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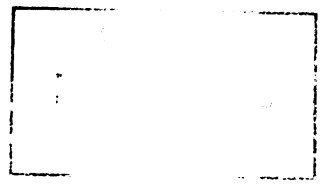

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PLANNING A MODERN MOBILE HOME COMMUNITY

By

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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

5/28/57
g 1248

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CHAPTER I

INTRODUCTION

History of the Development of the Mobile Home Park Business

There is little information available that would reveal an accurate history of the mobile home park operating business prior to World War II. However, the beginning of park operations did follow by several years the inception of the manufacture of mobile homes. As early as 1933 the trailer coach industry consisted of a large, but unknown, number of relatively small producers.[1] By 1936, trailer manufacturing was reported to be the fastest growing industry in the United States.[2] Nevertheless, most of the trailers were homemade structures. One casual observer stated that 2 out of 3 trailer coaches encountered on the roads had apparently been built in somebody's back yard.[3]

Prior to 1941, trailer coaches were sold to three classes of buyers: those individuals who wanted them for vacation purposes, those who were retired, and those whose work made it necessary for them to change their place of residence frequently. The largest number of sales in the 1930s were to those who used their trailers during vacations or for week-end camping trips. The Mobile Home Manufacturers Association, the foremost trade association in the industry, reports that in 1937 purchases for vacation use accounted for 50 percent of the industry's total sales of $17,000,000. Sales to retired individuals totaled $5,950,000, while purchases by people engaged in migratory occupations amounted to $2,550,000.

It was during this period that some parks came into existence. Generally they were very poorly equipped and maintained. Although rates were moderate, many provided little more than a small plot of ground on which to park. Because many communities lacked proper ordinances with respect to trailer parks, some park operators failed to supply such things as electric connections and toilet facilities. There were few parks of any consequence even along the Atlantic seaboard with the exception of Florida. The attitude of many trailerites was expressed by one traveler who stated, "It was better to pull up at the side of the road, ask permission from a farmer to stop overnight on his lot, or to spend the night in back of a gasoline station, than to stop at a so-called trailer camp."[4]

The War Years

The war years brought about a significant new market development due to the housing needs of defense workers. It was this group of people who finally made the park operating business a necessity and a reality.

During 1940 our nation was equipping itself for a state of war preparedness. Factories for the production of war materials were built, old plants were reactivated. Decisions for their location were based upon the availability of raw materials, production components, and transportation. Less consideration was given to the availability of labor, and thus it was that very serious housing problems arose during this defense build-up. The problem was three-fold. The importation of factory construction workers sometimes doubled the population of the construction area. The influx of operating employees later aggravated

housing shortages. There was a lack of suitable living facilities near military installations also.

The National Housing Agency, a wartime governmental agency, recognized the seriousness of this situation. They saw the use of trailer homes as a partial answer for several reasons: Trailer coaches would not leave ghost towns like more permanent construction.[5] Mobile homes could be manufactured more rapidly, and could be constructed largely by elderly wood workers who could not, or were unwilling to assume more active roles in the war effort. On-site housing construction required more physically able men.

Unfortunately for the mobile home business, this housing, undertaken as a defense measure, was substandard in many ways. Modern trailer homes are vastly different from the temporary on-site construction of that time. Because manufacturers had to eliminate or reduce the use of critical materials, wood chassis were substituted for steel, wiring was eliminated by 75 percent, the use of plywood was minimized and substandard roof covering materials were used. In spite of their disadvantages, trailers satisfied the basic shelter requirements of many servicemen and defense workers.[6]

After the War

Mobile home sales jumped sharply after the war. When returning servicemen created a housing demand, the high construction cost caused a large number to investigate mobile home living. With many previously critical materials being made available to manufacturers, coaches of greater size that were far more attractive and livable were produced. As a

result, the number of manufacturers doubled while the number of dealers quadrupled between the years of 1945 and 1951.[7]

The 38,000 trailers bought by the government during the war years were disposed of through gifts to colleges and universities for the housing of veterans. In some instances they were rented by the government. Only a small remainder were sold by sealed bid. The priority of this disposition was probably a recognition of manufacturer's request that the government not resell these trailers less the postwar market become demoralized.

Today, most mobile homes are to be found in mobile home parks, though many are not so located. Near production centers and universities many mobile dwellings can be seen on vacant lots, in rural fields, or beside conventional homes. These are usually areas where local ordinances prevent prospective operators from providing an adequate number of sites. In these crowded areas, park operators are in a position to be more discriminating in their choice of tenants, hence the better trailers find their way into parks. The poorer ones are forced to seek accommodations along highways and other places where they are open to an ever critical public.

Park operators today are weakly organized. There is no national organization, hence there is no accurate tabulation of the number of parks in existance. Industry spokesmen have placed the number of United States trailer dwellers at 2,000,000 and the parks at 12,000. Resort areas account for the highest concentration. Florida has nearly 1,100, while over 2,000 are located in California. Many parks are located in close proximity to highly industrialized areas.[8]

Modern Trends in the Industry

The mobile home industry has three component parts including the manufacturing, dealership and park operating phases of the industry. So dependent is each upon the other that the consideration of modern trends in park operations alone would develop an incomplete picture. Progressive ideas implemented by the manufacturers almost invariably are found to be a benefit to park operators. This is true of dealers also. Today the crowded parks with their undersized lots and substandard facilities, represent the weakest phase of the industry. Anything park operators do to improve their own facilities most assuredly strengthens the industry as a whole.

Work of the Mobile Home Manufacturers Association

For some years the Mobile Home Manufacturers Association has been the foremost trade association in the industry. It has recently presented Michigan State University with the major part of a monetary grant to be used in establishing a mobile home educational program. The course is to be conducted within the Department of Forest Products. Students are now enrolled in this program which will begin formally in the fall term of 1956. A student may major in one of the three phases of the industry. Also at Michigan State University, the first national semi-annual mobile homes workshop and conference was held April 9 through 11, 1956. Manufacturers, dealers, and park operators attended sessions that were pertinent to their interests. The park operators sessions dealt with subjects of park planning, financing, construction, operation and maintenance.

In order to encourage the construction of more and better mobile home parks, the park division of the association offers free to prospective operators, complete park planning kits containing blueprints of suggested plot layouts and an outline of construction procedures. To supplement this service, field men from the association provide advice about financing and legislative problems. This trade organization has published books, and also prints a park directory every other year that serves as a guide to the better parks. The parks are graded by an inspection team and those meeting minimum standards of attractiveness and completeness of facilities are listed. Those that meet designated higher standards are listed as gold star parks. Of the country's 12,000 parks, over 5,000 are listed in this book. It is felt by the Mobile Home Manufacturers Association that inspection teams currently grading parks will help motivate park operators to up-grade their facilities so that they will qualify for a listing in the guide.

Collectively, manufacturers through their trade associations, sponsor yearly shows held in large cities in different geographic areas. Most prewar trailer exhibits were adjuncts to automobile and sports equipment shows.[9] These shows were held at the automobile dealers pleasure during the fall months and were found to be undesirable because of the seasonal market of the mobile home. Manufacturers found their time was more economically spent if they could devote their maximum energies to full production during the high summer sales months and make time consuming model changes during the slack months. As a result, new models were recently brought out in the spring just before the high sales months.

One modern trend of particular note is the re-naming of the Mobile Home Manufacturers Association. Formerly this association was called the Trailer Coach Manufacturers Association. Recognizing the nature of its markets today, the industry has tried to remove the nomad stigma that was attached to trailer dwellers of some years ago. Mobile home courts also have been renamed from time to time by the industry. The first term "trailer camp" properly suggested a facility for transients. Later, a more permanent connotation was felt to be desirable, hence trailer camp evolved into trailer park and more recently, trailer park to mobile home court. One industry spokesman offered the term "mobile home community" as being the terminology most beneficial to the industry in the future.[10]

Work of the Mobilehome Dealers National Association

Many mobile home dealerships are held by park operators, yet the efforts of the Mobilehome Dealers National Association indirectly benefits all park operators. Through the promotion of their product they have increased the demand and sale of mobile homes to a point where competent park operators need not fear low occupancy.

This dealers association has sponsored a cooperative service plan whereby dealers repair mobile dwellings for each other. This is a service that sells mobile homes thus keeping park occupancy high.

The association shared with the Mobile Home Manufacturers Association in the $45,000 monetary grant to Michigan State University.

Work of the Mobile Home Park Operators

Mobile homes in recent years have become larger in every dimension. Some are 55 feet long. Some have a bedroom and bath upstairs, while others expand their width accordion fashion after parking. Trailers of 10 foot widths are replacing the "eight-footers" in areas where it is legal to move them. More facilities are provided in these homes. These facilities require more gas, electricity, water and other services. Although these advancements have produced a hardship for many operators, the net effect has been a realization that better parks are in greatest demand and so park operators have been building more generously. Recently many have had to place one trailer on two lots.

Statement of the Problem

The author wishes to determine the feasibility of developing and operating a mobile home park in the Lansing, Michigan area. This problem involves an investigation of the site selection; regulations governing the construction, licensing and operation of such an enterprise; the design and layout of a mobile home park; an estimate of capital costs involved and an operating plan with a projected budget.

After talking with numerous people connected with this business in the Lansing area, a former mobile home park operator in this locale was contacted. He had discontinued his business because he could not economically alter the facilities he owned to satisfy the changing demands posed by mobile home living. At the time of the author's interview, in the Spring of 1956, this man had sold his park and had an

option to purchase a parcel of land to be developed later. He wanted to investigate the probable success which he could expect in an operation of approximately fifty or sixty spaces on the property under consideration; what construction, fixtures and equipment would be required; and what consideration must be made before, during and after construction with the thought in mind of future expansion. He wanted to ascertain what his capital and operating expenses would be and what operating procedures to use. In short, he wanted the author's considerations and recommendations regarding these matters. An attempt to answer these problems will be made in this thesis.

Procedure

Determining Profitability

To determine the financial success that could be realized from a fifty or sixty space operation, it was necessary to find the local demand for mobile home living. This was done through a market analysis which involved securing statistical data and interviewing persons connected with this field. From this demand, the author developed an estimate of the degree to which demand is being satisfied and arrived at a net potential from which business would come. To determine probable financial success, it was also necessary to consider the cost of construction. These figures were obtained from contractors and park suppliers in Lansing, Detroit and Chicago. Operating expense information was salient to the conclusion. This data was supplied by the party interested in the property who, from past experience, was familiar with park operation.

The author was assured that financing would not have to be a consideration, but the investigation of some plan for financing would prove beneficial for future expansion.

At present, the property to be developed is not zoned for a mobile home park. The writer recognizes that the Lansing Township Zoning Board will have to approve the site and that such an approval is a necessary step in the development of the site. It was not practical to apply for the rezoning of this site at the time this material was prepared. The assumption will therefore be made, that the property can be rezoned for the construction and operation of a mobile home park.

Ascertaining Construction Requirements

The prospective operator of the proposed park conveyed his thoughts on what the park should contain by way of facilities. These thoughts were based on past experience and careful consideration. From the information obtained, it was possible to design plans for the site, ascertain construction costs, and consider construction details necessary for a desirable park.

Although the most accurate method of determining construction cost to the property owner would have been to accept bids on the work to be done, this was found to be inadvisable at this point. Much of the information about park construction and cost was obtained from the First National Semi-Annual Mobile Homes Workshop and Conference.[11] Other information was acquired from the Park Planning Division of the Mobile Home Manufacturers Association. Most, however, was obtained from contractors in the Lansing locale.

Drafting an Operating Procedure

The author conducted interviews with tenants of local courts to determine which regulations imposed by their operators were considered good and which ones were not. Interviews with operators revealed regulations that were necessary and meaningful. From the suggestions of many, a standard set of rules and regulations were drafted.

Because promotion has never been necessary in the Lansing area, suggestions for effective advertising were considered only in passing. However, the problem of park acceptance by the neighboring communities was and is a real one. Several thoughts brought out at the recent workshop, found beneficial elsewhere, were incorporated.

FOOTNOTES - CHAPTER I

[1]Meloan, Taylor W. Mobile Homes: The Growth and Business Practices of the Industry. Richard D. Irwin, Inc., Homewood, Illinois. 1954. p. 3-4.

[2]Anonymous. "More and More Trailers," The Literary Digest. 120 (April 11, 1936). p. 41.

[3]Anonymous. "Trailer Industry," The Architectural Record. 80 (August 1936). p. 161.

[4]Anonymous. "Trailer Camps and Trailer People," Harper's Magazine. 175 (June 1937). p. 67.

[5]Anonymous. "Homes on Wheels," Business Week. (December 7, 1940). p. 46.

[6]Meloan, op. cit., p. 14.

[7]Anonymous. "Busy Trailer Manufacturers Wait Defense Housing Calls," Business Week. (June 23, 1951). p. 98.

[8]Meloan, op. cit., p. 30.

[9]Ibid., p. 67.

[10]Lemke, R. L. "Park Planning-Utilization of Site." Mobile Homes Workshop and Conference held at Michigan State University, East Lansing, Michigan. (Unpublished Report.) April 9, 1956.

[11]Ibid.

