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Feasibility of an Family Entertainment Center in Antwerp (Belgium) - Indoor Park

Harrison Price Company

FEASIBILITY OF AN INDOOR FAMILY ENTERTAINMENT CENTER IN ANTWERP, BELGIUM

Prepared for

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Section 1

INTRODUCTION

Rafael Eschenheimer of the Bromley company retained Harrison Price Company (HPC) to analyze the feasibility of a large indoor "family entertainment center" (FEC) in Antwerp, Belgium. HPC staff traveled to Antwerp to meet with the client, gather research data and review potential sites for the project. The concept for the project was derived from prior visits by the client to an existing facility operating in a 58,000-square-foot building in Paramus, New Jersey named Sports World. HPC staff visited that facility when in route to Belgium. This report contains the findings and conclusions of the study.

The specific tasks set forth in the scope of services were:

1. Assist in the selection of an optimum location for the FEC.
2. Estimate attendance, per capita spending, gross and net revenues from operations, and probable development costs.
3. Provide consultation on management and operational issues.
4. Recommend the types of rides, attractions, games and visitor service facilities to be included to appeal to the Antwerp market.

Section 2 of the report provides an executive summary of the conclusions of the study. Section 3 contains a description of the FEC segment of the attractions industry, information on the optimum location, and data on the market available to support the venture. The content of the attraction is discussed and financial estimates are presented in Section 4.

Section 2

EXECUTIVE SUMMARY

This executive summary highlights some of the key findings of the feasibility study for a large family entertainment center (FEC) in Antwerp, Belgium. The reader should refer to the main body of the report for more detailed information.

Conclusion: Harrison Price Company (HPC) concludes that the proposed large FEC has a high probability of success in drawing visitors and generating adequate revenues to yield a high return on investment based on the following findings:

- The resident market is defined as the population of the Province of Antwerp, which is estimated at just over 1.6 million people.
- About 31 percent of the population of the trade area is under 24 years of age, which is the primary generator of visits by families as well as individual visits by teenagers and young adults.
- Belgium is among the top European countries in productivity and has the income needed to support the project. Antwerp incomes are higher than those in the country as a whole.
- There are an estimated 4 million annual overnight visitors to the Province of Antwerp, including many families visiting friends and relatives.
- The proposed location for the FEC is adjacent to the popular 22 screen Metropolis cinema complex. A BRICO discount home and garden store will also be a welcome neighbor, providing additional market exposure.
- The facilities will include a wide variety of rides, attractions and games to attract all ages. It will also have restaurant and retail facilities to serve the visitors.

- The project will occupy roughly 64,000 square feet of space (5,946 m2)

- The project is expected to attract approximately 500,000 visitors annually. This includes 120,000 local residents who are expected to average 3 visits per year or a total of 360,000, with most coming from the immediate Antwerp urban area.

- The FEC is projected to draw three percent of the tourists to the area, with about 20 percent of those making a repeat visit. This yields an estimated 140,000 visits.

- The project is expected to generate per capita spending of $10.25 (307.50 BF) and gross revenues of $5.1 million.

- Earnings before depreciation, interest and taxes are estimated to be almost $1.5 million (43 million BF).

- The earnings will support an investment of as much as $5.8 million (172 million BF) at a 25 percent return, which is more than enough to build a first-class facility.

Section 3

MARKET DEFINITION AND CHARACTERISTICS

The indoor family entertainment center (FEC) is a relatively new phenomenon born of advanced computer and film technologies, coupled with changing leisure activity preferences. This section of the report defines the FEC concept and the market it is designed to serve. It also explores the location of the proposed project and the market available to support it.

Brief History of the Indoor Family Entertainment Center

Indoor entertainment centers are an evolution of the outdoor family entertainment centers that were prevalent in local neighborhoods decades ago in the United States and are experiencing a strong resurgence today. Most often the outdoor facilities were started as single- or dual-activity operations such as a go-cart track and/or a miniature golf course, to which the operator would add features each season as allowed by availability of land, capital resources and market demand. Those facilities were often developed as interim uses for well located properties in the path of urban developed, or on properties that were being held for more intensive future use in existing urbanized environments. That genre has largely been replaced by higher-quality outdoor facilities that are pre-designed, have a specific theme, contain adequate space for future expansions and can cost several million dollars to develop. They are smaller than amusement parks and normally serve an area within 5 to 10 miles, or a 15-minute drive to the site.

The arcade portion of outdoor family entertainment centers is an indoor activity. The arcade has evolved from pinball machines and redemption games to computer driven virtual reality games that provide interaction between the player and the image on the screen. Simulation rides combining film, computer graphics imagery, and motion bases can create an experience very close to the real thing in the mind of the user. These technologies were developed for the movie and aerospace industries initially, but are now applied to recreation projects. As the arcade became more important with more sophisticated games, the prospect of moving some of the traditional outdoor activities to an indoor environment became increasingly appealing, particularly in cold weather climates where the operating season is short. Hence the current scramble to "invent" the modern indoor FEC -- or, perhaps, transform the traditional stand-alone arcade from a dingy, noisy hangout for teenagers to a recreation center for all ages, and particularly for families.

The mainstays of the outdoor family entertainment center, miniature golf and go-carts do not transfer well to indoor environments. The go-carts have been replaced in the indoor facilities by interactive racing simulators. Miniature golf is usually included, but in a much scaled down version. Children's soft-play areas and downsized versions of amusement park rides are becoming more important to the larger indoor facilities as they attempt to create a more family-oriented environment. They are being designed to appeal to all age groups including teenagers and young adults, but the primary thrust is to create an exciting and safe place for parents or grandparents to take young children. The reward for older adults is usually in watching the children or grandchildren enjoy themselves, although many opportunities to participate are also provided. At the same time a niche market is being exploited in the form of the "children's entertainment centers" which are devoted solely to kids under six years of age. These are often in small spaces in existing shopping centers, allowing parents to drop the child off in a supervised play environment while the parents go shopping. The parents are charged an hourly fee for this day care (or evening care) service.

