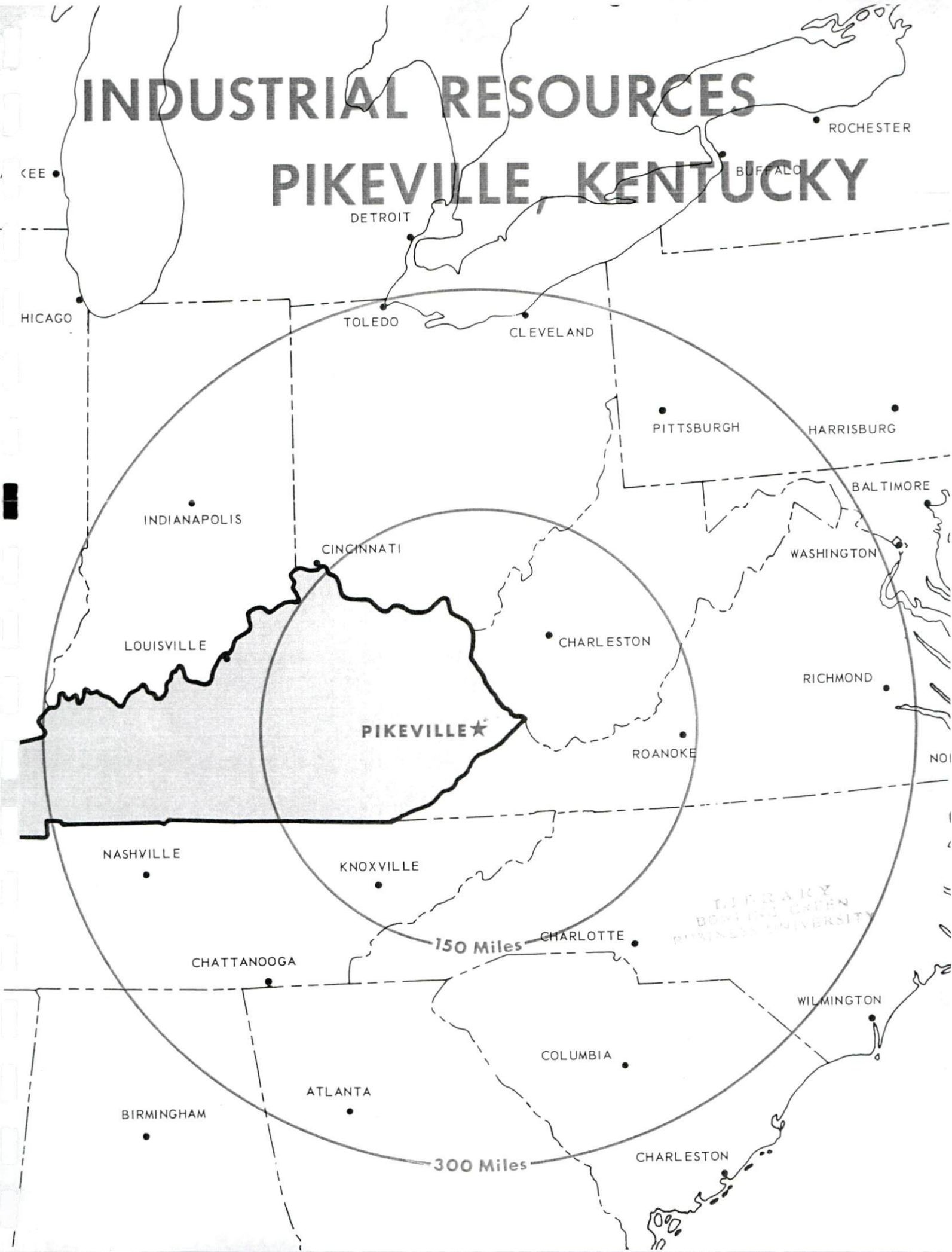
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# INDUSTRIAL RESOURCES

## PIKEVILLE, KENTUCKY



INDUSTRIAL RESOURCES

PIKEVILLE, KENTUCKY

22937

Prepared by

The Pike County Chamber of Commerce  
and  
The Kentucky Department of Commerce

Frankfort, Kentucky

March, 1963

# INDUSTRIAL RESOURCES

## PIKEVILLE, KENTUCKY

### TABLE OF CONTENTS

<u>Chapter</u>	<u>Page</u>
SUMMARY DATA. . . . .	1 - 2
POPULATION AND LABOR MARKET. . . . .	3 - 7
Population. . . . .	3
Economic Characteristics . . . . .	3
Labor Market . . . . .	4
Supply Area . . . . .	4
Labor Potential Defined . . . . .	4
Numbers Available. . . . .	4
Future Labor Supply. . . . .	5
Area Employment Characteristics . . . . .	5
LOCAL MANUFACTURING . . . . .	7 - 9
Prevailing Wage Rates . . . . .	8
Unions. . . . .	9
TRANSPORTATION . . . . .	9 - 11
Railroads . . . . .	9
Highways . . . . .	9
Truck Service . . . . .	10
Bus Lines . . . . .	10
Taxi Service . . . . .	11
Air. . . . .	11
UTILITIES AND FUEL. . . . .	11 - 12
Electricity. . . . .	11
Natural Gas . . . . .	11
Coal and Coke . . . . .	11
Fuel Oil . . . . .	12
WATER AND SEWERAGE . . . . .	12 - 13
Public Water Supply. . . . .	12
Water Resources . . . . .	12
Surface Water . . . . .	12
Ground Water . . . . .	13
Sewerage System . . . . .	13



<u>Chapter</u>	<u>Page</u>
INDUSTRIAL SITES. . . . .	14
LOCAL GOVERNMENT AND SERVICES . . . . .	14 - 15
Type Government. . . . .	14
City . . . . .	14
County . . . . .	14
Laws Affecting Industry . . . . .	14
Property Tax Exemption . . . . .	14
Business Licenses . . . . .	14
Planning and Zoning . . . . .	14
Fire Protection. . . . .	15
Police Protection. . . . .	15
Garbage and Sanitation. . . . .	15
Financial Information . . . . .	15
TAXES. . . . .	15 - 16
Property Taxes. . . . .	15
Real Estate Assessment Ratios . . . . .	16
Net Assessed Value of Property . . . . .	16
OTHER LOCAL CONSIDERATIONS. . . . .	16 - 21
Educational Facilities . . . . .	16
Graded Schools . . . . .	16
Vocational Schools . . . . .	17
Colleges . . . . .	17
Health. . . . .	18
Hospitals. . . . .	18
Public Health . . . . .	18
Housing. . . . .	18
Communication. . . . .	18
Telephone and Telegraph . . . . .	18
Postal Facilities. . . . .	18
Newspapers . . . . .	18
Radio . . . . .	19
Television. . . . .	19
Libraries. . . . .	19
Churches . . . . .	19
Financial Institutions. . . . .	19
Hotels and Motels. . . . .	19
Clubs and Organizations . . . . .	19
Recreation . . . . .	20
Local . . . . .	20
Area. . . . .	20
Community Improvements . . . . .	20
Recent. . . . .	20
Planned . . . . .	21

