

October 26, 1972



EXPO'74

In response to your inquiry regarding a possible concession at Expo '74, we are enclosing proposal forms and other information. This material will assist you in preparing a proposal for participation in the Exposition.

Please fill out the proposal forms and return one copy for our files along with a check in the amount of one-thousand dollars (\$1,000.00). Your check will be placed in a special account with the understanding that if your proposal should not be accepted by Expo '74, the money will be refunded.

Upon receiving your proposal, priority consideration will be given on the limited available space at the Exposition, and you will be notified as early as possible when any action is taken by Expo '74.

The Concessions Department will be happy to answer any questions you may have regarding participation in the Exposition. Thank you for your interest in the Spokane World Exposition, and we look forward to hearing from you.

Very truly yours,

Dean Guintoli
Concessions Director

DG/bas

Enclosures





EXPO'74

GENERAL INFORMATION FOR MERCHANDISE SALES CONCESSIONAIRES

INFORMATION

Opportunity knocks for a number of merchants as Spokane prepares for a six month environmental exposition in the Summer of 1974.

From the time the gates open in May until the closing hours in October, an estimated 4.6 million persons will have entered the Expo grounds along the Spokane River. Economic Research Associates made the estimates based on past fairs of this size and type and on the unique qualities the Spokane region has to offer. The ERA study said the number of Expo admissions may go as high as 5.7 million.

Merchandise sales planning will be coordinated to ERA's advance projections of attendance and estimated per capita expenditures. And, of course, the figures will be constantly revised to reflect any new information. The following information is, therefore, subject to change and is provided for general informational purposes only. This bulletin does not constitute an offer to contract by Expo '74.

SITE AND CONCESSION INFORMATION

Merchandise sales outlets on the 100-acre site will be situated in the commerce and industry, foreign exhibit area, and in the domestic exhibit area. Included in the domestic area is the 7.5 million dollar Washington State Pavilion designed to be a permanent feature in downtown Spokane.

Approximately 40 or more merchandise sales spaces are planned and will be available on a first-come-first-serve basis. In addition to the merchandise outlets there will be a variety of amusements, open-air special events, entertainment performances, and food concessions all coordinated to Expo's theme "How Man Can Live, Work and Play in Harmony With His Environment."

For specialty product identification concessions, a fee will be established according to extent and value of the exposure received.

Percentages on sales of food and merchandise will vary according to types of products sold and the profit margin of the proposed concessions.

CONCESSIONAIRES' RULES AND REGULATIONS:

The Exposition will establish general and special rules and regulations governing all activities on the site, including all commercial activities. All concessionaires are required to adhere to these rules and regulations. Listed below are some of the more important points to be considered by prospective concessionaires.

Rents and Participation Fees: A fixed schedule of payments to the Exposition will be established, according to the type of concession operation. This will include an advance payment which can be applied against a percentage of gross receipts.

Revenue Control: All concessionaires must maintain a complete and accurate record of all revenues and business transacted. Further, the participant must observe the procedures set for making periodic payments to the Exposition and for the control of revenues. All concessionaires will be required to use cash registers approved by the Exposition.

Prices and Charges: Schedules of prices and charges to the public by concessionaires must be approved by the Exposition and they may not be altered without approval.

Allocation of Concession Space: Space will be allocated according to the type of concession and will be confined to areas designated for commercial activities. The Exposition will endeavor to permit the participant to select, on a first-come basis, the spaces he wishes to occupy.

Many merchandise sales outlets will be offered in a proposed international merchandise settlement composed of approximately twelve variety shops. The remainder of the approximately 40 or more shops will be scattered about the grounds of Expo '74 either singly or in groups of two or three. The scattered locations will be available in areas directly exposed to traffic offering the greatest advantage to merchants and the most convenience to Expo visitors. The Exposition will lease open-site locations for merchandise sales operation. The concessionaires can construct buildings to conform to their own motif and requirements, within the limits of Expo '74's theme and regulations.

Design and Display: Concessionaires are encouraged to use graphics and design creatively in connection with concessions. All graphics must be in accordance with the standards set by the Exposition and must be submitted for prior approval.

Assignment of Interests: No concessionaire will be permitted to assign or sublet a part of the premises rented from the Exposition without the written consent of the Exposition.

Insurance: All concessionaires will be required to carry insurance. Generally this will include comprehensive public liability insurance, workman's compensation, employer's liability insurance, and fire and extended coverage insurance.

Operating Hours: The operating hours and days during which deliveries, maintenance, and servicing may be made will be established by the Exposition. These hours must be observed by participants.

State and Local Requirements: All concessionaires must meet state and local laws, ordinances, health and sanitary requirements.

Service, Security and Maintenance: General security and maintenance will be provided under the terms of the concession contract. The obligation to provide security and maintenance for a particular concession during the Exposition is the responsibility of the concessionaire.

Quality Control: Definite standards for the quality of products and food offered for sale will be set up by the Exposition and must be maintained by concessionaires.

Building/Land Ratio: Buildings constructed by concessionaires shall occupy no more than 80% of land space.

