

MEMORANDUM

NEW YORK WORLD'S FAIR 1964-1965 CORPORATION

MR. ROBERT MOSES

March 27, 1963

TO:

DATE:

Martin Stone

FROM:

ARGUS INCORPORATED

SUBJECT:

Argus Incorporated, a leading manufacturer of cameras and movie projectors, originally contacted our office in October of last year inquiring about the possibility of exhibiting, together with concession and licensing tie-ins. The company was talking about a \$500,000 project.

Argus Photo Fun Land, Inc., a corporation in which Argus is a principal stockholder, has now signed, subject to approval of the Executive Committee of the Fair Corporation, a lease for 153,000 sq. ft. with a commitment for rent alone amounting to \$1,221,000 and an overall investment which will probably reach \$4,000,000.

The change in the company's thinking stems from an idea.

Argus proposes to construct a "Photo-Fun-Land", a complex which provides everywhere within its bounds subjects for picture-taking, in a setting of fun at a Fair. That is the premise of Argus' participation.

In order to make it possible for the company to finance an impressive "Photo-Fun-Land", Argus decided on the following necessary ingredients:

- 1 - An approach to a self-liquidating project, hopefully attractive enough to Fairgoers to produce a profit. The revenues will come from an admission charge not exceeding 50¢ to each ride and from sales of photographic products, food and beverages, and souvenirs in an area (excluding any sit-down restaurant area) which will not exceed 10% of the total area of the Complex.
- 2 - Outside financing to help underwrite the venture, with Argus a principal stockholder. The lease provides, however, that the "Project shall be and remain predominantly identified as the Project of Argus Incorporated."
- 3 - An exhibit at the Fair which would launch the Argus name into national prominence.
- 4 - An imaginative, tasteful complex which would reflect properly on the company's image of quality product.

To achieve these objectives the following idea was conceived:

- 1 - Argus would contract for an unusually large plot of land (153,000 sq. ft.) on Block 9 - Lots 8, 10, 11 and 12, with

*Pen. Potter*  
*Jo*

two separate entrances. The size of the plot would insure Argus' impact as a major exhibitor alongside Kodak, leader in the field.

- 2 - Argus would recoup its costs primarily from rides in a "Photo-Fun-Land", every ride designed to provide facilities for photography. Facilities are contemplated for lending or leasing cameras on the Argus site to stimulate maximum picture-taking, both on and off the site. Argus photographic products will be sold as will those of subexhibitors in the photographic products business to whom Argus has the right to sublet. It is presently contemplated that Ansco and Sylvania will be subexhibitors.
- 3 - There would be no admission charge to the Argus exhibit, but there would be numerous opportunities for Fairgoers to enjoy the shooting of pictures against backdrops (foreign scenes, unusual settings, props, etc.)--all of which would be free.
- 4 - The setting would be imaginative in design and in good taste. The Fair's contract is without precedent. Section 21, a copy of which is annexed, provides for a rigid control of design and appearance. The usual Fair policy of laissez faire (except for adherence to conformity regulations) does not apply here. Argus accepts this wholeheartedly because it has concern for the preservation of its own company image, and only if the Fair sees its exhibit as an attractive addition to the Industrial Section, will Argus be satisfied it is promoting its own best interests. Toward this end, George Jenkins (who designed the Jones Beach shows) was first hired by Argus. Now, the firm of Design Built Exhibits, Inc. has been employed. Initial designs of their proposed model are attached.
- 5 - The Argus "Photo-Fun-Land" would include approximately ten rides. Some of them would be of the carousel character; there would be a maze, designated as a "Photo-Fun-House"; there would be so-called "Photo Dark Rides"; and there would be, as well, scooter cars and spinning discs; there would also be a water ride recently developed by the Arrow Corporation in San Francisco (owned in part by Walt Disney). In short, the rides would be using familiar techniques, but in every case the facade and the setting would be original and imaginative. (Argus' approach is similar to Disney's: use the traditional devices

for fun but allow ingenuity and good taste to evolve a presentation which is unique and appealing.)

- 6 - There would be no Midway, no calliopes, no razzle-dazzle, no neon lights, no honky-tonk -- nothing resembling the "Coney Island" approach in the Argus complex. This is Argus' objective as well as the Fair's, since both have a stake in dignified material. By contract this is clear.

By way of background, and as additional assurance to the Fair, it may be of interest to know that Argus' counsel is Mr. William Friedman, who is an outstanding attorney in Chicago. His clients include the Hilton Hotels, Roger Stevens, etc. He is, I understand, a close friend of Mary Lasker. I had been told earlier by Argus that Henry Crown would be a backer of this project. I now understand that Crown may or may not be in the venture, but when I requested of Argus that you would feel reassured if Crown were involved, they agreed to include him if this would be your preference.