<u>Chapter</u>	<u>Page</u>
NATURAL RESOURCES . . . . .	.21 - 27
Agriculture . . . . .	.21
Minerals. . . . .	.23
Forests . . . . .	.27
MARKETS . . . . .	.27 - 28
CLIMATE. . . . .	.29 - 30
APPENDIX	
A. History	
B. Employment by Industry Division	
C. Economic Characteristics of the Population	
D. Kentucky Corporation Taxes	
D. -1 Taxes Applicable to a Manufacturing Concern	
E. City Bond Issues for Industrial Buildings	
F. Instructions for Filing Articles of Incorporation	
G. Cooperating State Agencies	

## SUMMARY DATA

### POPULATION:

1960: Pikeville - 4,754

Pike County - 68,264

### PIKEVILLE LABOR SUPPLY AREA:

Includes Pike and all adjoining counties. Estimated number of workers available for industrial jobs in the labor supply area - 6,598 men and 11,237 women. Number of workers available from Pike County - 2,625 men and 4,508 women.

### TRANSPORTATION:

Railroads: Pikeville is served by the Ashland Division of the Chesapeake and Ohio Railway Company operating between Ashland and Elkhorn City.

Air: The nearest commercial airport is at Huntington, West Virginia, 112 miles distant. Pikeville has a Class-1 airport with a 2,700 foot gravel and limestone runway.

Trucks: Point Express, Inc., Hazard Express, Bell Lines, Inc., Hogan Truck Lines, Commercial Motor Freight, Inc., and Logan Transfer provide common carrier truck service.

Bus Lines: Pikeville is served by Southeastern Greyhound Lines, Black and White Bus Lines, Consolidated Bus Lines, and Trailway Bus System.

### HIGHWAY DISTANCES FROM PIKEVILLE, KENTUCKY, TO:

<u>Town</u>	<u>Miles</u>	<u>Town</u>	<u>Miles</u>
Atlanta, Ga.	408	Lexington, Ky.	150
Birmingham, Ala.	470	Louisville, Ky.	239
Chicago, Ill.	554	Memphis, Tenn.	571
Detroit, Mich.	427	New York, N. Y.	708
Cincinnati, Ohio	225	St. Louis, Mo.	517

### Electricity

Electricity is supplied by the Kentucky Power Company, an operating company of the American Electric Power Company.

### Natural Gas

Natural gas is distributed by a municipally owned company whose main source of supply is the United Fuel Gas Company.

### Water

Water is supplied by the City Utilities Department whose source of supply is the Levisa Fork of the Big Sandy River.

### Sewerage

Pikeville has a combined system of storm and sanitary sewers ranging from 12" to 30". Raw sewage is expelled into the Levisa Fork of the Big Sandy River.



## POPULATION AND LABOR MARKET

### Population

Table 1 shows population and recent rates of growth in Pikeville, Pike County, and Kentucky.

TABLE 1

POPULATION DATA FOR PIKEVILLE AND PIKE COUNTY WITH  
COMPARISONS TO THE KENTUCKY RATE OF CHANGE, 1900-60

<u>Year</u>	<u>Pikeville</u>		<u>Pike County</u>		<u>Kentucky</u>
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>% Change</u>
1900	----	----	22,686	----	---
1910	1,280	----	31,679	39.7	6.6
1920	2,110	64.8	49,477	56.2	5.5
1930	3,376	60.0	63,267	27.9	8.2
1940	4,185	24.0	71,122	12.4	8.8
1950	5,154	23.1	81,154	14.1	3.5
1960	4,754	- 7.8	68,264	-15.9	3.2

Per cent of nonwhite population in the county: 0.9

### Economic Characteristics

The Pikeville and Pike County area is dominated by the bituminous coal mining industry. There were 3,644 workers in this industry in March 1962. This was 56.9 per cent of all workers employed in all types of industry.

Wholesale and retail trade is second in employment in Pike County with 1,098 persons employed.

In 1961, retail sales in Pike County were \$31,427,000.\*

Per capita income in Pike County was \$868 in 1961, which was below the state average of \$1,412.\*

\* Sales Management, Survey of Buying Power, June 10, 1962



### Labor Market

Supply Area: The Pikeville labor supply area is defined for the purpose of this statement to include Pike, Floyd, Knott, Letcher, and Martin Counties.

Labor Potential Defined: The total estimated labor supply is composed of three major groups. The first two are currently available for industrial employment, the third group describes the potential for future years.

1. The current unemployed, measured here by unemployment insurance claimants.
2. Men who would shift from low paying jobs such as agriculture 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 by 1970.

Numbers Available: The population of the Pikeville labor supply area is 167,571. Those among the total population that are estimated to be currently available for industrial employment include 6,598 males and 11,237 females. Their distribution throughout the labor supply area is shown in table 2.

TABLE 2

DISTRIBUTION OF THE CURRENT ESTIMATED LABOR SUPPLY  
WITH COMPONENTS, PIKE COUNTY AREA, MAY, 1962\*

	<u>Total</u>		<u>Total</u>	<u>Labor Supply**</u>		<u>Unemployed</u>	
	<u>Male</u>	<u>Female</u>		<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
Area Total:	6,598	11,237	17,835	4,546	11,143	2,052	94
Pike	2,625	4,508	7,133	1,733	4,465	892	43
Floyd	1,585	2,924	4,509	1,026	2,893	559	31
Knott	1,062	1,262	2,324	846	1,255	216	7
Letcher	980	1,859	2,839	610	1,847	370	12
Martin	346	684	1,030	331	683	15	1

\* Kentucky Department of Economic Security

\*\* Men who would shift from low paying jobs such as farming and women who would enter the labor force if jobs were available.

Future Labor Supply: The most influential factor determining the future labor supply, which is measured here by the number of boys and girls becoming 18 years of age during the 1960's, is the availability of employment opportunities.

The distribution of the future labor supply of the Pikeville labor supply area is shown in table 3.

TABLE 3  
DISTRIBUTION OF THE FUTURE LABOR SUPPLY, PIKEVILLE AREA  
BASED ON 1960 U. S. CENSUS OF POPULATION DATA

	<u>18 Years of Age by 1970</u>	
	<u>Males</u>	<u>Females</u>
Area Total:	22,454	21,785
Pike	8,906	8,676
Floyd	5,592	5,477
Knott	2,480	2,343
Letcher	4,061	3,888
Martin	1,415	1,401

Area Employment Characteristics: The following three tables show the Pikeville area employment in agriculture and the covered employment of manufacturing and all industries, respectively.

