

# Official Statement

## OF THE

# SALEM COMMUNITY HOTEL CORPORATION

### of Salem, Oregon

EVERY citizen interested in the growth and development of the city of Salem recognizes that a new and modern hotel is the one great outstanding need of the community. Appreciating our city's requirements in this respect, a committee of local business men has been at work to ascertain how such a hotel might be secured.

This committee, after a careful investigation, engaged The Hockenbury System, Inc., of Harrisburg, Penna., to make a thorough and scientific study of the local hotel situation. This organization, which has successfully developed and financed 170 hotels throughout the United States and Canada, made a comprehensive and detailed survey of Salem in relation to all phases of the hotel business. The analysis of this survey establishes the fact that there is sufficient patronage in Salem from commercial transients, automobile tourists, convention delegates, industrial conferences, University and State House visitors, and permanent guests to make a modern, fire-proof hotel of approximately 125 rooms, a safe business man's investment.

The committee has studied the various means of developing such a project and has adopted what they believe to be the most efficient and the most economical plan which they beg to place before the citizens of Salem as follows:

A corporation known as the Salem Community Hotel Corporation has been organized under the laws of the state of Oregon. It is proposed that the hotel shall be financed on a community basis.

A temporary Board of Directors has been appointed. A Hotel Campaign Executive Committee has been organized and a large citizens' organization will be formed. The work of these committees will be to provide Salem with a modern hotel in keeping with its needs.

The citizens back of this project are business and professional men who believe in the future of Salem. They are giving their time and their services without compensation in this effort. Every citizen will benefit directly and indirectly in the building of this modern fire-proof hotel; therefore, it is a civic privilege on the part of every citizen to boost and buy stock.

It is estimated that the total cost of building, site and carrying charges during construction will be approximately \$325,000.00. It is proposed to secure approximately \$200,000 of this amount through the sale of preferred and common stock, and a first mortgage will be placed upon the property sufficient to complete the financing.

It is proposed to issue 2000 shares of 7% fully paid non-assessable preferred stock of the Salem Community Hotel Corporation. The preferred stock will be of the par value of \$100.00 per share and will carry dividends cumulative after one year of operation, and will be preferred as to assets. There will be issued 1000 shares of common stock of nominal or no par value. This stock will be sold in units of two shares of preferred stock and one share of common stock for \$200.00 per unit. There will be no promotion or watered stock, no gratuities or bonuses of any kind. Every citizen will purchase his stock on the exact basis of every other citizen.

The terms of payment for this stock will extend over a period of ten months. The first payment, 10% of the subscription, will be due and payable on or before December 1, 1930, and the balance will be payable in installments—10% of the subscription on the first day of each succeeding calendar month. The date of the last payment will be September 1, 1931.

The Hotel will be managed and operated by either a national chain hotel operating company, or an experienced individual hotel operator. The Hotel Corporation will endeavor to secure the best possible operating contract for the protection of the stockholders. The Board of Directors have at the present time two definite operating proposals: one from a large hotel chain in the northwest who have proposed to operate the hotel on a profit-sharing basis, the other from an experienced individual hotel operator who has proposed that he will invest \$60,000.00 to completely furnish the Hotel and execute a first lien chattel mortgage on the furnishings to guarantee performance of the lease. This operator will pay a net rental equal to 7% of the local preferred stock investment, and in addition to this give a share of the operating profits

Both of these operators will agree to pay all expenses of operation, interest and amortization of mortgage, taxes, insurance, maintenance, upkeep, and proper sinking fund for depreciation on both building and furniture. The Hotel Corporation regards itself as fortunate in having these two operation proposals.

No site has been selected; this matter will be left entirely in the hands of the Board of Directors selected by the stockholders after the stock has been sold. The Board of Directors of the Corporation must be trusted to give this matter fair and impartial consideration. They will no doubt be guided very largely in their decision by the operating company with whom they make a contract to operate the Hotel.

The Hotel Executive Committee is offering the above information to the public in the belief that the purchase of the Hotel securities will appeal to the citizens of Salem and vicinity, because:

- (1) The investment will be represented and protected by substantial assets in the form of a proper site and a substantial, modern, fire-proof, up-to-date hotel with full equipment erected thereon.
- (2) The Hotel will provide an adequate number of much sought, much needed, first class, quiet guest rooms.
- (3) A modern, attractive, community hotel in Salem will give our capital city a nation-wide reputation and will attract to Salem many people who do not stop or reside here at present.
- (4) This Hotel will be distinctly a community enterprise, meeting a distinct need and is of the greatest possible importance to the future growth of Salem as well as the development of business in our city.
- (5) This much needed major development should create a unity of action by the people of Salem which should bring to Salem many other much needed developments.
- (6) This project will supply a much-needed employment program and give work this winter to many Salem citizens who otherwise may be in great distress.
- (7) A new hotel will be equivalent to bringing an industry to Salem employing approximately 100 people and will have a payroll of approximately \$5000.00 per month.
- (8) A modern hotel in Salem will bring additional conventions, tourists, and visitors who otherwise, as at present, will stop and spend their money in neighboring cities.