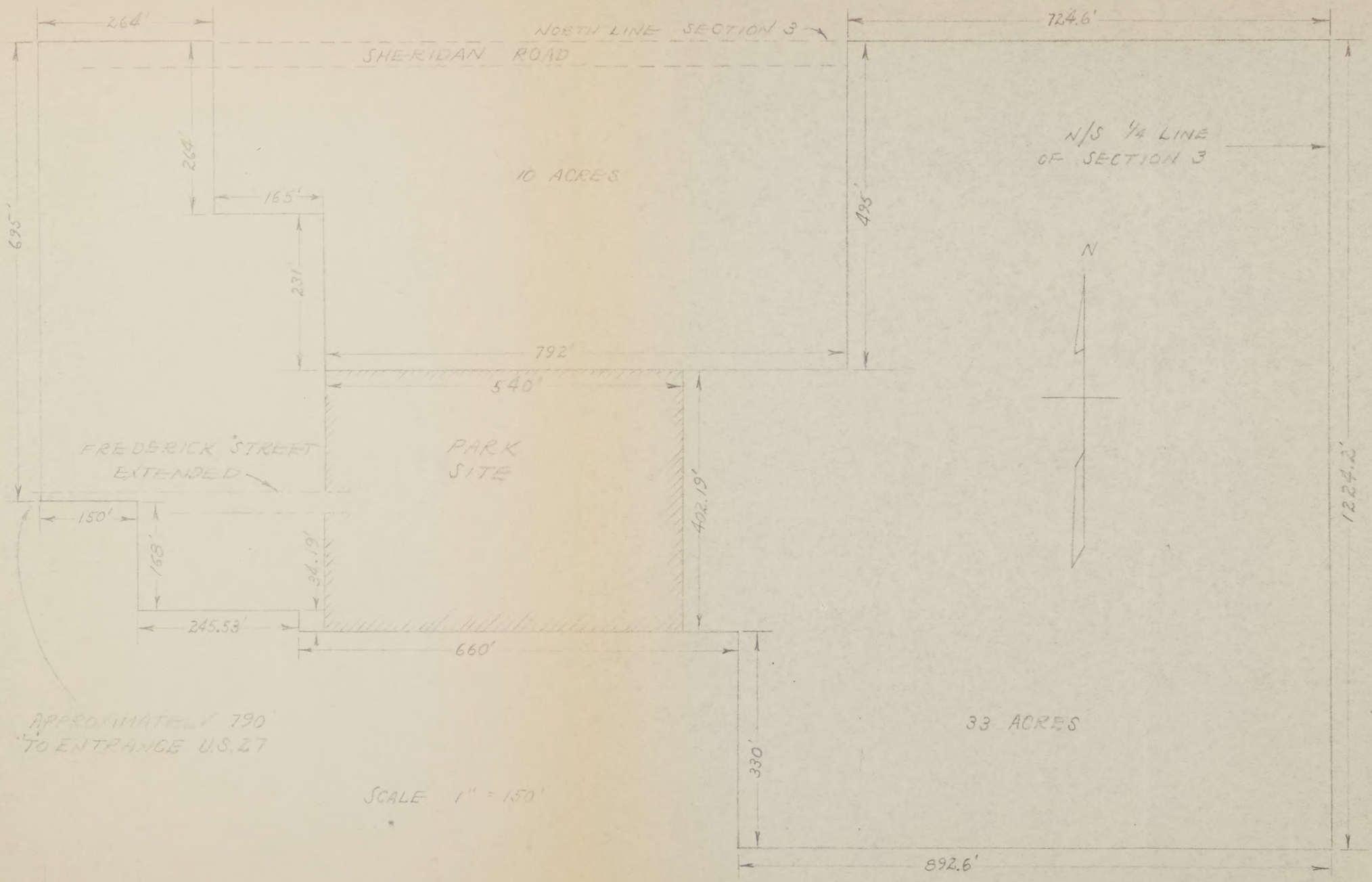
CHAPTER II

SITE SELECTION AND ACQUISITION

Proposed Location of the Site

The location of the proposed park is on a 33 acre parcel of land between the north city limits of Lansing and the Ingham County line. Figure 1, on page 14, shows the bounderies of the park within the parcel of land. More specifically, the property begins at a point 643.0 feet north 89°46' east from the northwest corner of section 3, township 4 north, range 2 west, Lansing Township, Ingham County, Michigan, thence south 695.0 feet, thence north 89°51' east 150.0 feet, thence south 168.0 feet, thence north 89°51' east 245.53 feet, thence south 34.19 feet, thence north 89°37' east 660.0 feet, thence south 330.0 feet, thence north 89°37' east 892.6 feet to the north south quarter line, thence north 0°05'30" west 1224.2 feet to north line of section 3, thence south 89°46' west 724.6 feet, thence south 495.0 feet, thence south 89°46' west 792.0 feet, thence north 231.0 feet, thence south 89°46' west 165.0 feet, thence north 264.0 feet to the north line of the section, thence south 89°46' west 264.0 feet to the place of beginning, the north 33.0 feet of the west 1221.0 feet being reserved for public highway purposes.[1]

PROPERTY SITE



SCALE 1" = 150'

FIGURE 1.

Lansing - the City

Lansing, the capitol city of Michigan, is in the northwest corner of Ingham County 85 miles northwest of Detroit, in the richest agricultural and industrial section of the penninsula.[2]

Lansing is one of the leading convention cities of Michigan and is a stopping place for tourists on their way to the playgrounds of Northern Michigan. Lansing has one national and two state banks, all members of the Federal Reserve System, a strong trust company and three strong building and loan companies. It has an excellent airport with airline connections to all parts of the United States.

The electric light and power system serving the community is municipally owned and there is an abundant natural gas supply for all uses. There is a modern sewage disposal plant, and a fine water conditioning plant with an average daily pumpage of over 10 million gallons. The park system of Lansing comprises 1,300 acres and there are four municipal golf courses, 28 playfields, a municipal swimming pool and a zoo.

The community is served by one daily newspaper, the Lansing State Journal, and by three radio stations, one being owned and operated by Michigan State University and the other two commercially. All three are also television stations.

The city is administered on a full time basis by a mayor and a city council. Its public school system includes 26 elementary, 4 junior high and 3 senior high schools.

While the political significance of Lansing has contributed to the development of the city, its size and fame are due largely to the many industries located there.[3]

Industry

The present position of the city as an industrial center may be attributed to the development of the automobile and its allied industries. Employees of Oldsmobile Division of General Motors Corporation, Motor Wheel Corporation, Reo Motors Incorporated, Duplex Truck Company, Fisher Body Corporations and the John Bean Manufacturing Company make up a considerable percentage of the 34,000 industrially employed in Lansing. However, the community's stability is not solely dependent upon the automotive industry. Lansing is a city of diversified industry. There are more than 200 manufacturers. The city's six drop forge factories are responsible for more than 11 percent of all the forgings produced annually in the United States.[4] Other products thatare manufactured in the city are trailers, tractors, lawn mowers, tools and dies, tents and awnings, chemicals, beet sugar and flour. Lansing is the banking and shopping center for Central Michigan. Weekly earnings in 1954 for industrial workers in Ingham County averaged $94.54 a week. This was the second highest in Michigan that year.[5]

Retail Sales

Retail sales in the metropolitan Lansing area were up 14 percent in 1953 over the previous year. This may be compared with national figures that show an increase of 4 percent over the same period. This 14 percent

gain is not attributable to the increase of a select group of outlets, but rather a gain of all, save one, of the 27 types of outlets representing total sales in the market area. It is felt thatsuch gains are more meaningful in determining the success of a prospective business than would be fewer gains of greater proportions. These facts, shown in Table 1, page 18, indicate an upward trend in business that should be encouraging for any prospective park operation.[6]

Population

In the 1950 census, Lansing with a population of 92,109 was ranked 121 among United States cities. This population represented an increase of 17 percent over 1940,[7] while the county of Ingham increased 32.5 percent over the same period.[8] This county growth was unequaled in the state. In 1954 the estimated population of the city was 100,672 which represented an increase of 9.3 percent in 3.5 years. The county showed an increase of 12.7 percent during this same period.[9] Clearly, the rapid growth of Lansing is continuing.

Traffic Survey

Federal and state highways converge in Lansing from all directions. These highways carry an average of well over 130,000 vehicles over a 24 hour period at city limit points. An increase in flow of 5 percent has occurred during the last two years. Figure 2, page 19, illustrates the difference at count points. These facts would indicate both community stability and growth.

TABLE I

METROPOLITAN LANSING RETAIL SALES 1952 - 1953 COMPARISON

TYPE OF OUTLET	NO. OF OUTLETS	1952	1953	GAIN	% GAIN
Total Sales	2,873	$253,659,594	$289,437,462	$35,777,868	14
Automotive	522	63,667,528	79,443,430	15,775,902	24
Gas and Oil	86	12,181,891	13,646,329	1,464,438	12
Men's and Boy's Clothing	21	3,505,623	3,972,762	467,139	13
Women's Ready to Wear	44	5,177,696	5,572,296	394,600	7
Family Clothing	14	1,150,295	1,354,666	194,371	17
Shoes	19	2,430,430	2,090,365	- 340,065	-14
Lumber and Building Materials	91	9,572,028	10,679,429	1,107,401	11
Electrical Supplies	41	1,669,329	2,009,163	337,834	20
Paint Stores	30	1,139,596	1,542,262	402,666	35
Taverns	99	6,112,894	6,218,162	105,268	17
Groceries and Meats	74	39,025,630	42,091,195	3,065,565	8
Restaurants	188	9,137,030	10,216,761	1,079,731	11
Total Food	785	73,587,126	78,959,595	5,371,469	7
Floor Covering	31	706,197	859,396	153,268	21
Furniture	244	4,756,291	5,660,764	904,473	19
Home Appliance	45	2,492,195	2,770,395	278,200	11
Radio-Music	102	2,085,497	2,350,730	265,233	12
Department Stores	4	12,168,359	13,610,228	1,441,869	12
General Merchandise Stores	28	11,919,457	13,391,264	1,471,808	12
5¢ and 10¢ Stores	9	3,656,526	4,336,696	680,170	18
Coal-Wood	21	2,778,561	2,998,364	219,803	7
Drugs	85	6,586,893	7,102,163	516,270	8
Electricity and Gas	4	13,215,791	14,326,920	1,111,129	8
Hardware	56	4,082,129	4,633,230	551,101	13
Jewelry	47	1,712,392	1,952,098	239,706	14
Fuel Oil and Petroleum Products	7	1,288,025	2,861,563	573,538	46
Plumbing	109	3,791,594	4,162,197	370,603	10

AVERAGE 24 HOUR TRAFFIC FLOW

CITY OF LANSING

1953-1955

SOURCE:

MICHIGAN STATE HIGHWAY DEPARTMENT, PLANNING & TRAFFIC DIVISION

KEY

(6500) 1953 COUNT

15000 1955 COUNT

Because an increase in traffic flow reflects the community's importance to other cities and surrounding areas, it is felt that any increase in the number of vehicles coming into and leaving the city enhances the mobile home park business. But the author believes that a mobile home park no longer need be on a busy thoroughfare to prosper. The permanence attached to such living makes this so. Thepark operator is not catering to the transient passing through the city. If such were the case, then surely the site along a main highway would be the better location. Instead, today, many people seek out the park that is quiet and even remote. With respect to location, they look for a "residential" atmosphere.

One of Lansing's newer parks, Eifert Road Trailer Park, was built beside a little traveled road. The proprietor of this park has all his spaces occupied with a seemingly select group of newer trailers.

U.S. 27 is the highway that serves the proposed park site. From the foregoing discussion, it is not disturbing to note that the traffic flow of this trunk line has decreased by 3,500 vehicles per 24 hour period, or nearly 19 percent. This could be interpreted to mean 19 percent less traffic noise for tenants to hear and 19 percent less traffic with which to cope when going to and from work and shopping. Currently, U.S. 27 is the only means of egress from Fredrick Street, the street leading directly into the park.

Michigan State University

Michigan State University is located just east of the city limits of Lansing. There were over 17,000 students enrolled at this state

supported institution during Fall term 1955. More than 150,000 persons attend over 450 conferences and special courses of the Continuing Education program of the University each year. The University employs over 4,000 individuals including faculty, administrative and maintenance personnel.[10]

The growth of the University has been rapid during recent years and the projected growth pattern is expected to resemble that of the past. Estimates by University officials place the enrollment of the school at 25,000 in 1965.[11] Dr. John Hannah, president of the University, said that these estimates compiled by the housing office were extremely conservative. He thought enrollment would approximate 25,000 as early as 1960.

Competing Parks in the Area

Present Park Facilities

After a personal investigation, the author found that every park operator in the Lansing area had a waiting list which reflects a demand that is not being met. Even when vacancies occur, people with 40 and 45 foot coaches are turned away because many lots are not large enough to accommodate them. Michigan law permits an individual lot of as little as 700 square feet, though newly constructed lots must be 900 square feet.[12] A 700 square foot lot suggests a space measuring 20 feet by 35 feet. This would be wholly inadequate for a great many of the newer mobile homes. There are some 55 foot models for sale today. In 1949 the maximum trailer length was 30 feet. In the last three years, over 70 percent

of the mobile homes constructed exceeded 30 feet in length.[13] The older parks in the county have had to limit their tenants to the older, small trailers, or decrease their unit capacity by making one lot out of two in order to accommodate trailers over35 feet in length. Combining lots often results in a poor utilization of space, thus operators are reluctant to do so for they have enjoyed a seller's market locally for years and have never felt the need for incurring this. Understandably the 30 foot trailers will wear out. They will be replaced by larger trailers and there will be fewer accommodations for them than before in the Lansing locality. A recent nation-wide survey conducted for a magazine revealed that operators felt the building of small lots to be their biggest construction mistake.[14] Although some courts have been improved during the last six months, tenants continue to express their desire for larger lots.

