

## Tom Marshall's Weekly News, June 13, 2016

**In the Business World of the Mid-20<sup>th</sup> Century:** I had a reasonably successful travel agency in Wilmington (established in 1949), but I was restless to get into the operation of a motel, a name recently coined that meant Motor Hotel. Motels were springing up on main arteries everywhere and provided reasonable overnight rooms with private baths. Most of these were coming to be known as “ma and pa” operations, where a man and his wife, often the owners, could do everything. They were usually of one floor only, were built close to a major highway, and provided the convenience of parking your car right next to the room’s door. A well-known affiliation of these early motels was Quality Courts, which published a directory and claimed to have a high standard of cleanliness. It was assumed that roadside customers on a trip would fill some or all of the beds.

An old friend, Carroll Griffith, who was a leading real estate man in the Wilmington area, also had some interest in the growing motel business, and my father was supportive. My friend from the Wilmington JayCees, Walter Anderson, had been pushed around by large companies and was unhappy in his current employment. The four of us decided we wanted to try it, and Griffith knew Woodlawn Trustees would sell a square piece of property on Route 202 at Talleyville for such use, if they could have final approval of the details. We had a young architect from the Westtown area make us some renderings: brick colonial with 35 rooms. It was attractive, and we didn’t realize at the time how outdated it was! Woodlawn Trustees liked it.

I had a feeling that the future was in chain operations, and Howard Johnson’s was expanding from restaurants into motor lodges. Harry Bissell, who later was a good industry friend, had the HoJo franchises tied up for northern Delaware and was building his first motor lodge at the west end of the Delaware Memorial Bridge. Someone asked if I had heard of Holiday Inns (I hadn’t) and told me to call B. Gary Scott, then a traveling man for the DuPont Company. Scott traveled extensively in the south and had been impressed with several Holiday Inns where he had stopped. I wrote to the head office in Memphis and was told that prospective franchise holders would be considered only if they visited the home office. At that time, there were two Holiday Inns open in the northeast: Arlington, Virginia, and Allentown, Pennsylvania. In late June 1959, Walter Anderson and I flew to Memphis and met all the principals in the company from Kemmons Wilson (the founder) on down. While we were there, they were about to open their 75<sup>th</sup> property (in Topeka, Kansas). Walter and I, highly impressed, came home to sell the idea to the others. Having some encouragement, we sent a “good faith” check to Holiday Inns for \$10,000, the first real step to obtaining a franchise. On Labor Day weekend in 1959, a telegram informed us that our franchise had been approved.

Woodlawn Trustees did not like the idea of a modernistic two-story concrete building with glass to the floor in all the rooms. We asked several lenders to consider mortgage money. I remember Harry Mayer, another old JayCee friend who was in a high position with Continental Life Insurance Company at 11<sup>th</sup> and King, telling us that they would not consider a mortgage on Concord Pike, but they would on U.S. Route 40. The concept of commercial men needing a place to stay had not reached conservative lenders. Finally WSFS, then a mutual savings bank, took a mortgage at 6%; it was the first commercial mortgage in their portfolio.

Our restaurant was another problem. Every Holiday Inn was required to have a restaurant open at least 16 hours each day. We planned to lease the restaurant to Dutch Pantry, Inc. of Selinsgrove, Pennsylvania, as they were expanding their small chain. When our Holiday Inn was about half completed, a lawsuit was filed against us for copying a name. There was a Holiday Inn Restaurant on Marsh Road, about three miles from our location, and its owners did not want confusion with the Holiday Inn motel chain. After some expense to everyone involved, the court said we could open if our “Great Sign” read Holiday Inn of America, and the restaurant was prominently signed and promoted as Dutch Pantry. The Dutch Pantry lease turned out to be a bad deal for us, and it ran for 25 years. Despite our poor restaurant, the overall operation proved highly profitable.

We opened 60 rooms in early August 1961, with bedspreads hanging at the windows, as our draperies had not arrived. For the next months, we ran at practically 100% occupancy, and by October we had decided to add

another 49 rooms (these opened in June 1962). Walter Anderson and a great staff, none of whom had worked in the hotel/motel industry before, followed closely Holiday Inns' guidelines. I slept in one of the rooms, piled high with boxes, for the first two months. Walter worked about 18 hours a day, and I about 10, while helping run the Auburn Valley Railroad for Historic Red Clay Valley, Inc., and making plans for the opening of the Wilmington & Western Railroad in 1966. Our room rate at the Holiday Inn in the early '60s was \$8.50 single and \$10.50 double (deluxe rooms were \$14).

In 1963, we bought our second franchise for a location at Exit 3 of the new Delaware Turnpike (I-95) and built 100 rooms there. In 1967, we added 35 more at Talleyville, and in 1979, 44 more were added at Exit 8. Our associations with the founders of Holiday Inns were exemplary, but after Kemmons Wilson lost control, it was not the same. We sold our Exit 8 franchise in 1983 and Talleyville in 1997. All the original Holiday Inn buildings have been razed. At our two local operations, I was most proud of our employee profit-sharing plans, where some of our maids retired with nearly \$200,000 to their names. Share with others, and it comes back many times over.