An indoor FEC can be a popular place to hold birthday parties and to celebrate special events such as graduations. Some operators generate as much as 35 percent of their total revenue from group activities. In some locations, a separate children's entertainment center is created within a larger FEC to allow the parents to enjoy other activities within or outside the project without concern for the safety of their children.

The typical FEC, whether outdoor, indoor, or a combination of both serves primarily a local resident market. Therefore, good quality fast-food service with a healthy menu is necessary to attract repeat visits and the group market. Repeat visits are frequent if the visitor leaves with the perception that they received a good value for their money. This is often determined by the number and quality of activity options available to them, which tends to favor larger facilities with increasingly expensive attractions. In fact, while most of the indoor FECs developed to date have been less than 20,000 square feet (1,900 m2), several larger facilities in excess of 50,000 square feet (4,645m2) have been opened in recent years. These larger facilities have been able to serve a regional market due to the variety of facilities offered.

Two examples of large indoor FECs are Sports World in Paramus, New jersey and Sportland America in Langhorn, Pennsylvania. Sports World occupies 57,000 square feet (5,300 meters) with excellent freeway exposure. It features a Venturer motion simulator, LaserTron action laser game and video simulator rides. It also has miniature golf, bowling, air hockey, skee ball, an airplane ride, Ferris wheel, bumpercars, a children's soft play area and 205 video and redemption games. It attracts 700,000 visitors annually from throughout the New York-New Jersey area. Parties (birthday, graduation, corporate, etc.) represent about one third of attendance and range in price from $7.95 to $29.95 per person. There is no minimum token purchase to get in during daytime hours, but visitors must buy $5 worth of tokens for entry at night. It is open year round from 10 a.m. to 2 a.m.

Sportland America covers 65,000 square feet (about 6,000 m2) and has over 300 arcade games, mini-golf, bumper cars, batting cages, pool tables, a train and 10,000 square feet of soft play area equally divided between facilities designed for those 6 and older, and toddlers. It also contains a 13,000-square-foot roller skating rink and a rock climbing wall. The owners claim a 1993 attendance of 1.3 million, heavily concentrated on weekends and holidays Weekdays average about 1,000 visitors per day and the weekends average over 9,000 per day. Peak summer weekends can run as high as 40,000 visitors. The facility has 10 separate party rooms and averages 50 parties per weekend day at prices from $5.95 to $13.95 per person. Non-summer weekday operating hours are 10 a.m. to 10 p.m., and the facility closes at 1 a.m. all other days of the year.

SEGA Industries of Japan, the leading maker of video games and individual ride simulators has embarked on a series of FEC ventures on their own and in joint venture with property owners. The Luxor Hotel and Casino in Las Vegas, Nevada provided 18,000 square feet of space in which SEGA placed $6 million in games and equipment. The operation is fed by the tremendous tourism to the area and is reportedly generating very high revenues. The two entities split the revenues. SEGA has defined three sizes of facilities they plan to develop around the world as follows:

Amusement Center -- 5,000 to 25,000 square feet (500 to 2,300 m2), \$1.7 to \$8.4 million (50 to 250 million BF), featuring video games and ride simulators similar to those the company sells to others. These would probably go into existing rental spaces in shopping centers.

Upgraded Amusement Center -- 25,000 to 50,000 square feet (2,300 to 4,600 m2), \$9 to \$17 million (275 to 500 million BF), with upgraded games and attractions that will remain exclusive to company operated facilities until they are replaced by further upgrades. These may fit into existing space but should be integrated into a structure during original design for best results.

Theme Park -- 50,000 to 100,000 square feet (4,600 to 9300 m2), up to \$35 million (one billion BF) investment plus the cost of the building shell in a stand alone structure. These facilities will have special rides and attractions designed specifically for the location or to be duplicated in other theme parks, but not for sale to others. They are designed to generate stays of over 4 hours and expenditures of more than \$20 per capita.

SEGA has developed two theme parks in Japan to date, Joy Polis in Tokyo contains 90,000 square feet (8,400 m2) on two levels, and Galbo in Osaka has 71,000 square feet on two levels. In addition to the normal array of carnival games, amusement games, simulators and virtual reality machines, they feature special attractions such as Ghost Hunter haunted mansion, Astronomicon interactive fortune telling attraction, and Virtual Shooting, a virtual reality laser-tag type game. Galbo opened in April, 1994, at a cost of \$23.7 million is expected to attract 600,000 visitors and generate \$13.3 million in revenues during its first full year of operations. There is an admission fee of \$2.90 for visitors over 15 and \$1.90 for children 4 to 14 years of age. Each of the activities inside are individually priced, with the three major attractions priced at \$4.80 to \$5.70. A high per capita expenditure of \$22 is expected.

Proposed Location for the Indoor Family Entertainment Center

Location is an important consideration in the determination of size and attendance at an FEC. A suburban location almost certainly dictates a relatively smaller facility, even though the planned attraction will be unique in the area until comparable attractions are built. The assignment in this study as defined by the client is to determine the feasibility of a large FEC in the range of 50,000 to 100,000 square feet. The prototype is the Sports World operation in Paramus, New Jersey. A facility of that size would certainly have a regional draw no matter where it is located. Nonetheless, the value of exposure in a high visibility location should generate increased attendance, particularly if it provides exposure to a concentration of tourists and a focal point of leisure time activity for local residents.