Several park operators in this area provide laundry facilities for their tenants. Observation of these laundries reveals that they are, for the most part, inadequate either with respect to the quality or the amount of equipment available. Some parks have no concrete patios; most have no recreational facilities.

It is felt among local mobile home dealers that the Lansing area could safely use 1,000 more trailer spaces during each of the next two years. These opinions are based on estimates of the number of lost sales, plus a knowledge that people who purchase mobile homes usually plan to live in them close to the area of purchase.[15]

In 1950 there were 1,368 mobile homes parked in Ingham County.[16] Of these, 568 were within parks,[17] leaving 800 mobile homes occupied

outside of parks in the county. Unapproved parking outside of licensed parks has increased by more than 300 sites in the last five years.[18] These 1,100 trailerites represent an immediate market potential.

Waiting Lists

Park proprietors maintain waiting lists of prospective tenants after their spaces are totally occupied. Their purpose is to assure these prospective customers seniority when a vacancy does occur in their park.

It is true that names on a list represent only prospective customers because lot seekers place their names with many operators and are eventually accommodated by only one. Despite this, operators do find there is a positive correlation between the number of people on their waiting lists and the assurance of full occupancy during subsequent months. One operator claimed that he might expect five or six people on his waiting list of 26 to be willing to move into his park at any one time.

Seasonality

Because of the diversification of industry in Lansing, seasonality does not affect park occupancy. Interviews with local operators indicate that it remains close to 100 percent the year around.

The situation is somewhat different in East Lansing. Knowing that nearly 90 percent of the mobile home dwellers are either students of Michigan State University or have some direct affiliation with the school, it is conceivable that during the University's summer recess, there would be a slack period of occupancy, but such is not the case. Many student

trailerites seek employment in the Lansing area during the summer and so maintain the same residence. Park operators must operate on a "first come, first serve" basis and can give no assurance that a lot will later be available if released for the Summer. These students have two alternatives. One is to hold the lot by paying three month's rent while they are absent. The other is to sub-let for the summer. With these arrangements, year around occupancy in the East Lansing area is also very close to 100 percent.[19]

Operators' Optimism

Park operators' optimism is usually a measure for determining the future health of their business. This is because their concern for the future is not based on wishful thinking or slanted preconceptions, but on an earnest attempt to secure facts and make accurate forecasts about the anticipated market. Operators in Lansing talk of the future demand for mobile home sites in a tone of optimism. They feel that many people parked outside of parks in the county will want to enter parks, especially since the adoption of a county regulation, effective June 1, 1955, which requires permits for occupancy of trailer coaches in Ingham County outside of licensed parks.[20] Only in parks can many of these people meet requirements. Additional trailer parks for handling at least 400 more trailers are needed for trailers already occupied outside of parks that may not qualify for permits to stay where they are.[21]

Lansing operators know that most of their occupants are employed in industry which was shown to be sustaining because of diversification in Lansing. They know that more and more industrial workers are disposed

to mobile home living both locally and nationally. A study sponsored by the Mobile Home Manufacturers Association revealed that nearly 50 percent of mobile home owners in 1953 were either skilled craftsmen or laborers, 15 percent were members of the armed forces, and 10 percent were retired people. A number of other occupational groups accounted for the balance of the sample.[22] Industry spokesmen state that half of all trailer sales in 1937 were made to vacationers and campers. Retired people bought 35 percent of the units and migratory workers accounted for the remaining 15 percent.[23] These facts, illustrating both the permanence attached to mobile home living today and the greater number of persons industrially employed who live in this way, are assurance for local operators interested in future operations in Lansing.

Ingham County's two largest parks have a total of 255 spaces, and are located east of Michigan State University. They comprise a total of 35 percent of the licensed park sites in the county. The optimism of future business by these operators is based on the previously stated fact that 90 percent of their occupants are either students of the University or have some direct affiliation with the school. The school, as has been shown, is growing rapidly.

The Specific Location

The site earlier described was found to have several objectionable features. It is believed that many will be corrected in time, some without cost to the park operator.

The property is undesirably situated with respect to a city refuse area which is unsightly and, at times, odorous. The actual place of refuse deposit and incineration is approximately one-third of a mile from the property. Because the dump is located south and east from the property, prevailing winds from the northwest usually carry odors away from, rather than toward the site. Fortunately, the city is planning to discontinue the deposit of refuse here and intends to cover over the unsightliness.

Topography

In general, the topography of the land is suitable for the construction anticipated. A major portion of the property has a gentle slope toward the entrance, but the access road bisects a swamp that has a stand of water the year around. This swamp would have to be closed in which could easily be done with the dirt obtained from cutting down a steep knoll just to the east of the proposed entrance. With this done, the entire park site would have an approximate 6 degree fall.[24] This is considered desirable. The bottom of the fall will be below the city sewer level at Fredrick Street and U.S. 27, thus necessitating the installation of a pump to lift waste to the required height.

Soil Conditions

The soil is glacial drift of sandly clay containing pebble and medium sized boulders.[25] Much of the soil about the knoll at the proposed entrance has eroded away. Grading will serve to rectify this temporarily, but the condition indicates the need for landscaping with appropriate vegetation which will be necessary to hold the soil. Landscaping will

required a top soil dressing, as the present soil conditions will not support the growth of grass and shrubs.

If the property had to have its own sewage disposal system involving a run-off field, it is questionable that conditions would be satisfactory. City sewers, as have been mentioned, will service the area so the major importance of determining soil conditions is in connection with the landscaping.

Accessability

There are several schools relatively near the site where children of tenants might attend. Gier Park Elementary School is one mile away. Otto Junior High School is approximately the same distance. School busses pick up high school students at Sheridan Road and U.S. 27, three blocks from the park. The city bus line comes within four blocks of the city limits on U.S. 27. This stop at Gier Street is 10 blocks from the property, while another bus stops at the corner of Turner Street and Sheridan Road, eight blocks away.

The two blocks north of Fredrick Street on U.S. 27 contain the following businesses pertinent to prospective tenants: three gas stations, one grocery store, one drug store, one barber shop, a mobile home sales agency and a television sales and repair store. A super-market and an outlying banking facility are located 1.5 miles to the south on U.S. 27.

Summation

Lansing appears to be a city of good potential for a mobile home community. Within its limits are contained a diversification of industry and a growing population. It lies within Michigan's agricultural belt and within close proximity to a large, growing University. People engaged in industry and students make up a large percentage of the mobile home population in this area, and because of industrial expansion reflected in a growing population and expanding enrollment at Michigan State University, there has been a shortage of licensed trailer spaces in parks.

Operators' comments about future business prospects are encouraging. They even show a reluctance to improve facilities to meet competition for they enjoy a seller's market without having to incur improvement expenses.

Some unfavorable conditions exist with respect to the specific location. It is the author's judgment that these obstacles will be remedied in time or can be overcome during construction phases of the operation.

FOOTNOTES - CHAPTER II

[1]Whipp Farm Agency, Lansing, Michigan. (Personal Interview.) April 3, 1956.

[2]Americana Corporation. Encyclopedia Americana. Americana Corporation, Chicago. 1956. Vol. 16. p. 736.

[3]Lansing Chamber of Commerce. The History of Lansing, Michigan. Lansing Chamber of Commerce, Lansing, Michigan. 1955. p. 4.

[4]Research Bureau, National Advertising Department, Lansing State Journal, Lansing, Michigan. Information compiled from the monthly reports of the Michigan Department of Labor. 1953.

[5]Anonymous. "Lansing, Where Wages Are High," Sales Management: The Magazine of Marketing. 74 (May 10, 1955). p. 439.

[6]Research Bureau. Information compiled from records of the State Sales Tax Division. 1953.

[7]New York World Telegram Corporation. World Almanac. New York World Telegram Corporation, New York. 1956. p. 272.

[8]Ibid., p. 289.

[9]Research Bureau. Information on county population compiled by the bureau. 1954.

[10]Ibid.

[11]Foster, Emery G., Michigan State University, East Lansing, Michigan. (Personal Interview.) February 10, 1956.

[12]Michigan Department of Health. State of Michigan State Acts and Rules and Regulations Related to Trailer Coach Parks. Michigan Department of Health, Lansing, Michigan. (October 1955). p. 15.

[13]Anonymous. "President Signs FHA Park Financing Bill," Trailer Park Management. 4:4 (September 1955). p. 6.

[14]Van Derwerker, R. J. "The Trailer-Court Sanitations Program of the Public Health Service," Trailer Park Management. 1:1 (May 1953). p. 6-19.

[15]Spokesman for Michigan Mobilehome Dealers Association, Lansing, Michigan. (Personal Interview.) April 13, 1956.

[16]U.S. Census of Housing. Occupancy Characteristic, Type of Structure and Plumbing Facilities for Standard Metropolitan Areas: 1950. U.S. Department of Commerce, Washington. 1950. p. 41.

[17]Cosens, John J., Michigan Department of Health, Lansing, Michigan. (Personal Interview.) April 5, 1956.

[18]Shirley, Philip V., Ingham County Health Department, Lansing, Michigan. (Personal Interview.) February 7, 1956.

[19]Tobin, A. J., Trailer Haven, East Lansing, Michigan. (Personal Interview.) February 8, 1956.

[20]Shirley, op. cit.

[21]Ibid.

[22]Meloan, Taylor W. Mobile Homes: The Growth and Business Practices of the Industry. Richard D. Irwin, Inc., Homewood, Illinois. 1954. p. 19.

[23]Ibid., p. 18.

[24]Hulett, Stanley L., Lansing, Michigan. (Personal Interview.) April 17, 1956.

[25]Byerlay, John R., State Geological Survey, Lansing, Michigan. (Personal Interview.) April 27, 1956.

CHAPTER III

REGULATIONS GOVERNING CONSTRUCTION, LICENSING AND OPERATION

Historically, there have been three state legislative acts in Michigan that have governed the construction, licensing and operation of mobile home parks. The first of these, Act 43 of the Public Acts of 1939, was one of the initial state laws so enacted anywhere in the United States.[1] This original law defining licensing and regulating the maintenance of "house trailer camps" within the corporate limits of townships was amended to require the licensing, regulation and inspection of all parks by the State Health Commissioner, and the payment of fees for occupied sites to municipalities and school districts. This was Act 255 of the Public Acts of 1941. Act 52 of the Acts of 1949 is the most recent amendment to these two laws.[2]

In conformity with the requirements of the original law as amended, the State Health Commissioner has promulgated rules and regulations governing the establishment, maintenance and operation of all parks. A comprehensive discussion of these acts is not within the scope of this thesis. However, an attempt to outline the rules and regulations that were designed to expedite the law will be made. These rules are divided into three catagories, namely: General Provisions, Sanitation Requirements and Surety Bond.

General Provisions

A description of the responsibility of the park attendant or caretaker is presented, mentioning his duty to bring about compliance with the provisions of the Act and his obligation to see that someone is always in charge of the park. This regulation requires lots of at least 900 square feet with each trailer at least 10 feet from the nearest adjacent site. Streets are required to be passable, reasonably dust proof, and at least 30 feet wide if used for two-way traffic, or 20 feet wide if used for one-way traffic.

Lighting facilities are discussed, stating that every part of the park must be lighted at night and at least three foot candles of artifical light should be provided on all walkways and driveways. Layout is considered with regard to walking distances from any trailer coach site to the various public accommodations within the park.

The next group of rules point out that the proposed site must first be approved by a representative of the Ingham County Health Department who will determine if it is suitable for development with respect to land contours, soil conditions and the location of unfavorable outside elements to the site. The initial inspection is valuable because advice from the official may be incorporated into plans later to be approved by his department. This official is very familiar with the law as it pertains to parks and is in a position to help the prospective park builder avoid many construction mistakes.

Following the initial inspection, application must be made on the prescribed form to the State Health Commissioner through the Ingham County

Health Department office. Also to be submitted with the application are construction plans and specifications. If the plans are in full accord with the park law, a construction permit is issued and construction may begin.

Next are regulations involving the licensing of the park. During construction the Ingham County Health Officer will make periodical inspections of the work being done. He will determine if construction is proceeding in accord with approved plans.[3] Request for final inspection is made by the prospective operator through the county official to the Michigan State Department of Health. Submitted with this request is a $1,000 surety bond conditioned for the faithful performance of the provisions of the Act, the applicable regulations and the payment of all license fees provided for in the Act. Following this inspection and a finding of satisfactory compliance with the Act and regulations, the Michigan State Department of Health will issue a license for one year.

After the licensing regulations, the subject of the collection and distribution of monthly fees is treated. In the instance at hand, there are both annual and monthly license fees to be paid by the park operator. The annual fee is collected by the Ingham County Health Department and is a fee equal to $25 for each 10 acres, orfraction thereof, of land to be used as a park. The proposed park site is 4.98 acres, thus a $25 fee must be paid.

The monthly fee is paid to the Lansing Township Treasurer in an amount equal to $2.50 per month, or major fraction thereof, for each occupied trailer coach occupying space within the park.

The general provisions continue by stating that each trailer coach park shall be provided with a custodian's office. It enumerates the procedure for the registration of occupants, mentioning that each trailer coach occupant entering the park shall be assigned to a site, given a copy of the park rules, and registered according to the prescribed form. Registrations must include the name and address of every occupant of each coach, the license number of all cars and coaches, the state issuing such license, the date of entrance to the park, the number of site to which assigned, and a statement indicating the exact location at which the coach was last parked, the date of removal and the place to which the occupants declare a removal. This section also says that the school board having jurisdiction may, through its officers, inspect and visit the park for the purpose of examining the park operator's register with reference to children of school age and examine the park with respect to housing conditions of school age children, and with reference to enforcing school attendance of these children.