TABLE 4  
PIKEVILLE AREA AGRICULTURAL EMPLOYMENT  
FALL, 1959\*

	<u>Family Workers</u>	<u>Hired Workers**</u>	<u>Total</u>
Area Total:	4,128	31	4,159
Pike	1,538	11	1,549
Floyd	941	5	946
Knott	911	15	926
Letcher	341	0	341
Martin	397	0	397

\* U. S. Census of Agriculture

\*\* Regular Workers (Employed 150 days or more)

TABLE 5

PIKEVILLE AREA MANUFACTURING EMPLOYMENT\*  
MARCH, 1962

	<u>Area Total</u>	<u>Pike</u>	<u>Floyd</u>	<u>Knott</u>	<u>Letcher</u>	<u>Martin</u>
Total manu- facturing	606	289	142	24	125	26
Food & kindred products	200	109	2	0	89	0
Tobacco	1	1	0	0	0	0
Clothing, tex- tile & leather	0	0	0	0	0	0
Lumber & furniture	245	148	45	14	12	26
Print., publ. & paper	37	18	6	0	13	0
Chemicals, petroleum & rubber	40	0	40	0	0	0
Stone, clay & glass	37	13	13	0	11	0
Primary metals	0	0	0	0	0	0
Machinery, metal products & equip.	46	0	36	10	0	0
Other	0	0	0	0	0	0

\* Includes only those workers covered by unemployment insurance.

TABLE 6

PIKEVILLE AREA COVERED EMPLOYMENT,\*  
ALL INDUSTRIES, MARCH, 1962

	<u>Area Total</u>	<u>Pike</u>	<u>Floyd</u>	<u>Knott</u>	<u>Letcher</u>	<u>Martin</u>
Mining & Quarrying	9,347	3,644	3,169	421	2,040	73
Contract Construction	362	81	238	2	41	0
Manufacturing	606	289	142	24	125	26
Transportation, Communication & Utilities	568	286	186	25	49	22
Wholesale & Retail Trade	2,095	1,098	480	18	467	32
Finance, Ins., & Real Estate	343	144	108	39	41	11
Services	1,387	845	283	0	255	4
Other	15	11	4	0	0	0
Total	14,723	6,398	4,610	529	3,018	168

## LOCAL MANUFACTURING

The existing firms lending to the economy of Pikeville, the products manufactured and the employment are revealed in table 7.

\* Includes only workers covered by unemployment insurance. Source: Kentucky Department of Economic Security.



TABLE 7  
PIKEVILLE MANUFACTURING FIRMS WITH  
PRODUCTS AND EMPLOYMENT, 1962

<u>Firm</u>	<u>Product</u>	<u>Employment</u>		
		<u>Male</u>	<u>Female</u>	<u>Total</u>
Coca-Cola Bottling Co.	Soft drinks	23	5	28
Cumberland Publishing Co., Inc.	Newspaper publishing, letterpress printing	14	7	21
East Kentucky Beverage Co.	Soft drinks	42	5	47
Pauley Lumber Co.	Rough and dressed lumber	13	2	15
Stratton Bros. Lumber Co.	Rough and dressed lumber	6	1	7
East Kentucky Machine & Electric	Rebuild & rewire mine machinery	1	6	7
Colley Block Co., Inc.	Concrete blocks	12	1	13
Big Sandy Electric & Supply Co., Inc.	Coils for electric motors, steel products	9	1	10
Hayes Metal Products of Pikeville	Personnel carrying vehicles and utility carriers for underground mines	35	3	38
Kentucky Oil & Refining Co.	Gasoline, diesel fuel, kerosene, coal spray oil	2	1	3
Pikeville Printing Co.	Letterpress printing	4	0	4

Prevailing Wage Rates

Actual wages paid by local contractors, 1962:

	<u>Per Hour</u>		<u>Per Hour</u>
Carpenters	- \$1.75	Painters	- \$2.25
Electrician	- 2.00	Sheet Metal	- 2.00
Plumbers	- 2.25	Equipment Operator	- 2.25
Bricklayers	- 3.25	Iron Worker	- 2.25
Truck Driver	- 1.25	Steam Fitter	- 1.75
Unskilled Labor	- 1.15		



## Unions

### Name of Union

United Mine Workers, District 50

## TRANSPORTATION

### Railroads

Pikeville is served by the Ashland Division of the Chesapeake and Ohio Railway Company operating between Ashland and Elkhorn City. Passenger service is provided by one train daily each way. Freight loaded in Pikeville is taken to Shelby, 8 miles distant, where it is transferred to through trains on the main line to Ashland. Package car service is available. Switching service is available daily, except Sunday, on 3 tracks which will handle approximately 21 cars. There is an average of 20 outbound carloads per month, consisting mostly of logs and rough lumber, and an average of 225 inbound loads, consisting of various manufactured products. Railway Express service is available. Rail transit time from Pikeville to selected points is shown in table 8.

TABLE 8

### RAILWAY TRANSIT TIME FROM PIKEVILLE, KENTUCKY, TO:\*

<u>Town</u>	<u>No. of Days</u>	<u>Town</u>	<u>No. of Days</u>
Atlanta, Ga.	2nd AM	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	New York, N. Y.	3rd AM
Detroit, Mich.	2nd AM	Pittsburgh, Pa.	2nd PM
Knoxville, Tenn.	2nd PM	St. Louis, Mo.	2nd PM

### Highways

Highways serving Pikeville include U. S. Routes 23, 119, 460, and State Route 80. The highway map shows major roads throughout Kentucky.

\* The Chesapeake and Ohio Railway Company, Freight Service Manager, Cincinnati, Ohio.

TABLE 9

## HIGHWAY DISTANCES FROM PIKEVILLE, KENTUCKY, TO:

<u>Town</u>	<u>Miles</u>	<u>Town</u>	<u>Miles</u>
Atlanta, Ga.	408	Lexington, Ky.	150
Birmingham, Ala.	470	Louisville, Ky.	239
Chicago, Ill.	554	Nashville, Tenn.	354
Cincinnati, Ohio	225	New York, N. Y.	708
Detroit, Mich.	427	Pittsburgh, Pa.	361
Knoxville, Tenn.	199	St. Louis, Mo.	517

Truck Service: Commercial trucking service is offered to Pikeville by the following firms: Point Express, Inc., Huntington, West Virginia; Hazard Express, Lexington, Kentucky; Bell Lines, Inc., Charleston, West Virginia; Hogan Truck Lines, Williamson, West Virginia; Logan Transfer, Huntington, West Virginia; and Commercial Motor Freight, Inc., Columbus, Ohio.

Point Express, Inc., Huntington, West Virginia, has a terminal in the city of Pikeville.

TABLE 10

TRUCK TRANSIT TIME FROM PIKEVILLE, KENTUCKY, TO  
SELECTED MARKET CENTERS\*

<u>Town</u>	<u>Delivery Time (Days)</u>		<u>Town</u>	<u>Delivery Time (Days)</u>	
	<u>LTL</u>	<u>TL</u>		<u>LTL</u>	<u>TL</u>
Atlanta, Ga.	3	2	Louisville, Ky.	2	1
Birmingham, Ala.	4	3	Los Angeles, Calif.	7	7
Chicago, Ill.	2	2	Nashville, Tenn.	2	2
Cincinnati, Ohio	2	1	New Orleans, La.	6	5
Cleveland, Ohio	2	2	New York, N. Y.	4	3
Detroit, Mich.	2	2	Pittsburgh, Pa.	3	2
Knoxville, Tenn.	3	2	St. Louis, Mo.	3	2

Bus Lines: Bus lines serving the area include: Southeastern Greyhound Lines, Black and White Bus Lines, Consolidated Bus Lines, and Trailway Bus System. A city transit line serves the city and the surrounding area within a 15 mile radius.

