

PLANNING A MODERN ROADSIDE INN

Thesis for the Degree of M. A.

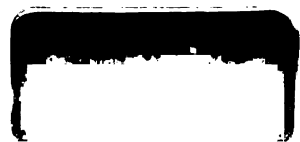
MICHIGAN STATE UNIVERSITY

John Poulos, Jr.

1956



P



PLANNING A MODERN ROADSIDE INN

By

John Foulos, Jr.

A THESIS

Submitted to the School of Hotel, Restaurant and
Institutional Management of Michigan State University
of Agriculture and Applied Science in
partial fulfillment of the
requirements for the
degree of

MASTER OF ARTS

1956

4/23/56

g

Drawings by

Gerald Wasielewski
21970 Harding
Oak Park, Michigan

TABLE OF CONTENTS

CHAPTER	PAGE
I. INTRODUCTION	1
History	1
Problem and Procedure	5
II. CHOOSING THE SITE	8
III. TYPE OF OPERATION TO BE UNDERTAKEN	24
IV. SITE PLANNING AND BUILDING DESIGN	28
V. FACILITIES AND EQUIPMENT	41
VI. ESTIMATED CAPITAL AND OPERATING BUDGET	49
VII. CONCLUSIONS	70
BIBLIOGRAPHY	73

LIST OF TABLES

TABLE	PAGE
I. A Statistical Abstract Supplement: County and City .	12
II. Primary Trade Area	14
III. Secondary Trade Area	15
IV. Pensacola's Primary and Secondary Trade Area	16
V. Twenty-four Hour Average Traffic Volume	21
VI. Questionnaire Completed by Hotel Guests	32
VII. Kitchen Equipment Legend	45
VIII. Estimated Capital Cost	51
IX. Estimated Annual Operating Budget	58

.....

.....

.....

.....

.....

.....

.....

.....

.....

7

LIST OF FIGURES

FIGURE	PAGE
1. Recreational Facilities	10
2. Property Location	18
3. Traffic Survey	20
4. Site Plan, MoHo Inn	30
5. Single Motel Unit	34
6. Combination Living and Housekeeping Unit	37
7. Typical Hotel Room	40
8. Kitchen Layout	44

CHAPTER I

INTRODUCTION

Part I History

Taking the family to a neighboring town during the horse and buggy age was a great task, and ten miles was a long and tedious trip. Mother had to prepare enough food for the day's travel, and the children excitedly took care of their chores, while father and the oldest son polished the carriage and groomed old Dobbin. A trip, such as the one described, might be planned and prepared for weeks ahead of the time of departure.

Nineteen-ten rolled around, and the new, "high-powered", automobiles rumbled down the beaten paths. Trips were becoming easier but still required a great deal of combined effort on the part of the whole family. Suitcases and gasoline cans were strapped precariously in the back while members of the family were completely bundled up so the dust wouldn't dirty their clothing. Roadside inns were a welcome sight to the weary travelers. Yet danger lurked, for some of these inns had a doubtful reputation, and seldom did they offer any of the conveniences of home. Today, these inns take on a new name and reputation, and the modern motel spells comfort to the driving tourist.

In 1925 there were approximately twenty million automobiles in the United States. Nineteen-forty showed an increase of approximately twelve million cars on the roads in our nation.¹ Today automobile

¹Geoffrey Baker and Bruno Funaro, Motels (Chicago, Reinhold Publishing Corporation, 1955), p. 1.

production is near a peak record, with a 1955 production of passenger cars totaling approximately 7,942,100, according to the Public Relations Division of the Oldsmobile Corporation. Expressways are being built in order to meet the transportation problem and motels are appearing beside these highways to serve the motorists' needs.

One important reason for the growth of the motel is the fact that our population has become so centralized. Sixty-four per cent of the total population of the United States was classified in 1950 as living in urbanized areas. Our population in 1954¹ was 161,700,000 as compared to 130,700,000 in 1940. Approximately 84,500,680 persons or fifty-six per cent of the total population lived within 168 Standard Metropolitan Areas. From 1940-1950, about eighty per cent of the United States population growth occurred in these Metropolitan areas.² With these cities becoming more and more congested, it appears to be the trend for people to avoid the larger cities as much as possible on their motoring trips. "Of those vacationing by car, 59 per cent stay in motels en route (only 36% now use hotels). On reaching their destination, however, only 10 % of these vacationers stay in motels; 25% in hotels; but 50% stay with friends and relatives."³

A comparison of the growth of the motel to that of the hotel should be made. During the twenties, hotel construction surpassed its demand and much revision of finance followed in the thirties.

²Fisher and Fisher, Urban Real Estate, (New York, Henry Holt and Company, Inc., 1954), p. 33.

³Baker and Funaro, op. cit., p. 2.

Occupancy in the forties, for many years, averaged over ninety-five per cent while today about seventy per cent occupancy is the average given.⁴ It is of interest to note that even though generous profits were made in the forties, there was only a bare four per cent increase in the total number of hotels and most of this was due to the increase in the resort business.⁵

On the other hand, approximately 600 motels were to be found in the twenties; 14,000 in 1945; and in 1950 there were more than 40,000.⁶ It is an interesting contrast to note the comparison between the two boom periods of the hotel and motel. The hotels were built at the end of the large expansion of the cities during the twenties, while the motels are being constructed at the beginning of an even larger expansion of the suburbs and satellite cities.

Another important comparison is, that in hotels, labor costs are about thirty-five per cent of the gross, while a motel can have a labor cost as low as fifteen per cent of the gross.⁷

Even though the hotel possesses many elegant attractions for the guest, there are several distinguishing factors about a motel which furnishes sufficient inducements to its guests. A motel means economy to the traveler. The prices are generally the same or slightly lower than hotels, but there are no door men or bell hops to tip, and

⁴Ibid., p. 3.

⁵Ibid.

⁶Ibid.

⁷Ibid., p. 9.

no garage fees to be paid, nor many other additional charges. Motels are conveniently located. The motorist has an easy time in choosing or reaching the desired motel without driving into a city and being confused by the congested traffic and poorly marked routes.

Location is not the only convenience offered by the motel. Motels are laid out so one may drive as near as possible to the unit to unload the baggage. After driving all day, the mere location and parking aspect is quite a drawing card.

Since motels are relatively new compared to hotels, an important characteristic is the modern appearance of the motel. They are generally well furnished and clean throughout and modern construction, with single story design, facilitates safety. Being built in length, the problem of evacuation is reduced in case of fire and children are safer with larger areas in which to play.

Many people associate a hotel with a certain air of formality. On the other hand, motels have an informality about them that make most people feel at home. Dress and appearance doesn't have to be of the highest caliber at all times especially after driving all day on the road.

Just like any other business, it's the personal touch of the owner that makes people feel at home. His friendliness and interest in satisfying everyone makes the guest that much more convinced that motels are good places to stay. "When it is considered that 40% of vacationers return to the place they visited last year, and 25% of vacationers visited places recommended by friends, the solid values

of the personal touch become of striking economic importance."⁸

Part II Problem and Frocedure

The author has a parcel of land in Pensacola, Florida. The problem facing the author is developing this land, by investigating its possibilities as a road side inn, and following through to a plan for its operation. Choosing the right location is one of the most important factors in such a project, and since this property was available, it appeared to be a good basis from which to begin. In order to check the validity of the plans, it was necessary to develop the following steps:

(1) Choosing the site:

First it is essential that the history and economy of the city be investigated. Growth of the community can be closely tabulated by looking at all the activities that provide an economic return for a community such as; the political, educational, social, recreational, physical, racial and institutional factors. Other reasons for a city's growth are its transportation facilities, closeness to raw materials, and arrangements of materials, labor and capital. After checking the economic base of a city and its growth and movements, traffic surveys must be made and city ordinances investigated. When the character of the potential business is fully defined, these factors should largely determine site location.

⁸Ibid., p. 7.

(2) Type of operation to be undertaken:

The type of guest to whom the prospective owner will cater, influences the type of operation. Other factors which will affect the operation are the services to be offered, location, climate, volume potential, plus budget requirements. These factors must be critically analyzed in order to determine the most suitable and economical type of operation.

(3) Site planning and building design:

Laying out the project so that the highest and best use of the land and building potentials are satisfied, requires careful planning. Land contours, access and outlook, parking, landscaping and the desires of the guest, must be taken into consideration when planning the site and building design. Having a central theme to add mood and atmosphere to the area is part of the layout design and is an asset in selling rooms and service.

(4) Facilities and equipment:

Facilities and equipment must be selected through a study of the needs and desires of the motel guests. It is hard to please everyone but it is the wish of the author to construct a roadside inn that comes as close to satisfying all within a certain economic medium as is possible. Some facilities such as a drive-in registration, swimming pool, children's enclosed playing area, sales display rooms, baby sitters, room service, dining room, coffee shop, and cocktail lounge are part of the comforts and conveniences which the author considers important.

(5) Estimated capital and operating budget:

How much money and financing is needed to build a motel is a problem common to many potential motel builders. Their desires often do not coincide with the financing available which may result in major changes in the plans for such projects. The author has a plan for a roadside inn in a particular area. The type of operation is decided upon. He has limited resources. He plans to work out a plan for the construction of a highway motel-hotel, and a plan to be used in financing the project, including an estimated operating budget.

CHAPTER II

CHOOSING THE SITE

Pensacola is a city blessed with tradition and progress. It was first founded by the Spanish in 1559. Since then, the city has changed hands thirteen times and the flags of five different nations have flown over the community. Pensacola is still called the City of Five Flags.

Pensacola is located on the Gulf of Mexico in north-west Florida, 178 miles south of Montgomery, Alabama. Pensacola was first located on Santa Rosa Island, which is directly south of its present location, but due to the hurricane dangers, it was moved to its present site. The population of Pensacola is 57,300, but the surrounding trade area population is 485,000.⁹ Because of its deep water harbor, it is a great trade center and the Municipal docks and terminals handle an annual business valued at approximately \$50,000,000.¹⁰

The economy of Pensacola rests on four distinct factors:

(1) There are two air force bases which are situated in the Pensacola area and are permanent in nature regardless of peace or war. To a large extent they employ civilian personnel which adds to the employment possibilities of the area.

⁹Pensacola Chamber of Commerce, Statistical Review, (Pensacola, 1955), p. 2.

¹⁰Chicago Motor Club, "Pensacola", What to See In The South-eastern States, (1955), p. 66.

The United States Naval Air Training Station presents an annual payroll in excess of \$73,000,000 and the Eglin Air Force Base has a payroll of approximately \$40,000,000.¹¹

(2) Industry is another sound economic value in Pensacola and is expanding rapidly, with its annual industrial (non agricultural) payroll of \$42,100,000.¹²

Local industries include the St. Regis Paper Company, The Chemstrand Corporation, Newport Industries, Armstrong Cork Company, Florida Drum Company, H. B. Fuller Company, Escambia Bay Chemical Company and many others.

Some of the manufactured products include wallboard, industrial chemicals, naval stores, furniture, trailers, beer, paper, fertilizers, windows, doors, pleasure boats, truck bodies, brick, innerspring mattresses, iron works, candy, tents, barrels, and nylon yarn.

(3) Pensacola is a resort, tourist and vacation area which has produced a \$10,000,000 annual tourist industry. It is of special note that these recreational facilities are within easy reach of some 23,000,000 people in one day's drive.¹³ Escambia County, of which Pensacola is the county seat, is less than 550 miles from the center of the population of the entire United States.¹⁴

¹¹Fpensacola Chamber of Commerce, Pensacola, Florida Trade Area, (Pensacola, May 1955), p. 3.

¹²Ibid.

¹³Ibid., p. 8.

¹⁴Dolph Map. Co., Inc., Map of Pensacola and Vicinity, (1954).

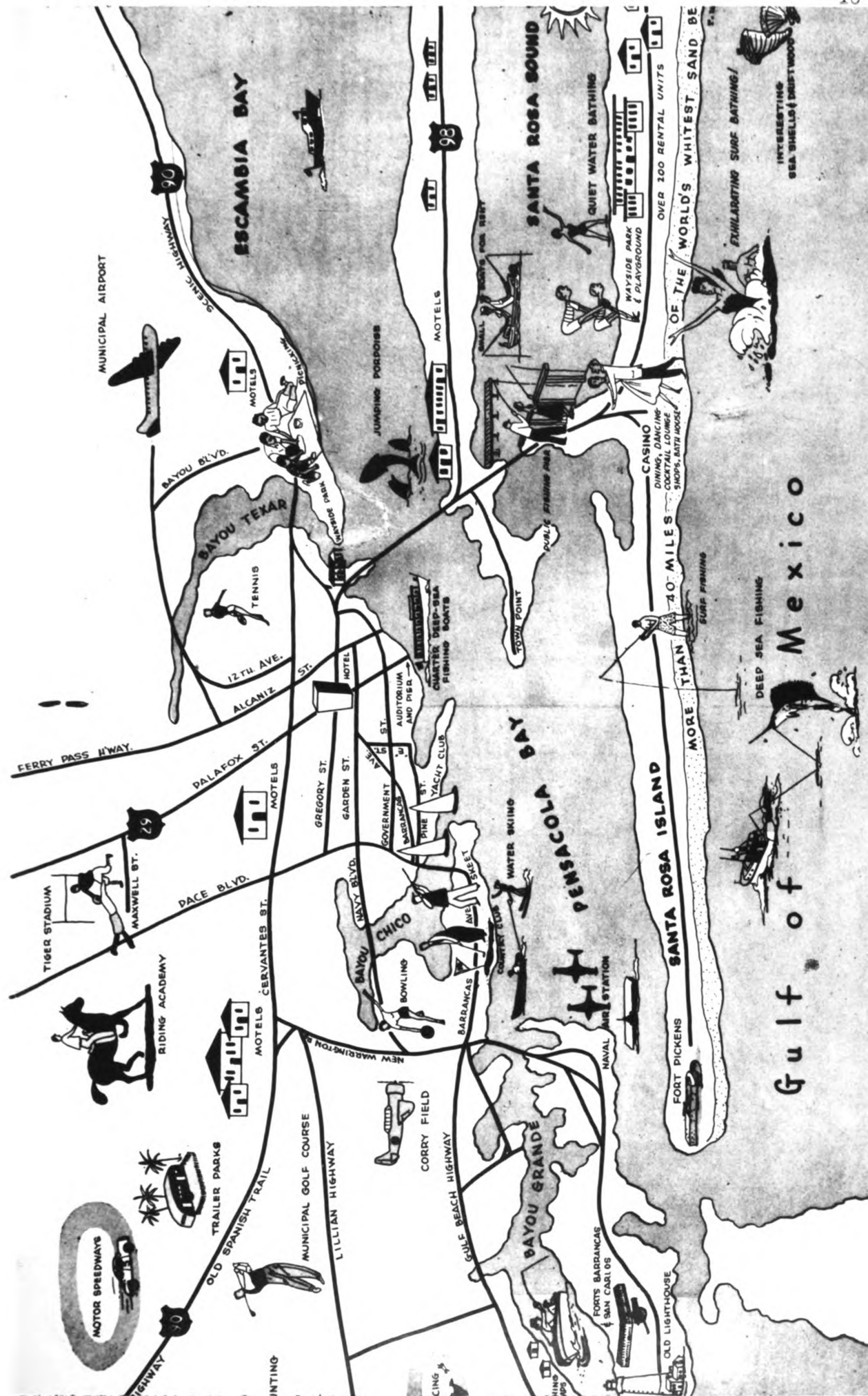


Figure 1. Recreational Facilities.