A section on safety covers construction, installation and connection, stating that all buildings and fixtures, appurtenances and equipment installed within the park or any of its buildings must be done in a safe manner and in accordance with all the building codes that may be applicable. It further states that electrical outlets must be provided but that no connected electric extension cord shall lie on the ground or be suspended less than seven feet above sidewalks and pathways. Extension cords shall be heavy-duty, rubber-covered cable.

Fire extinguishers of a type approved by the State Fire Marshal for use at trailer coach parks shall be placed at locations within 200 feet of

each individual site. Bottled gas shall not be used at individual sites unless properly commected by copper or other suitable metallic tubing. No cylinder can be located in a coach or within five feet of a door.

A limit of 500 gallons of stored fuel oil is allowed on any one site. Storage tanks are described as having to be made of not less than 14 guage galvanized or wrought iron or open hearth steel. All joints must be welded, brazed or riveted. The tanks should be reinforced with a welded or riveted pad or flange where connections are made. A reference is made to the State Fire Marshal for further information.

Another section of the general provisions deals with fecing the property. This must be done if an owner or tenant of adjacent property demands it. Suitable fencing must be not less than four feet or more than six feet in height, constructed of woven wire or open metal or wood. Barbed wire should not be used.

The last section of the general provisions deals with the responsibilities of various municipal officials for inspecting the parks periodically and enforcing the regulations pertaining to parks.

Sanitation Requirements

The first major heading under sanitation requirements affixes upon the State Health Commissioner the responsibility of providing licensees of parks with copies of all health rules and regulations. It is directed that these rules and regulations be posted and protected in a conspicuous place within the park by the park manager.

It is required that an adequate supply of water which has been approved by the State Health Commissioner shall be provided at the park. At least one water outlet furnishing a safe drinking supply must be located within 300 feet of every individual trailer coach site.

When a municipal water supply is not available, the park water supply must be obtained from properly constructed drilled or driven wells, unless specific approval is obtained from the State Health Commissioner for the use of another type of water supply. Such supplies shall be located on the property to be licensed or on adjacent property owned or controlled by the licensee.

Fortunately, the proposed site will have the Lansing city water supply as a source for its water, so many of the following rules and regulations that pertain to wells are not relevant to this paper. These include sections relating to the location and construction of drilled and driven wells. Other sections deal with source of contamination, flooding and drainage, minimum depth, suction pipes, casings, cylinders, power pumps, pit and pump rooms, power pump room floors, unsafe water, storage reservoirs, water treatment plants and an engineering bulletin that may be obtained for additional information.

Toilet, shower and lavatory accommodations and laundry facilities are discussed. They must be located in a well constructed building having good lighting, adequate ventilation and floors constructed of impervious material sloped to adequate drains. All plumbing must comply with the state plumbing code. Water flushed toilets and approved type urinals must be provided. It is noteworthy at this point to relate the law in

part as it applies to the case at hand. "If a trailer coach park is designed to accommodate only those trailer coaches equipped with self-contained sanitary facilities, a service building containing a minimum of one toilet and lavatory for each sex and slop disposal facilities available to both sexes shall be provided."[4] This park is planned to accommodate only those trailers that are modern in every respect, therefore a minimum amount of lavatory facilities need be provided. To install more invites poor coaches to the park and increases both initial outlay for the facilities and the cost of maintenance.

Disposal of sewage and other water carried wastes, for purposes of discussion, is divided into three parts: type of sewage disposal system, trailer coach sewer connections and septic tank disposal systems. In as much as the park being planned will have available city sewers, the involved details of sewage treatment are of minor importance. This section does mention that all sewage and other water carried wastes must be disposed of into a municipal sewage system whenever available. It also states that each site must be provided with a sewer connection for the combined liquid waste of each coach, and trapped below the frost line. A water-tight connection from the trailer drain to the sewer connection must be provided and back siphonage prevented. The law puts the responsibility of making a proper connection upon the park operator or owner.

Another point of law given interpretation involves slop pail and garbage can cleaning facilities. Cans must be fly-proof and water-tight. They must be emptied at least once every three days and must not be filled to overflowing or allowed to become foul smelling or a breeding place

for flies. Garbage cans must be thoroughly cleaned each time after they are emptied. All combustible material should be burned in an incinerator which will insure complete combustion. Non-combustible materials must be disposed of by dumping on a site well removed from the premises. They must be stored in fly-proof, water-tight containers.

The duty of the operator in reporting persons who are affected with communicable diseases is outlined. Penalties are discussed with reference to failure to comply with the provisions of the Act. Offenders shall be punished with a fine not to exceed $100 and the costs of prosecution.

The next sections deal with undesirable practices. There must be no animals or house pets allowed to run at large, no animal washing in any building, no car washing that would be considered a slop creating practice.

Maintenance of facilities comprises the last section. The management of the park must assume full responsibility for maintaining in good repair all of the sanitary and safety appliances in the park. He must promptly initiate such action as is necessary to prosecute or eject from the park anyone who willfully damages these appliances or anyone who fails to comply with the regulations of the Act.

Surety Bond

The regulations giving instructions for executing bond state that if the principal in the bond is an individual, only his signature is required; if the principal conducts business under an assumed name,

signature should be by the assumed name and by the individual conducting the business. In this event, a certified copy of the certificate of business conducted under an assumed name filed in the county clerk's office should be furnished. If the business is a co-partnership, signature may be by any co-partner with an attached certified copy of the certificate of co-partnership issued by the county clerk. If the principal is a corporation, the corporate name should be signed by an authorized officer and the corporate seal attached. In all cases, a certified copy of the power of attorney of the agent for the surety must be attached and certified as continuing in full force and effect until the date of the bond.

FOOTNOTES - CHAPTER III

[1]Cosens, John J., Michigan Department of Health, Lansing, Michigan. (Personal Interview.) April 27, 1956.

[2]Michigan Department of Health. State of Michigan State Acts and Regulations Relating to Trailer Coach Parks. Michigan Department of Health, Lansing, Michigan. (October 1955). p. 1.

[3]Cosens, op. cit.

[4]Michigan Department of Health, op. cit., p. 28.

CHAPTER IV

DEVELOPMENT OF THE SITE

The property at present will require relatively little clearing because it has been used as farm land for several years. A small stand of trees on low ground near the entrance will have to be removed. Although these trees line both sides of the road in a manner now pleasing to the eye, they are situated on ground so low that fill dirt placed about them would bring their brances too close to the road for good appearance and ease of egress and exit. A sign to be placed at the entrance of the park would not be visible from U.S. 27 if these trees were to remain.

A considerable amount of grading will be necessary to fill in the swamp section of the property and bring the grade profile of the land to five or six degrees. Such a grade is beneficial because sewer lines must have a fall and trenches dug for them on a grade may be of uniform depth throughout the park. This grade also helps in running off surface water.

Site Layout

Lot area for each mobile home, typically, is much smaller than for customary single family detached homes. More compact development at higher densities necessitates special planning to achieve livability at reasonable costs. Though informal arrangements of mobile home stands and other facilities are desirable, a certain amount of uniform spacing

becomes mandatory in the interest of construction economy. The suggested layout shown in Figures 3 and 4, pages 43 and 44, offers several desirable features. First, the 30 degree site angle makes full use of a narrow park site and allows ample space for three roads running the length of the lot, wide sidewalks and sufficient parking spaces. With the exception of corner lots, a uniform lot size of 2400 square feet has been maintained. Angle parking also permits a varied view from inside the coach. The road may be seen from either the front or side windows. Lineal frontage of each site is greater than on a rectangular lot of the same length.

The suggested design is such that the rear of coaches do not abut each other, but rather look out upon a neighbor's yard. It is doubtful that any less formal layout will permit the location of 56 spaces and offer the features just enumerated.

Each individual lot has about 560 square feet of concrete represented in sidewalk, entrance walk, patio and runway. The runways are reinforced and are nearly 250 square feet in area. They are designed so that coaches of either eight or ten foot width may be parked on any runway. Necessarily, the side of the coach having the door or doors must be fixed with reference to the patio and entrance walk. Thus it is that the runway on one side is narrow and on the other side wider to accommodate either width coach. The provision for either eventuality has been made in a design which requires a minimum of reinforcing materials and concrete.

20'
16'
CONC.
TREATED
SEWER
OUTLET

Office Building

The office building has been designed to have a wide, low, modern appearance which will serve to give the prospective customer a desirable first impression of the park. The building is only 32 feet in width, but a marquee built across the park entrance and lapping over the roof of the office brings the entire structure's width to 70 feet. Although marquee and building could well have been constructed independently of each other, the lapping of the marquee over the roof tends to unite the two into one low structure. The height of the building is 10 feet while the clearance under the marquee is 13 feet 6 inches, enough to accommodate the latest two-story coaches which are 12 feet 6 inches high. Affixed to the roof of the marquee is a neon sign with the park's name. Large block letter, three feet in height of double tube design will be mounted on a metal box frame containing all electrical transformers and connections. This will be affixed to the building by an angle iron sign skeleton. It will elevate the lowest part of the sign from the roof by two feet which is in keeping with the Lansing city code. It can be seen clearly all the way from U.S. 27 at Fredrick Street.

The south and east sides of the building will be made of an eight inch light weight construction block. The front will be built of six inch blocks with a limestone facing, while the other public viewed side will be a six inch block with a brick veneer facing. Walls and ceiling will be wet plaster constructed while the floor will have asphalt tile over concrete. A built-up pitch and gravel roof will be equipped with a sump located above the lavatory plumbing stack.

A parking skirt will be provided in front of the building and a lawn approximately 245 feet by 168 feet will flank either side of the road near the office. Limestone facing on the front of the building and appropriate shrubs and flowers will convey a feeling of warmth and hospitality to park dwellers and visitors.

The office is located to allow anyone within to observe traffic entering and leaving the park. The speed of vehicles, usually a problem within parks, may be observed. Visitors arriving may be seen. A large plate glass window makes up the whole west wall of the manager's office. The top slopes out two feet from the base giving a modern effect and serving to deflect the lights from cars that are approaching the park.

Business with tenants is transacted through a window between the hall and the manager's office. This window allows the proprietor an element of privacy in that traffic within the room is minimized. The window may be closed and locked after hours.

Mail is placed in the tenant's mailbox by the postman from inside the office and is picked up by the tenant from the outside. This procedure eliminates all mail traffic inside the building except for the postman who will be provided with a key to the building. Such a procedure also eliminates management responsibility for holding and distributing checks which arrive by mail as would have to be done if the boxes were open to the public.

A parts room is located adjacent to the hall. Only those items will be stocked which will be necessary to provide new arrivals with the various couplings, adaptors and tubing to make the initial utility connections

OFFICE BUILDING FLOOR PLAN

ELEVATION OF [illegible] PLATE

at the coach site. Other needed parts may be obtained from J and M Trailer Sales less than a block north of Fredrick Street on U.S. 27. Trade magazines, park directories and carbon tetrachloride fire extinguishers will be stocked and offered for sale. Heat for the building will be provided by a small oil fired, forced hot air furnace of the General Electric or Sunbeam type.

Utility Building

The utility building has been designed with the specific thought of having a facility which can be enlarged to accommodate anticipated park expansion. Additional automatic washers, extractors and dryers can be installed in the present space as needed. Their proposed placement is indicated in Figure 7, page 50, by dotted lines.

The surrounding area was investigated for laundromat facilities. The lack of such facilities in the North Lansing locale indicates that a good percentage of the park tenants would use the laundry in the utility building. It is estimated that five automatic washers, one extractor and one small double tumbler dryer will be adequate to accommodate all park tenants. If one wringer type machine were installed, four automatic washers would prove ample.[1] This modification was considered in as much as less initial outlay would be required. It was rejected because of the preference of tenants for automatic washers.

The layout of the equipment within the room facilitates a straight line work flow--from the washer to the extractor to the dryer and finally, the folding table. Ten windows on the west, north and east sides of

UTILITY BUILDING FLOOR PLAN

the room provide good natural illumination and a cheery atmosphere. Laundry trays are provided for bleaching and the cleaning of materials requiring scrubbing. Space is available for two twin-cylinder laundry dryers. Only one of these double units will be equipped with two 15 pound capacity tumblers which should prove adequate for the expected usage. The second can be added at a later date as demand dictates. The dryer is only 27.5 inches wide, so it can easily go through a normal door opening. It will be gas heated as steam, the other tumbler heat media, is not produced from the heating equipment to be used in the building.

Hot water for the laundry is provided by a 195,000 B.T.U. gas fired heater that has a recovery rate of 134 gallons per hour at 140 degrees. Coupled with this installation will be a 220 gallon glass lined hot water storage tank. This installation is rated to prove ample hot water for seven automatic washers.[2]

All machines are of a commercial type and contain built-in coin meters. The washers are a model that has proved very economical with water, using 24.5 gallons for each complete cycle. Only 11.5 to 15 gallons used are hot water. The motor size is large in relation to the machine capacity so that it cannot be overloaded. Overloading is a common problem in public laundries.

Also available for use within the laundry is a 56 inch gas heated 24,000 B.T.U. ironer. It is metered for 30 minutes at $.25. A 1/3 horsepower 300 watt motor powers the 9 inch roller. This machine is large enough to easily do sheets, bed spreads and other large flat work.