The Hotel Committee and Board of Directors pledge that all reasonable safeguards will protect the expenditure of money subscribed to the enterprise, so that full value will be received by the Corporation for every dollar invested.

## THE HOTEL EXECUTIVE COMMITTEE

T. M. HICKS, President Salem Abstract Co., Chairman

A. W. NORBLAD, Associate Chairman  
Governor State of Oregon

JOS. H. ALBERT  
Trust Officer, Ladd & Bush  
Trust Co.  
GEO. L. ARBUCKLE  
Buster Brown Shoe Co.  
MAX O. BUREN  
Buren's Furniture Store  
T. S. BILLINGSLEY  
Supt., Pacific Greyhound Lines  
W. E. BURGHARDT  
Insurance  
E. C. BUSHNELL  
Building Inspector  
ERIC BUTLER  
Manager, Western Union Telegraph Co.  
LEO N. CHILDS  
Leo N. Childs Co.  
H. A. CORNOYER  
Durbin and Conoyer  
D. G. DRAGER  
County Treasurer  
GEO. H. DUNSFORD  
Supt., State Buildings and Grounds  
DANIEL J. FRY  
Chairman Board of Directors,  
First National Bank

CARL D. GABRIELSON  
Manager, State Motor Vehicle  
Div.  
Pres., State Savings and Loan  
Association  
GEO. GRABENHORST  
President, W. H. Grabenhorst  
and Co.  
GEORGE H. GRAVES  
Commercial Salesman  
F. E. HALIK  
President, Halik Electric Co.  
C. S. HAMILTON  
C. S. Hamilton Furniture Co.  
W. M. HAMILTON  
Manager, Portland General Electrical Co.  
R. A. HARRIS  
Secretary, Eola Hills, Inc.  
O. A. HARTMAN  
Hartman Bros.  
T. M. HICKS  
President, Salem Abstract Co.  
GROVER W. HILLMAN  
President, Capitol Dairies  
HOWARD H. HULSEY  
Manager, Western Dairy Products Co.

C. S. HAMILTON, Treasurer  
C. S. Hamilton Furniture Co.

REV. THOS. V. KEENAN  
St. Vincent De Paul Catholic  
Church  
R. H. KENNEDY  
City Cleaning Works  
O. E. KNOWLAND  
Elliott Printing House, Inc.  
HARRY M. LEVY  
Manager, Midget Market  
F. C. McDONALD  
Vice-Pres. and Manager, Rodgers Paper Co.  
WM. MCGILCHRIST, JR.  
McGilchrist and Pennington  
DOUGLAS McKAY  
Pres. and Treas., Douglas McKay Chevrolet Co.  
W. T. MALLOY  
Manager, Cherry City Baking Co.  
A. H. MOORE  
Bicycles  
FRANK G. MYERS  
The Spa Confectionery  
JAMES NICHOLSON  
Manager, First National Bank Building

DOUGLAS McKAY, Secretary  
Douglas McKay Chevrolet Co.

A. W. NORBLAD  
Governor, State of Oregon  
DAVID O'HARA  
Division Manager, Secretary of State  
DR. O. A. OLSON  
Dentist  
U. S. PAGE  
Pres., Union Abstract Co.  
C. L. PARMENTER  
Contractor  
HAL D. PATTON  
Patton Bros.  
J. C. PERRY  
Perry's Drug Store  
D. W. PUGH  
Civil Engineer  
DR. C. H. ROBERTSON  
Physician  
H. M. ROGERS  
City Engineer  
W. W. ROSEBRAUGH  
W. W. Rosebraugh Co.  
A. J. RAHN  
Rahn-McWhorter Paper Co.  
EDW. SCHUNKLE  
Manager, Roth Grocery Co.  
L. N. SIMON  
Salem Hardware Co.  
DR. MARK S. SKIFF  
Dentist  
RICHARD D. SLATER  
Supt., Oregon Gravel Co.  
BRAZIER C. SMALL  
Attorney at Law  
W. I. STALEY  
Owner and Principal, Capital Business College  
DR. B. L. STEEVES  
Physician  
W. T. STOLZ  
Manager, Gideon Stolz Co.  
L. L. THORNTON  
State Motors, Inc.  
DR. FLOYD L. UTTER  
Dentist  
PAUL B. WALLACE  
Pres., Valley Motors Co.  
GEO. E. WATERS  
Wholesale Cigars  
H. O. WHITE  
D. A. White and Sons  
E. L. WIEDER  
Salem Laundry Co.  
N. WILLIAMS  
Mgr., Oregon Finance Corp.  
D. A. YOUNG  
Attorney at Law