The weather is excellent the year around with a winter and summer season for vacationers. There are miles of white sand beaches and numerous outdoor recreational activities such as water skiing, boating, deep sea fishing cruises, sailing, surf bathing, dog racing, stock car racing, riding, hunting, dancing and golfing.

(4) Agriculture composes the fourth factor on which the economy of Pensacola rests. Potatoes, soybeans, cotton, dairy, and tung oil produce an annual income of \$2,175,000.¹⁵ Ninety per cent of the farms are owned by white persons and, for the most part, are family operated.

These four factors represent a total annual income of \$167,175,000. The growth of a city also depends upon the diversification of employment as well as the total amount of income derived from various sources. A city must not rely too heavily on one industry, for if this industry should move or disband, almost the entire working force of that community would be unemployed. Therefore, the author feels that it is important to analyse the sources of employment in Pensacola as well as analysing the total expendable income. (See Table I, page 12).

More recent figures show that wholesaling and retailing employment has increased almost thirty per cent in the last two years in Pensacola. By looking at the employment figures for all the major industrial groups listed, it should be noted that manufacturing is not the dominant employment factor in Pensacola. As a matter of fact, there is a wide distribution of employment throughout Pensacola and Escambia county. Therefore, if one industry should lay off workers,

¹⁵Pensacola, Florida Trade Area, op. cit., p. 8.

TABLE I

A STATISTICAL ABSTRACT SUPPLEMENT: COUNTY AND CITY¹⁶
1952

	Civilian Labor Force	Totally Employed (1)	Employed Extractive (2)	Construc- tion	Manufactur- ing	Transp. & Communication
Pensacola	17,452	16,029	248	949	1,476	1,391
Escambia County	35,772	33,366	977	2,071	4,495	2,448

Employed Persons by Selected Major Industrial Groups						
	Wholesale Trade	Retail Trade	Finance & Real Estate	Ins. Personal Services	Business & Related Service	% of Employment Manuf. In(3) Trade
Pensacola	651	3,289	545	1,317	1,627	9.1 24.3
Escambia County	7,545 (4)	941	2,272	2,567	2,567	Agri. 2.9 Manuf. 13.5

(1) Totally Employed: Includes persons classified in private households, entertainment and recreation services, public administration, and industry not reported, which are not included in any group shown separately here.

(2) Extractive Industries: Includes figures for agriculture, forestry and fisheries, and mining.

(3) In Trade: Includes figures for wholesale and retail trade.

(4) Total number employed in wholesale and retail throughout the county.

^{16A} Statistical Abstract Supplement: County and City Data Book, 1952, Pensacola and Escambia County, U.S. Government Printing Office, Washington, D.C. (1953), pp. 450-457.

the entire community and surrounding county will not be immediately affected, for the remaining industries should be able to absorb a large percentage of the unemployed. The Chemstrand Corporation's new \$35,990,000 Nylon plant at Pensacola, employing 35,000 people has just been completed and should definitely aid in the economic stability of the area.

By looking at Tables II, III, and IV on pages 14, 15, and 16, it can be seen that the total Consumer Expendable Income for Pensacola's Primary and Secondary Trade Areas in 1954 was \$528,352,000. With the availability of this income, retail sales have increased eleven per cent since 1952.¹⁷ It appears that the business picture for Pensacola is very bright and is on the upswing. Since 1952 motor vehicle registration increased seventeen per cent, bank clearings eleven per cent, gas meters twelve per cent, and water meters fourteen per cent. The Pensacola News-Journal has increased circulation by eleven per cent and advertising lineage by sixteen per cent.¹⁸

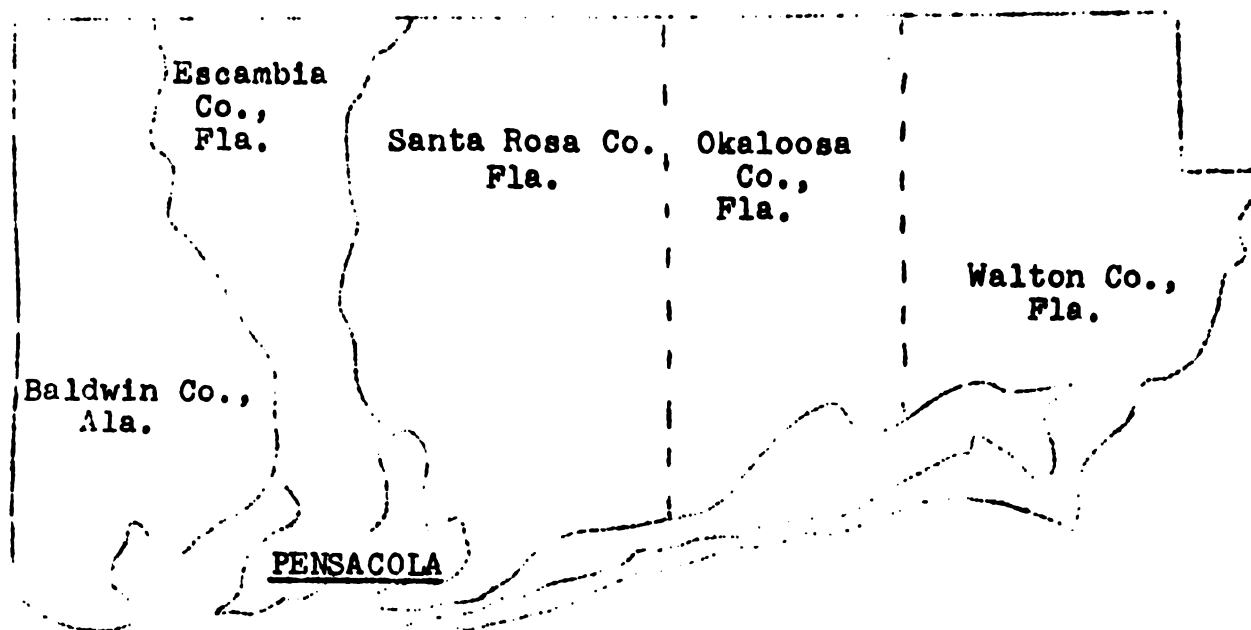
Thus far, the author has discussed Pensacola's history, four main factors of its economy, employment, the trading areas, and the general increase in utility connections made. A city has to have more than these factors to be a growing community for it has to be a good place to raise a family. Without a growing community where people want to settle, the type of operation the author plans to develop would not be

¹⁷A Pensacola Engraving Co., Inc., Publication, The Pensacola Visitor, p. 27.

¹⁸Ibid.

Table II.

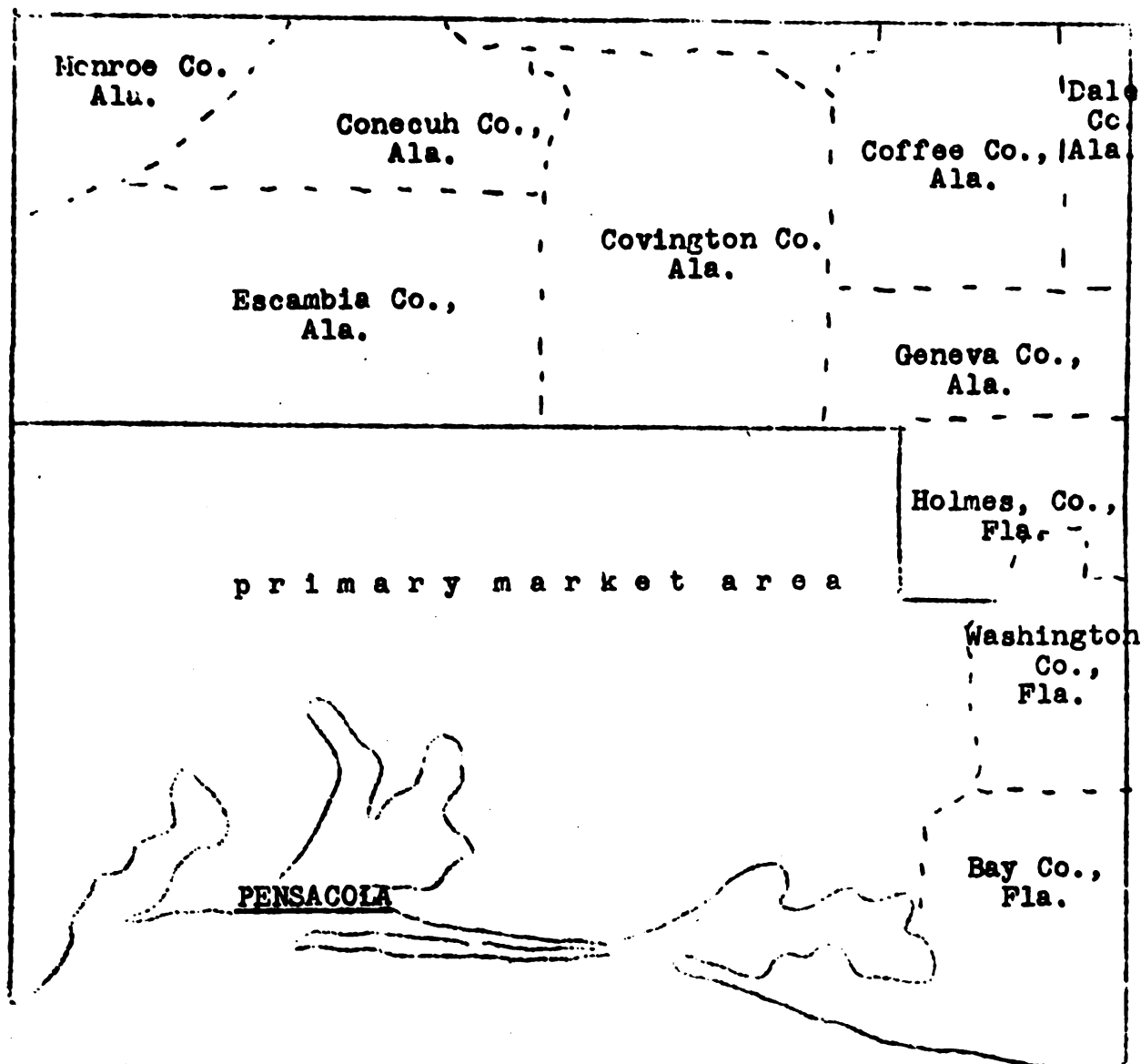
Primary Trade Area
Pensacola, Florida¹⁹



Population 1-1-55 Est.	267,800
Number Households 1-1-55 Est.	73,520
Retail Sales - 1954 Est.	\$185,747,000
Consumer Expendable Income 1954 Est.	\$307,792,000

¹⁹ Pensacola Chamber of Commerce, Pensacola, Florida Trade Area,
(Pensacola, May 1955), p. 3.

Table III.
Secondary Trade Area
Pensacola, Florida²⁰



Population 1-1-55 Est.	277,800
Number Households 1-1-55 Est.	74,460
Retail Sales 1954 Est.	\$160,124,000
Consumer Expendable Income 1954 Est.	\$220,560,000

²⁰ Ibid., p. 4.

TABLE IV
COMBINED FIGURES
PENSACOLA'S PRIMARY AND SECONDARY TRADE AREA

Population 1-1-55 Est.	545,600
Number Households 1-1-55 Est.	147,980
Retail Sales, 1954	\$345,871,000
Consumer Expendable Income, 1954	\$528,352,000
<u>BREAKDOWN OF RETAIL SALES</u>	
Food Stores	\$ 80,567,000
Drug Stores	9,849,000
Eating & Drinking Places	19,516,000
Gen. Merchandise Stores	28,043,000
Apparel Stores	15,079,000
Home Furnishing Stores	15,997,000
Automotive Stores	73,490,000
Filling Stations	24,792,000
Building Material & Hardware Stores	25,731,000
Misc.	46,807,000
TOTAL	\$345,871,000 ²¹

²¹Ibid., p. 7.

possible, for the author is relying on local trade as well as out of state trade.

Pensacola offers much for those who wish to settle permanently. It has five banks with deposits of \$60,422,208; 365 retailers and forty-five manufacturers. Moreover, there are four radio stations, two television channels, two daily newspapers and two weeklies, which form a good medium for advertising and reaching thousands of people.²²

Pensacola has 159 churches, representing thirty denominations; five hospitals, totalling 440 beds and 103 bassinets; twenty-two schools for whites, and nine for colored children. There are two golf courses; three savings and loan associations; homestead exemptions with up to \$5,000 on homes and no state income tax. Also there is an excellent public library with 23,249 volumes; ten theaters in the city; six drive-in theaters and the Pensacola Municipal Auditorium seating 3000. Pensacola is also the county seat of Escambia County.²³

These facts certainly indicate that Pensacola has a sound economic base, and can fulfill the requirements of a growing community through its many diversified activities and services such as political, educational, social, economic, racial, physical and recreational.

Still, these facts do not clearly indicate that Pensacola is a good area for a motel. By looking at the map on page 18, Figure 2, it may be noted that the property under consideration for development is located off highway 90, between Escambia Bay on the south and Bayou

²²Chamber of Commerce, Statistical Review, (Pensacola, 1955), pp. 1-3.

²³Ibid.