Ample space is available in the garage section of the building to park a jeep or station wagon or to store a lawn mower, snowplow, back-hoe attachment, dozer blade or related equipment. A workbench will be provided in this area where the proprietor may make repairs on machinery and fixtures.

The building will contain the toilet facilities required by law.[3] These rooms will be locked so that maintenance may be minimized. They will be opened only in the event of sewer or water failure at a tenants' site or other similar emergency. Heat will be of the same type as that provided in the office, a forced hot air furnace.

Electricity

One of the most significant developments marking the growth of the mobile home industry has been the sharp growth in the use of electrical appliances. Twenty five years ago, a mobile home was considered deluxe if it was equipped with electric lights, an electric refrigerator and perhaps, an electric toaster. Since 1929, however, the increase in the use of residential electrical applianceshas been over 400 percent.[4] The increase for the mobile home owner has been at least that much. A recent survey by the Detroit Edison Company found that the average mobile home owner uses as much electricity as the owner of an average private dwelling.[5]

As can be seen from Table 2,[6] page 53, the number of appliances that may be present in any given mobile home will vary widely, according to preferences of the owner. But the trend toward more, and bigger,

electrical appliances in the mobile home is well established.

TABLE II

MAJOR FIXED APPLIANCES IN THE MOBILE HOME

FIXED APPIANCE	CAPACITY WATTS (Approximately)
1. Refrigerator	200 (1/6 h.p.)
2. Range	7-14 KW**
3. Fan (kitchen)	45
4. Water Heater	1-3 KW**
5. Clothes Washer	375-1800
6. Ironer	1650
7. Heating Plant (motors and controls)	700
8. Dishwasher	1150
9. Bathroom Heater	1000-1500
10. Food Waste Disposer	300 (1/4 h.p.)
11. Clothes Dryer	1500 & 4500**
12. Home Freezer	350
13. Air Conditioning	1000-3100**
14. Clock (kitchen)	2

** These appliances should be operated on 240 volts.

FROM: Edison Electric Institute.

This, coupled with the fact that 80 percent of the parks are currently inadequately wired,[7] is reason enough for the prospective operator to plan his wiring for the present and future carefully.

Electrical service for the proposed site would be provided by the Lansing Board of Water and Electric Light Commissioners. The company has

had no experience in recent years with servicing new parks, thus their obligation in helping develop the park would come as a result of negotiations with the engineering, metering and billing divisions. If necessary a formal contract could be negotiated covering points such as the responsibility for engineering the project, which party finances the various parts of the system and what the billing procedure will be.[8]

It is thought that the company probably will bring 4,160 volts on its primary distribution lines up to the park. This will be on a pole upon which a transformer is located. At this point, the grounded three wire circuit may be distributed to the tenants as the owner sees fit.[9]

Experience shows that the installation of an underground system is about three times as costly as an overhead system.[10] This is because:

1. A larger guage wire is needed for underground systems due to voltage drop,
2. A great deal of time and labor is required to make proper water-tight splices,
3. Trenches for the underground system have to be dug.

Despite these facts, the author believes that the benefits of an underground system justifies the added expenditure of initial installation. There would be no overhead wires, no danger of wind and storm damage and no unsightly poles.

The power comes from a main line on U.S. 27 by way of Fredrick Street to a master metering box which will be located on the south side of the office building in a metal weather proof box. From this meter will come the reading used to compute the proprietor's monthly bill. At this point, the cable will go underground and come up at points

diagramed in Figure 3, page 43, where the electricity will again be metered--this time to determine the tenants usage. From these points, smaller guage cable that is less expensive may be used. This procedure also makes possible a maximum amount of splicing above the ground at secondary distribution points. Electricity available at each site will be 110-220 volts and 55 amperes which should be adequate for years to come.[11]

Street lights will be carried on No. 12 buried cable. Ten 100 watt bulbs will be used on these lines. They will be controlled from a time clock which will automatically turn them on and off at a given time. These lights will be placed at a height sufficient to provide at least three foot candles of light on all walkways and driveways. The trenching for all underground cables will be two feet in depth so that they may be free from mechanical injury.

Telephone and Television

Running in the same trench as the electrical cable will be the television co-axial cable and the telephone service installation. Underground television connections to a master television antenna is becoming very prevalent,[12] although no operator has made such an installation to date in the Lansing area. In this locale, total cost for both installations must be met by the operator. In some places, the telephone company furnishes all wire and pulls it through the conduit. There should be no interference or adverse conditions resulting from an installation using the same trench for the three types of wire.[13] The wiring trench will not include sewer and water lines.

Water

Many mobile home parks are located where a municipal water supply is not available. The problems of developing and maintaining a private supply are numerous. Any supply must be adequate for all tenants, supplying as much as 250 gallons per coach space per day,[14] depending upon what demand factor the proprietor anticipates. This demand factor depends upon some of the policies set forth by the manager with respect to the amount of lawn watering, the hours of laundry use, and the amount of car washing allowed. Rules and regulations that restrict theuse of water in one or more of the ways just mentioned pose a hardship on tenants that may well raise considerable resentment on their part.

The water must be bacteriologically satisfactory and protected throughout the pumping system from any possible contamination. Water in private systems that test satisfactorily one year may prove to be contaminated another year, hence an element of speculation exists in the use of a private system. Other drawbacks of a private system include the cost of providing sufficient storage capacity to assure enough water at ample pressures in all parts of the system even during peak hours, the necessity of disinfecting and treating thewater, having to inspect and maintain equipment, and bearing the added initial and maintenance costs of the pumping equipment itself.[15] For these reasons, it is recommended that connection should be made to a public water supply if it is available.

An adequate and safe supply of water under ample pressure will be provided to serve each trailer coach space at the proposed site.

Fortunately, this water may be obtained from city water lines thus eliminating the necessity of developing a private system. The cost of connecting to this system is not exorbitant because the city water main comes to the very entrance of the park. There is also a water hydrant at that point which will be available for use in the event of fire.

Piping of the distribution system within the park should be able to supply six to eight gallons of water per minute at a minimum pressure of 20 pounds per square inch at each coach space outlet.[16] This requirement may be met with Lansing city water pressure using a four inch main with two inch lead-offs and 1/2 inch lead-ins to individual lots. A separate water connection will be provided for each trailer coach space. This connection will consist of a riser terminating at least four inches above the ground surface, with two 1/2 inch valved outlets. The ground surface around the riser pipes will be graded to divert surface drainage away from the connection. The riser pipes will be encased in a six inch vitrified-clay pipe, with the intervening space filled with an insulating material to protect it from freezing. An insulated cover will be provided which will encase both valve outlets, but not prevent connection to the coach during freezing weather. Outlets will be threaded so that a screwed connection, using flexible metallic tubing, may be made from one outlet to the coach's water piping system leaving the other for use as a hose connection for lawn watering and fire control.

Sanitary precautions will be taken in laying all water pipes. They will not be laid in water, now where theycan be flooded by water or sewage during the laying process. Dirt and other contaminating material will

be excluded from the pipe, and all water pipes will be disinfected before being placed in service.

Sewers

If public sewers should not be available within a reasonable distance of the court's site, an adequate sewage-treatment plan must be installed to dispose of all sanitary sewage. With sewers, as with water, it is desirable to make use of public facilities if they are available. In this way, continued maintenance can be avoided and there need be no fear of health hazards or odor nuisance to the occupants of the court nor of adjacent property. It is economically feasible to make connection with the Lansing city sewer main despite the fact that the initial cost of installation will be very high. The cost of constructing a connecting line up to U.S. 27 at $7 per foot rests entirely with the owner of the park.[17] In addition, a pump of sufficient capacity will be needed to move the effluent to the U.S. 27 main, for the low point of the park is situated well below the highway. It is thought that this one time cost is reasonable when considering the superior service the system will render. In determining the size of the connecting main, it is well to anticipate the maximum number of coach spaces expected to be developed in the area. The 33 acres will be able to accommodate about 350 coaches when expanded to maximum capacity. In as much as this expansion is anticipated for a future date, the estimate for the drain size is based upon this figure and a minimum usage factor of 125 gallons of effluent per space each day.[18]

All sewer lines will be laid in trenches separated as far as is practical from the water supply line. Tile will be laid with enough grade to insure a velocity of two feet per second when the sewer is flowing full. This is possible with the anticipated six degree slope of the graded land. All joints within the system will be water-tight to lessen possible contamination and minimize ground-water infiltration into the sewage system. Cleanouts will be installed at every change in direction, at every junction of two or more branch sewers and at intervals of not more than 100 feet.[19] Each sewer lateral will be appropriately vented and every connection will be "P" trapped below the frost line. Thirty inches in depth should prove adequate for this installation.

Roadways

The design and width of roads shown in Figure 3 is such that two-way traffic may be maintained. The single entrance permits better traffic control and discourages those who are not tenants from using park roadways as a thoroughfare.

Good roads are essential in any mobile home park because they must accommodate heavy traffic. Trailers may come into the park that weigh as much as 16,000 pounds. This, with anticipated automobile traffic makes a surfaced raod desirable. It is thought that a bituminous aggregate roadway would be satisfactory for the type of traffic the road would sustain.

Actual construction of the tarvia surface would not take place until after approximately a year of operation. This is because subgrade

material must be worked into the roadbed thoroughly to form a rigid base before surfacing.

Processed gravel would be put on the graded bed. It consists of stones and small amounts of clay used to hold the stones together. These would be graded periodically and added to when necessary, so that in a year, the bituminous aggregate surfacing could be added to make a very durable roadway.[20]

The entrance area bearing the most traffic will be four inches in thickness. Three inches will be sufficient for the remainder of the park. Parking areas adjacent to the roadways will be surfaced with pea gravel over processed gravel.

Refuse Disposal System

Each coach space will require four to six gallons of refuse storage capacity per day.[21] Bearing in mind that refuse pick-up will be twice a week, the combined volume of containers should be upward of 1,000 gallons. A sufficient number of container will be available to meet this need.

Refuse containers will be of 33 gallon capacity and will be made of heavy guage galvanized steel. They will be fly-tight, water-tight and rodent-proof. They will rest on a pipe rack that is elevated from the ground to facilitate cleaning. A fence-like structure will be a part of the rack and constructed to go around the containers to prevent domestic animals and children from tipping the cans over.

Fire Protection

The distance from the existing fire hydrant to the rear of the park is 790 feet, a space sufficiently short to make unnecessary the installation of another hydrant at the rear of the park. It is recognized that additional fire fighting equipment is needed to conform with the law and to provide optimum fire protection for tenants and property, hence portable fire extinguishers will be available in all building enclosures and at locations within 200 feet of each individual trailer site.[22]

FOOTNOTES - CHAPTER IV

[1]Katalinich, Thomas, Trailer Village, East Lansing, Michigan. (Personal Interview.) February 8, 1956.

[2]Hammond, Samuel C., Lansing, Michigan. (Personal Interview.) May 22, 1956.

[3]Michigan Department of Health. State of Michigan State Acts and Rules and Regulations Related to Trailer Coach Parks. Michigan Department of Health, Lansing, Michigan. (October 1955). p. 28.

[4]Bargman, Theodore. "Electricity: Basic Facts for the Park Operator," Trailer Park Management. 4:7 (December 1955). p. 24.

[5]Ibid.

[6]Bargman, Theodore. "Electricity: Basic Facts for the Park Operator," Trailer Park Management. 4:8 (January 1956). p. 18.

[7]Bargman, op. cit., 4:7 (December 1955). p. 24.

[8]Thompson, Max, Lansing Board of Water and Electric Light Commissioners, Lansing, Michigan. (Personal Interview.) May 16, 1956.

[9]Ibid.

[10]Ibid.

[11]Ibid.

[12]Bargman, Theodore. "Electricity: Basic Facts for the Park Operator," Trailer Park Management. 4:9 (February 1956). p. 19.

[13]Thompson, op. cit.

[14]Federal Security Agency, U.S. Public Health Service. Trailer Court Sanitation: With Suggested Ordinances and Regulations. Mobile Home Manufacturers Association, Chicago. 1953. p. 10.

[15]Ibid.

[16]Ibid., p. 12.

[17]Hulett, Stanley L., Lansing, Michigan. (Personal Interview.) April 17, 1956.

[18]Federal Security Agency, op. cit., p. 15.

[19]Ibid.

[20]Scherer, H. J., Lansing Asphalt Company, Lansing, Michigan. (Personal Interview.) May 22, 1956.

[21]Federal Security Agency, op cit., p. 16.

[22]Michigan Department of Health, op. cit., p. 22.

CHAPTER V

ESTIMATED CAPITAL AND OPERATING BUDGET

It is advisable for the prospective park operator to prepare both a capital budget and an operating budget for at least the first year of operation prior to construction. They will serve well as information upon which to base action. The budget brings the owner to an early study of the problems that may be expected during the construction phases of the business and when operations finally begin.

Budgeting is important because it will help in directing capital and effort into the most profitable channels by means of a balanced and unified program.[1] Before spending money, it is well for the park operator to give serious thought to the amount which can be profitably spent, from where it is to come, just how it should be spent and what results may be reasonably expected.

In the case at hand, the list of capital expenditures is presented principally to determine the probable investment in the park. With this figure and the anticipated income and expenditure figures for the first year of operation represented in the operating budget, the author was able to forecast the profitability of the proposed enterprise and arrive at an unexpected return on investment.

Expected capital expenditures are based upon the estimates of park operators, builders and contractors who saw plans and heard the author out with respect to construction details. It should be recognized that a

more accurate capital budget might have been prepared had bids on work actually been let to contractors. This did not seem practical at the time of writing.