Two locations in the Antwerp area are considered to provide the best combination centrality, access by public transport, and exposure to tourists and local residents alike. The locations are the river front section of downtown Antwerp, where an adequate site may not be available unless a lease could be obtained on public property. The other is a portion of the former General Motors plant adjacent to the new Metropolis cinema complex, which has 22-screens and more than 7,000 seats. Metropolis is expected to draw roughly 2 million people to the movies annually. BRICO, a chain of discount home and garden superstores, has optioned the adjacent 11,320 m2 (122,000 square foot) space and can be expected to attract a large portion of the nearby resident population to the site during the course of a year. This added exposure should also result in a favorable boost in attendance at the FEC, particularly if small children can be dropped off while parents do their shopping. For these reasons, we conclude that the GM plant site should be pursued, and subsequent analysis herein makes that assumption. The location is shown in **Figure 1** and a site map is shown in **Figure 2**. The FEC will be located in the 8,830 m2 (95,000 square foot) portion of the building labeled R, along with other uses as yet unidentified.

The Resident Market

The above description of the indoor FEC size and location provides the background needed to determine the appropriate market definition for the proposed facility. HPC believes that an FEC in excess of 50,000 square feet with a broad array of facilities can expect to draw from a regional resident market. Therefore, we define the resident market as the Province of Antwerp, which contained a population of 1.6 in 1993, or 16 percent of the population of Belgium. The District of Antwerp, containing the city and surrounding areas, had a population of 932, 269 in 1993, representing 57.5 percent of the people in the province. As can be seen in **Table 1**, the