\* Point Express, Inc., Huntington, West Virginia

Taxi Service: Taxi service is available in Pikeville.

### Air

The nearest commercial airport is the Huntington, West Virginia, Tri-State Airport, 112 miles distant. Airlines serving this field include Eastern, Piedmont, and Allegheny Airlines. Pikeville has a Class-1 airport with a 2,700 foot gravel and limestone runway.

Future plans are for a mountain top airstrip with a mile paved runway.

## UTILITIES AND FUEL

### Electricity

Pikeville is served by the Kentucky Power Company. This company is an integrated part of the American Electric Power Company, whose interconnected system has a generating capacity of over 5,000,000 kilowatts. The area served by the Kentucky Power Company is substantially covered with distribution and transmission lines and large users of electric power will find ample capacity at many points in the area. Current electric rates will be supplied on request by the Department of Commerce or the power company.

### Natural Gas

Natural gas is distributed by a municipally owned company whose main source of supply is the United Fuel Gas Company. Four privately owned local gas fields are another source of supply. Distribution mains are 3" with the pressure maintained at 15 psi and a BTU content of 1012.

In addition to United Fuel Gas Company, United Carbon Company, Kentucky and West Virginia Gas Company, and others are operating fields in Pike County.

Current gas rates are as follows:

First	2,000 cubic feet	\$2.00 Minimum
Next	28,000 cubic feet	.63 per thousand cu. ft.
All Over	30,000 cubic feet	.53 per thousand cu. ft.

### Coal and Coke

Pikeville is located in the Eastern Kentucky Coal Field which consists of 2,037 mines located in 31 counties. The 1960 average production was 17,800 tons per mine, and a combined total of 36,260,000 tons. Underground mines produced 88 per cent, auger mines 7 per cent, and strip mines 5 per



cent of the total output. The average value was \$4.84 per ton in 1960, f. o. b. mine.\* Shipments were 82 per cent by rail and water. Captive tonnage was 20 per cent of the total.

Kentucky has three coke plants, located in Ashland, Calvert City, and Dawson Springs. The supply is supplemented by West Virginia and Ohio operations.

#### 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.

### WATER AND SEWERAGE

#### Public Water Supply

Water is supplied by a municipally owned system whose source of supply is the Levisa Fork of the Big Sandy River. A new water plant was completed in 1960. The new system has a capacity of 1,500,000 gallons per day. Mains are 4", 6", 8" and 10" with pressure maintained at approximately 100 psi.

#### Rates:

First	2,000 gallons	\$1.45 per M gallon
Next	3,000 gallons	1.00 per M gallon
Next	5,000 gallons	.95 per M gallon
Next	10,000 gallons	.90 per M gallon
Next	20,000 gallons	.85 per M gallon
Next	20,000 gallons	.80 per M gallon
Next	20,000 gallons	.75 per M gallon
Next	20,000 gallons	.70 per M gallon
100,000 to	300,000 gallons	.30 per M gallon
300,000 to	500,000 gallons	.25 per M gallon
All Over	500,000 gallons	.20 per M gallon

#### Water Resources

Surface Water: The Levisa Fork of the Big Sandy River affords the largest supply of surface water in this area. The average discharge of the Levisa Fork at Pikeville is 1,366 cfs (USGS, 24 years record).

\* The Mineral Industry of Kentucky, University of Kentucky, Series X, 1962

Ground Water: The occurrence of ground water is from rocks of the Pennsylvanian, Mississippian, and Devonian systems. This has been summarized in Hydrologic Investigations Atlases HA-10 and HA-36 (USGS) as follows:

#### PENNSYLVANIAN SYSTEM - Eastern Coal Field

"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."

#### MISSISSIPPIAN AND DEVONIAN - Undifferentiated

"Wells drilled into Mississippian rocks lying below drainage in faulted areas may yield as much as several hundred gallons per minute. Wells that are drilled through the Mississippian rocks down dip from their outcrop on Pine Mountain may yield large quantities of water. Springs from Mississippian rocks, principally limestone will yield more than 50 gpm; most, however, yield less than 10 gpm. Devonian shales yield small amounts of water to wells or springs."

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.

#### Sewerage System

Pikeville has a combined system of storm and sanitary sewers ranging from 12" to 30". Raw sewage is expelled into the Levisa Fork of the Big Sandy River.

A revenue bond issue has been approved and the site has been purchased for a new sewage disposal plant. The estimated cost of this project is \$1,600,000. A Federal Grant of \$1,600,000 has been applied for to complete this project.



## INDUSTRIAL SITES

Information concerning available industrial sites can be obtained from the Pike County Chamber of Commerce or the Pike County Improvement Association, Inc., Pikeville, Kentucky.

## LOCAL GOVERNMENT AND SERVICES

### Type Government

City: Pikeville is a fourth-class city, governed by a mayor who is elected for four years and four commissioners who are elected for two years. Pikeville also has a full-time city manager.

County: The Pike County Fiscal Court is composed of a county judge elected to a four-year term and four magistrates elected by district to four-year terms.

### Laws Affecting Industry

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

Business Licenses: Business and occupational licenses are required.

### Planning and Zoning

The Pikeville Planning and Zoning Commission was established in 1954. Since then it has followed a continuous active planning program. At the time of its establishment it contracted with the state of Kentucky for technical planning assistance and has continued with that assistance to this date.

Studies which have been completed include a base map, zoning plan, land use map, capital improvement program, subdivision regulations and a major street plan.

Subdivision regulations and a major street plan have been adopted by the city.

A zoning ordinance is to be adopted soon.

### Fire Protection

The city is provided fire protection by a chief, four full-time firemen and twenty volunteers. Equipment includes two fully equipped 750 gpm pumper trucks, one 250 gpm pumper truck, an auxiliary generator and flood lights. Alarm is given by telephone and a central siren. The city has a Class-7 fire insurance rating.

### Police Protection

The police department consists of a chief, 6 patrolmen, and 1 meter maid. Equipment includes two cruisers with two-way radios. The department is assisted by two school patrol in controlling traffic.

### Garbage and Sanitation

The city provides garbage pickup twice weekly in the residential areas and daily in the business district. Disposal is by means of a sanitary fill. There is a monthly charge of \$1.50 for residences with a graduated scale being applied to business establishments.

### Financial Information

The following is a summary of the financial position of Pikeville and Pike County.