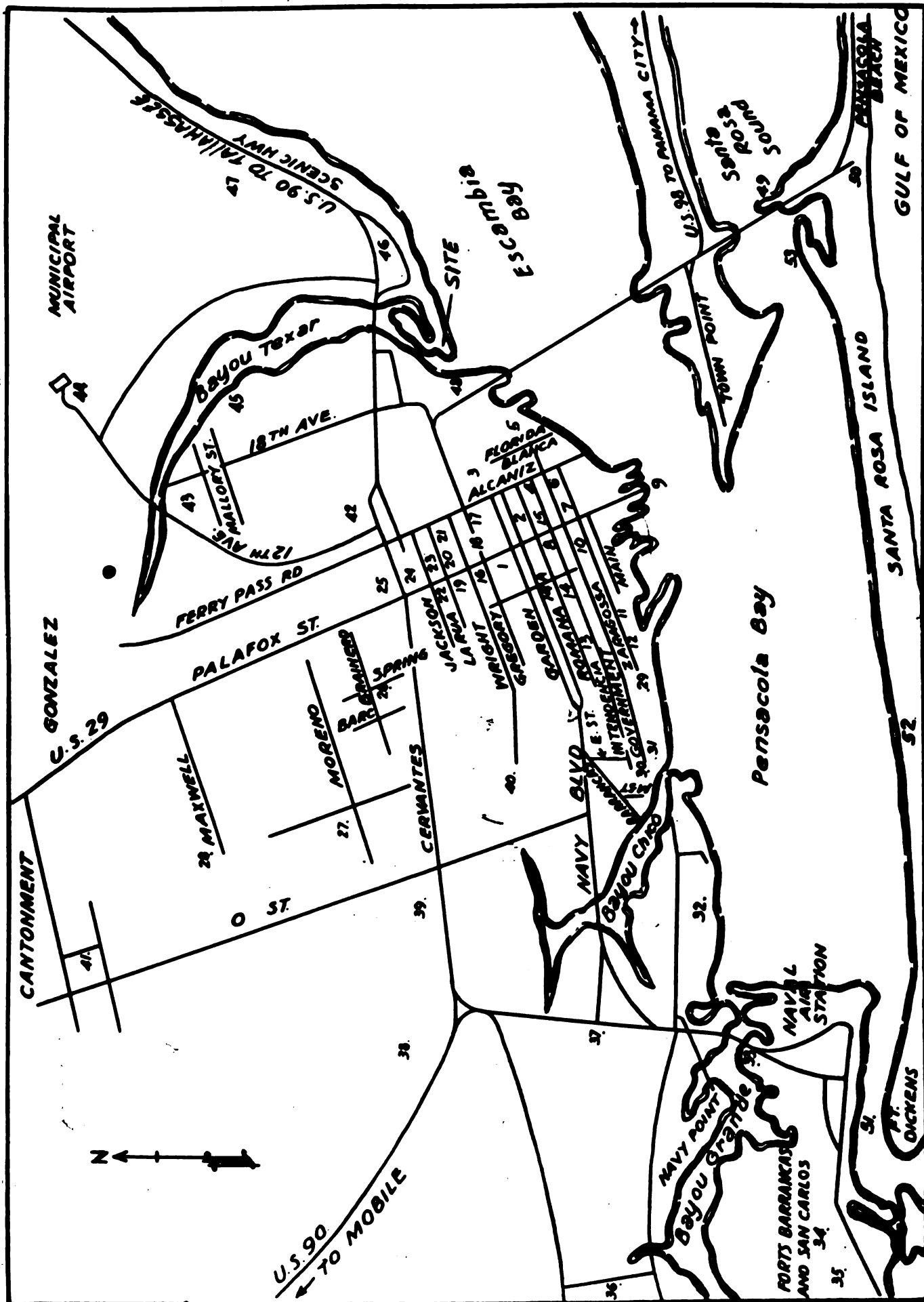


Figure 1. Property location.

Texar on the north. To the west and the south runs U. S. 98 going south to Santa Rosa Sound and on to southern Florida. To the north of the property running east and west is U. S. 90 which goes east to Tallahassee, Florida and west to New Orleans. The property is low and flat, thus it can be seen clearly from U. S. 90 and U. S. 98.

The traffic flow map on page 20, Figure 3, shows that 10,415 vehicles pass by the west end of U. S. 90, either entering or leaving the city and 11,080 vehicles pass within sight of the designated property.²⁴ It should be noted that the road numbers on the traffic survey map are State numbers, State highway 10A is U. S. 90 and State road 30 is U. S. 98. Visibility, a paramount requirement in selling, is excellent for this site.

When one uses a traffic count as an aid in choosing a site, however, the volume of traffic cannot be relied upon completely as an indication of anticipated business. A distinction between local, commercial, out of state passenger cars and the season must be made. A traffic count by seasons, however, with a breakdown on the types of traffic is important to the business man by helping him to decide whether it would be profitable to stay open during a certain season and whether it would be advisable to cater to certain types of trade. On U. S. 90 and 98 on the west side of Pensacola, the following statistics were compiled by the State Road Department of Florida.

²⁴State Roads Department of Florida, 24-Hour Annual Average Traffic Flow, (1954).

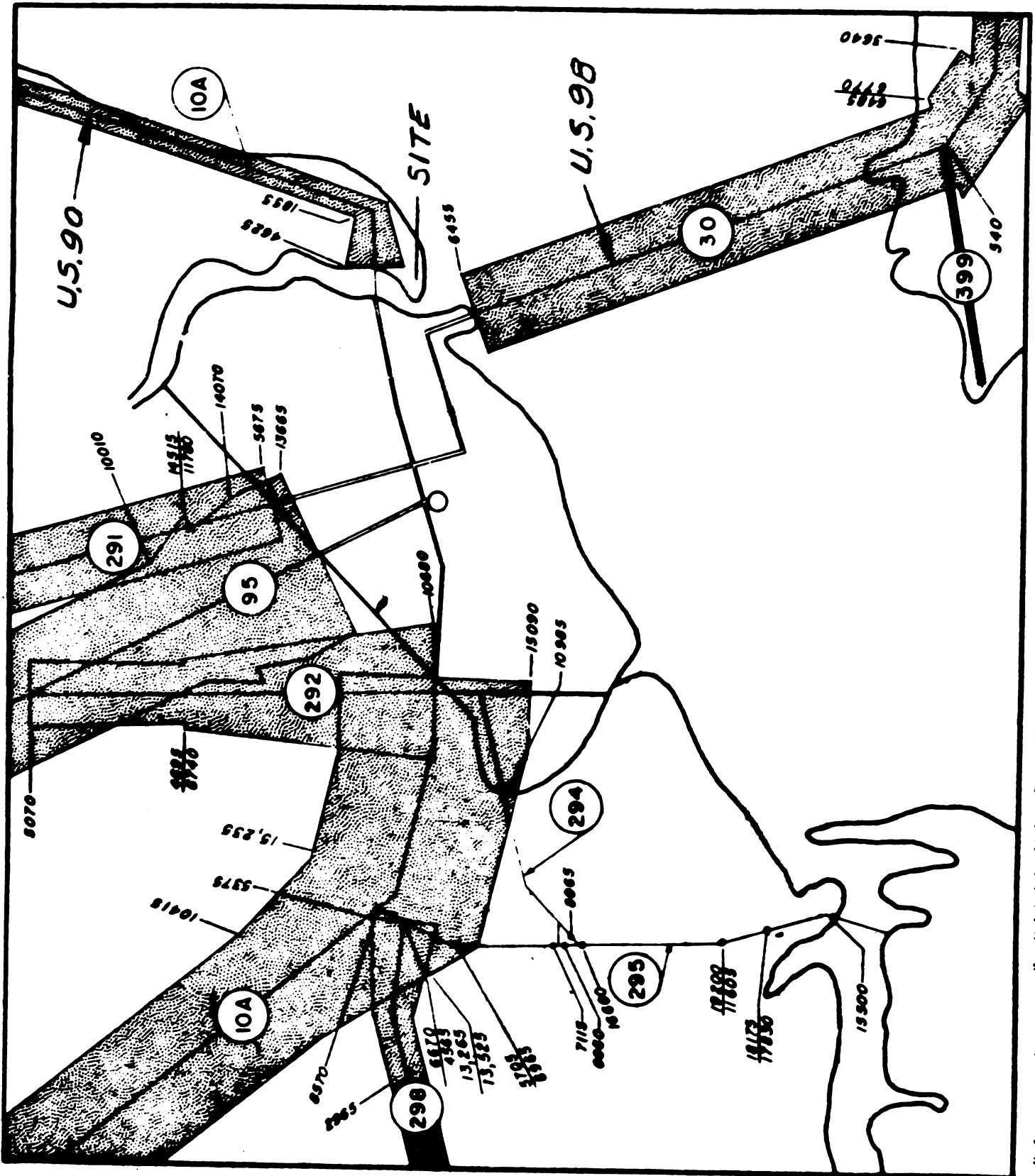


Figure 3. Traffic Survey.

TABLE V
1954 - 24 HOUR AVERAGE TRAFFIC VOLUME²⁵

Location	Season	Total	Commercial	Out of State
On SR 10 (US90)	Winter	3895	610	2185
300' east of	Summer	4125	360	2525
Perdido River	Annual	3765	565	2080
On SR 298 (US98)	Winter	2175	290	890
100' east of Lil-	Summer	2555	240	1200
lian Bridge over	Annual	2360	265	1035
Perdido River				

Annually, about forty-six per cent of these cars are out of state and commercial vehicles, showing that these roads are used consistently by tourists and commercial people. The summer season has only a two per cent increase of commercial and out of state vehicles over the winter season, illustrating the constant flow of tourists all year around.

Transportation facilities are another important item to be investigated. What good is a motel if it can't be reached? Can materials be shipped economically? These questions mean money to the motel operator. Pensacola has two railroads, two air lines, seven freight lines and four shipping companies handling both freight and passenger business. Also there are the Inter-City, Greyhound, Trailway and Capital bus lines. Locally there is the Pensacola Transit Company to all points in the city, beaches, and suburbs.²⁶ Since the property is near the main highways, the bus lines are readily accessible.

²⁵Statistical Review, op. cit., p. 4.

²⁶Ibid., p. 3.

A motel layout on a busy highway should have two entrances in case the motorist doesn't slow down in time. The property is first seen from the east on a bridge, and traffic has ample opportunity to slow down before the motorist has to turn off. On U.S. 98 there is a bridge and a curve reduces speeds, so it is almost impossible to miss seeing the property.

Many motels are built only to have a new highway bypass them and make that road and motel obsolete. A new road is going through Pensacola, but only a few feet from the old one, so there is no immediate problem on that count.

It was mentioned before that it is necessary to try to find out the anticipated growth of the city, for a motel owner may find that the city is growing away, and he will be located too far from the center of activity. The growth in Pensacola appears to be going eastward, and the property has just been incorporated into the city limits. This fact also means that public utilities and services will be available.

Before the site was incorporated into the city, there were no zoning restrictions. Because the incorporation was accomplished within the past few weeks, the author has not been able to check the city zoning laws. Since neighboring motels, which are in residential areas, are allowed, it is the author's opinion that the planned site still may be used for commercial purposes.

Another important item when building a motel is to look for new cheap areas that may arise. If factories or other industrial developments are built in or near the area, the property will decline in

value. It may be better to pay more for a location already built up. In this project, the property is surrounded by water on three sides and a desirable residential area on the fourth side, which is a good distance down the beach.

Climate and seasons are another item to take into consideration when building a motel. The busiest season in Pensacola is June, July and August and the winter season is in January, February and March. Yet Pensacola is a resort town all year around, for the mean annual temperature is 67.7°F. Transient business is excellent all the time, for Pensacola is a main route southeast to Miami and west to New Orleans. The best location has a high demand. The Pensacola area provides the location and the demand surely is there.

In conclusion, while choosing a city for a site, one must look for the many diversified activities which help in creating various jobs, which, in turn, influence the economy of the city as well as the growth of that community. Growth is also important in relation to the traffic survey. Even though the traffic volume may not be great, as long as there is a continual rise in volume, the outlook should be quite favorable.

CHAPTER III

THE TYPE OF OPERATION TO BE UNDERTAKEN

The name MoHo Inn almost entirely describes the type of operation to be undertaken in this project. MoHo stands for Motel-Hotel, with each as a separate unit. Separation of the motel and hotel is done because it provides for the privacy that a motel guest looks for, and yet, offers conveniences which many motels lack; that of a coffee shop, dining room, and cocktail bar nearby.

By checking the statistics, it can be seen that occupancy of the MoHo Inn should not be a problem as the demand for accommodations is annually increasing and the traffic flow is on the upgrade in the Pensacola area. There are now approximately one thousand commercial hotel and motel units in Pensacola.²⁷ During June, July and August of 1954, 913,540 tourists visited the city. Many of these tourists used trailers, tents, and stayed with friends and relatives, but thousands were left looking for rooms. Besides this summer season influx, the average traffic flow in Pensacola during a twenty-four hour period is approximately 33,315 cars.²⁸ According to the preceding figures it would seem that many transient rooms are in demand. These facts constitute a favorable basis for constructing a Motel.

²⁷American Automobile Association, Accommodations Directory, (Washington, D. C., 1955), pp. 142-143.

²⁸State Roads Department of Florida, 1954 - 24 Hour Annual Average Traffic Flow, Tallahassee, Florida.

The MoHo Inn, however, is more than a Motel, it is also a Hotel. The purpose of a combined type of operation is to serve the diversified desires of the guest. A list of the anticipated types of guests will more clearly show the reader why a Motel and Hotel is needed.

(1) The Salesman who is on the road all day. At the end of the day he is tired and wants peace and quiet. His ideal evening may consist of a bath or shower, cocktails and dinner, a good book or some paper work, and then to bed for a much needed rest. The next morning he is up early, eats breakfast and is on the road again.

The MoHo Inn will be able to furnish the Salesman Type with a quiet room in the motel unit while the food and beverage department will be easily accessible just across the court in the hotel unit. Moreover, his car will be conveniently parked near his room in the motel which will facilitate ease in loading and unloading. A drive-in registration will allow him the convenience of registering in the car and going directly to the assigned unit. In the morning he may eat breakfast in the hotel and then be off on the road without the discomfort of having to search for a restaurant once he has begun his travel.

(2) The second type of customer could be a family on a two week's vacation. They are looking for a reasonably priced unit which offers cooking privileges and safe recreational facilities for the children. The Motel unit handles their problem nicely, with a modern kitchen and separate living quarters. There will be a children's pool, an enclosed play area and numerous other recreational facilities that

will be described in detail later. The parents may tuck the children in at night, and go across the court to the cocktail lounge and enjoy their own evening. A list of available baby sitters will be supplied for the convenience of guests.

(3) Young couples may choose the privacy of the motel units or the friendly atmosphere of the hotel. For their recreation, there will be the swimming pool, water skiing in Escambia Bay, tennis, and dancing on the terrace.

(4) An elderly couple may prefer the comfort of the hotel. Elevators will be located at each end of the hotel for their convenience. The husband may relax in the sun by the pool or do some surf fishing. The wife will enjoy the friendly and relaxed social atmosphere and the organized bridge games conducted by the management.