Figure 1

SITE LOCATION

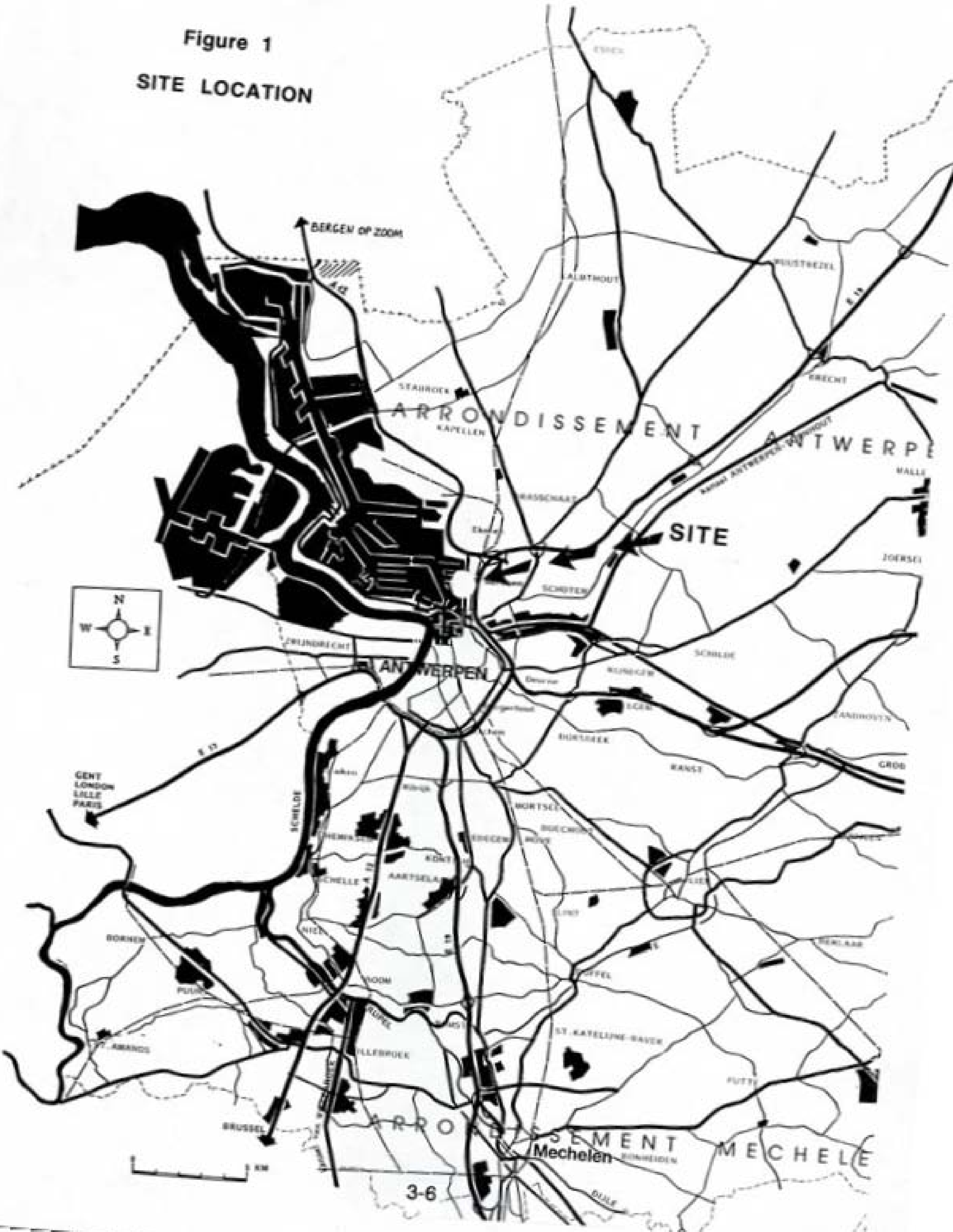

Figure 2

SITE MAP

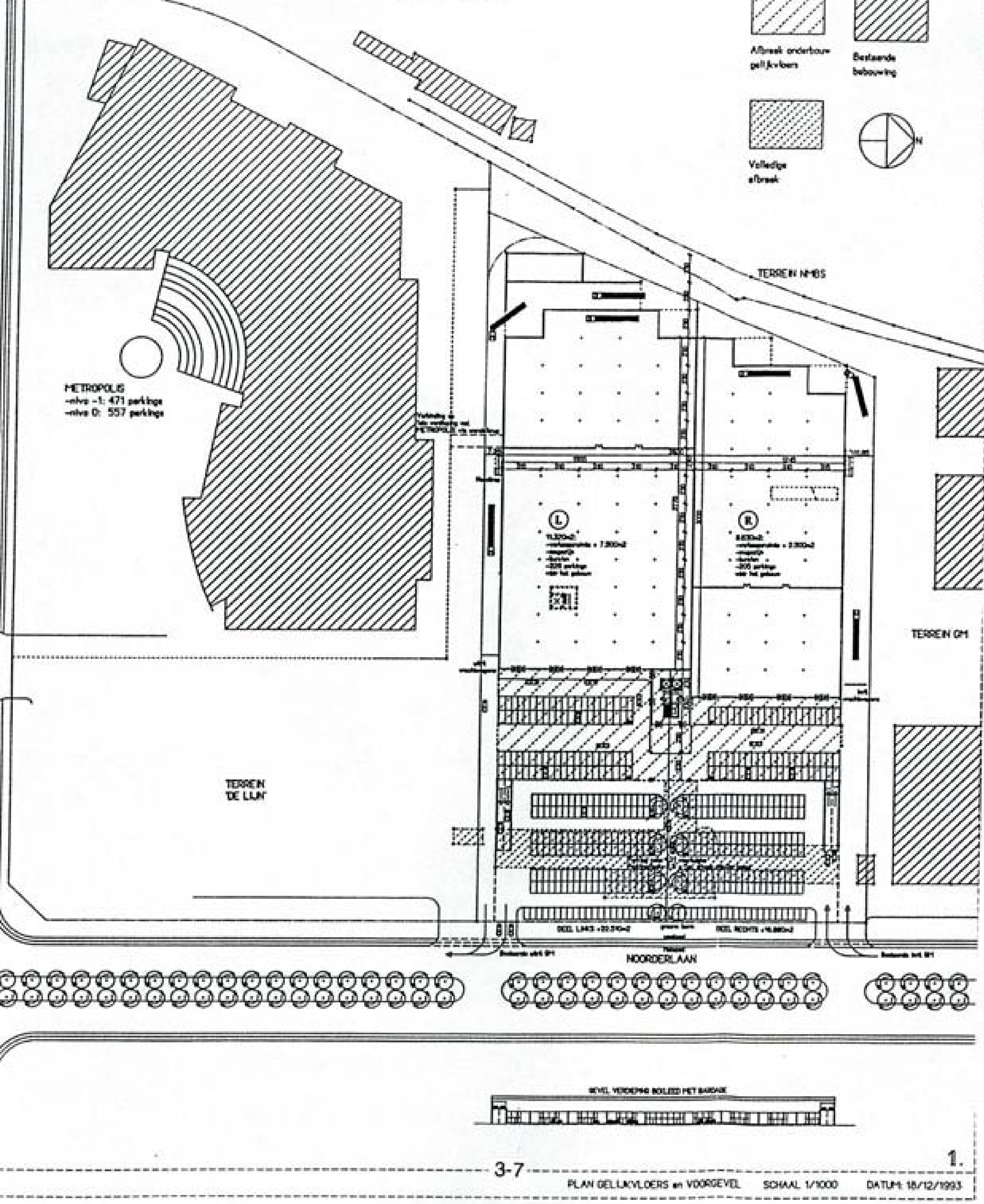

Table 1

POPULATION GROWTH IN BELGIUM, 1981 TO 1993

	Province of Antwerp		District of Antwerp		Belgium	
Year	Population	% Increase	Population	% Increase	Population	% Increase
1981	1,569,876	N.A.	918,144	N.A.	9,848,647	N.A.
1991	1,605,167	2.2%	926,105	0.9%	9,978,681	1.3%
1992	1,610,695	0.3%	928,080	0.2%	10,021,997	0.4%
1993	1,619,613	0.6%	932,269	0.5%	10,068,319	0.5%

N.A. means not applicable.

Source: Belgium Ministry of Economics.

population growth rate has been moderate since 1981, although the increase in the past two years has been larger than the average annual growth rate between 1981 and 1991. Population growth is not a significant factor in the long term.

Brussels is within a one-hour drive of the site and contains 950,000 residents. It is possible that some of the residents of the Brussels area could be attracted to the proposed FEC, particularly in the early years. However, in the long run, it is likely that a large FEC will be developed in the Brussels area to serve that market.

The age characteristics of the population are important because family visits to such facilities are often generated through requests from young children, or by the parents of young children seeking to spend leisure time in a fun and safe environment. Teenagers and young adults will be drawn by the more active games and attractions in the project and will visit individually or in peer groups, but seldom with their parents. Therefore, the data in **Table 2** is presented in five year intervals through age 24 and then 10 year intervals through age 64. The population under 25 years of age is fairly consistent throughout the market area and the country at 30 to 31 percent. There will be almost 300,000 birthday parties for children under 15 years of age annually in the market area, which should provide ample opportunities for group marketing.

Belgium is among the more densely populated areas of the 12 European Union countries, ranking second only to Holland. The density of 330 people per km2 is double the average of 164 for the EU as a whole. The concentration of population in urban areas results in a density of 565 people per km2 in the province of Antwerp, and 674 per km2 in nearby Brussels.

Relative Economic Performance

Belgium is among the most productive of the EU countries with a gross national product of 669,000 BF per capita as shown in **Table 3**. The central location of Belgium in Europe and a strong transportation network makes it an important manufacturing and shipping center. It is also one of the better known diamond cutting and trading centers in the world.