#### City Income, Expenditures and Bonded Indebtedness:

Fiscal Year ending June 30, 1962:	Income	- \$389,000
	Expenditures	- \$324,120

As of June 30, 1962: Bonded Indebtedness - \$775,000

#### County Budget and Bonded Indebtedness:

County Budget, 1962-63: \$465,478

Bonded Indebtedness as  
of June 30, 1962: \$ 56,000

### TAXES

#### Property Taxes

The following table shows the property tax rate applying in Pikeville and Pike County for 1961. A more detailed explanation of taxes is shown in Appendix D.

TABLE 11

PROPERTY TAX RATES PER \$100 OF ASSESSED VALUE FOR  
PIKEVILLE AND PIKE COUNTY, 1961

<u>Taxing Unit</u>	<u>Pikeville</u>	<u>Pike County</u>
County	\$ .50	\$ .50
State	.05	.05
City	.80	---
School	1.63	1.50
Health District	---	.065
Total	\$2.98	\$2.115

Real Estate Assessment Ratios

Pikeville - 30%  
Pike Co. - 30%

Net Assessed Value of Property - subject to full local rate, 1962

Pikeville - \$ 7,847,563  
Pike Co. - \$67,178,929

OTHER LOCAL CONSIDERATIONS

Educational Facilities

Graded Schools: In the city of Pikeville there is 1 elementary school, 1 high school, 1 parochial school, and 1 private elementary school. A \$600,000 school bond issue has been approved and construction of new school facilities will begin in 1963.

There are 23 elementary schools and 9 high schools in the Pike County School System, with a total enrollment of 13,927. There are 573 teachers in the Pike County School System and the teacher-pupil ratio is 24 to 1.



TABLE 12

SCHOOLS, ENROLLMENT, NUMBER OF TEACHERS, STUDENT-TEACHER  
RATIO IN PIKEVILLE AND PIKE COUNTY

<u>System</u>	<u>Enrollment</u>	<u>No. of Teachers</u>	<u>Student- Teacher Ratio</u>
Pikeville Elem.	777	28	27
Pikeville High	651	25	26
Pike Co. Elem.	9,894	393	25
Pike Co. High	4,033	180	22
Perry A. Cline Elem.	53	2	26
St. Francis Elem.	47	2	23

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

The Pikeville area is served by the Mayo State Vocational School at Paintsville, 43 miles distant. Courses offered at this school include: Auto mechanics, drafting, electricity, machine shop, mining mechanics, radio, refrigeration, sheet metal, television, welding and woodworking. Mayo State Vocational School has a Branch School at Millard, 10 miles south of Pikeville.

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

Colleges: Pikeville College, founded in 1889 by the Ebenezer Presbytery, offers courses in liberal arts and education. This institution is a coeducational institution offering BA and BS degrees. Pikeville College gained the status of a four-year college in 1956.

Other institutions of the area include:

Ashland Center, University of Kentucky, Ashland, Kentucky, 105 miles  
Morehead State College, Morehead, Kentucky, 124 miles  
Berea College, Berea, Kentucky, 156 miles  
Eastern Kentucky State College, Richmond, Kentucky, 176 miles  
University of Kentucky, Lexington, Kentucky, 150 miles  
Transylvania College, Lexington, Kentucky, 150 miles  
Lees Junior College, Jackson, Kentucky, 92 miles

## Health

Hospitals: Pikeville has two hospitals, the Methodist Hospital of Kentucky with 144 beds and the Pikeville Memorial Hospital with 50 beds. Both hospitals are modern and fully equipped to provide excellent medical care.

Public Health: The Pike County Health Department is located at Pikeville. The staff includes a full-time physician, three sanitarians, an X-ray technician, and four clerks. Local dentists provide part-time dental care. Programs of the health department include communicable disease control, maternal and child health, general laboratory and sanitation services.

## Housing

There are a number of available houses for rent or sale in Pikeville. The rental range for a 2 or 3 bedroom house is from \$50 to \$100 per month. The construction cost for the same type of house is from \$10,000 to \$25,000, depending upon location and materials used. There are two subdivisions that have recently been developed.

## Communication

Telephone and Telegraph: Southern Bell Telephone and Telegraph Company serves Pikeville with a dial telephone system. There are 4,728 subscribers at the present time.

Telegraph service is provided by a local Western Union office. The Western Union office is open from 8:00 A.M. to 8:30 P.M., Monday through Saturday, and from 9:00 A.M. to 1:00 P.M. on Sunday.

Postal Facilities: Pikeville has a first-class post office with 27 employees, and a substation with 3 employees. Mail is received 9 times and dispatched 13 times daily. Local routes include 3 city, 3 rural, and 1 parcel post route.

In November 1961, a new post office section center building was constructed in Pikeville at a cost of \$160,000.

Total postal receipts for 1961 were \$130,000.

Newspapers: Pikeville has one local newspaper, the Pike County News, a weekly publication with 4,700 subscribers. Out-of-town newspapers are received daily from Ashland and Louisville, Kentucky, and Williamson, West Virginia.



Radio: Pikeville has two local radio stations, WLSI (5,000 watts) and WPKE (1,000 watts).

Television: Through a cable hook-up, television is received from Huntington (2 stations) and Charleston, West Virginia, and Bristol, Tennessee. Pikeville has excellent reception from all of the stations.

#### Libraries

The Pikeville Free Public Library has a total of 8,000 volumes and a yearly circulation of 29,742. The Pikeville College Library has 18,000 volumes plus many periodicals and newspapers.

#### Churches

Church denominations represented in Pikeville include Baptist, Methodist, Catholic, Christian, Church of Christ, Episcopal, Pilgrim Holiness, and Presbyterian.

#### Financial Institutions

Statement as of December 31, 1962

	<u>Assets</u>	<u>Deposits</u>
The Citizens Bank of Pikeville	\$11,196,610.23	\$10,257,618.81
The First National Bank	10,895,402.51	9,661,634.84
Pikeville National Bank & Trust Co.	16,667,254.27	15,407,038.99

#### Hotels and Motels

Anthony Hotel	68 Rooms
Pinson Hotel	63 Rooms
Mayo Trail Motel	34 Units
Modene Villa Motel	16 Units
Pikeville Motel	40 Units

#### Clubs and Organizations

Civic: Pike County Chamber of Commerce, Jaycees, Lions, Kiwanis, PTA, and Rotary.

Fraternal: Masonic, IOOF, American Legion, VFW, and Moose.

Women's: Business and Professional Woman's Club, Eastern Star, DAR, Rebekah, Homemakers, Woman's Club, Junior Woman's Club, Beta Sigma Phi and Women's Garden Club.

Youth: Boy Scouts, Girl Scouts, Cub Scouts, Little League, Babe Ruth League, 4-H, FFA and FHA.

Other: Sportsman's Club and Pike County Saddle Club.

### Recreation

Local: Two municipal parks offer facilities for basketball, tennis, croquet, shuffleboard, and completely equipped children's playgrounds. All activities are supervised during the summer months. The college athletic field is used regularly by the local baseball and softball leagues.