As was stated in Chapter I, the prospective park operator has ample funds with which to construct the proposed park and carry on operations for an extended period. Therefore, no consideration was given to debt service in the operating budget section of this chapter.

Information for compiling the operating budget was obtained from three park operators and people representing various service and utility businesses in Lansing. Since there has been no operating experience at the proposed park, it should be kept in mind that this budget is not as reliable as it might be if it reflected past experience. As open to question as the budget might be, the author considers it to be a necessary step in predicting the probable success of the enterprise.

TABLE III

ESTIMATED CAPITAL BUDGET*

SITE			
1.	Land	$24,000.00	
2.	Clearing and Grading	2,100.00	
3.	Walkways, Runways and Patios	5,600.00	
4.	Roadways and Parkstrips	12,250.00	
5.	Landscaping	1,340.00	
			$45,290.00
UTILITY DISTRIBUTION SYSTEM			
6.	Electricity	$11,424.00	
7.	Television	5,121.00	
8.	Telephone	1,344.00	
9.	Water	4,816.00	
10.	Sewer	18,330.00	
			$41,035.00
BUILDINGS			
11.	Office Building	$10,660.00	
12.	Utility Building	5,980.00	
			$16,640.00
EQUIPMENT AND FURNISHINGS			
13.	Laundry Equipment	$3,136.00	
14.	Neon Sign	1,570.00	
15.	Jeep and Attachments	1,683.00	
16.	Office Furnishings	324.00	
17.	Gardening Tools and Equipment	420.00	
18.	Miscellaneous Tools and Equipment	175.00	
19.	Cola Beverage Machine	300.00	
			$7,608.00
	TOTAL CAPITAL COST		$110,573.00

*See the following pages for budget support.

Support for Capital Budget

Site

1. Land: The price of the land is $24,000.[2] This is based upon the present selling price of the whole parcel which is approximately 33 acres. Though only about 4.9 acres of this parcel is to be used for the proposed park, the owner is insistent upon selling the entire amount.

2. Clearing and Grading: The estimate of cost for clearing is negligable. The land is clear, except for twelve relatively small trees that must be removed. Cost of grading will be determined from an estimate of the number of cubic yards of dirt that is to be moved and the cost per cubic yard of moving it. These figures are 4,000 cubic yards of dirt and $.50 per cubic yard for removal.[3] Cost for grading is therefore $2,000; for removal of the trees, $100. Total cost for clearing and grading amounts to $2,100.

3. Walkways, Runways and Patios: An estimate of the concrete work as described in Chapter IV and shown in Figure 4, page 44, is $100 per site.[4] Total cost is $5,600.

4. Roadways and Park Strips: There are 2,876 square yards of park strip and 5,013 square yards of roadway. Both must be subsurfaced with processed pea gravel at a cost of $.60 per square yard. For 7,889 square yards of area, this would be $4,733. The cost of a two inch top dressing for the road is $1.50 per square yard or $7,519 total.[5] The entire cost for road construction and park strips is $12,250.

5. Landscaping: Landscaping costs will be minimized because the owner expects to do much of the work himself. Actual investment the first year will be in top soil and trees. It is estimated that 550 cubic yards of top soil at $2 per cubic yard will be needed. This cost of $1.100 in addition to a $110 outlay for 22 American Elm trees and $130 for 20 Red Norway Maple trees amounts to $1,340.[6]

Utility Distribution System

6. Electricity: The electrical installation was estimated at $11,424 by the Lansing Board of Water and Electric Light Commissioners.[7] The system upon which the estimate was based has been described in Chapter IV under the heading Electricity.

7. Television: The major expenditure for a television installation is represented in a $4,484 master antenna. In addition to this, the cost per site is $11.37. This estimate is based solely upon the cost of materials and labor for installing the facility. It must be remembered that telephone, television and electrical lines may all be installed in the same trench. The cost of trenching was considered in the electrical estimate and so was not included here. Total cost for a complete television installation is $5,121.[8] Although the cost per individual site is questionably high, the master antenna will serve all subsequent construction, thus lowering the unit cost.

8. Telephone: Initial telephone expenditure is based upon a cost per site of $23. Total expenditure is therefore $1,344.[9]

9. Water: The cost for water service to each lot will be approximately $86. Total cost is $4,816.[10]

10. Sewer: The construction of facilities that will make available city sewer lines is unusually expensive. However, when considering this cost as opposed to the cost of a sewage treatment plant and the continued maintenance of such a facility, it may be seen that the only right course of action lies in reaching for the city main.

The cost within the park will be approximately $2,800. An additional cost of $7 per running foot is incurred by the owner for a main that will run from the U.S. 27 main to the park. This distance is about 790 feet, which represents an expenditure of $5,530. In addition to this, a sewage ejector system must be installed because U.S. 27 is higher than the low point of the park. Such an ejector with appropriate sump and pump will cost as much as $10,000. Total cost for sewage removal system is $18,330.[11]

Buildings

11. Office Building: The cost of the office building is estimated to be $5,980, while the cost of the marquee over the entrance drive is $4,680, making a total of $10,660. These figures were determined from a $7 and $3 per square foot estimate respectively. This cost includes heating equipment, mail boxes, planter stand, lavatory facilities and parts bins.[12]

12. Utility Building: The cost estimate for the utility building is $5.75 per square foot of building space. This is calculated to be

$5,980. It includes heating equipment for the building, but not for the laundry facilities within the building.[13]

Equipment and Furnishings

13. Laundry Equipment: Equipment in the laundry described in Chapter IV includes:

5	Automatic washing machines . . . at $234 . .	$1,170.00
1	Extractor.	392.00
1	Dryer.	525.00
1	Ironer	469.00
1	Hot water heater	395.00
1	Hot water storage tank	185.00
		$3,136.00

The total cost for all machines is $3,136.[14]

14. Neon Sign: The sign, although affixed to the building, is not part of the contract price of the building. Its construction will be done by a sign contractor. Double tube letter three feet in height are $30 a letter. Nineteen letters, suggested in Figure 5, page 46, brings the cost of the lettering to $570. The box frame is 8 feet by 25 feet or 200 square feet. At $4 a square foot, this cost would be $800. Installing the sign was estimated at $200, bringing the total cost of the installation to $1,570.[15]

15. Jeep and Attachments: A jeep is useful for many jobs that are apt to be encountered in a park. A dozer blade attachment will prove beneficial for snow removal and doing minor excavating jobs. An attachment may be put on the front for coupling onto coaches to spot them on the individual lot. When the proprietor decides to expand his park, he

can rent or buy a back-hoe attachment, or Sherman digger, which is affixed to the jeep and used for digging trenches for sewers or electrical lines.

A used jeep may be purchased for $1,400. A dozer frame and six foot blade with appropriate controls would be $283. This makes a total cost of $1,683.[16]

16. Office Furnishings: Office furnishings will include the following:

1 Desk	$119.95
1 Desk chair	39.75
2 Occasional chairs at $19.95	39.90
1 Lamp	7.75
1 End table	22.95
1 Coffee table	20.95
1 Planter planting	35.00
2 File cabinets at $14.75	29.50
2 Window curtains at $4.45	8.89
	$324.64

Total cost for these furnishings is $324.64.[17]

17. Gardening Tools and Equipment: Garden tools and equipment will include the following:

1 Power lawn mower	$283.00
2 Hand lawn mowers at $14.50	29.00
1 Lawn roller	15.95
2 Wheelbarrows at $21.95	43.90
4 Shovels at $2.19	8.76
3 Garden rakes at $1.98	5.94
2 Hoes at $1.65	3.30
1 Spade fork	2.19
Miscellaneous garden tools and equipment	27.96
	$420.00

Total cost for these items is $420.[18]

18. Miscellaneous Tools and Equipment: Miscellaneous tools and equipment might include such items as saws, files, screw drivers, pliers, a grinding wheel, an electric drill, nails, screws, etc. The estimated cost of these items is $175.

19. Cola Beverage Machine: A cola beverage machine placed in an accessible location would be a convenience to many. Such a machine can be rented or purchased. The purchase of a unit, as planned here, involves an expenditure of $300.

TABLE IV

ESTIMATED OPERATING BUDGET*

INCOME		
1.	Lot Rental	$23,520.00
2.	Electricity	8,400.00
3.	Bottled Gas	1,730.00
4.	Laundry	1,300.00
5.	Cola Beverage	873.00
6.	Small Parts	690.00
7.	Telephone	144.00
	TOTAL INCOME	$36,657.00
EXPENSE		
8.	Real Estate and Property Tax	$1,035.17
9.	Annual Fees	25.00
10.	Monthly Fees	1,400.00
11.	Electricity	4,255.34
12.	Telephone	105.00
13.	Water	442.48
14.	Sewer	329.92
15.	Refuse Disposal	177.60
16.	Vehicle Fuel, Maintenance and Depreciation	580.00
17.	Buildings Repair	281.60
18.	Equipment and Furnishings Repair	296.25
19.	Equipment and Furnishings Replacement	570.60
20.	Utilities and Park Improvement Depreciation	3,959.18
21.	Buildings Depreciation	728.40
22.	Bottle Gas for Resale	1,297.50
23.	Cola Beverage for Resale	392.12
24.	Small Parts for Resale	1,400.00
25.	Heating	900.00
26.	General Supplies	350.00
27.	Wages	1,907.40
28.	Advertising	248.00
29.	Association Dues	44.00
30.	Insurance	160.00
	TOTAL EXPENSE	$20,885.56
ESTIMATED TOTAL INCOME OVER EXPENSE		$15,771.44

*See the following pages for budget support.

Support for Operating Budget

Income

1. Lot Rental: It was decided that a rate of $35 per lot would be charged each month. This figure is somewhat higher than that charged by other parks in the Lansing area. It is not unrealistic, however. Parks in Flint, Michigan usually command the same rent as those in Lansing. A notable exception is a park having many of the features contained in the proposed site, and an underground gas and oil distribution system which the proposed park does not have. This Flint operator receives $38.50 per coach space each month, a difference of $3.50 over the proposed park.[19]

Anticipating a maximum occupancy in the park, 56 spaces will bring $23,520 per year.

2. Electricity: Tenant's coaches are traditionally metered in this area by the park operator who pays for the entire amount of electricity used in the park and then bills his tenants accordingly. Consumers Power Company, who service several Lansing parks, poses limits as to the rate that may be charged to ultimate users in parks. However, the Lansing Board of Water and Electric Light Commissioners does not. Since the proposed park will be serviced by the latter, it is possible to charge a higher rate. The writer establishes a straight rate of $.05 per kilowatt hour. It is known that two other operators charge this rate in the Lansing area and, although it is high, such a rate has raised no serious objection with tenants of those parks. A

high rate is mandatory in as much as a relatively large investment is represented in the electrical facilities of the park.

Experience shows that a park of 60 spaces will use about 14,000 kilowatt hours of electricity a month throughout the year.[20] The income derived from the sale of electricity would therefore approximate 14,000 kilowatt hours per month times $.05 per kilowatt hour times 12 months or $8,400.

3. Bottled Gas: The average trailerite uses approximately one 20 pound cylinder of propane gas each three weeks.[21] This is about 17.3 cylinders a year. Using this figure and a cost per bottle of $2, it may be seen that the average trailer dweller will spend $34.60 each year for gas. Of the 56 families in the park, it is expected that 50 will elect to purchase gas from the operator. This will make an income of $1,730 a year from the bottled gas operation.

4. Laundry: Park operators in Lansing generally assert that their laundry operations are not profitable. They regard the laundry as a service facility necessary for keeping tenants in their park. One operator who had experience with concessionnaires claimed that he could not pay for providing hot water and heated washing area with the 20 percent commission he received. From these conversations, it was thought that losses realized in laundry operations could be minimized by the purchase of machines rather than allowing someone to operate them as a concession.

A schedule of rates for the various machines in the laundry will be as follows:

Automatic washer	$.25 per 30 minutes
Extractor.	.10 per 10 minutes
Dryer.	.25 per 20 minutes
Ironer	.25 per 30 minutes

An estimate of income from these machines obtained from an operator who has over 100 tenants was $35 to $45 per week.[22] This park is close to the Michigan State University campus. The operator interviewed felt that many of her tenants used the facilities on the campus to the exclusion of hers. Although there will not be 100 families from which to draw business, the location of the proposed park is divorced from other laundry facilities, so it is expected that a greater percentage of tenants will use the laundry than in the case just mentioned. A fair estimate of expected income from the laundry is $25 a week or $1300 a year.

5. Cola Beverage: A cola beverage machine will be purchased and placed in the laundry where it is expected that it will receive the most use. Four to twelve cases would be sold each week depending upon the season. An average of seven cases would be a reasonable weekly average throughout the year.[23] Each bottle will be sold for $.10, so the yearly income derived from the machine would be $873.60.

6. Small Parts: Possibly the best sales year for small parts will be during the first year of operations. Most people will be entering the park during that period. Turnover will probably never bring as many new tenants. The average tenant will have to purchase an oil drum and rack with fittings for hook-up. He may buy a drainage connector and flexible tubing. It is estimated he will spend $11.50. If 60 persons enter the park the first year, this income will amount to $690.

7. Telephone: The Michigan Bell Telephone Company will install and maintain a public pay telephone in the park. The income derived from the telephone for the park operator is 15 percent of the total revenue produced by the set.[24] The income one operator on U.S. 27 obtained was approximately $15 a month. He said that a number of telephone users were not from his park, but persons traveling on U.S. 27 who would stop.[25] The size of this operator's park approximated the size of the proposed park, but because of less transient use anticipated his $15 figure would be too high. An income of $12 a month or $144 a year is more realistic.