Space Condition and Details: The Exposition will make space available in accordance with specified standards, regardless of whether the space is in an existing building or a newly constructed one. The participant, in determining the condition of the space and the work required by him to make the space usable, should consider the following information:

Areas shall be finished by the Exposition to the following extent:

- (a) Floors will not be provided by the Exposition to allow concessionaire to locate his utilities.
- (b) Internal walls: unpainted masonry or plaster
- (c) Ceilings: unpainted removable acoustical ceilings (T-Bar)
- (d) Electrical Service: meter and main disconnect and 16 circuit distribution panel will be provided within the premises.
- (e) Water, sewer, and gas will be snubbed onto the premises as required.

The concessionaire will be required to:

- (a) Paint, stain, or apply other approved finishes to the interior.
- (b) Submit graphics, colors, and sign designs for approval and provide own front in accordance with his approved designs.
- (c) Run own internal wiring and attach the associated switches, outlets, and fittings in accordance with the building codes established by the Exposition and the City of Spokane.
- (d) Furnish the interior with necessary equipment for his operation i.e. counters, shelves, basins, drawers, etc.
- (e) Tap onto utility connections as necessary.
- (f) Provide floors to meet approval of Exposition and the City of Spokane building codes.
- (g) Provide air conditioning where required.
- (h) Provide fire fighting equipment in accordance with the codes of the Spokane Fire Department and directives of the Exposition.
- (i) Concessionaire shall provide landscaping in accordance with approved plans to cover the 20% of his leased space not occupied by the building.

SPACE RATES:

Advance guarantee fee payments will be based on the following space rates. Rates are for the entire operational period of Expo '74.

Open Ground Space:	1 to 1,000 Sq. Ft.	\$8.00 Sq. Ft.
	1,001 and up	7.00 Sq. Ft.
Covered Space:	1 to 1,000 Sq. Ft.	\$20.00 Sq. Ft.
	1,001 and up	15.00 Sq. Ft.

PARTICIPATION FEE:

In the event a concessionaire is licensed to operate on the grounds of Expo '74 and does not require any fixed specific space, he will be charged a participation fee and a percentage of the gross business transacted. The fixed participation fee is a guarantee and will be credited against the percentage payments. This fee will be determined on an individual basis and is due and payable in full upon signing of the space rental agreement.

SERVICE FEE:

A service fee of \$4.50 per square foot for the operational period of Expo '74 starting on the opening day of the Fair will be charged to all concessionaires. This fee is due and payable upon dates of payment of advance guarantee fee, i.e. 50% on contract signing and 50% on Jan. 4, 1974.

The services covered by this fee are to include but not limited to the following: Employee access identification media, central first-aid facility, optional use of the Exposition's personnel department in securing employees. Electrical, gas, sewer, and water lines (if required) will be snubbed onto the leased premises. In other than the leased area normal security surveillance, landscape maintenance, and trash and garbage disposal services will be provided.

STORAGE:

Expo '74 is planning to provide the concessionaires covered and secured storage space at charges commensurate with rates in the local area.

PAYMENT SCHEDULE:

The advance guaranteed rental is fully payable in accordance with the following schedule:

1. 50% of the advance guaranteed rental on contract signing.
2. Remaining 50% of advance guaranteed rental on Jan. 4, 1974.
3. The guaranteed advance payment will be credited against percentages of sales in accordance with revenue controlled procedures (except exhibit concessions) as follows:

<u>Period</u>	<u>Weeks</u>	<u>Percent of Total Advance Guarantee</u>
1	1-4	10%
2	5-8	15
3	9-12	20
4	13-16	25
5	17-20	25
6	20-22	<u>5</u> 100%

In the event gross sales are insufficient to equal the amortization schedule, any unamortized dollars will be carried forward to the next period. Funds remaining after the sixth period will be credited during the remaining three weeks. Accounting will be done on a weekly basis with adjustments made in the last week of each scheduled period.

AWARD PROCEDURE:

Recognizing the importance of the procedure by which various concessionaires are selected, the following statement outlines the primary considerations which will be used in awarding a concession proposal and agreements will be guided by but not necessarily restricted to, the following factors:

1. The reliability and responsibility of the applicant and his competence in providing the products and services under consideration.
2. The applicant's financial ability to make the necessary capital investment.
3. The business arrangements offered to Expo '74 by the applicant.
4. Resume' of the applicant's experience in the operation of such concession and the applicant's proposed manner of operation.
5. The applicant's willingness to comply with the Rules and Regulations established by Expo '74.
6. The contribution the applicant will make in creating new and improved services and to bring a varied and imaginative food offering to the visitors of Expo '74.
7. When necessary, applicant must be acceptable to the State Liquor Control Board and eligible to dispense alcoholic beverages.
8. Statement concerning whether applicant has had any previous involvement with Expo '74 (e.g. purchase of revenue bonds, pledges, etc.)