(5) The MoHo Inn will also cater to small business groups. This will keep the occupancy high during the slack months. Conference rooms will be needed for the meetings of such guests. They can also be used as display rooms for salesmen. A ballroom will provide a place for dances, larger meetings or large dinner dances and banquets.

(6) Tourists or transients will probably take the motel unit for it is more convenient to park the car near the unit and to check out in the morning without carrying the baggage up and down floors. The evenings may be spent watching television or at the hotel. Full privileges will be granted all guests, except room service which will not be supplied to the motel units.

Thus far the salesmen, family group, younger set, elderly couple, business group, and the transients have been noted. But the type of

operation is not yet complete. It was stated that approximately \$20,000,000 was spent on eating and drinking placed alone in Pensacola's primary and secondary areas. Therefore, the MoHo Inn plans to cater to the local trade as well. Certainly it will be centrally located, among beautiful surroundings, and on the main arteries of travel. An inducement to local trade will be provided by a traditional theme throughout the premises. The dining room, cocktail lounge and the coffee shop will be in the popular price range. These services provide that extra income to the MoHo Inn that otherwise would not be made. The ballroom should draw dances, banquet, etc., from the various organizations in the city and surrounding areas.

In conclusion, the type of operation to be undertaken will be a motel-hotel, catering and night club operation. It is the purpose of the author to offer as many diversified combinations as possible in order to please the paying guest and at the same time to keep a centralized theme for continuity. This type of operation provides comfort, relaxation, and also entertainment when desired, plus economy for the guest.

CHAPTER IV

SITE PLANNING AND BUILDING DESIGN

Planning the site and building design is just as important as choosing the site. The advantage of a good location may be largely lost if the layout is poor and unattractive. When planning the site, the most important factors to take into consideration are as follows:²⁹

1. Land contours
2. Access and outlook
3. Parking
4. Building layout and design
5. Landscaping

(1) The MoHo Inn is to be constructed on a flat site. To aid in breaking the monotony of the low beach line and add depth to the layout, the motel unit will consist of two stories and the hotel unit of three stories. A two story motel unit is more economical than extending the units along the ground level. By constructing a multi-story structure, it can be seen from a greater distance which should be an advantage in an operation of this type.

A flat site, such as the one to be developed, poses many problems. For example, drainage must be carefully planned. Since the land is so low to the water line, added fill may be needed and breakwaters may be required.

²⁹Baker and Funaro, op. cit., pp. 144-158.

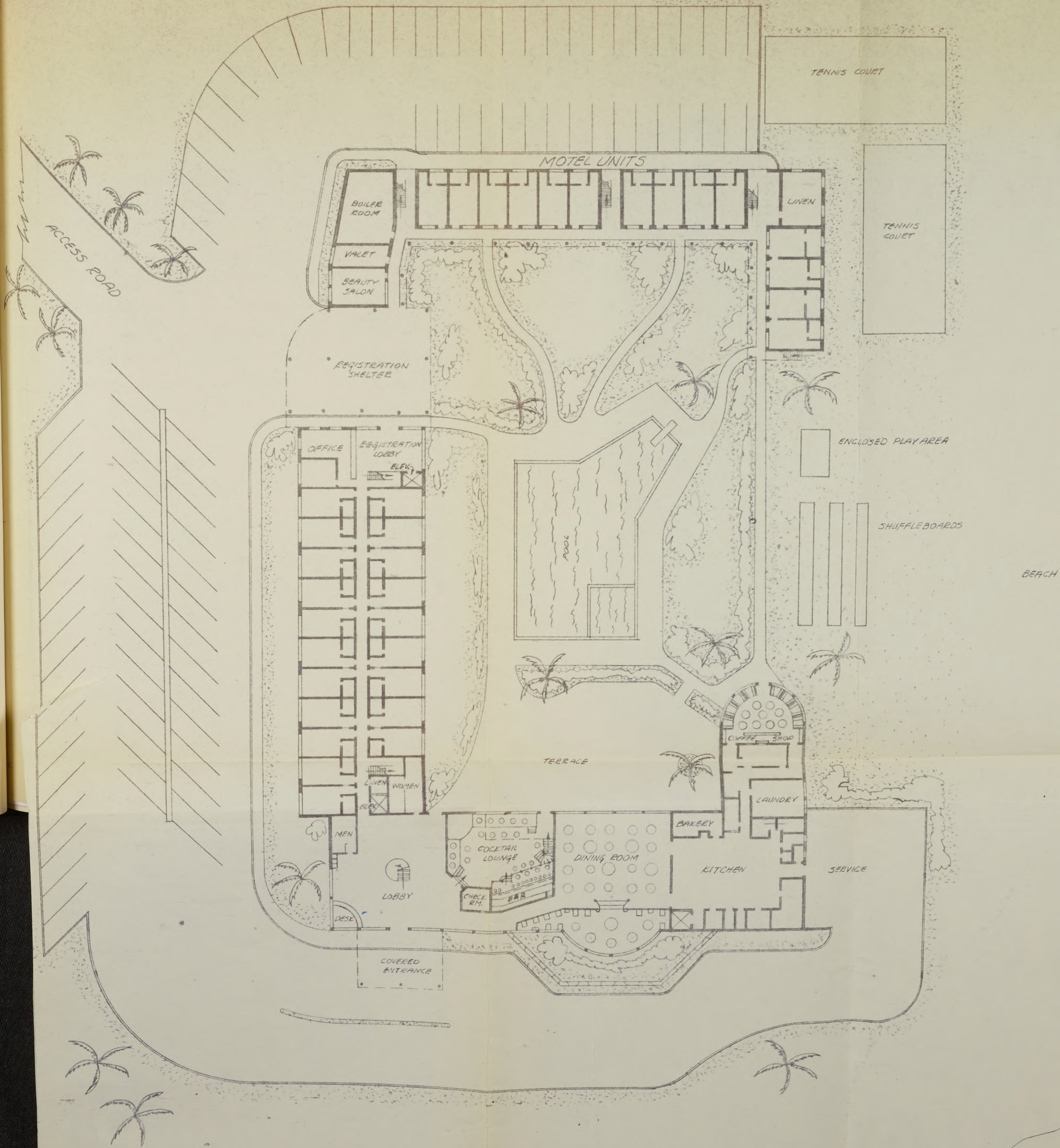
(2) A well planned motel should have the access road on one side of the unit and a pleasant and private outlook on the other side.³⁰ A common mistake is to have the outlook and access roads on the same side. The MoHo Inn is planned to take advantage of the natural scenery by having large picture windows overlooking the pool and Excambria Bay (see Figure 4, page 30).

(3) Parking facilities at the MoHo Inn are planned to provide spaces for resident guests and spaces for others in areas which will reduce walking to a minimum. After investigating the cost of carports or sheltered parking, it was decided that these facilities would not be warranted in view of the original and maintenance expense involved.

The MoHo Inn will provide some sheltered parking at the registration office. When a customer registers he can unload and go directly to the hotel room without being exposed to the elements. The car can then be parked in one of the open lots. If the guest desires a motel unit, he may leave his car directly behind his assigned unit after registering.

(4) Building layout and design can best be understood by looking at the layout in Figure 4 on the following page. The building design is in a C pattern. This design was developed for the following reasons: First, by having a continuous roof over most of the area, guests in either the motel or hotel units may be protected while traveling to either end of the layout. In the second place construction costs are lowered by following the C pattern because the buildings are arranged

³⁰Ibid., p. 145.



SITE PLAN & LAYOUT

ESCAMBIA BAY

SCALE $\frac{1}{32}'' = 1'0''$

in a continuous line, thus reducing exterior wall expense. Because the MoHo Inn will be surrounded by water on three sides, and is constructed on a flat and open expanse, the C pattern also affords wind protection for the pool area.

The C pattern allows parking near the units, yet keeps cars far enough away from the play areas to avoid the discomforts of car fumes and noises. Since the parking is away from the main play areas and ordinary pedestrian traffic, children and adults are protected from unnecessary danger from traffic.

Another attractive feature of the building layout is the centrally located registration area, where one may drive in, register and go directly to the assigned unit without going into the lobby. Those who wish to go to the dining room may drive around to the front and under a covered entrance gain access to the dining area.

Before going on to the individual room designs, the author would like to discuss a survey which he conducted concerning the desires of a motel guest. A total of three thousand questionnaires were distributed to motels throughout the United States. These motels were picked at random from an accommodations directory. The only qualification that was necessary in selecting the various motels was that they had to belong to some association, such as Quality Courts, AAA, etc. Motels were divided into the following units:

10-20 units	- 500 questionnaires
21-40 units	-1000 questionnaires
41-60 units	- 500 questionnaires
61-100 units	- 500 questionnaires
101-over units	- 500 questionnaires.

The motel operators were asked to distribute these questionnaires to the guests, collect them and return them. A breakdown of the questionnaires returned are as follows:

10-20 units returned 122 questionnaires
 21-40 units returned 134 questionnaires
 41-60 units returned 44 questionnaires.

Since only ten per cent of the questionnaires were returned, definite trends cannot be accurately tabulated, but general opinions can be formulated. These returned questionnaires covered only four states (Virginia, Florida, Alabama, and Utah). The room design and general layout is based upon the results of this study, discussions with motel and hotel operators, and the observations of the author.

TABLE VI
 QUESTIONNAIRES COMPLETED BY MOTEL GUESTS

-
1. Question: Is some sort of car shelter necessary?
 Answer: 75% - no : 25% - yes
 2. Question: Do you prefer air-foam pillows and mattresses to regular inner-spring mattresses?
 Answer: 74% - no : 26% - yes
 3. Question: Is a full length mirror in a room necessary?
 Answer: 75% - No : 25% - yes
 Women were 3-1 in favor of full length mirrors.
 4. Question: Do you prefer: Indirect, Direct, or Combination lighting?
 Answer: Indirect - 21% : Direct - 16% : Combination - 73%
 5. Question: Should a motel furnish a baby sitter?
 Answer: 62% - no : 38% - yes

6. Question: Is it important for a motel to have a restaurant?

Answer: 93% - yes : 7% - no

7. Question: Do you prefer motels over hotels?

Answer: 98% - yes : 2% - no

This percentage is probably over rated because of the fact that the questionnaires were limited to motel guests only.

8. Question: What is the most important thing you want in a motel?
The following answers are listed in order of importance.

Answer: Comfort, cleanliness, quiet, food, service, large airy room, well lighted room, phone, television, air conditioning, sound proof walls, clean rugs and cheerfulness.

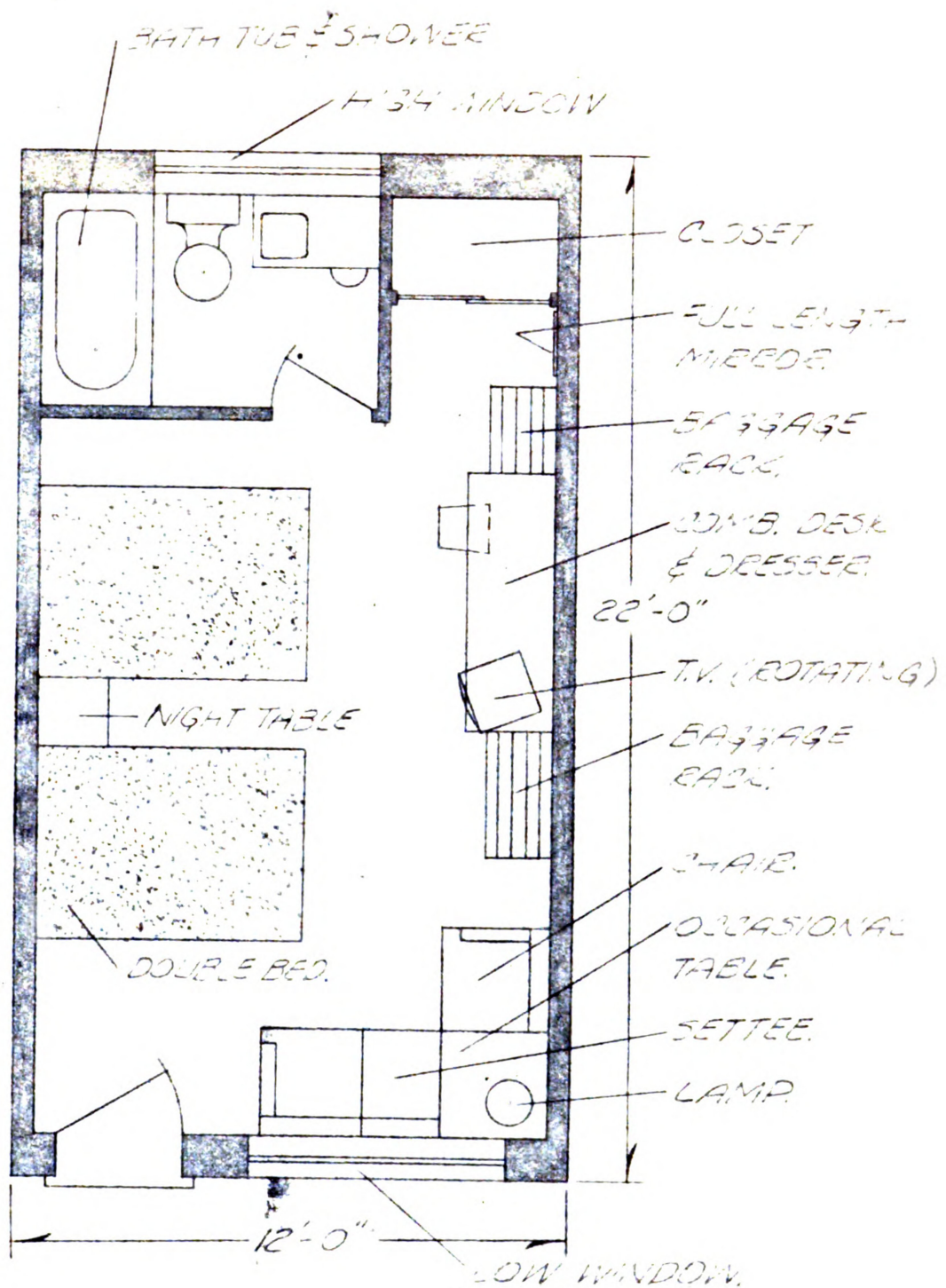
Some of the suggestions to improve motels were:

1. Lower shower head for women
2. Rubber foam pillows for allergies
3. Wide shelf for toilet articles
4. Pant hangers
5. Single room rate for salesmen and their wives so they may more often take their wives along on business trips.
6. Hooks on bathroom doors
7. Dispensable bath mats
8. Post cards for reservation mailing
9. Individual thermostats.