Expense

8. Real Estate and Property Tax: Tax on land is calculated separately from tax on buildings. The building tax in the area is $48.35 per $1,000 of assessed valuation. The assessed valuation of the buildings is computed from the estimated cost of constructing them in 1946 less two percent per year. The actual assessed valuation is 80 percent of this figure.[26]

The cost of constructing the office and laundry building in 1946 would have been approximately $14,263.[27] Applying the formula given above, it may be seen that the tax on the buildings would be $551.67.

The land is assessed by a township official who uses no particular formula in arriving at a valuation of the property. The same tax rate of $48.35 per $1,000 is used for land. From known valuations in the area, a valuation of $10,000 is arbitrarily placed on the land.[28] This

part of the annual tax would be $483.50. The total tax for both land and buildings is $1,035.17.

9. Annual Fees: License fees recur yearly and are $25 for each 10 acres.[29] Less than five acres are being used for the proposed park, thus the fee is $25.

10. Monthly Fees: The monthly fee is an expense incurred by the owner of the park, not the tenant, so the operator takes the amount from the monthly rental fee. He does not make a special assessment. It is calculated and paid each month. The tax is $2.50 per month or major fraction of a month for every occupied space.[30] It is anticipated that there will be a low turnover of tenants in the park. Nevertheless, of those that do leave, there will be a percentage whose first fraction of a month of residence in the park is less than half a month. A maximum estimate for the park would be $1,680 a year. This figure would be adjusted downward to $1400 a year.

11. Electricity: All electricity used in the park is metered at one point so that a maximum saving may be effected through the Board of Water and Electric Light Commissioner's graduated rate schedule. The rate schedule is as follows:[31]

$.0625 per kilowatt hour for the first 25 kilowatt hours used per month per meter.

$.05 per kilowatt hour for the next 25 kilowatt hours used per month per meter.

$.0375 per kilowatt hour for the next 450 kilowatt hours used per month per meter.

$.025 per kilowatt hour for all over 500 kilowatt hours used per month per meter.

It was estimated earlier in the income section of this chapter that 14,000 kilowatt hours of electricity would be used by park tenants each month. An estimate of the amount used in the operation of public facilities such as the laundry and street lights would be an average of 1,650 kilowatt hours each month throughout the year.[32] This total of 15,650 kilowatt hours must be applied to the above rate schedule to ascertain the monthly electrical expense.

$.0625	times	25	kilowatt hours is	$ 1.56
.05	times	25	kilowatt hours is	1.25
.0375	times	450	kilowatt hours is	16.88
.025	times	15,150	kilowatt hours is	378.75
				$398.44

The monthly expense for 15,650 kilowatt hours is $398.44. This figure multiplied by 12 months brings the yearly electrical expense to $4,781.28. A discount for prompt payment of 11 percent or $525.94 brings the adjused electrical expense to $4,255.34.

12. Telephone: The telephone company advises that patrons not use the business telephone, but be encouraged to use the pay telephone. This would reserve both telephones for their intended purpose, increase pay telephone revenue and minimize traffic in the manager's office. A business telephone including a heavy print listing in the white pages of the directory costs $8.75 per month or $105 a year.[33]

13. Water: Traditionally, the charge for water is hidden in the regular monthly rental fee to tenants. Charges for water service are billed every two months and the bill is figured on a bi-monthly basis according to the following rate schedule.[34]

First	6,000 gallons used at	$.75	per 1,000 gallons is	$4.50
Second	6,000 gallons used at	.60	per 1,000 gallons is	3.60
Third	6,000 gallons used at	.45	per 1,000 gallons is	2.70
Fourth	6,000 gallons used at	.30	per 1,000 gallons is	1.80
Fifth	6,000 gallons used at	.20	per 1,000 gallons is	1.20
All over	30,000 gallons used at	.12	per 1,000 gallons.	

There will have to be a supply of at least 125 gallons per coach per day. Additional needs for lawn watering, car washing and main leakage may increase consumption from 200 to 250 gallons per coach space.[35]

Taking into consideration the seasonal demand, it will be assumed that 175 gallons, on an average, will be used per coach space per day throughout the year. The amount of water used during any two month period would be 175 gallons times 56 spaces times 61 days or 597,800 gallons. The cost for a two month period applying the rate schedule presented above would be $81.94. This multiplied by the six periods in the year equals $491.64. Assuming the allowed 10 percent prompt payment discount is taken, this figure is adjusted downward to $442.48.

14. Sewer: Sewer charges are based upon the same number of gallons that were used in determining the water charge. The sewage bill is paid with the water bill and is subject to a 20 percent discount if paid within the discount period. The rate structure differs from that of water. It is as follows:[36]

First	6,000 gallons used at	$.625	per 1,000 gallons is	$3.75
Second	6,000 gallons used at	.50	per 1,000 gallons is	3.00
Third	6,000 gallons used at	.40	per 1,000 gallons is	2.40
Fourth	6,000 gallons used at	.30	per 1,000 gallons is	1.80
Fifth	6,000 gallons used at	.15	per 1,000 gallons is	.90
All over	30,000 gallons used at	.10	per 1,000 gallons.	

For computational purposes, the Lansing Board of Water and Electric

Light Commissioners has established the number of gallons of sewage generated as being equal to the number of gallons of water consumed although this may not necessarily be true.

Using the same period of 61 days and the same number of gallons of sewage as water, 597,800 gallons, the cost may be ascertained from the above rate schedule. The calculated cost of $68.73 multiplied by the six periods of the year equals a yearly charge of $412.38. If the 20 percent discount is taken, as expected, this brings the yearly charge for sewage to $329.92.

15. Refuse Disposal: Act 255 of the Public Acts of 1941 requires that refuse must be removed at least twice each week. Because the site location is outside the Lansing city limits, arrangements for a semi-weekly pickup must be made with a private concern or individual. It is estimated that 27 to 37 cans of refuse will have to be removed. The cost of the maximum estimated removal would be $14.80 per month or $177.60 per year.

16. Vehicle Fuel, Maintenance and Depreciation: One operator who had a jeep found that he spent $180 on repairs and $200 for fuel while using it strictly for park operations.[38] Allowing $200 for depreciation, and expenses equal to those of the operator just mentioned, total expense would be $580.

17. Buildings Repair: When definite past experience is lacking, the cost of building repairs may be estimated at $.02 per cubic foot.[9] Using this rate, the cost for utility and office building repair will be computed as follows:

Utility Building: 26x40x8 is 8,320 cubic feet x $.02 is $166.40
Office Building: 32x20x9 is 5,760 cubic feet x .02 is 115.20
$281.60

Total yearly cost for the repair of the buildings is $281.60. This may be high for the first year because a reputable will usually make good any faulty workmanship during the first year after construction. These are repairs that would have to be paid for by the park owner during subsequent years.

18. Equipment and Furnishings Repair: The cost of equipment and furnishings repair is estimated at five percent of the original cost of the equipment.[40] Items of equipment included in this estimate are all laundry machinery, the neon sign, the office furnishings, the cola beverage machine, all gardening tools and equipment and miscellaneous tools and equipment. These items cost $5,925. Five percent of this amount is $296.25.

19. Equipment and Furnishings Replacement: Equipment and furnishings replacement, figured at 7.5 percent of original cost,[41] is admittedly high. It is expected that there will be no obsolete equipment to replace at the end of the first year. It is well, however, to estimate expenses high and be conservative with income estimates for budget purposes. Figuring 7.5 percent of $7,608 is $570.60.

20. Utilities and Park Improvement Depreciation: Depreciation is well within allowable limits and approaches the estimates given on the following page.[42]

Item	Cost	Write-off Per Year	Annual Depreciation
Electricity	$11,424	7%	$ 799.68
Television	5,121	10%	512.10
Telephone	1,344	10%	134.40
Sewer	12,800	7%	896.00
Walks, runways, patios	5,600	7%	392.00
Roadways, parkstrips	12,250	10%	1,225.00
			$3,959.18

Total depreciation is $3,959.18.

21. Buildings Depreciation: Buildings depreciation is usually calculated as four percent of the building cost.[43] The combined cost of the buildings and the neon sign included here is $18,210. Four percent of this is $728.40.

22. Bottle Gas for Resale: The gas will be delivered by a local distributor who also furnishes and maintains the bottles. The park operator must stock an ample supply to meet the need at any given time. He will also make necessary connections if the tenant requests such service. The average family usage of 17.3 cylinders a year was determined in the income section of this chapter. That figure multiplied by the 50 families using gas times the cost to the operator, $1.50 per cylinder,[44] will be the bottled gas expense, or $1,297.50 a year.

23. Cola Beverage for Resale: The cost of the cola beverage to the operator is $1.00 per case. In addition, four bottles at $.02 each should be expected to be lost since bottles will be taken from the laundry, mislaid or broken.[45] This raises the cost to $1.08 per case. This amount multiplied by the average seven cases per week delivered by the

company and sold through the machine, brings the total cola beverage expense to $392.12.

24. Small Parts for Resale: Small parts must be purchased in sufficient sizes, style and quantity that each problem may be met. Only those items will be stocked that are needed to actually connect the coaches. From this standpoint, the inventory will be minimized. The expected cost of inventory is $1,400.

25. Heating: It was the experience of one operator that heating expense ran just over $1,000 a year.[46] He heated slightly more space than will be provided in the proposed office and utility buildings. It is estimated that with the more efficient heating system of the proposed park the cost will approximate $900.

26. General Supplies: The general supplies account will group together such items as office, lavatory and cleaning supplies; calcuim chloride; and incidental items. Itemized, general supplies would cost:

Lavatory supplies	$40
Cleaning supplies	40
Office supplies	100
Calcuim chloride	120
Incidental items	50
	$350

The estimated total for general supplies amounts to $350.

27. Wages: During the first year of operation there will be enough work for another man through the warm months from the first of May until the first of October. A man's total wages at $85 a week including two percent Old Age and Survivors' Benefits and Taxes amounts to $1,907.40.

28. Advertising: Formal advertising will be minimized. It is thought that during the first year of operation a quarter column spread in the yellow pages of the telephone directory will serve to initiate the prospective customers to the advantages of the park. This amount of space costs $10.25 a month or $123 a year.[47] The park will also be listed in the MHMA Official Mobile Homes Trailer Park Guide and Woodall's Mobile Home Park Directory. There will be no purchased space in these directories because it is expected that rating systems used by both directories will list the park as having been judged superior.

All money donated to charities will be given in the name of the business and will be treated as advertising expense. These will total $125. Therefore, total advertising expense will be $123 for telephone directory advertising and $125 for charity donations, or a total of $248 for the year.

29. Association Dues: Dues for the Michigan Trailer Park Operator's Association are $.05 per occupied space per month which is $39 a year. There will be a $5 initiation fee for the first year of operation making a total $44 expense.[47]

30. Insurance: Insurance will include:

$10,000 Property damage
90,000 Personal liability
10,000 Fire

This coverage will cost approximately $160 a year.[49]

Summary

It was found that the estimated total income over expense for the first year of operation would be $15,771.44. This figure, representing net profit, is 43 percent of the total income earned for the period. It also represents an estimated 14.26 percent annual return on the original investment of $110,573.

The estimated cost per space for the proposed park is $1545, exclusive of the cost of the land. Including the purchase price of the land, the capital expenditure will approximate $1,974 per site.

FOOTNOTES - CHAPTER V

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[19]Countryman, op. cit.

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[29]Michigan Department of Health. State of Michigan State Acts and Rules and Regulations Related to Trailer Coach Parks. Michigan Department of Health, Lansing, Michigan. (October 1955). p. 19.

[30]Ibid.

[31]Thompson, Max, op. cit., May 22, 1956.

[32]Ibid.

[33]Michigan Bell Telephone Company, op. cit.

[34]Lansing Board of Water and Electric Light Commissioners. Schedule of Charges for Water Service. Lansing Board of Water and Electric Light Commissioners, Lansing, Michigan. 1955.

[35]Federal Security Agency, U.S. Public Health Service. Trailer Court Sanitation: With Suggested Ordinances and Regulations. Mobile Home Manufacturers Association, Chicago. 1953. p. 10.

[36]Lansing Board of Water and Electric Light Commissioners. Schedule of Charges for Sewer Service. Lansing Board of Water and Electric Light Commissioners, Lansing, Michigan. 1955.

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[39]Thompson, S. Earl, Michigan State University, East Lansing, Michigan. (Personal Interview.) May 23, 1956.

[40]Ibid.

[41]Ibid.

[42]Countryman, op. cit.

[43]Ibid.

[44]Lansing Bottled Gas Company, Lansing, Michigan. (Telephone Communication.) February 16, 1956.

[45]Coca-Cola Bottling Company, op. cit.

[46]Hulett, op. cit., May 28, 1956.

[47]Michigan Bell Telephone Company, op. cit.

[48]Hammond, op. cit.

[49]Hulett, op. cit., May 28, 1956.

CHAPTER VI

OPERATING PLANS

A plan is necessary to efficiently expedite the many details of a park operation. One that would prove most beneficial should include information that will make the tenant aware of his obligations to neighbors and the park operator. Information of this sort serves to establish a standard of conduct for the tenant and helps him to know what he can fairly expect by way of conduct from his neighbors. To do this, a printed set of regulations should be made available to each new tenant of the community as is required by section 8 of Act 255 of the Public Acts of 1941.[1]

The author has drafted a set of rules which he feels will be needed in accomplishing these objectives. Necessarily, rules and regulations contain a large number of "do nots" which take on an undesirable negative appearance. Therefore, wherever possible, regulations have been phrased positively.