I have always been concerned about the reliability and dignity of this exhibit. It is of course an appealing sale of land, but I am anxious to preserve, as well, the interests of Argus' neighbors. I am therefore showing the drawings to IBM. They have approved the idea in principle but want to see details. I have also discussed the concept with Associated Gas and they have no objection. What is more, I have told Argus that, notwithstanding their interest in obtaining a license for a World's Fair Camera, the Fair cannot make this a condition of the lease since Eastman Kodak, one of the first exhibitors at the Fair, should have the privilege of competing. Indeed, we have talked with Eastman Kodak, told them of Argus' wishes for a World's Fair Camera, and Kodak has expressed a desire for such a promotion. I made it clear to Argus that if the license was a condition of their lease, then the negotiations should be abandoned, since we could not possibly exclude Kodak from consideration. Argus has accepted our insistence on protection of Kodak.

I should add, in passing, that the site which Argus is leasing includes a good portion of land which is unusable by any exhibitor. Earle Andrews confirms that the Flushing River culverts which are under the central section of this site make it impossible to construct here any substantial exhibit.

I have also suggested to Argus that they might be located in the Lake Area rather than in the Industrial Area since land in the entertainment

area is one-quarter the initial investment of what might be available in the Industrial Area (a difference of \$900,000). Argus insists on being with industry, because the main objective of their exhibit is to gain important identification for the Argus corporate name.

John Thornton has spent a great deal of time with the Argus attorneys on details of the lease. It should be pointed out that the contract now before the Fair is with a newly-formed corporation, established for this project. Argus is the principal stockholder. At the signing, \$10,000 will be paid as a binder, and the remaining \$275,000 will be paid within thirty days. During this period details will be arranged for financing. We have pressed for a signing immediately to place the main principles of the contract before the Fair as soon as possible, rather than await the completion of all details in financing. There do not seem to be any problems in Argus' completing its investment arrangements.

The most difficult clause for John Thornton in his negotiations relates to exclusivity privileges. This is the best arrangement John Thornton has been able to make on this issue: Argus shall have exclusive rights to a complex of this character in the Fair except: (a) that an area designed for children under 10 years of age or under may be permitted; (b) Governments have free rein; and (c) the Fair will use its "best efforts" to prevent existing exhibitors from imitating Argus' exhibit, but in the event any exhibitor should decide to compete with the Argus concept the lease rental would be reduced to \$4 per square foot (\$600,000 total). No existing exhibitor to our knowledge is planning as of this date such a complex.

I believe that the Argus lease, covering 153,000 sq. ft. of land, justifies the exclusivity requested. If, indeed, there be such a concept at the Fair -- and I think that Argus has handled fun-at-the-Fair with an unusual approach -- I think it reasonable to accept the exclusivity terms.

I recommend that the Argus "Photo-Fun-Land" lease, as submitted, be approved.

SECTION 21 OF ARGUS RIDER

21. Lessee has been informed that it is the policy of the Fair Corporation that there shall be no complex of rides, midway attractions and activities such as are usually found in county fairs or amusement parks, and that Lessee's Project will be acceptable only because it is under the sponsorship of Argus Inc., and on the understanding that the rides therein shall be attractive and unusual, either in basic concept or by reason of embellishments thereto, and shall be particularly adapted in theme and in operation to the concept of a photographic fun land, and that the entire Project shall be operated in a dignified manner, appropriate for the prime exhibit area surrounding the Pool of Industry, commensurate with the high standards of the Fair and Argus Inc. and free of the unnecessary noise, hubbub, barkers and pitch men usually associated with midways, and that the concept, appearance, and manner of operation of all aspects of the Project shall likewise be of high quality, dignified and appropriate for the prime exhibit area involved. Accordingly, Lessee recognizes that the Fair Corporation, in determining whether to approve of any aspect of the Project, shall be guided in part by consideration of whether or not, from the information presented, the standards set forth in this Rider Section 21 appear to be complied with. Lessee agrees that

notwithstanding any other provision of this Agreement or the Rider or Exhibits thereto or any approvals granted, Lessee shall comply with requests of the Fair Corporation concerning the appearance of the Project and the rides and other activities to be conducted upon the premises, the manner of operation of the Project or any part thereof and changes to be made therein or thereto provided that such compliance is, in the good faith opinion of the Fair Corporation, necessary to effectuate the standards set forth in this Rider Section 21.