Figure 5, on the following page, shows the motel room unit which is planned for use at the MoHo Inn. This room is so designed that a maid can clean it quickly, yet it provides comfort and floor space to the guest. Wall-to-wall carpeting will be installed which will eliminate the cost of hardwood floors and will provide a feeling of quality.

"Double beds cost little if any more than twin beds and the cost of bedding is approximately equal for the two sizes."³¹ By having the

³¹Ibid., p. 203.



SINGLE MOTEL UNIT

Figure 5.

SCALE: $\frac{1}{4}" = 1'-0"$

double beds, one can always accommodate four people in the unit instead of two. The double beds will be so spaced that the maid has no trouble in making them or cleaning around them.

Some leading motel men suggest separating the tub and toilet from the wash basin to provide a private dressing room. This plan was considered but was not adopted. The most expensive area per square foot is the bathroom.³² Therefore, it must be carefully planned and each additional square foot of floor space results in higher construction costs. The use of a private dressing room requires the installation of an extra lighting fixture, added walls and provisions for ventilation. The author decided upon a simple bathroom design which is shown in all the units.

The closet in the typical unit will be four feet long and two and one half feet wide with sliding metal doors and a storage shelf above. The plan includes provision of the following furnishings: Next to the closet will be a full length mirror, wall mounted. A small baggage rack will be provided, also a combination desk and dresser, and a swivel mounted television set placed on the same level as the desk. Drawers will be located underneath the television set for added space. A large baggage rack will be conveniently placed beside the dresser, which will enable the guest to see the rack as he enters the room to discourage throwing luggage on the bed or carrying it through the room towards the closet and possibly knocking the baggage against the furniture.

³²Ibid., p. 199

A settee, an occasional table and an easy chair will be placed near the window. This arrangement provides the guest with a comfortable place to sit and relax without forcing him to use the bed for lack of a more comfortable seat. Large jalousy windows and draw drapes add space, vision, ventilation, and a living room effect to the unit.

The wall at the entrance will be brick. This type of construction is more expensive than plaster, but requires little if any maintenance. The closet and bathroom will be at the other end of the room. Ceramic tile will be used in the bathroom. This material is expensive but is very durable. Plastic wall covering will be used as interior finish on this end of the room. The other two inside walls of the room will consist of wood paneling, preferably wormy chestnut because of its ability to withstand abuse. The furniture will be of traditional styling to agree with the general motif.

Soft flourescent lighting will be used in the bathroom, at the desk, and above the full-length mirror with proper screening of light to prevent unnecessary glare. Spots will be used at the beds allowing one person to sleep without an annoying glare from the other person's light. A three-way table lamp will be used on the occasional table and a ceiling light will be installed, controlled by a wall switch near the entrance.

Figure 6, on the following page shows the combination living and housekeeping unit. Four of these units will be located on the right wing of the motel. The living unit is identical to the regular motel room but connects by a sliding door to the housekeeping unit. In the housekeeping unit there will be a combination stove, sink, refrigerator

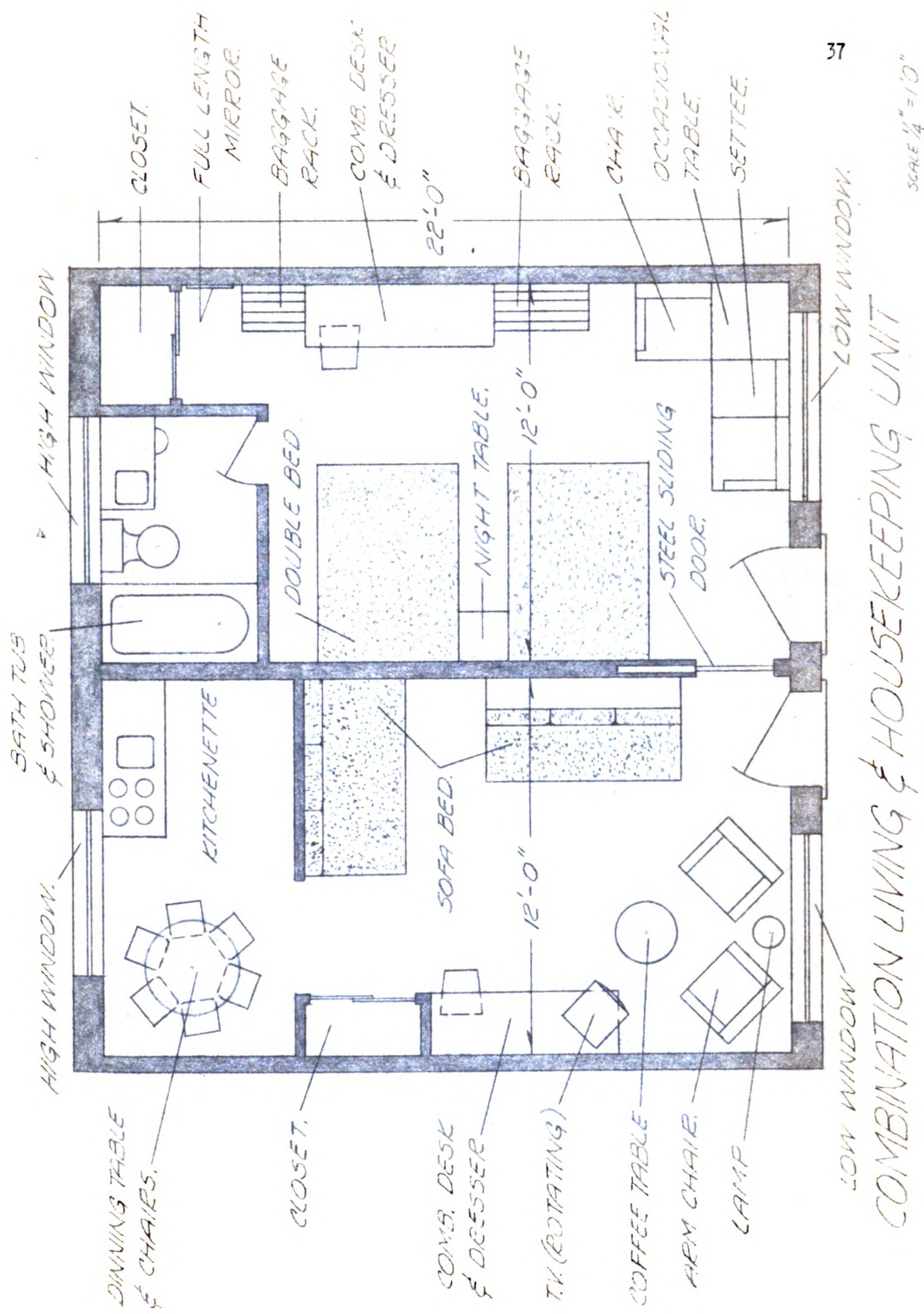


Figure 6.

and oven. This appliance is placed where the bathroom is located in the living room unit in order to allow for easy conversion to the other type of unit if needed. Metal cabinets will be installed on the wall over the food preparation area. The table will accommodate six people. A small partition will complete the kitchen and make it an independent room. Sofa type beds will be used in order to make the unit usable as either a sleeping or a living room. This room should be attractive for entertaining and for family living because of the added floor and seating space. A desk, television set, two chairs, cocktail table and table lamp will be included in the furnishings for these rooms. The two rooms have separate entrances but have a connecting steel sliding door.

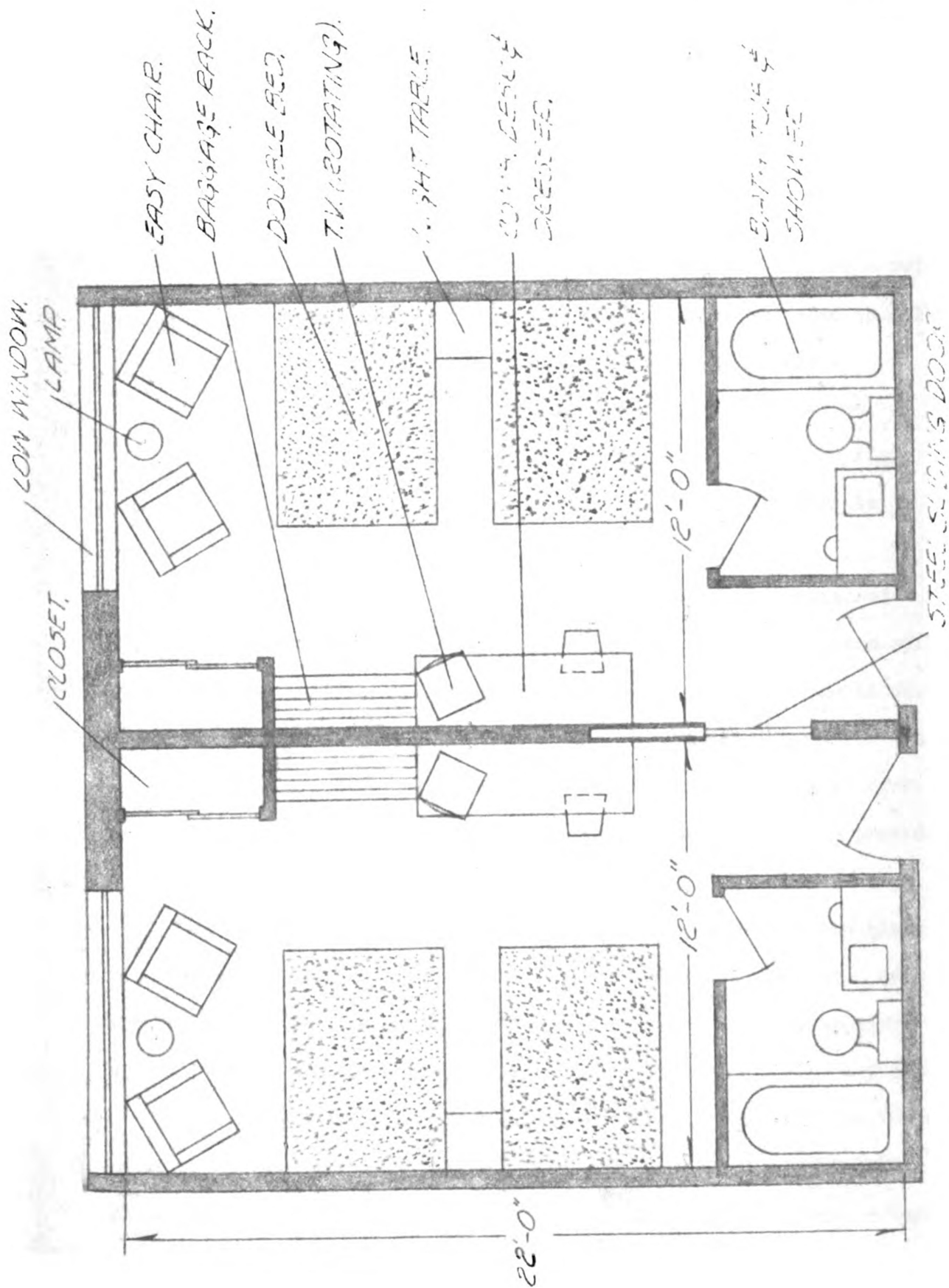
These combination units have been designed to rent together since only one bathroom is available. Only four housekeeping type units are provided in the plan. Additional space could be converted to such use if the demand warrants an increase. Only a limited number of housekeeping units have been planned because a dining room and coffee shop are included in the project and added housekeeping units would merely defeat the purpose of having such facilities available. Yet, if the dining facilities reach their capacity in volume, and all the units are occupied most of the time, as long as there is a greater demand for housekeeping units, the author feels that such an expansion would be justified and would not hurt the dining facilities.

The hotel units will be similar to the motel units. All of the furniture is alike, allowing for a mass order and, possibly, a lower

purchase price. Figure 7, on the following page, shows two hotel rooms which are connected by a steel sliding door. Sliding doors eliminate dead floor space and add to the appearance of the room. The type of sliding door to be used is steel on the inside with a wood surface on the outside. All wood doors were not selected because of their tendency to warp. All rooms will be the same size and each room will have television. Television service is included in the room rent, eliminating added charges and simplifying the accounting operation.

(5) Landscaping was considered as an important and expensive factor in site planning. It is estimated that ten per cent of the building cost should be allotted for landscaping.³³ Choosing the right trees, shrubs and plants and blending them in with the building design, will create the right type of atmosphere and appearance. A flat site makes landscaping a much easier job and especially easier to keep up. The design developed, as shown in Figure 4, page 30, does not block the view with tall trees, and shrubs. An effort was made to choose those plants that would provide some bloom in every season. Large, unobstructed areas of grass were planned to make the site easier to mow and trim in an effort to control labor cost.

³³Supplied by Horticulture Department of Michigan State University in an interview, January 11, 1956.



5

TYPICAL HOTEL ROOM

Figure 7.

SCALE 1/4" = 1'0"

CHAPTER V

FACILITIES AND EQUIPMENT

The MoHo Inn has been planned to provide many services and facilities to aid in the comfort and relaxation of the guest. These services and facilities with the exception of room service are extended to all guests. Room service will be furnished only to hotel patrons.

Since motel guests do not have room service, an ice machine, candy and soft drink dispensers, will be available outside the linen room in the motel area. A beauty salon and valet service will be provided next to the motel units.

A lobby approximately forty-six feet by fifty feet is planned with a spiral staircase the center of attraction. This staircase will lead up to the ballroom and conference room area on the second floor. An information desk will be located in the lobby from which tours can be booked and an information and reservation service provided. Rest rooms, phone booths and a television viewing area will also be provided in the lobby. The lobby will open to the terrace and pool area.

Next to the lobby there will be a cocktail lounge designed along the New Orleans style. The interior will be brick, stained wood and wrought iron. Seating capacity will be one hundred and thirty-six with tables of various sizes, and eleven bar stools. To aid in promoting the atmosphere the cocktail lounge will be constructed on three levels. The band stand and one row of tables will be the first level. The dance floor will be on the second level surrounded by more tables.

The bar portion of the lounge will be on a third level and will provide space for some tables. A narrow staircase will lead to a balcony which will aid in increasing the seating area as well as helping to create the New Orleans' theme. Access to the terrace will be gained from the bar where tables will be set up and dancing permitted on warm nights.

A check room will be at the entrance of the lounge, serving both the bar and dining patrons. The bar and dining facilities will be open to local patrons as well and such trade will be encouraged as much as possible.

The dining room will be traditional in theme complete with carpeting and attractive chandeliers. Its decorations and arrangement will be planned to remind patrons of the magnificent southern mansions which are such a proud reminder of southern hospitality and graciousness.