Table 2

AGE DISTRIBUTION OF THE MARKET AREA POPULATION

Age - Years	Province of Antwerp		District of Antwerp		Belgium	
	Number	Percent	Number	Percent	Number	Percent
0 to 4	98.0	6.1%	57.0	6.1%	620.6	6.2%
5 to 9	94.2	5.8%	53.6	5.7%	590.7	5.9%
10 to 14	98.2	6.1%	54.7	5.9%	618.0	6.1%
15 to 19	92.9	5.7%	51.1	5.5%	618.0	6.1%
20 to 24	112.0	6.9%	62.7	6.7%	712.8	7.1%
25 to 34	262.4	16.2%	147.1	15.8%	1,594.7	15.8%
35 to 44	236.0	14.6%	133.4	14.3%	1,473.0	14.6%
45 to 54	194.0	12.0%	112.2	12.0%	1,169.0	11.6%
55 to 64	184.5	11.4%	107.9	11.6%	1,121.4	11.1%
65 & over	247.4	15.3%	152.6	16.4%	1,550.1	15.4%
Total	1,619.6	100.0%	932.3	100.0%	10,068.3	100.0%
Percent of population under 25 years old		30.6%		29.9%		31.4%

Source: Belgium Ministry of Economics and Harrison Price Company.

Table 3

POPULATION AND GROSS NATIONAL PRODUCT
EUROPEAN ECONOMIC COMMUNITY - 1992

Country	Population (000)	% of Total	Gross National Product Total (Million BF)	Gross National Product Per Capita (000 BF)	Index
Belgium	10,045	2.9%	6,723	669	108
Luxemburg	383	0.1%	319	833	135
Netherlands	15,180	4.4%	9,931	654	106
Germany	80,570	23.2%	53,792	668	108
France	57,370	16.5%	40,969	714	116
Italy	57,780	16.6%	39,305	680	110
Denmark	5,170	1.5%	4,446	860	139
Ireland	3,550	1.0%	1,482	417	68
United Kingdom	57,850	16.7%	34,475	596	97
Greece	10,300	3.0%	2,411	234	38
Spain	39,080	11.3%	18,008	461	75
Portugal	9,850	2.8%	2,343	238	39
Total EU	347,128	100.0%	214,204	617	100

Source: Belgium Ministry of Economics.

To the extent that household incomes track GNP closely, the market area contains a population that has the ability to support a recreation attraction as well as any in Europe. Incomes in Antwerp are about six percent above the Belgian average. Reportedly over half of the multi-millionaires in the country live in the Antwerp area.

The Tourist Market

The statistical division of the Belgian government publishes annual statistics on overnight tourism to Belgium by general location and type of accommodations used, and for the country as a whole. They list a total of 34.3 million overnight visitors to Belgium in 1991. The coastal area received the largest number of visitors registering 14.7 million, followed by historic sites and the Ardennes region, both of which received over 5 million visitors. The Kempen area played host to 4.8 million overnight visitors, and other areas received almost 3.5 million visitors. How much double counting is included in these estimates is not known.

There are no definitive estimates of the amount of overnight tourism to the Province of Antwerp. However, some local sources have estimated tourism to the area at 10 million people in 1993 when the city held a celebration as the "Cultural Capital of Europe 1993". Based on comparisons of visitors to the Tourism Information Office and other facilities, that figure is estimated to be two to three times the normal levels. City officials believe the special events and celebrations allowed the city to portray itself as "an exciting historical city and as a dynamic cultural center", as opposed to the prior image as "a gray seaport". HPC concludes that for purposes of this analysis, an estimate of 4 to 5 million annually should be used. Moreover, this probably includes a significant portion of residents on day visits from nearby portions of Holland. Nonetheless, city officials have expressed a desire to increase efforts to bring more tourism to the area.

By the very fact that they can afford to travel, most tourists are financially capable of supporting a recreation attraction. On the other hand, most of the tourists visiting Antwerp are drawn primarily by its historical and cultural attractions, and would tend to be older and traveling without children. They would therefore be less likely to visit a recreation attraction than would the type of tourist visiting ocean resorts, for example. Nonetheless, a significant part of any tourism is generated by visits to friends and relatives, and that would include families with children.

Conclusion

The resident market of 1.6 million people is considered to be more than adequate to support a large indoor FEC as envisioned. Age characteristics and incomes are also favorable to support the attraction.

The tourist market is relatively small and not attraction-oriented, but should add to the attendance potential of the proposed FEC, particularly from families visiting friends and relatives.

Section 4

ANTWERP FEC PROJECT DESCRIPTION, ESTIMATED ATTENDANCE, AND FINANCIAL ANALYSIS

This section of the report presents a preliminary description of the proposed facilities as a basis for estimating the annual attendance , which in turn lead to estimates of capacity requirements, revenues, expenses and development costs.

Recommended Content and Size of a Family Entertainment Center in Antwerp

As indicated in Section 3, the two locations that would result in a regional draw in Antwerp are the downtown river front area and in the vicinity of the popular Metropolis theater complex. We have assumed the location to be in the former GM plant next to Metropolis. That site would allow exposure to a tourist market that would be less available in a suburban location. The composition of the crowd in that location would dictate a higher concentration of adult oriented activities to serve the tourist market than might be found in most FECs. Nonetheless, the overall emphasis will remain on families in the regional resident market. The types of facilities that may be included in a large FEC are as follows:

- Air Hockey
- Arcade Games
- Batting Cages
- Birthday Party Rooms
- Bowling - Small Scale
- Bumper Cars
- Carousel
- Children's Soft Play
- Children's Bumper Cars
- Game Room
- Gift Shop
- Golf Simulation
- Laser Tag
- Maze
- Midway Games
- Miniature Golf
- Mini-Family Roller Coaster
- Puppet Theater
- Redemption Games
- Shooting Gallery
- Sing-Along Recording Studio
- Small Scale Children's Rides
- Video Games
- Video Simulation Rides
- Virtual Reality Machines

In addition to the above list, there are many other possible indoor attractions that could be included, and it will be important to refresh the project periodically as new attractions become available and repeat visitors tire of the equipment in place.