Pikeville has two excellent country clubs. The Green Meadows Country Club has a clubhouse, swimming pool, and a nine-hole golf course. The Pikeville Country Club has a clubhouse and a nine-hole golf course.

Area: Excellent facilities for boating, camping, fishing, swimming and golf are available at Dewey Lake State Park, 27 miles distant. Breaks Interstate Park is 28 miles distant. The Sportsman Club recreation grounds, which has fishing facilities, are located 10 miles north of Pikeville off U. S. Highway 23.

### Community Improvements

#### Recent:

1. Built a 2,700 ft. gravel runway on airstrip - 13 new hangers - a "do it yourself" project at about \$50,000 cost
2. Repaired Pauley Bridge - \$30,000 cost
3. New post office building
4. Two new motels and expansion of old ones
5. 16-lane bowling alley built- 1961
6. Number of new homes built in subdivision
7. City streets black topped
8. Formation of the Pike County Chamber of Commerce
9. First Baptist Church building -a new educational unit
10. WLSI Radio station built a new radio station-1962
11. Two branch banks built

12. Extension of water mains to newly annexed areas, north and south, and replaced present mains with larger mains in the city area
13. Two areas annexed to city
14. Sportsman's Recreation Area built in 1961-fishing, camping, etc.
15. New \$670,000 water plant completed in 1960
16. Small shopping center completed - South Mayo Trail
17. Faith Chapel Bldg. at Pikeville College completed
18. Additional street lighting installed
19. Extensive department store remodeling
20. Pike County Improvement Assn. formed.

Planned:

1. Obtained construction funds for Fishtrap Reservoir-Flood Control Project.
2. College Building program, Union Bldg. under construction
3. A \$600,000 School Bond Issue approved-building to start in 1963
4. Sewer Program-Public Works-Engineering plans completed
5. Plans in progress to build a mountain top airstrip-1 mile runway
6. Roadside Tourist Park Facilities planned along By-pass.
7. Street improvement planned.
8. Expansion of local bank building

## NATURAL RESOURCES

### Agriculture

In 1959 there were 2,049 farms in Pike County covering 150,549 acres, which is an average of 73.5 acres per farm. On the following page are agricultural statistics for Pike County and Kentucky.

TABLE 13

AGRICULTURAL STATISTICS FOR PIKE COUNTY AND KENTUCKY  
1959\*

<u>Crops</u>		<u>Acres Harvested</u>	<u>Yield Per Acre</u>	<u>Total Production</u>
<u>Corn:</u>				
Pike Co.	(bu)	4,660	35.7	163,447
Kentucky	(bu)	1,649,000	42.5	70,184,000
<u>Oats:</u>				
Pike Co.	(bu)	1	5.0	5
Kentucky	(bu)	51,353	33.0	1,711,517
<u>Soybeans:</u>				
Pike Co.	(bu)	10	20.0	200
Kentucky	(bu)	181,000	22.1	4,012,000
<u>Alfalfa Hay:</u>				
Pike Co.	(tons)	66	1.4	93
Kentucky	(tons)	289,000	2.1	620,000
<u>Clo-Tim Hay:</u>				
Pike Co.	(tons)	629	.9	614
Kentucky	(tons)	427,000	1.3	582,000
<u>Lespedeza Hay:</u>				
Pike Co.	(tons)	412	1.0	444
Kentucky	(tons)	549,000	1.2	703,000

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



TABLE 14

LIVESTOCK STATISTICS FOR PIKE COUNTY AND KENTUCKY  
1959\*

<u>Livestock</u>	<u>Number on Farms as of January 1, 1960</u>
<u>All Cattle and Calves:</u>	
Pike Co.	3,682
Kentucky	1,947,000
<u>Milk Cows:</u>	
Pike Co.	1,115
Kentucky	466,000
<u>Sheep:</u>	
Pike Co.	305
Kentucky	546,000

Minerals

The principal mineral resources of Pike County consist of coal, petroleum and natural gas, clay, stone and clay. Sand and gravel can be obtained along the larger stream beds for local construction and other uses. The county ranked second in the state in total value of mineral production in 1960.

Coal: Coal is by far the most important mineral resource, and the economic condition of the area is usually reflected by its production. In 1961 a total of 669 mines employing 5,784 men were operated.

Production: For the period 1904 through 1961 a total of nearly 326 million tons had been produced. During 1961 Pike County was the state's third largest producer with a total of slightly over 7.5 million tons from 17 rail mines and 652 truck mines. Underground mines accounted for nearly 7 million tons of this total.

Quality: Over a dozen important coal seams are worked, with the Elkhorn, Alma, Warfield, and others being outstanding. The coals are high volatile bituminous with low ash and sulphur content. They rank high in by-product coking, gas and metallurgical processes as well as in the general industrial and domestic trade. Selected analyses of the Elkhorn #2, Alma, and Warfield seams are as follows:

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

Seam	Moisture	Volatile Matter	Fixed Carbon	Ash	Sulphur	BTU Dry Basis	Ash Softening Temp. °F
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. Bureau of Mines

Reserves: Coal reserves for Pike County as of January 1, 1948 have been estimated at 5,855.37 millions of short tons by the U. S. Geological Survey. This includes measured, indicated and inferred resources in beds 14 inches or more in thickness.

Petroleum and Natural Gas: Pike County contains part of the Big Sandy gas field which also includes large portions of Floyd, Martin, and Knox Counties. This field accounts for over 90% of Kentucky's annual natural gas production, and contains virtually all of the state's gas reserves.

Oil production was first reported in Pike County in 1935. Since 1941 when 174 barrels were produced, there has been a steady increase in production, with the highest total reaching 60,472 barrels in 1958. A total of 55,354 barrels were secured in 1961 with production coming principally from the Devonian shale and Mississippian "Big Lime" and come from the Berea and Maxon.

Glass Sand: The recent discovery of a high silica sandstone and conglomerate deposit in the Lee formation (Pennsylvanian) on Pine Mountain near Elkhorn City has opened possibilities for an unlimited 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 analyzed. Analyses from seven samples of the Elkhorn City deposit show the following ranges.

	SiO <sub>2</sub>	Fe <sub>2</sub> O <sub>3</sub>	Al <sub>2</sub> O <sub>3</sub>	TiO <sub>2</sub>	CaO	MgO	Total
Raw	97.78-	.022-	.54-	.06-	.08-	0	99.0-
	98.57	.061	1.07	.12	.22	.04	99.4
Washed	98.00-	.012-	.56-	.04-	0-	0	99.1-
	98.72	.043	.95	.10	.19	.03	99.4

Source: Ky. Geological Survey



Stone: Limestone occurs in a narrow zone in the southwest margin of the county along the Pine Mountain overthrust fault. The stone is used for concrete aggregate and roadway construction purposes. One quarry was operated in 1961.

Sandstone, possibly suitable for local building construction purposes, is available in large quantities.

Clay: Clay and clay shales suitable for brick manufacture occur 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 lightweight aggregate material.