The seating capacity of the dining room will be one hundred and eighty-six. The dining room will be composed of two levels with stairs leading to a glassed in dining area which may be used to accommodate couples and smaller groups. This area will be separated from the main dining area by wrought iron railings. Service aisles will be five feet wide, enabling waitresses as well as the guests to move freely. The dining room will not only attempt to recapture the subdued splendor of a bygone era but also, through a high quality of service, the dining room will attempt to emulate the atmosphere of southern hospitality, luxury and ease. The menu and quality of food will be in keeping with the atmosphere.

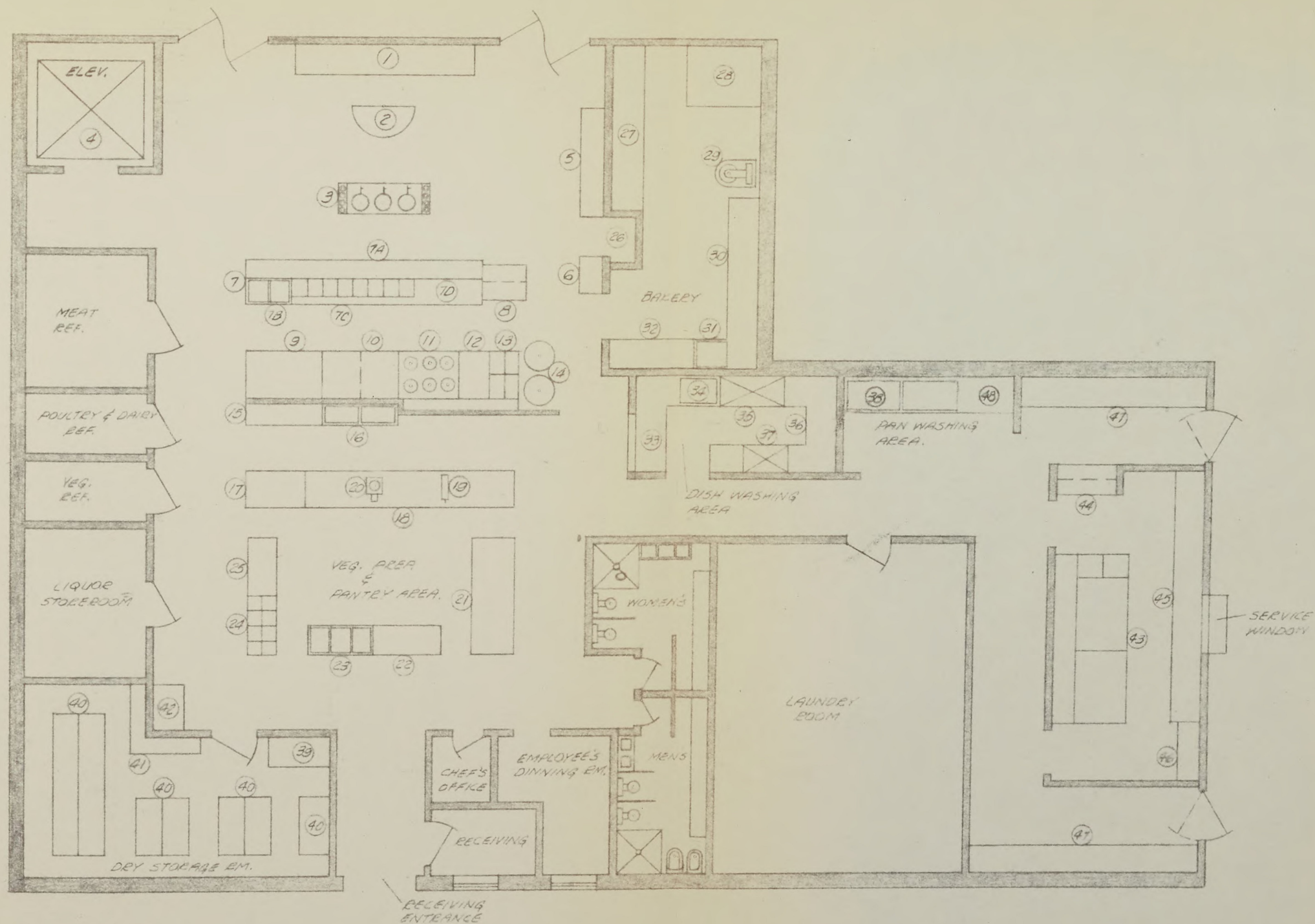
The dining room will be open for breakfast, luncheon, and dinner. The menu will be extensive, offering a wide variety of choices to the

guest. A large iced salad bar displayed in the dining room and attractively decorated, will help to relieve the congestion in the pantry and should aid in selling especially prepared salad plates. The two outside walls will have large glass areas. The balcony will overlook Escambia Bay and the glass area on the opposite wall will overlook the terrace and pool.

The kitchen, shown in Figure 8, page 44, will be arranged with clear aisles and a maximum of room allotted in the front area where the waitresses and busboys will work. A food checker, located between the two service doors leading into the dining room, will check all food leaving the kitchen and itemize all checks. The bakery will be located in close proximity to the production and pick-up area so that the necessary bread, rolls and dessert items do not have to be transported far. A special refrigerated dessert case will exhibit to the waitresses what is readily available.

Back of the production area will be the meat, poultry, pantry, and vegetable preparation area with walk-in refrigerators conveniently located against the wall. The dishwashing area will serve the dining room and coffee shop with equal ease. The pan washing, potato, and vegetable cleaning area as shown on the plan, may appear far from the production line, but it seems advisable to the writer to have this area removed from the food preparation facilities.

The liquor and dry storage will be located near the refrigerators and near the loading entrance. The receiving clerk will have his office near the service entrance, enabling him to check everything



KITCHEN PLAN

Figure 8.

TABLE VIII
KITCHEN EQUIPMENT LEGEND

-
-
1. Linen and utility cabinet
 2. Food checker
 3. Two 10-gallon combination urns, one 10-gallon iced tea urn with cup and saucer dispenser on sides and storage below for ice tea glasses
 4. Freight elevator
 5. Dessert and pastry case refrigerator
 6. Four drawer electric roll warmer
 - 7A. Service counter containing dishwarmer
 - 7B. Double sink
 - 7C. Interchangeable gas warming pans
 - 7D. Work table
 8. Refrigerator, one side for butter, cream, etc., the other side for chef.
 9. Roasting oven - 2 deck (gas)
 10. Two double deck broilers (gas)
 11. Gas range-shelf above
 12. Griddle-shelf above
 13. Four gas deep fat fryers-shelf above
 14. One 25-gallon and one 40-gallon steam-jacket kettles
 15. Meat block and table
 16. Two sinks-stainless
 17. Meat block 30"x30"
 18. Table-14 feet long - steel top
 19. Meat slicer
 20. Meat grinder
 21. Refrigerator; reach-in
 22. Table
 23. Three sinks
 24. Ice cream keeper - 8 sections
 25. Table
 26. Ice maker frigidaire
 27. Storage cabinet with sliding doors (for finished goods)
 28. Multiple deck baking oven (gas)
 29. Mixer 60 + 30 quart
 30. Bakers' table and bins
 31. Large stainless sink
 32. Bakers' refrigerator
 33. Soiled dishes
 34. Rack and rinse
 35. Dishwasher X M4

- 36. Clean dishes
- 37. Glasswasher
- 38. Two large sinks
- 39. Storeroom clerk desk
- 40. Steel storage shelves
- 41. Aluminum portable bins
- 42. Scale
- 43. Gas range consisting of grill, range, two deep fryers and two ovens below.
- 44. Two-way refrigerator
- 45. Work table with refrigerator below
- 46. Cabinet
- 47. Table
- 48. Potato slicer-french fry.

coming in as well as going out. The chef's office will be next to the receiving clerk's and will have a view of the employees' dining room. Employees will have their own locker rooms and showers.

The laundry will be located next to the kitchen and will do almost all of the laundry for the Inn except jackets and pants. Special additional ironers would be needed to do these items and it would not be economical to buy the additional machinery for merely those two items. The laundry will employ three workers and can handle items up to 100 pounds in one washing. In addition to washing equipment there will be a thirty inch extractor, a 36"x36" tumbler and two Roel Gas ironers. The cost of the laundry equipment is estimated at \$9,000 including installation. The life of the equipment is estimated at twenty years. Cost estimates of maintaining a laundry for one year indicate a cost of \$28,699.33 including the purchase of linen, initial machinery expense, bus coat and jacket rental, and labor. Rental of the linen for one year is estimated at \$32,995.04. Allowing twenty years for depreciation of the laundry equipment and replacing linen each year for twenty years, the total cost would be \$402,986.60. In comparison, renting the same amount of linen for twenty years, would cost \$660,000.80. Assuming that these estimates are correct, which includes initial expense and installing a laundry, one may save up to \$257,814.20 over a twenty year period.

The coffee shop will have a seating capacity for sixty-eight persons, with booths along the outside walls and tables in the center. A separate short order kitchen will handle the food production for the coffee shop.

The spiral staircase in the lobby will lead upstairs to two conference and display rooms and a ballroom which can be converted for banquets. The ballroom will have a seating capacity of three hundred persons. A freight elevator from the kitchen will make it possible to serve the food quickly and easily. Collapsible tables and chairs will be used to enable the waiter to clear the area for dancing in as short a time as possible.

The conference and display rooms will be thirty-five feet by fifty feet. These two rooms will be available as meeting rooms for small groups and for the use of salesmen in setting up displays.

The housekeeping office will be located on the second floor next to the elevator and directly above the woman's lounge which is on the first floor. Linen from the laundry will be transported by using the kitchen elevator to the second floor. It will be re-distributed from the housekeeping office where space will be provided for storage of linen and various housekeeping supplies. There will be a linen storage room at each end of the hotel floors and one centrally located in the motel units.

The manager's quarters will be located on the second floor directly above the registration office. They will consist of two bedrooms and a bath, a living and dining room and kitchen. Since it will be advisable for the manager to do a certain amount of entertaining, the author feels that his apartment should be comfortable and in good taste. The location over the registration office should save many steps for the manager, since his office is located in the registration office and most of the business is conducted there.

CHAPTER VI

ESTIMATED CAPITAL AND OPERATING BUDGET

A recent issue of Tourist Court Journal reports that occupancy rates for motels in 1954 was 74.25 per cent, an increase of 3.65 per cent over 1953. During the same period operating and capital expenses were reported to have also increased. As a result of these changes net profits decreased from 29.92 per cent in 1953 to 27.86 per cent in 1954.³⁴ These figures bring out the fact that more careful planning and budgeting is necessary if profits are to be maintained. Many tourist courts have added restaurants and swimming pools in order to increase occupancy, without realizing that they are greatly increasing capital expenses and may be decreasing net profit.³⁵ In the judgement of the author a careful consideration of both capital and operating budgets is necessary before undertaking a project of the type described in previous chapters.

It is the purpose of this thesis to present a plan for the development of a modern roadside inn to serve as many types of people as possible, to do it economically and with as many comforts and conveniences to the guest as possible. The layout has been planned to keep construction costs as low as the quality of workmanship and materials to be employed will permit. Materials were selected with an eye to maintenance as well as first cost and appearance.

³⁴Edward F. Chirhart, Tourist Court Occupancy Increased During 1954, Tourist Court Journal, XVIII (1955), 21.

³⁵Ibid., p. 22.

Business potential has been estimated on the basis of the best statistical information collected and on a conservative basis. Expenses have been estimated at a figure above normal in order to allow for a margin of safety in the operation of the business.

All estimates for items in the capital budget were collected from experienced, reputable, sources and are based upon the plans contained in previous chapters and an outline of specifications supplied by the author. They have been checked against information collected from Motel operators and reference materials and no serious discrepancies have been found. In collecting estimates for the cost of building construction, the plans shown were presented and further details discussed fully with various construction companies, whereby they arrived at the estimated building cost. It is clear, however, that these estimates are not as reliable as bids on the work involved which it did not appear reasonable to ask for at this time.

The source for estimates in both the capital and operating budgets is given in the supporting statements for the budgets. In the main, items in the expense section of the operating budget are based upon generally accepted percentages of income.

TABLE VIII
ESTIMATED CAPITAL COST*

1.	LAND		\$ 50,000.00
2.	SITE IMPROVEMENT		
	A. Landscaping (including walks and drives)	\$ 40,000.00	
	B. Swimming Pool	<u>49,080.00</u>	89,080.00
3.	BUILDING CONSTRUCTION		
	A. General Contract	321,364.00	
	B. Electrical & Mechanical	101,840.00	
	C. Elevators	<u>28,000.00</u>	451,204.00
4.	FURNISHING & EQUIPMENT		
	A. Living Units	60,850.00	
	B. Club Area	68,856.00	
	C. Kitchen	32,910.00	
	D. Laundry	<u>9,000.00</u>	171,616.00
5.	MISCELLANEOUS ITEMS		<u>12,000.00</u>
	TOTAL CAPITAL COST		\$773,900.00

*See following pages for budget support.

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

1947

SUPPORT FOR CAPITAL COST BUDGET

1. LAND

The value of this property is estimated at a minimum of \$50,000 based upon actual offers to purchase the land. This property is owned by the author's family.

2. SITE IMPROVEMENT

A. Landscaping: The drives on the site cover approximately 18,000 square yards. Before this space can be black topped, coral should be used as a foundation. The going rate for coral in this area is about fifty cents per square yard or \$9,000 for 18,000 square yards and asphalt for this area is estimated at \$21,600. The cost of concrete walks is about three dollars per square yard. There are about 843 square yards of walks involved which will cost \$2,529. The remaining \$6,871 will be used for shrubbery and landscaping in general.³⁶

B. Swimming Pool: Public swimming pools in the State of Florida have been built at a cost of about \$12.00 per square foot of water area. This cost includes excavation, concrete work, plumbing, mechanical and electrical equipment. The proposed pool has 4,909 square feet of water area. The estimated cost is \$49,080.³⁷

³⁶Personal communication from Wright Construction Company, February 21, 1956.

³⁷Personal communication from A. B. Cothran, Elgin Softner Corporation, Detroit, Michigan, February 9, 1956.

3. BUILDING CONSTRUCTION

A. General Contract: The items under general contracting include the actual building construction, heating, wiring and interior finishing. Estimated costs for this work were secured from the Vandenburg Construction Company³⁸ and are as follows:

- (1) Motel - \$58,752.00
- (2) Hotel - \$135,252.00
- (3) Lower Club Area, which includes the Lobby, Cocktail Lounge, Dining room, Kitchen, and Coffee Shop - \$83,200.00
- (4) Upper Club Area, which includes two conference rooms and the ballroom - \$44,160.00

Total General Contracting - \$321,364.00

B. Electrical and Mechanical:³⁹

(1) Air conditioning will cost \$400 per room or ninety-six rooms totaling \$38,400. These air conditioning units also have hot air units, but since the heating was figured in under the General Contracting, no additional charge is needed. To air condition the Club area will cost \$8,000.