EXCERPTS FROM ECONOMIC RESEARCH ASSOCIATES STUDIES FOR EXPO '74:

Economic Research Associates of Los Angeles, California, economic consultants to Expo '74, have estimated on the basis of previous exposition experience and by means of tested sampling techniques that attendance at Expo '74 will range from approximately 3.4 million at the low end of the scale to 5.7 million at the high end.

For the purpose of planning, all figures in the following pages use the probable level of 4.6 million attendees.

Attendance By Population Area:

<u>Area</u>	<u>Population</u>	<u>Estimated Attendance</u>	<u>% of Attendance</u>
Primary 0-50 miles from Spokane	478,000	813,000	19.6
Secondary 51-100 miles	121,000	103,000	2.2
Tertiary 101-150 miles	333,000	216,000	4.7
Inland Empire beyond 150 miles	442,000	176,000	3.8
Remainder of Wash. beyond 150 miles	<u>2,626,000</u>	<u>788,000</u>	17.1
SUBTOTAL	4,000,000	2,096,000	

Out-of-State Attendance:

Primary Area within 2 hours of Spokane	1,200,000	1,020,000	22.1
Secondary Area beyond 2 hr. drive within tourist Market Area	<u>5,000,000</u>	<u>1,500,000</u>	32.5
SUBTOTAL	6,200,000	2,520,000	
Total projected attendance:		4,616,000	

Source: Economic Research Associates

While noting the geographic origin of visitors to Expo '74, it is interesting to note that 90% of those visitors will arrive by car (as estimated by ERA).

Estimated Attendance By Month

<u>Month</u>	<u>Estimated Attendance</u>	<u>Percentage of Attendance</u>
May	368,000	8%
June	782,000	17%
July	1,150,000	25%
August	1,288,000	28%
September	552,000	12%
October	<u>460,000</u>	10%
Total	4,600,000	

Estimated Weekly Attendance by Month

<u>Day</u>	<u>May</u>	<u>June, July and August</u>	<u>September, October</u>
Monday	10.5%	14.0%	9.0%

Estimated Weekly Attendance by Month
(Contd.)

<u>Day</u>	<u>May</u>	<u>June, July, August</u>	<u>September, October</u>
Tuesday	11.0%	14.5%	8.0%
Wednesday	11.5	15.0	9.5
Thursday	12.0	15.0	9.0
Friday	12.5	13.0	12.5
Saturday	24.5	15.0	27.0
Sunday	<u>19.0</u>	<u>13.5</u>	<u>25.0</u>
TOTALS	100%	100%	100%

Per Capita Visitor Expenditures

1968 Family Income for Resident Market Areas

<u>Resident Market Areas</u>	<u>Effective Buying Income</u>	<u>Percentage of Total Attendance</u>
Primary (0-50 miles)	\$ 8,531	19.6%
Secondary (51-100 miles)	7,945	2.2
Tertiary (101-150 miles)	9,558	4.7
Remainder of Inland Empire Beyond 50 miles	8,009	3.8
Remainder of Washington Beyond 150 miles	11,004	17.1
Average for Inland Empire	8,423	NA
Average for Washington	9,903	NA

NA means not applicable

Per Capita Visitor Expenditures by Major Item

<u>Category</u>	<u>Amount</u>
Gate Admission	\$2.78
Parking	0.29
Rides & Amusements	1.35
Shows and Spectacles	0.23
Food and Beverages	1.13
Merchandise	<u>1.13</u>
TOTAL	\$6.91

Spokane
World
Exposition



EXPO'74

MERCHANDISE CONCESSION PROPOSAL:

4. Amount of Royalty to Be Paid to the Exposition: (Expressed as a percentage of gross retail sales.)
5. Estimated Total Amount of Sales: (These figures are not meant to be binding in any way; they are requested as an indication of your estimate of the sales potential of these products.)
6. a) Amount of Space Required:
- | | |
|--|-------|
| Open Space | _____ |
| Covered Space | _____ |
| Location Preference | _____ |
| Scattered Locations in direct traffic flow areas | _____ |
| or Merchandise Proposed Complex | _____ |

7. Previous Experience in Retail Merchandise Business:8. Financial References and Ratings:

9. Method of Financing Proposed Concession: (Detail total investment requirements and proposed method for financing the investment.)

Investment Requirements:

Installation Cost	_____
Equipment Cost	_____
Advanced Rental	_____
Working Capital Requirements (Pre-Fair)	_____
Other Items	_____
Total Investment (Pre-Fair)	=====

Merchandise Concession Proposal

Financing Requirements:

Cash Available for Investment

Anticipated Loan Requirements

Loan Sources: (List anticipated sources for loans.)

The Organizer retains the right in the exercise of its absolute discretion to decide whether any applications could be detrimental to the prestige and/or reputation of the Organizer, and it is further agreed that the Organizer shall have the right to reject any application which it feels would not be to the benefit of the Exposition's Theme of "How Man Can Live, Work and Play in Harmony With His Environment".

(DATE)

(ORGANIZATION)

(BUSINESS TELEPHONE)

(ADDRESS)

BY: _____

TITLE: _____