Table 4 and **Table** 5 contain a recommended selection of rides and attractions that HPC believes would most appeal to the Antwerp area resident and tourist markets. The space requirements indicate a need for 58,000 square feet (5,388 m2), excluding administrative space. Changes will undoubtedly be made as design proceeds and equipment purchasing occurs. The cost is estimated at $2.6 million for rides, attractions and games. An additional $2.4 million is included for common area improvements, food and beverage and merchandise spaces. The budget for common area space is $125 per square foot (40,365 BF per m2), which could prove to be excessive. The facilities can accommodate 9,500 people per hour. Total revenues are estimated at $5.4 million, which is slightly higher than equipment costs. The overall costs are estimated at $87 per square foot and revenues are $94 per square foot. An alternative method of estimating costs and revenues is presented in subsequent subsections.

Estimated Market Penetration and Attendance

Attendance at most recreation attractions is influenced to a considerable degree by climate, competitive forces, and the magnitude of the attraction itself. The indoor FEC concept has evolved partly to minimize the effect of inclement weather on attendance in climates subject to weather extremes.

The magnitude of the facilities offered by an attraction is an important determinant of the capture rate it achieves. There are so few large indoor FECs in operation at present, and they are so new that it is difficult to find comparable data to rely on in making estimates of attendance. A framework can be developed by reviewing the attendance at other recreation attractions, recognizing the differences in type of operation. For example, a true theme park can be characterized as a long-stay attraction that draws from a large area within two hours driving time, but attracts resident attendance only on an interval of three years or more on average. A small FEC, on the other hand, may average five or more visits per year from their regular visitors from within a 15-minute drive. Zoos would fall somewhere in between. The

Table 4

SUGGESTED MIX OF FACILITIES FOR THE PROPOSED ANTWERP FEC (US DOLLARS)

Facilities:	Sq. Ft. of Space Req.	Estim. Cost ($000)	Estim. Hourly Capacity	Estim. Annual Usage 12.5% (000)	Revenue Per Use ($)	Estimated Revenues ($000)	Percent of Entertain. Revenues	Ratio of Rev. to Investment (%)	Per Sqare Foot Cost ($)	Per Sqare Foot Rev. ($)	Primary Appeal Child	Primary Appeal Adult	Primary Appeal Teen
Party Rooms (10)	5,000	200	250	145	1.50	218	5.7%	109.0%	40	44	X	X	X
Soft Play - Under 6 years	2,000	80	200	116	1.75	203	5.3%	254.3%	40	102	X		
Soft Play - 6 to 12 years	3,000	150	300	174	2.25	392	10.3%	261.6%	50	131	X		
Arcade - Teens	2,000	250	2,250	1,308	0.35	458	12.0%	183.1%	125	229		X	X
Arcade - Adult/Family	5,000	525	3,000	1,744	0.50	872	22.9%	166.1%	105	174	X	X	
Bumper Cars - Adult	3,000	200	360	209	0.75	157	4.1%	78.5%	67	52		X	X
Bumper Cars - Child	800	50	240	140	0.35	49	1.3%	97.7%	63	61	X		
Bumper Boats - Adult	1,000	40	240	140	0.35	49	1.3%	122.1%	40	49		X	X
Bumper Boats - Child	900	20	180	105	0.25	26	0.7%	130.8%	22	29	X		
Simulator Ride	600	250	180	105	3.65	382	10.0%	152.8%	417	636	X	X	X
18 Hole Mini-Golf	8,000	200	100	58	3.00	174	4.6%	87.2%	25	22	X	X	X
Maze	2,500	40	350	203	0.35	71	1.9%	178.0%	16	28	X		
Kiddie Coaster	2,400	80	400	233	0.65	151	4.0%	188.9%	33	63	X		
Laser Tag	1,400	150	100	58	2.25	131	3.4%	87.2%	107	93	X	X	X
Train	1,000	120	336	195	0.75	146	3.8%	122.1%	120	146	X		
Carousel (30)	1,300	195	600	349	0.75	262	6.9%	134.1%	150	201	X	X	
Family Himalaya	1,000	85	360	209	0.35	73	1.9%	86.2%	85	73	X		
Sub-Total	40,900	2,635	9,446	5,490	0.69	3,815	100.0%	144.8%	64	93			
Skating Rink	Future or sublease												
Golf Simulation	Future or sublease												
Bowling Alleys	Future or sublease												
Food and Beverage	3,000	600				875		145.8%	200	292			
Merchandise	2,500	375				750		200.0%	150	300			
Sub-Total	5,500	975				1,625		166.7%	177	295			
Common Area @25%	11,600	1,450											
TOTAL	58,000	5,060	9,446			5,440		107.5%	87	94			

Source: Harrison Price Company.

Table 5

SUGGESTED MIX OF FACILITIES FOR THE PROPOSED ANTWERP FEC (BELGIAN FRANCS)