(2) Each complete bathroom installed will cost \$475 or \$43,000 for ninety-two units. An additional \$110 is charged for each isolated fixture. There are thirty-four isolated fixtures in all costing \$3,749.

(3) Floor drains, grease traps, sanitary sewers and sinks for the kitchen will cost \$3,000. Mechanical wiring for

³⁸Supplied by Vandenburg Construction Company in an interview, January 23, 1956.

³⁹Supplied by Branz, Diehl, Lohman, Inc., in an interview, January 24, 1956.

the Club area is estimated at \$2,500. Outside sewers were figured to cost about six dollars a foot or \$25,000. Miscellaneous items such as two electrical water dispensers will cost about \$400 and an auxiliary hot water heater in the kitchen about \$300.

Total Electrical and Mechanical Cost - \$101,840.00.

C. Elevators: There are two service elevators and one freight elevator estimated to cost \$23,000.⁴⁰

4. FURNISHINGS AND EQUIPMENT

A. Living Units:⁴¹

<u>Item</u>	<u>Number</u>	<u>Price</u>	<u>Total Cost</u>
Double Beds.	177	\$ 75.00	\$13,275.00
Sofa Beds	8	175.00	1,200.00
Comb. Desk & Dresser . . .	92	75.00	6,900.00
Television Sets	92	125.00	10,500.00
Baggage Racks - Large. . .	91	20.00	1,820.00
Small. . .	24	15.00	360.00
Chair for Desk	92	15.00	1,380.00
Occasional Table.	24	20.00	480.00
With Lamp	24	10.00	240.00
Easy Chair	160	60.00	9,600.00
Settee	24	100.00	2,400.00
Standing Reading Lamp. . .	68	20.00	1,360.00
Night Table	89	25.00	2,225.00
Draw Drapes	94	50.00	4,700.00
Full Length Mirror	89	20.00	1,780.00
Paintings Two Per Room . .	186	5.00	930.00
Coffee Table	68	25.00	1,700.00
			<u>\$60,250.00</u>

⁴⁰Personal Communication from Westinghouse Electrical Corporation, Elevator Division, January 24, 1956.

⁴¹Review of Current Furniture Catalog.

B. Club Area:⁴²

Dining Room:	Size	Price	Number	Total Cost
Tables	5'2" dia.	\$ 24.00	6	\$ 144.00
	4'	22.00	11	242.00
	3'	21.00	11	231.00
	2'x2'6"	15.00	15	225.00
Chairs		30.00	186	5,580.00
				<u>\$6,422.00</u>
Coffee Shop:				
Tables	34"x34"	\$ 48.11	9	\$ 432.99
Chairs		30.00	36	1,080.00
Booths		274.62	8	2,177.00
				<u>\$3,689.99</u>
Ballroom:				
Tables	60"	\$ 18.00	12	\$ 396.00
	8'x30"	22.00	10	220.00
Chairs		7.20	300	2,160.00
				<u>\$2,776.00</u>
Cocktail Lounge:				
Tables	18"	\$ 40.00	15	\$ 600.00
Chairs		30.00	30	900.00
Booths		247.57	14	3,286.00
Bar				10,000.00
				<u>\$14,786.00</u>
Conference Rms:				
Tables	8'x30"	\$ 22.00	8	\$ 176.00
Chairs		34.00	75	2,550.00
				<u>\$2,726.00</u>
Lobby:				
Furniture				<u>\$3,500.00</u>
Carpeting:				
Dining Room, Halls, Lobby, Registration Office, Conference				
Rooms, and Cocktail Balcony - 2913 sq. yd. @ \$12.00 sq. yd.				<u>\$34,956.00</u>
Total Club Area				\$68,856.00

⁴²Supplied by Capital Supply Company and Mr. William Garrison, in an interview, February 3, 1956.

C. Kitchen: ⁴³

<u>Quantity</u>	<u>Description</u>	<u>Total</u>
2	Ten Gallon Combination Urns - Gas	\$1,100.00
1	Ten Gallon Ice Tea Urn	500.00
1	6'x30" Urn Stand	475.00
1	Cup and Saucer Lowerator	650.00
1	Dessert Case Refrigerator 6'x2'	1,200.00
1	Steam Table & Plate Warmer - Sinks	2,400.00
1	Refrigerator	1,200.00
1	Roasting Oven 2 deck	550.00
2	Broilers	800.00
1	Gas Range	350.00
1	Griddle	200.00
4	Fryers	1,200.00
1	Kettle 25 Gallon steam	350.00
1	Kettle 40 Gallon steam	400.00
1	Meat Block and Table	275.00
1	Meat Block	85.00
1	Table - Steel Top	475.00
1	Meat Slicer	375.00
1	Meat Grinder	475.00
1	Refrigerator	1,200.00
1	Table	275.00
1	Ice Cream Keeper	450.00
1	Table	200.00
1	Ice Maker Frigidaire	750.00
1	Storage Cabinet - Stainless	900.00
1	Bake Oven	700.00
1	Mixer	1,150.00
1	Bakers' Table and Bins	650.00
1	Refrigerator	1,000.00
1	Set Dish Tables and Sink	1,500.00
1	Dishwasher XM4	1,900.00
1	Canopy Pant Leg	375.00
1	Glasswasher	1,100.00
2	Tables	200.00
4	Bins	440.00
1	Scale	150.00
2	Ranges	700.00
2	Fryers	600.00
1	Refrigerator	1,200.00
1	Table & Refrigerator Below	1,500.00
1	Cabinet	400.00
1	Table	550.00
1	Potato Slicer French Fry	60.00
1	8'x8'x8' Walk-in Refrigerator	800.00
2	6'x8'x8' Walk-in Refrigerator	1,200.00
Total Kitchen Equipment		<u>\$32,910.00</u>

⁴³Written Communication from Great Lakes Hotel Supply Company,
February 7, 1956.

D. Laundry:

The laundry is equipped to handle 1000 pounds a day. The amount of laundry used per day was tabulated and its weight amounted to 901 pounds.

<u>Equipment</u>	<u>Total</u>
1 - 100# Wheel-washer	\$3000.00
1 - 30" extractor	1200.00
1 - 36x36" tumbler dryer	800.00
2 - Roel Gas Ironers	3000.00
Installation	1000.00
Total	<u>\$9000.00</u> 44

5. MISCELLANEOUS ITEMS:

An estimated \$12,000 is allotted to cover such expenses as table service, trays, pots and pans, and other such items.

⁴⁴Supplied by Mr. C. A. Harger, Manager of Michigan State University Laundry, East Lansing, Michigan, in an interview, February 8, 1956.

TABLE IX
ESTIMATED ANNUAL OPERATING BUDGET*

INCOME:

1. Rentals	\$204,984.00	
2. Food	399,675.00	
3. Beverage	<u>101,000.00</u>	
4. Total Income		<u>\$705,659.00</u>

OPERATING AND ADMINISTRATIVE EXPENSES:

5. Salaries and Wages	\$199,248.00
6. Raw Food	159,870.00
7. Beverage	33,330.00
8. Repairs & Maintenance	35,282.95
9. Linen	13,699.33
10. Utilities	56,446.72
11. Advertising & Stationary	21,169.77
12. Cleaning & Supplies	10,584.85
13. Telephone & Telegraph	10,584.85
14. China & Glassware	7,056.60
15. Insurance	14,113.78
16. Payroll Taxes & Insurance	10,584.85

DEPRECIATION:

17. Reserve for Building Depreciation	9,024.08
18. Reserve for Equipment Replacement	12,871.23

TAXES:

19. Real Estate & Property Tax	17,642.08
--------------------------------	-----------

DEBT SERVICE:

20. Interest & Principal	<u>37,263.29</u>
--------------------------	------------------

TOTAL EXPENSE		<u>\$648,772.38</u>
---------------	--	---------------------

ESTIMATED ANNUAL NET PROFIT		<u>\$ 56,886.62</u>
-----------------------------	--	---------------------

*See following pages for budget support.

SUPPORT FOR OPERATING BUDGET

It should be noted that percentages on advertising, utilities, etc., are small and relatively less important than those estimates or items built up by the author. In comparing the percentages of these items with figures based on hotel operations from a statistical review on Trends in the Hotel Business, 1953, by Harris, Kerr, and Foster, it should be noted that their percentages on the same items run even lower than those estimated by the Tourist Court Journal and those used by the author.

INCOME:

1. Rentals:

In 1954, the average occupancy for tourist courts for the New England, Middle and South Atlantic States was 83.65 per cent and the average number of guests per room was 1.91 per cent.⁴⁵ The author feels that since the average occupancy in that area is 83.65 per cent, an occupancy figure of seventy eight per cent would be a conservative estimate, especially since the expected annual occupancy for 1955 and 1956 seem to be even higher than the 1954 average.⁴⁶ Although the rooms at the MoHo Inn can accommodate four persons, the author has used two guests per room as the room average, which is slightly higher than the given average of 1.91 per cent.

In many motels where room rent is the only income, average occupancy must be closely compared with construction costs to arrive at a room rental that will pay for the construction and show a profit as well. Such is not the case with a resort type operation where revenue also comes from food and beverage sales. In that case, a new

⁴⁵Edward F. Chirhart, op. cit., p. 21.

⁴⁶Ibid.

restaurant or bar customer may be more important than the economic room rent.⁴⁷ The average rate in Pensacola for room rental for two people is eight dollars.⁴⁸ Therefore this figure was used as an average to work out the estimated income.

(90 units x 365 days x 0.78 average occupancy @ \$8.00 average daily rate = \$204,984.00).

2. Food:

To figure the estimated food sales, it is first necessary to estimate the average check and the average number of persons served each day. These estimates are as follows:

	<u>Capacity</u>	<u>Average Persons</u>	<u>Average Plate</u>	<u>Daily Total</u>
Dining Room	186			
Breakfast		120	\$1.00	\$120.00
Lunch		150	1.50	225.00
Dinner		320	2.50	800.00
Coffee Shop	68	75	.75	75.00
Catering	300			75.00
				<u>\$1095.00</u>

These figures are considerably below the expected sales. Estimated occupancy is an average of 140 guests each day, it is assumed that at least 120 will eat breakfast. Much local trade is expected at lunch and dinner, so 150 and 320 seem to be low estimates.

(\$1,095 x 365 days = \$399,675.00)

Hours of Operation:

Dining Room - Breakfast 7:30 AM - 10:00 AM
 Luncheon 11:30 AM - 2:30 PM
 Dinner 5:30 PM - 9:00 PM

Coffee Shop - 10:00 AM - 5:00 PM and 8:00 PM - 12:00 PM.

⁴⁷Funaro, op. cit., p. 199.

⁴⁸Chicago Motor Club, AAA Accommodation Directory, 1955, p. 142.

Catering will be open only by bookings. Because of the large ballroom and conference facilities, the catering department should do a great deal more than the estimated \$75.00 a day.

3. Beverage:

The Cocktail Lounge is estimated to do at least a \$101,000.00 in sales per year. Again, this figure seems low with an average of about \$275.00 per day. The Cocktail Lounge will offer indoor and outdoor dancing and serve beverages to the dining patrons as well.

4. Total Income:

Rent	\$204,984.00
Food	399,675.00
Beverage	<u>101,000.00</u>

\$705,659.00 (estimated yearly income)

OPERATING AND ADMINISTRATIVE EXPENSES:

5. Salaries and Wages:

Employees will be paid every two weeks, but since the author wishes to borrow enough money to operate for eight weeks, the following payroll summary is made out for an eight week period. These wages are based upon the going rate in the Pensacola area as determined by the personal investigations of the author.

JOB	NO. EMPLOYED	PER WEEK	EIGHT WEEKS
Baker	1	\$ 87.50	\$ 700.00
Bar Maids	3	50.00	1200.00
Bartender	3	80.00	1920.00
Bus Boys & Hops	6	75¢per hr.	2268.00
Cashier	2	65.00	1040.00
Chef	1	112.50	900.00
Assistant Cooks	4	75.00	2400.00

JOB	NO. EMPLOYED	PER WEEK	EIGHT WEEKS
Desk Clerk	2	\$ 75.00	\$1200.00
Dishwasher	3	60.00	1440.00
Chief Engineer	1	90.00	720.00
Engineers	2	70.00	1120.00
Food Checker	1	70.00	560.00
Chief Grounds Keeper	1	85.00	680.00
Grounds Keeper	2	70.00	1120.00
Hostess	1	75.00	600.00
Houseman	2	60.00	960.00
Housekeeper	1	87.50	700.00
Laundry	3	40.00	960.00
Maids	10	40.00	3200.00
Manager	1	125.00 plus	1000.00
Assistant Manager (Catering)	1	110.00	880.00
Night Auditor	1	85.00	440.00
Pantry Girl	2	60.00	960.00
Pot Washer	1	50.00	400.00
Receiving Clerk	1	70.00	560.00
Secretary	2	65.00	1040.00
Switchboard	2	65.00	1040.00
Waitresses	15	35.00	4200.00
	<u>75</u>		<u>\$33208.00</u>

(\$33,208 x 6 months = \$199,248 Annual Salaries)

Labor cost is a little over twenty-six per cent of the total sales. In hotels, labor costs run about thirty-five per cent while many motels run as low as fifteen per cent of the gross sales.⁴⁹ The average salaries and wages for tourist courts in the New England, Middle and South Atlantic States is 24.35 per cent. For the entire United States the average was much lower at 16.60 per cent.⁵⁰ The relatively high labor cost in these regions is due to the high priced areas, such as Miami and many of the coastal regions. Therefore, the

⁴⁹Funaro, op. cit., p. 9.

⁵⁰Chirhart, op. cit., p. 21.

author feels that the twenty-six per cent labor cost is about right for the Pensacola area, where the MoHo Inn would serve both as a Motor Court and as a Hotel.

6. Raw Food:

Raw food cost can be estimated by taking forty per cent of the gross sales. Many places operate under the forty per cent figure, but this is considered a good basis upon which to base an estimate.

$$(\$399,675 \times 0.40 = \$159,870.00)$$

7. Beverage:

The beverage cost is estimated by taking thirty-three per cent of the gross beverage sales.⁵¹

$$(\$101,000 \times 0.33 = \$33,330.00)$$

8. Repairs and Maintenance:

Total Sales times five per cent

$$(\$705,659 \times 0.05 = \$35,282.96)^{52}$$

9. Linen:

The prices on linen were given to the author by Mr. C. A. Harger, manager of the laundry at Michigan State University. Since the MoHo Inn will have its own laundry, enough linen was bought for four turnovers. It is estimated that the linen will last for one year.