Proposed Mobile Home Park Rules and Regulations

These rules are believed by the management to be necessary, in order to have a neat, clean and attractive mobile home community and one of which you and your neighbors will be proud. Every resident has a job to do in helping to make this park a better place to live. Do your share--- it is your home.

General

1. All tenants must register at the office upon arriving at the park.

2. Tenants must check out of the office for clearance before vacating the park, and should notify the management as far in advance as possible when planning to check out.

3. Rents are payable in advance in accordance with park rates.

4. The use of alcoholic beverages will be confined to the tenant's premises.

5. Loud parties, loud radios and other excess noise will not be tolerated.

6. Drunkenness or immoral conduct will not be tolerated.

7. It will be necessary to hold parents responsible for any damages caused by their children.

8. Electric bills are due on the first of the month. After the 5th of the month, a penalty of $.25 a day will be charged.

9. Telephone messages will be delivered to tenants only in case of emergency. Messages will ordinarily be placed in the tenants' mail box.

10. The management will not be responsible for damage to coaches or any other personal property; nor accidents or injury to guests; for fire, theft or loss of valuables in or around trailers.

11. Office hours will be as follows:

Weekdays	9:00 AM to 11:30 AM 2:00 PM to 6:00 PM
Saturdays	2:00 PM to 5:00 PM

The office will be open in the evenings from 7:00 to 8:30 PM during the first five days of the month to accommodate working couples and tenants who may not be in during regular hours.

Automobiles

1. Cars shall be parked only in the designated areas.

2. The speed limit in the park of 10 miles an hour must be observed at all times. This is a rigid rule because of the number of people and the amount of traffic within the park.

Mobile Home Lots

1. Coaches must be parked on each lot in a uniform manner, and upon arrival at the park, the attendant will instruct the driver as to the proper position for parking and assist him if necessary.

2. The park attendant will make the necessary electrical connection to the meter or outlets. The cord must be rubber covered and weather-proof. No occupant shall tamper with the meter box or other electrical equipment. In case of blown fuses, call the attendant.

3. The park attendant will assist in completing the water and sewer connections if necessary.

4. The spotting of the coach and all utility connections must be approved by the park attendant before utilities are used.

5. Permission from the management must be obtained for altering any landscaping or for building fences or doing masonry work or other construction.

6. Each trailer space must be kept neat and clean. Storage of bottles, cans, boxes or equipment around or under the coach will not be tolerated.

Laundry

1. Persons who desire to use the washing machines in the laundry will sign up at the washroom not more than one day in advance.

2. Users of the laundry will follow all posted directions on the use of the machines.

3. All wash must be hung in the drying area provided by the management or be dried in the tumbler in the laundry.

Animals

1. Permission must be obtained from the management to keep pets in the park.

2. Pets must be kept on a leash at all times, whether being exercised or on a trailer lot.

3. Noisy or unruly pets or those that cause complaints, will have to be removed from the park.

4. Pets may be bathed on the individual's trailer lot only.

5. Pets will be kept out of the office and utility building at all times.

Park Buildings and Facilities

1. Children may enter the office and utility building only when accompanied by a parent.

2. All garbage must be wrapped and placed in the proper receptacles.

3. Bottles, cans and similar rubbish must be placed in receptacles provided for that purpose.

4. Posted instructions and rules must be observed in all buildings.

I have read the above rules and regulations and agree to abide by them or any other rules posted by the management as well as all Federal, State and local laws. It is agreed that violation terminates my tenancy.

_____ _____

Date Occupant's Signature

Promotion

Local park owners have never felt the need for any active campaign to promote more business. The writer feels sure of obtaining 100 percent occupany with no promotional effort other than buying a quarter column advertisement in the yellow pages of the Lansing Telephone Directory. There will be no purchased space in the MHMA Official Mobile Homes Trailer Park Guide or Woodall's Mobile Home Park Directory. A listing will appear anyway, and the ratings assigned by these two directories will speak for the proposed park.

Newspaper space and radio time advertising are methods that will not be employed, for such media do not touch the prospective customer who is miles away. Such advertising might be used to advantage in time of slack business if the proprietor felt the need to capture tenants from nearby competitors. Usually the procedure for gaining entrance into a park is to consult one of the two directories, write a letter of inquiry from information obtained within the directory or make personal calls on operators in the area. Another market is the person who anticipates moving to Lansing, makes a trip to investigate housing, then buys a coach in the Lansing area to be parked locally. In both instances, directory and yellow page space is valuable, but the newspaper and radio media is of questionable worth.

The author feels that there is a definite need for promotion to gain the acceptance of those businesses operating and persons living in the area near the park. It is felt that a great deal of stigma is attached to mobile home living today. Much of this unfavorable opinion stems from

the beginning of the business when the trailer was a makeshift affair capable of rendering only the barest essentials to the ruggest existance of the exploratory sportsman.[2] Many of the earlier units served as low cost housing for numerous families during the depression of the thirties. These coaches usually had a poor appearance and thus became the object of ridicule by many.[3] Unfortunately, the development of parks has not kept pace with the increased quality of coaches each year, thus parks have been the object of ridicule. Perhaps this is justly so, for many parks in the Lansing vacinity have poor roads, no sidewalks, small lots and a tangle of overhead wires. Some of this stigma may be that mobile living does not have the permanent community stalwart connotation about it. In any event, a program to gain favorable public acceptance will prove beneficial.

Upon completion of the park, an open-house would be advisable. People could come to the park, feel welcome, and see the investment in time, effort and money needed to provide for modern mobile living. The operator could conduct lot beautification contests and offer some form of recognition to winners. Judges should be selected from outside the park. Careful consideration might bring a newspaper man, a mobile home dealer, a zoning board member and a realtor. They would have an opportunity to see the efforts of mobile home dwellers and feel the enthusiasm that can be generated in such a program. They would be in aposition to transfer what they saw and heard to others. It is felt that a great deal of good will would come from this.

Gaining the acceptance of local business men would be doing the tenant a service. One method that might be used would be to urge the tenants

to stamp all their blank checks with a stamp containing the notation, "This is a Mobile Home Check." Such a scheme would keep the fact before local business men that a good deal of their business comes from mobile home citizens.

It would be beneficial to belong to the Michigan Park Operators Association and to participate actively in their promotion of the park business in general.

All charitable contributions could be made in the name of the park. The operator would belong and encourage tenants by word of mouth to join service clubs and civic organizations. A newsletter would be published periodically to inform trailerites and local businessmen of park affairs.

Records

There are four key reasons for keeping accurate records:

1. To establish capital investment position for calculation of taxes and possible resale of the park.
2. To determine profits or losses from operations.
3. To forecast in terms of income growth or expense reduction.[4]
4. To ascertain information required by local laws in establishing the amount of money to be paid in various fees.

Though the mechanical details of describing a double entry accounting system is not the intent of this discussion, these records do center about a journal and a ledger. The journal is a chronological record of money transactions. The ledgers catagorize the journal entries into

useful subdivisions. Ledger sheets might include individual tenant accounts, laundry account and bottled gas account, to name a few. Ledger accounts are posted from the journal entries at the end of the day. Both journal and ledger entries are supported by other records that include petty cash vouchers filled out when small amounts of money are disbursed, check stubs and cash receipt carbons. All serve to verify journal entries that are eventually posted in the ledger.

From the information recorded, it is possible to make up a balance sheet which is a capital position picture of the moment, and a profit and loss statement which shows profits and losses as they are accumulated over a period of time.

Other records will be kept and reports made that are required by law. Each householder will register on a registration card giving the information mentioned in Chapter III. A registry of all children of school age occupying trailer coaches in the park will be kept so that a proper report may be sent to the Lansing Township School Board. A regular report will also be made to the Lansing Township Treasurer indicating the registry for the preceding month along with other park identifying information.

Relations With Tenants

It is thought that a good initial impression upon the new tenant is important. The new tenant will be brought into the office where the manager will explain points that may not be clear in the regulations. He will encourage the new tenant to take an interest in the appearance of

his lot and the park in general.

The tenant will not be charged for having his coach parked and connected. It is hoped that such treatment will impress him with a sense of neighborliness.

All tenants will be encouraged to buy their fuel oil from one concern so that a large quantity purchase saving can be effected. One delivery man will enter the park, fill all tanks requiring more oil, present his bill to the operator and accept payment immediately from the operator. The operator, in turn, will make out individual bills and place them in appropriate mailboxes, collecting at a later date. Although this is a convenience to the tenant, he may refuse such service and elect to do business with whom he chooses. There will be no restriction of dairies, laundries, radio-television repair concerns and other businesses that are apt to bring vehicles into the park.

It is felt by the author that a minimum amount of regimentation is desirable, for tenants, like other people, enjoy a freedom to act as they feel proper. Rules and regulations provide the boundaries within which the mobile home dweller acts, and an excess of rules merely for the sake of having rules seriously limits the tenant's freedom. The writer believes that as much initiative should be left to the tenant as possible, for doing something for one tenant creates a precedent that may bring about a volume of work that is unduly difficult to accomplish or dissatisfaction on the part of tenants who note an inconsistency of service.

It is thought that firmness is necessary to carry out the rules. One should not be quick to forgive, but deal with infractions as infractions

and not exceptions. Compromise with tenants in the Lansing vacinity need not be necessary to maintain a maximum occupancy. Dealing with the first rule violators in a stringent manner serves to forewarn other tenants through precedent, thus obtaining their complete cooperation, gaining their respect, and establishing protection for good tenants.

The author believes that these policies can best be augmented by keeping a polite distance from the tenant. This distance is not meant to be maintained through an air of indifference, but rather by refraining from an excess of social intercourse that might label the operator as one who "plays favorites."

FOOTNOTES - CHAPTER VI

[1]Michigan Department of Health. State of Michigan State Acts and Rules and Regulations Related to Trailer Coach Parks. Michigan Department of Health, Lansing, Michigan. (October 1955). p. 20.

[2]Natale, Ralph M. Mobile Home Financing. School of Consumer Banking, Inc., Washington. 1956. p. 3.

[3]Ibid.

[4]Michelon, L. C. How to Build and Operate a Mobile-Home Park. Mobile Homes Manufacturers Association, Chicago. 1955. p. 111.

CHAPTER VII

CONCLUSIONS

The success that may be enjoyed from the enterprise described cannot be predicted with absolute certainty for the true answer comes from operating experience alone. However, it is expected that the person making a substantial investment in a business, such as the one proposed, would first attempt to ascertain the success the business might enjoy. This was done in the case at hand by way of an extensive survey of the Lansing area. It was found that Lansing is a city of good potential. It is a well established community showing a pattern of steady growth. An unusually high income level is to be found in Lansing. Although a good deal of the economy is based either directly or indirectly on the automobile industry, there is still enough diversification to provide stability. Some of these factors are its nearness to a large university, its being the state capitol and the high productivity of surrounding agrarian areas. The city has an outstanding government and an aggressive chamber of commerce. Because the future of Lansing looks bright, it would seem able to support a mobile home park. This is particularly true because there has been a shortage of licensed coach spaces in parks within Ingham County to date.

Feeling, then, that Lansing would undoubtedly support a park with a good occupancy, it was necessary to determine if a park, capable of favorably competing for years to come, could be constructed economically enough to produce a fair return on investment.

The estimated capital investment in the park is $110,573. This is a cost of $1,974 per space which is admittedly high. One source estimates that a 100 space modern mobile home park should cost approximately $101,500 or $1,015 per space.[1] This figure does not include the cost of land because land values differ to a great degree. On the same basis of comparison, that is, not considering the cost of land, the proposed park would cost approximately $1545 per space. Though this difference is still large, subsequent expansion anticipated will involve substantially less capital outlay per site. This is because facilities such as the office, the utility building and the sewer from the park to U.S. 27 are incurred only once. In effect, expansion will allow a greater return on investment as the park grows toward its maximum size.

In the proposed endeavor, the prospective owner-manager plans to devote his entire work day to the operation of his park. As a sole proprietor, his net profit represents an amount of money he would reasonably expect to earn in another line of work plus a return on his investment of $110,573.

The author believes the prospective operator's time spent in other employment should produce $5,000 a year. As a park operator, his time should be worth a like amount. Substracting $5,000,,then, from the income over expense figure of Table IV, page 73, anticipated income from investment is found to be approximately $10,771. This is a 9.7 percent return on original investment. But for purposes of comparison, this 9.7 percent return becomes 12.4 percent when the cost of land is excluded. The 100 space park, mentioned above, is expected to produce a fair 10.6 percent return, the cost of land being no consideration.[2]

From these facts it may be seen that the proposed park compares favorably with what is considered a satisfactory return on investment.

Net profit percentage is another comparison to be considered. The proposed park will earn a 43 percent net profit while the 100 space model park is expected to earn 28.4 percent.[3]

The facts presented here would indicate that the prospective operator would find his time, effort and money profitably spent in developing a mobile home park such as has been outlined in the foregoing chapters of this work. It is the author's sincere recommendation that he do so.

FOOTNOTES - CHAPTER VII

[1]Mobile Homes Manufacturers Association. New Business with New Living: Mobile Home Parks. Mobile Homes Manufacturers Association. Chicago. 1956. p. 4.

[2]Ibid.

[3]Ibid.

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