Facilities:	Sq. Ft. of Space Req.	Estim. Cost (000BF)	Estim. Hourly Capacity	Estim. Annual Usage 12.5% (000BF)	Revenue Per Use ($)	Estimated Revenues (000BF)	Percent of Entertain. Revenues	Ratio of Rev. to Investment (%)	Per Sqare Meter Cost (BF)	Per Sqare Meter Rev. (BF)	Primary Appeal Child	Primary Appeal Adult	Primary Appeal Teen
Party Rooms (10)	5,000	6,000	250	145	45	6,539	5.7%	109.0%	1,200	1,308	X	X	X
Soft Play - Under 6 years	2,000	2,400	200	116	53	6,103	5.3%	254.3%	1,200	3,052	X		
Soft Play - 6 to 12 years	3,000	4,500	300	174	68	11,770	10.3%	261.6%	1,500	3,923	X		
Arcade - Teens	2,000	7,500	2,250	1,308	11	13,732	12.0%	183.1%	3,750	6,866		X	X
Arcade - Adult/Family	5,000	15,750	3,000	1,744	15	26,156	22.9%	166.1%	3,150	5,231	X	X	
Bumper Cars - Adult	3,000	6,000	360	209	23	4,708	4.1%	78.5%	2,000	1,569		X	X
Bumper Cars - Child	800	1,500	240	140	11	1,465	1.3%	97.7%	1,875	1,831	X		
Bumper Boats - Adult	1,000	1,200	240	140	11	1,465	1.3%	122.1%	1,200	1,465		X	X
Bumper Boats - Child	900	600	180	105	8	785	0.7%	130.8%	667	872	X		
Simulator Ride	600	7,500	180	105	110	11,456	10.0%	152.8%	12,500	19,094	X	X	X
18 Hole Mini-Golf	8,000	6,000	100	58	90	5,231	4.6%	87.2%	750	654	X	X	X
Maze	2,500	1,200	350	203	11	2,136	1.9%	178.0%	480	854	X		
Kiddie Coaster	2,400	2,400	400	233	20	4,534	4.0%	188.9%	1,000	1,889	X		
Laser Tag	1,400	4,500	100	58	68	3,923	3.4%	87.2%	3,214	2,802	X	X	X
Train	1,000	3,600	336	195	23	4,394	3.8%	122.1%	3,600	4,394	X		
Carousel (30)	1,300	5,850	600	349	23	7,847	6.9%	134.1%	4,500	6,036	X	X	
Family Himalaya	1,000	2,550	360	209	11	2,197	1.9%	86.2%	2,550	2,197	X		
Sub-Total	40,900	79,050	9,446	5,490	20.84	114,442	100.0%	144.8%	1,933	2,798			
Skating Rink	Future or sublease												
Golf Simulation	Future or sublease												
Bowling Alleys	Future or sublease												
Food and Beverage	3,000	18,000				26,250		145.8%	6,000	8,750			
Merchandise	2,500	11,250				22,500		200.0%	4,500	9,000			
Sub-Total	5,500	29,250				48,750		166.7%	5,318	8,864			
Common Area @25%	11,600	43,500											
TOTAL	58,000	151,800	9,446			163,192		107.5%	2,617	2,814			

Source: Harrison Price Company

following summary of some of the attractions in Belgium provides a framework for estimating attendance:

Attraction	Location	Type	Attendance
Bobbejaanland	Lichtaart	Theme Park	950,000
Bellewaerde	Leper	Theme Park	850,000
Meli Park	De Panne	Nature Park	600,000
Mini-Europe	Brussels	Miniatures	300,000
Walibi	Wavre	Ride/Waterpark	1,600,000
Antwerp Zoo	Antwerp	Zoo	1,200,000

The theme parks and zoo represent substantial investments and draw from a broad area, but their attendance are still moderate for a densely populated area. The experience of the large FECs in the United States and Japan discussed in Section 3 provide some indication of the potentials for such a facility, but all operate in very large resident markets. Therefore, it is prudent to take a conservative approach in estimating attendance for the proposed facility. As presented in **Table 6**, the estimated market penetration in the resident market is 7.5 percent, and these visitors are expected to average 3 visits per year. The repeat rate is low because residents of more distant sections of the province cannot be expected to make multiple visits. Capture of the tourist market is a low 3 percent, and 20 percent of those visitors are expected to return, generated mostly from families visiting friends and relatives. The resulting estimate of annual attendance is approximately 500,000, with 360,000 (71 percent) derived from the resident population.

Sizing and Capacity Considerations

The estimated annual attendance level (rounded to 500,000) is converted to space and capacity needs in **Table 7**. The peak month attendance is estimated at 12 percent, which reflects the fact that this is an indoor attraction. The design day is estimated at 30 percent of the peak week and represents an average of the 25 or so top attendance days of the season. The on-site crowd is estimated at 33 percent, representing an average stay of two to three hours, and resulting in an on-site crowd of 1,341. Assuming that visitors will require 6 "rides" (units of entertainment including

Table 6

ESTIMATED ATTENDANCE AT THE PROPOSED ANTWERP FAMILY ENTERTAINMENT CENTER

Market Segment	
Residents of the Province of Antwerp	1,600,000
Tourists to the Province of Antwerp	4,000,000
Total	5,600,000
Market Penetration	
Residents	7.5%
Tourists	3.0%
Average Annual Visits	
Residents	300.0%
Tourists	120.0%
Estimated Attendance	
Residents	360,000
Tourists	144,000
Total	504,000

Source: Harrison Price Company

Table 7

ANTWERP INDOOR ENTERTAINMENT CENTER
SPACE AND CAPACITY REQUIREMENTS

	Factor	Estimates	m2 or Hectares
Attendance		500,000	
Peak Month - % of annual	12.00%	60,000	
Peak Week - div. by # of weeks	4.43	13,544	
Design Day - % of week	30.00%	4,063	
On-Site Crowd - % of design day	33.00%	1,341	
Capacity Required - activities per hour	6	8,045	
Bldg. Square Feet - sq. ft. per person	47	63,020	5,855
Acres		1.45	0.59
Parking Area Required:			
Arrive by Public Transit/Walk-In	50.00%	670	
Arrive by Car	50.00%	670	
Number of Cars - people per car	3.0	223	
Acres - cars/acre	120	1.86	0.75
Parking - Acres (incl. empl. ratio)	10.00%	2.05	0.83
- Square Feet		89,234	8,290
Total Land Area - Acres*		3.50	1.41
-Square Feet*		152,254	14,145

* Assumes a single story configuration. Adjust for multi-levels.

Source: Harrison Price Company.

arcade games) per hour, the capacity needed is estimated at 8,045. Using a factor of 47 square feet per person, the indicated space requirement is 63,000 square feet.