⁵¹Supplied by Mr. Joseph O'Leary, Professor of Hotel, Restaurant and General Institutional Management at Michigan State University, in an interview February 8, 1956.

⁵²Ibid., p. 21.

ITEM	PRICE	QUANTITY	TOTAL
Sheets	\$24.00 Dozen	118 Dozen	\$2832.00
Single	20.24 Dozen	8 Dozen	106.60
Bath Matts	12.50 Dozen	31 Dozen	387.50
Pillow Cases	4.36 Dozen	120 Dozen	523.20
Nylon Shower			
Curtain	8.00 Each	100 Each	800.00
Mattress Pad	3.00 Each	200 Each	600.00
Blankets	6.60 Each	200 Each	1300.00
Pillows	5.00 Each	380 Each	1900.00
Bed Spreads	5.16 Each	200 Each	1830.00
Huck Towels	3.14 Dozen	62 Dozen	194.68
Bath Towels	12.30 Dozen	62 Dozen	762.60
Napkins	4.10 Dozen	130 Dozen	533.00
Table Cloths			
Small	27.00 Dozen	20 Dozen	540.00
Large	32.00 Dozen	15 Dozen	480.00
Long	53.25 Dozen	3 Dozen	159.75
Wash Cloths	2.50 Dozen	80 Dozen	200.00
			<hr/> \$13149.33

Because another type ironer is needed in ironing bus coats and pants, the MoHo Inn plans to rent the coats and pants. Labor cost for the laundry is included in the Salaries and Wages Schedule.

Estimated Rental Cost	\$ 550.00
Estimated Linen Cost	<u>13149.33</u>
	\$13699.33 Annual Cost

10. Utilities: (8 per cent of total income)⁵³

$$\$705,659 \times 0.08 = \$56,446.72$$

11. Advertising and Stationary: (3 per cent of total income)⁵⁴

$$\$705,659 \times 0.03 = \$21,169.77$$

⁵³ Chirhart, op. cit., p. 21

⁵⁴ Ibid.

12. Cleaning and Supplies: (1.5 per cent of total income)⁵⁵

$$\$705,659 \times 0.015 = \$10,584.85$$

13. Telephone and Telegraph: (1.5 per cent of total income)⁵⁶

$$\$705,659 \times 0.015 = \$10,584.85$$

14. China and Glassware: (1 per cent of total income)⁵⁷

$$\$705,659 \times 0.01 = \$7,056.60$$

15. Insurance: (2 per cent of total income)⁵⁸

$$\$705,659 \times 0.02 = \$14,113.78$$

16. Payroll Taxes and Insurance: (1.5 per cent of total income)⁵⁹

$$\$705,659 \times 0.015 = \$10,584.85$$

17. Reserve for Building Depreciation: (2 per cent of building cost)⁶⁰ ($\$451,204 \times 0.02 = \$9,024.08$)

18. Reserve for Equipment Replacement: (7.5 per cent of furnishings and equipment)⁶¹ $\$171,616.41 \times 0.075 = \$12,871.23$

⁵⁵Ibid.

⁵⁶Ibid.

⁵⁷Ibid.

⁵⁸Ibid.

⁵⁹Ibid.

⁶⁰James C. Downes, Jr., Real Estate Management, Chicago, (Institute of Real Estate Management, 1950), pp. 394-408.

⁶¹Ibid.

19. Real Estate and Property Taxes: (2.5 per cent of total income)⁶²

$$\$705,659 \times 0.025 = \$17,642.08$$

20. Debt Service:

Most insurance companies will make a loan on such property up to sixty per cent of the total capital cost at five per cent interest for ten years which can be renewed for another ten years.⁶³

To determine the amount of interest and principal which must be paid on the loan, the following procedure is used:

A. Total Capital Cost	\$773,900
60% of Capital Cost	<u>x0.60</u>
Amount of Loan	\$464,340.00

If an agreement is reached permitting the payee to submit twenty equal annual payments covering principal and interest the schedule may be set up as an annuity and the following conditions would prevail:

Principal Amount	\$464,340
Interest Rate	5%
Terms	20 years
Factor (from annuity table)	0.0802426
\$464,340 x 0.08025 = \$37,263.29 Annual Payment.	

If a payment plan is used which does not equalize the size of the payments over a twenty year period the first annual payment would be \$46,434.

$$\begin{array}{rcl} \$464,434 \div 20 & = & \$23,217 \text{ Principal} \\ 464,434 \times .05 & = & \underline{23,217} \text{ Interest} \\ & & \$46,434 \end{array}$$

The last annual payment would be \$24,377.85 or only a little more than half of the first.

⁶²Whirhart, op. cit., p. 21

⁶³Supplied by Auto Owners Insurance Company, Lansing, Michigan, in an interview, February 21, 1956.

$$\begin{array}{rcl}
 \$23,217 \times 0.05 & = & \begin{array}{l} \$23,217.00 \text{ Principal} \\ 1,160.85 \text{ Interest} \\ \hline \$24,377.85 \end{array}
 \end{array}$$

The insurance company agreement states that the owner or owners must put up their forty per cent of the capital cost first and then the company will cover the remainder.

$$\begin{array}{r}
 \$773,900 \\
 - \quad 464,340 \\
 \hline
 \$309,560 \text{ to be raised by the author.}
 \end{array}$$

B. Author's Capital:

$$\begin{array}{rcl}
 \$ 50,000 & \text{Property} & \\
 100,000 & \text{Family} & \\
 150,000 & \text{Interested Investor} & \\
 100,000 & \text{Personal Friend} & \\
 \hline
 \$400,000 & & \\
 - \quad 310,000 & \text{Necessary for Construction} & \\
 \hline
 \$ 90,000 & \text{for operating capital.} & \text{(40\% of Cost)}
 \end{array}$$

C. Working Capital:

There is \$90,000 left as a contingency for operating expenses. This contingency fund will be set aside to help carry the operation until it is established. The sum provided is adequate to carry debt service payments on the bank loan for two years and supply working capital for the early period of the operation.

Funds supplied by the author and his family may be carried in the early years of this operation without interest or principal payment. Through these arrangements it should be possible to carry the operation through its developmental period.

ANNUAL NET PROFIT:

The estimated net profit, before deducting the debt service, on the total capital investment is slightly over twelve per cent. This represents the estimated profit on the total original investment. A twelve per cent return appears to be a safe margin of return for loaning purposes. The owners net profit based upon only his private investment is estimated at eighteen per cent. Since the owner's return for labor and management is already included under the salary expense, the eighteen per cent is the entire interest on the owner's equity, making a very high return.

In comparison, the net profit in 1954 for tourist courts in the New England, Middle and South Atlantic States is 18.80 per cent. But 8.49 per cent is the interest on the owner's equity and 10.31 per cent is the owner's return for labor and management.⁶⁴

The cost of building a hotel today has been estimated at \$10,000 to \$15,000 per room, the cost of motels at about half this cost.⁶⁵ In comparison, the MoHo Inn will cost approximately \$9,600 per unit, including all capital cost. It appears that estimated costs for the MoHo Inn fall within a range which is reasonable compared with these figures.

Choosing the equal annual payment plan for debt service payments will enable the author to have more working capital available during the first few years of operation, thus providing a cushion during slack

⁶⁴Chirhart, op. cit., p. 25.

⁶⁵Baker and Funaro, op. cit., p. 119.

periods. Since the author's portion of the total investment comes from family and private investors, a flexible repayment plan can be worked out, whereby a certain percentage of the profits will be kept to maintain enough working capital on hand for an economical operation, and the rest applied toward this portion of the total financing plan. Since income was conservatively estimated, and expenses were projected somewhat higher than normal, the eighteen per cent return on personal investment seems to be a sound basis for constructing such a roadside inn.

CHAPTER VII

CONCLUSIONS

Before investing a large sum of money in a new business venture, the prudent business man should, in the writer's opinion, investigate all the available facts, weigh the good points against the bad ones, and try to be as sure as possible that the money is going into a sound operation through which he will obtain the greatest return with the least possible risk.

The author feels that plans for the construction of the MoHo Inn, its financing and operation, are based upon sound principles and afford an opportunity for a safe investment. The following points support this point of view:

(1) Demand for Proposed Facilities:

On the basis of extensive personal investigations in the area and the data submitted in earlier chapters the author believes that there is an unfilled need for facilities of the type proposed in and near Pensacola.

(2) Stability of the Area Under Construction:

Pensacola is a growing community supported by large government military stations, expanding industries, commerce, the tourist and vacation trade. It has a natural deep water harbor, which allows Pensacola to trade with the world. It also has excellent educational,

religious, and permanent housing facilities. Opportunities for permanent employment are expanding.

(3) Practicability of the Plan Proposed:

The type of operation includes facilities for several types of patrons and can handle most of their desires, whether they be interested in a motel or hotel room, a banquet, a meal, a place to display merchandise, or just an evening of entertainment.

(4) Price Structure of Proposed Operation:

Prices proposed for the MoHo Inn are the same as those for many other roughly comparable establishments in the Pensacola area. In some respects the proposed Inn offers much more than most other operations charging the proposed rates.

(5) Income:

This study indicates that the business will definitely be available. Motel operators interviewed by the author report that the number of people looking for accommodations in the Pensacola area exceeds those available. There is also an unfilled need for banquet facilities, fine dining establishments, and recreational facilities. The operating budget, estimated conservatively from the standpoint of the operator, should produce a net return of approximately eighteen per cent on the author's original investment.

(6) Financing:

The proposed financing plan provides for the repayment of the bank loan in twenty years. There is a wide margin of net profit after all operating costs, including debt service, are met.

Based upon an intensive study of the development of a roadside inn of the type described on the site designated near Pensacola, Florida, the author believes that this is a financially sound project. It is his intention to proceed with this plan essentially as outlined which will involve the investment of all funds available to him.

BIBLIOGRAPHY

Published Material

- American Automobile Association, Accommodations Directory, Pensacola (1954-55), 150 pp.
- Baker, Geoffrey, and Burno Funaro, Motels, New York: Reinhold Publishing Corporation, 1955, 264 pp.
- Chicago Motor Club, Pensacola, What to See in the Southeastern States, Washington, D. C.: 1954-55, pp. 65-66.
- Chirhart, E. F., Tourist Court Occupancy Increased During 1954, Tourist Court Journal, 18 (July 1955), pp. 20-28.
- Dana, Author W., Kitchen Planning For Quantity Food Service, Harper and Brothers, Publishers, New York: 1949, pp. 229.
- Dolph Map Co., Inc., Map of Pensacola and Vicinity, Ft. Lauderdale, Florida, 1954.
- Downes, James C., Jr., Real Estate Management, Chicago: Institute of Real Estate Management, 1950.
- Fanald, Lon, Motel Laundry Pays Off Five Ways, Tourist Court Journal, 19 (October 1955), pp. 70-72.
- Fisher, E. M. and Robert M. Fisher, Urban Real Estate, New York: Henry Holt and Company, 1954, 502 pp.
- Harris, Kerr and Foster, Trends in the Hotel Business, New York: Harris, Kerr, Foster and Company, 1954, pp. 1-47.
- Love, Harry Barclay, Establishing and Operating a Year-Round Motor Court, U. S. Department of Commerce, 1945.
- McIntosh, Robert W., Location Criteria for Overnight Tourist Business, Thesis submitted to the Conservation Department of Michigan State College, East Lansing, Michigan, 1949, pp. 120.
- 1954 Census of Business, U. S. Department of Commerce, Bureaus of the Census, Washington, D. C.
- Pensacola Chamber of Commerce, Pensacola, Florida Trade Area, Pensacola, May 1955, pp. 9.

Pensacola Chamber of Commerce, Statistical Review, Pensacola, 1955,
p. 4.

Pensacola Engraving Co., Inc., A, The Pensacola Visitor, Pensacola,
Florida.

State Roads Department of Florida, 1954 24-Hour Annual Average Traffic
Flow, Tallahassee, Florida: 1954.

Statistical Abstract Supplement, A - County and City Data Book 1952,
Washington, D. C.; U. S. Government Printing Office, 1953, pp. 608.

Weimer, A. M., and Hoyt Homer, Principles of Urban Real Estate, New
York: 1948, The Ronald Press Company, pp. 512.

Written Communications

Chamber of Commerce, Pensacola, Florida.

Elgin Softener Corporation, Mr. A. B. Cothran, Detroit, Michigan,
February 9, 1956.

Great Lakes Hotel Supply Co., Detroit, Michigan, February 7, 1956.

State Road Department of Florida, Tallahassee, Florida.

Personal Interviews

Branz, Diehl, Lohman, Inc., Lansing, Michigan, January 24, 1956.

Capital Supply Co., Lansing, Michigan, February 3, 1956.

Garrison, William, Manager of Kellogg Center, Michigan State University,
East Lansing, Michigan, February 3, 1956.

Harger, C. A., Manager of Michigan State University Laundry, East
Lansing, Michigan, February 8, 1956.

Horticultural Department, Michigan State University, East Lansing,
Michigan, January 11, 1956.

Gunn, Clare A., Extension Specialist, Land and Water Conservation,
Michigan State University, East Lansing, Michigan, March 5, 1956.

O'Leary, Joseph, Department of Hotel, Restaurant and General Institutional Management, Michigan State University, East Lansing, Michigan, February 8, 1956.

Vandenberg Construction Co., East Lansing, Michigan, January 23, 1956.

Telephone Interviews

Auto Owners Insurance Co., Lansing, Michigan, February 21, 1956.

Mc Carty, Commercial Refrigeration, Lansing, Michigan, February 21, 1956.

Westinghouse Electric Corporation, Elevator Division, Lansing, Michigan, January 24, 1956.

Wright Construction Co., Lansing, Michigan, February 21, 1956.

ROOM USE ONLY

May 8 '56

May 22 '56

APR 18 1962 14

Jun 21 '56

Jul 13 '56

Oct 30 '56

NOV 20 '56

Dec 11 '56

May 3 '57

May 12 '57

May 22 '58

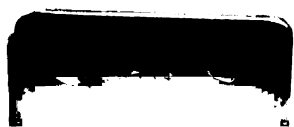
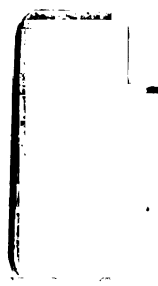
May 29 '59

AUG 22 1960

SEP 26 1960

~~SEP 27 1960~~

~~SEP 10 1962~~



MICHIGAN STATE UNIVERSITY LIBRARIES



3 1293 03175 5501