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 per cent of the total value with coal accounting for 68 per cent, petroleum - 15 per cent, and natural gas - 5 per cent. Stone represented 5 per cent, sand and gravel - 1 per cent, and clay - 1 per cent. All other minerals, which include natural gas liquids, fluorspar, barite, lead, silver, zinc, cement, crushed sandstone and gem stone, accounted for 5 per cent.

TABLE 15

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	18,389,000
Natural Gas Liquids:		
Natural Gasoline (gals.)	(2)	(2)
LP Gases (gals.)	(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 footnote 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."



## Forests

There are 422,000 acres of forested land in Pike County, which comprise 84% of the total land area. The principal trees are oaks, beech, hickory, and yellow poplar.

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-quarter of the lumber, veneer, and bolts produced (500 to 600 million board feet per year) is used in manufacturing in the state.

Kentucky's forests are guarded from fire by a radio-interconnected network of 144 fire towers.

## MARKETS

Kentucky's economic growth is credited in part to its location at the center of the Eastern Market Area. A line drawn along the borders of Minnesota, Iowa, Missouri, Arkansas, and Louisiana divides the country into two parts designated the Eastern and Western Market Areas. The Eastern Market Area is smaller in land area, but contains almost 75% of the national population.

Kentucky is also at the center of a seventeen-state area containing over 2/5 of the nation's population, personal income, and retail sales. This area is composed of those states within an approximate 400 mile radius of the Kentucky border. This is shown in greater detail in the following table.

TABLE 16  
CONSUMER MARKET POTENTIAL

	Population (1) Per cent of U.S.	Personal Income (2) Per cent of U.S.	Retail Sales (3) Per cent of U.S.
Alabama	1.8	1.2	1.2
Arkansas	.9	.6	.7
Delaware	.3	.3	.2
Georgia	2.1	1.6	1.7
Illinois	5.6	6.6	6.4
Indiana	2.7	2.5	2.5
KENTUCKY	1.6	1.2	1.2
Maryland	1.8	1.9	1.6
Michigan	4.3	4.6	4.4
Missouri	2.4	2.4	2.5
North Carolina	2.6	1.8	1.9
Ohio	5.4	5.7	5.5
Pennsylvania	6.3	6.4	6.1
South Carolina	1.3	.8	.8
Tennessee	1.9	1.4	1.6
Virginia	2.1	1.8	1.8
West Virginia	1.1	.8	.9
REGIONAL TOTAL	44.2	41.6	41.0

(1) U. S. Census of Population, 1960.

(2) Survey of Current Business, U. S. Department of Commerce.

(3) Census of Business, 1958, Retail Trade.

In 1961, retail sales in Pike County were \$31,427,000.\*

Per capita income in Pike County was \$868 in 1961, which was below the state average of \$1,412.\*

\* Sales Management, Survey of Buying Power, June 10, 1962

## 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 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.



TABLE 17

## CLIMATIC DATA FOR PIKEVILLE, PIKE COUNTY, KENTUCKY

Month	Temp. Norm*	Total Prec. Norm*	Av. Relative Humidity Readings**	
	Deg. Fahrenheit	Inches	7:00 A.M.	7:00 P.M. (EST)
January	33.2	3.73	85	71
February	45.0	3.57	83	64
March	53.3	4.67	81	59
April	52.9	3.37	79	55
May	62.0	4.08	84	60
June	71.2	4.47	86	63
July	75.4	4.89	88	66
August	76.4	3.09	92	69
September	73.5	2.85	90	65
October	59.0	2.04	89	60
November	50.0	2.58	84	60
December	40.7	3.20	83	64
Annual Norm	57.7	43.34		

\* Station Location: Pikeville, Kentucky

\*\* Station Location: Bristol, Tennessee

Length of record: 7:00 A.M. readings 13 years;  
7:00 P.M. readings 13 years.

Days cloudy or clear: (24 yrs. of record) - 90 clear, 114 partly cloudy,  
161 cloudy

Per cent of possible sunshine: (Not Available)

Days with precipitation of 0.01 inch or over: (16 yrs. of record) - 134 days

Days with 1.0 or more snow, sleet, hail: (18 yrs. of record) - 4 days

Days with thunderstorms: (18 yrs. of record) - 47 days

Days with heavy fog: (18 yrs. of record) - 40 days

Prevailing wind: (7 yrs. of record) - NE

Seasonal heating-degree days: (31 yrs. of record) - Approximate long-term  
means - 4, 148

## APPENDIX

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

## HISTORY

Pike County was established in 1822, the 71st county created in Kentucky. It was named in honor of General Zebulon Pike, an explorer and military leader who was killed in the War of 1812. The major portion of the county is mountainous, but the creek valleys are flat and fertile. Because of the terrain, agriculture is only of minor importance. It is Kentucky's largest county, comprising 786 square miles located in the easternmost section of the state on the Virginia and West Virginia lines. Here on the Virginia line lies the Breaks Interstate Park, to which the Commonwealths of Kentucky and Virginia contribute equally. It has been called the "Grand Canyon of the South," and this is an apt description. From the pinnacle you look down into the canyon, surrounded by tree covered mountains, through which the Big Sandy twists its way toward the Ohio. In the spring and early summer the woods abound with nature's most beautiful flowers, mountain laurel and rhododendron.

The early industries of the area were local and designed to meet the needs of the inhabitants. They drilled wells for salt water from which they made their own salt by boiling it in large kettles. Similarly they made all the articles necessary for their homes which they did not bring from the outside, such as furniture, harnesses, and clothing. From the later half of the 19th century to 1950, the county's population rose at a tremendous rate. From 1860 to 1910, Pike County grew from 7,384 to 31,679. From 1900 to 1910, it grew 39.6 per cent, and in the next decade 56.2 per cent was added to the population. The rise continued until 1950 when 81,154 people resided in the area. The next ten years witnessed the exodus of nearly 13,000 people. Coal was both the reason for the rise and fall of the county's population. The demand for it created jobs, and the area became dependent upon it for their economic life. With new mining techniques and less demand for coal the decline began, but the citizens of Pikeville believe that their vast quantities of natural resources will attract new industries to the area.

The resources of Pike County include 422,000 acres of forested land, containing oak, hickory, beech, and yellow poplar. Coal has been and still is the major resource. From 1906 through 1957, some 298,848,903 tons of coal were taken from its mines. In 1957 it was the state's third largest producer of coal, and in total value of mineral output second among Kentucky's 120 counties. It is located in the Big Sandy natural gas field, which as of 1959 produced over 95 per cent of Kentucky's natural gas. Oil was first produced in the county in 1935, but in 1947 there were only 174 barrels taken from Pike County. Eleven years later, 60,742 barrels were produced and hopes for more were high. There is also sand, limestone, gravel, and clay. Recently high silica glass sands have been found on Pine Mountain in large quantities, presenting possibilities for the opening of glass industry in the area.



## Appendix A

In Pike County and neighboring Logan County, West Virginia, occurred the most famous of the mountain feuds, that of the Hatfields and the McCoys. Most people have heard about the feud, but few understand it. In the last half of the nineteenth century these two families went to war. It was not only a war between two families, but in a limited way a battle between two states that caused unfortunate frictions between the public officials of both. During this period families were isolated in the mountain valleys, intermarrying and developing a clan system much like the Scottish highlands. It was hard for the law to reach them, and so they practiced the Old Testament code of "an eye for an eye." They were gentle, friendly, and hospitable to a greater degree than most of their day, but once wronged they felt that they must personally seek redress. Now with roads, railroads, radio, and television, the clans are gone, but gentleness and hospitality remain.

COVERED EMPLOYMENT BY MAJOR INDUSTRY DIVISION  
PIKE COUNTY AND KENTUCKY

<u>Industry, March 1962</u>	<u>Pike County</u>		<u>Kentucky</u>	
	<u>Number</u>	<u>Per cent</u>	<u>Number</u>	<u>Per cent</u>
All Industries	6,398	100.0	436,551	100.0
Mining & Quarrying	3,644	56.9	28,407	6.5
Contract Construction	81	1.2	28,674	6.5
Manufacturing	289	4.5	173,111	39.6
Food & kindred products	109	37.7	24,753	5.6
Tobacco	1	.3	10,987	2.5
Clothing, tex. & leather	0	0	25,992	5.9
Lumber & furniture	148	51.2	13,407	3.0
Printing, pub. & paper	18	6.2	10,574	2.4
Chemicals, petroleum, coal & rubber	0	0	14,650	3.3
Stone, clay & glass	13	4.4	5,391	1.2
Primary metals	0	0	9,883	2.2
Machinery, metals & equip.	0	0	54,621	12.5
Other	0	0	2,853	.6
Transportation, Communication & Utilities	286	4.4	32,081	7.3
Wholesale & Retail Trade	1,098	17.1	114,641	26.2
Finance, Ins. & Real Estate	144	2.2	20,852	4.7
Services	845	13.2	36,984	8.4
Other	11	.1	1,801	.4

ECONOMIC CHARACTERISTICS OF THE POPULATION FOR  
PIKE COUNTY AND KENTUCKY, 1960

Subject	Pike County		Kentucky	
	Male	Female	Male	Female
Total Population	34,032	34,232	1,508,536	1,529,620
EMPLOYMENT STATUS				
Persons 14 years old & over	21,573	22,201	1,036,440	1,074,244
Labor force	12,372	3,039	743,255	219,234
Civilian labor force	12,363		705,411	290,783
Employed	10,321	2,894	660,728	275,216
Private wage & salary	8,579	2,008	440,020	208,384
Government workers	412	651	58,275	44,462
Self-employed	965	195	156,582	16,109
Unpaid family workers	12	40	5,851	6,261
Unemployed	2,042	145	44,633	15,567
Not in labor force	9,201	19,162	293,185	783,010
Inmates of institutions	37	15	15,336	8,791
Enrolled in school	3,106	3,200	94,734	97,825
Other & not reported	6,058	15,947	183,115	676,394
Under 65 years old	4,066	14,044	91,626	539,838
65 and over	1,992	1,903	91,489	136,556
MAJOR OCCUPATION GROUP OF EMPLOYED PERSONS				
All employed	10,321	2,894	660,728	275,216
Professional & technical	605	605	46,440	36,879
Farmers & farm mgrs.	61	0	91,669	2,339
Mgrs., officials, & props.	696	120	58,533	10,215
Clerical & kindred workers	517	506	35,711	66,343
Sales workers	492	412	39,837	25,265
Craftsmen & foremen	1,717	8	114,003	2,836
Operatives & kindred workers	5,097	101	140,192	45,305
Private household workers	11	374	1,123	25,183
Service workers	299	538	29,844	40,156
Farm laborers & farm foremen	107	4	33,143	2,046
Laborers, ex. farm & mine	507	8	44,227	1,671
Occupation not reported	212	218	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.



## KENTUCKY CORPORATION TAXES

Corporation Organization Tax

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

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

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

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

Corporation License Tax

Every corporation owning property or doing business in Kentucky is liable for corporation license tax. This provision does not apply to banks and trust companies, foreign and domestic insurance companies, foreign and domestic building and loan associations, and corporations that, under existing laws, are liable to pay a franchise tax.

The license tax return, Form 41A820, is due on or before the 15th day of the 4th month following the close of the corporation's taxable year. The tax rate is 70¢ per \$1,000 value of capital stock employed in this state. The minimum liability is \$10.

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 nonprofit corporations are exempt from the tax. Payment is due on the 15th day of the fourth month after the close of the tax year, except for those corporations required to make a declaration.

Every corporation whose estimated tax liability will exceed \$5,000 must file a declaration of estimated tax due. The declaration must be filed on either May 15, September 15, or December 15, whichever date first succeeds the determination that an estimate must be filed. The estimated tax due in excess of \$5,000 will be paid in equal installments on the dates prescribed. Taxpayers using a fiscal year accounting period must substitute the corresponding dates.

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.

#### Public Service Company Taxes

Property of public service companies including railroad companies and common carrier trucking companies is subject to taxation at the following rates per \$100 value: real, 5¢; tangible personal, 50¢; nonoperating intangible property, 25¢; manufacturing machinery, 50¢; franchise and rolling stock of car line companies, \$2.50. With the exception of manufacturing machinery, franchise and rolling stock of car line companies, and nonoperating intangibles, such property is also subject to local taxation.

Public service companies must, between January 1 and March 31, file an annual report of their operations during the past calendar year. Assessment of their 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.

State 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 1962, the statewide assessment level on real estate and tangible personalty is slightly under 30 percent, 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	.001	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	2.50	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	.05	No	No	No
Intangibles, public service company 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 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	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, after deduction of Federal corporation income tax attributable to Kentucky operations. 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.	There are no local taxes levied on business firms outside corporate limits of Kentucky cities.
Personal & Individual	Individual income taxes range from 2% of the first \$3,000 of net income to 6% on net income in excess of \$8,000 after the deduction of Federal individual income tax payments, which is reduced by a tax credit of \$20 for each exemption.	There are no local individual income (occupational) taxes levied outside the corporate limits of Kentucky cities except in Jefferson County.
Real Estate	Five cents on each \$100 of assessed valuation. The average county assessment ratio is approximately 30 percent 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 30 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 30 percent of current market value.	No local taxing jurisdiction is allowed to impose a property tax on manufacturing inventories, raw materials and goods in process.
Sales & Use	Three percent retail sales and use tax with broad exemptions for industry.	None
Intangible Property	The assessment ratios and tax rates per \$100 of assessed value for the various classes of intangible property are as follows: Bank Deposits           100%   1/10 of   1¢ per \$100 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.



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 Commerce, 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 Commerce "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 1961, highway expenditures for the improvement and maintenance of Kentucky's highways and bridges totaled \$183,467,844. 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 Labor 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 Commerce 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.