The calculations of parking and acreage required indicate a need for about 1.45 acres for the attraction and 2.05 acres for parking. If the GM plant site is obtained, plans are to park cars on the roof of the structure, so the total land area would be reduced. The parking spaces needed for the FEC will require the entire allocation of 250 spaces for the entire proposed space, even though it will occupy only about two-thirds of the space and only half of the visitors are expected to arrive by car. However, the peak usage occurs during leisure time hours, which are counter-cyclical to most business uses. Thus, although the peaks are similar to those of the Metropolis complex, they are very different from those of BRICO and other industrial uses in the area. This creates a potential for shared parking that should be able to accommodate the needs of each of the ventures.

Per Capita Spending and Estimated Operating Results

The revenue potential of the proposed FEC is estimated to total $5.1 million (153 million BF) annually, calculated at $10.25 per capita (307 BF) on 500,000 visitors as shown in **Table 8** in US dollars and **Table 9** in Belgium francs). It is recommended that the visitors be charged a nominal fee for entry, offset by tokens or debit card credits that can be used for the individually priced rides, games and attractions inside the facility. A nominal charge of 100 BF for adults and 50 BF for children is recommended. Knott's Camp Snoopy, an ungated indoor theme park in Minnesota has found use of a debit card to be very effective in generating revenues and tracking utilization of facilities. In this type of system, the visitor buys a card that is credited with their chosen amount of value and uses the card (electronically scanned) for individual activities. Discounts are applied for larger purchases and the more sophisticated systems can keep track of redemption points earned. The systems can be expensive, but have some distinct advantages over tokens, and we recommend that such a system be used.

The estimated per capita expenditures are broken down into arcade games at $2.75 (82.5 BF) and all other rides and attractions at $4.25 (127.5 BF). Food and beverage per capita is $1.75, and merchandise is estimated at $1.50 (45 BF).

Table 8

ESTIMATED ANTWERP FEC OPERATING RESULTS
(US Dollars)

	Per Capita or Percent		Percent of Gross Rev.	US Dollars
Estimated Attendance				500,000
Gross Revenues:				
Rides and Attractions	$4.25		41.5%	$2,125,000
Arcade Games	$2.75		26.8%	1,375,000
Food & Beverage	$1.75		17.1%	875,000
Merchandise	$1.50		14.6%	750,000
Total	$10.25		100.0%	$5,125,000
Cost of Goods Sold:				
Redemption Games (1/2)	25.0%		3.4%	$171,875
Food & Beverage	30.0%		5.1%	$262,500
Merchandise	40.0%		5.9%	300,000
Total			14.3%	$734,375
Gross Operating Revenues			85.7%	$4,390,625
Operating Expenses:				
Rides/Attractions/Games	25.0%		10.4%	$531,250
Food & Beverage	32.0%		5.5%	280,000
Merchandise	20.0%		2.9%	150,000
Total			18.8%	$961,250
Net Operating Revenues			66.9%	$3,429,375
General and Administrative:				
Administrative			5.0%	$256,250
Advertising & Promotion			4.0%	$205,000
Maintenance			9.0%	$461,250
Utilities			6.0%	$307,500
Insurance			3.0%	$153,750
Miscellaneous			2.0%	$102,500
Total			29.0%	$1,486,250
Operating Income	37.9%		37.9%	$1,943,125
Rent on 64,000 square feet		$7.74	9.7%	$495,360
Earnings before Dep., Int., Taxes			28.2%	$1,447,765
Investment Justified		25.0%		$5,791,060

Table 9

ESTIMATED ANTWERP FEC OPERATING RESULTS
(Belgian Francs)

	Per Capita or Percent		Percent of Gross Rev.	Belgian Francs
Estimated Attendance				500,000
Gross Revenues:				
Rides and Attractions	127.50		41.5%	63,750,000
Arcade Games	82.50		26.8%	41,250,000
Food & Beverage	52.50		17.1%	26,250,000
Merchandise	45.00		14.6%	22,500,000
Total	307.50		100.0%	153,750,000
Cost of Goods Sold:				
Redemption Games (1/2)	25.0%		3.4%	5,156,250
Food & Beverage	30.0%		5.1%	7,875,000
Merchandise	40.0%		5.9%	9,000,000
Total			14.3%	22,031,250
Gross Operating Revenues			85.7%	131,718,750
Operating Expenses:				
Rides/Attractions/Games	25.0%		10.4%	15,937,500
Food & Beverage	32.0%		5.5%	8,400,000
Merchandise	20.0%		2.9%	4,500,000
Total			18.8%	28,837,500
Net Operating Revenues			66.9%	102,881,250
General and Administrative:				
Administrative			5.0%	7,687,500
Advertising & Promotion			4.0%	6,150,000
Maintenance			9.0%	13,837,500
Utilities			6.0%	9,225,000
Insurance			3.0%	4,612,500
Miscellaneous			2.0%	3,075,000
Total			870.0%	44,587,500
Operating Income	37.9%		37.9%	58,293,750
Rent on 64,000 square feet		2,500	9.7%	14,864,363
Earnings before Dep., Int., Taxes			28.2%	43,429,387
Investment Justified		25.0%		173,717,549

The cost percentages shown are derived based on industry standards and should be used as budgetary goals. The percentage for operating labor is 25 percent for rides, games and attractions, and 32 percent and 20 percent for food and beverage and merchandise departments, respectively. Administrative and overhead costs are calculated against gross revenues and total 29 percent. Operating income is estimated at $1.9 million (58 million BF), or 37.9 percent. Occupancy costs calculated on 64,000 square feet (5,946 meters) are $495,360 annually (14.9 million BF). Earnings before depreciation, interest, and taxes (EBDIT) are derived to be 28.2 percent of gross revenue, or $1,448,000 (43.4 million BF).

The projected level of attendance and revenues will support an investment of as much as $5.8 million at a return of 25 percent.

Estimated Development Cost

Table 10 and **Table 11** contain estimates of the cost to finish the space and to purchase and install the rides attractions and games. The total development cost is estimated at $5.8 million, (172 million BF) including $310,000 (9.3 million BF) in pre-opening costs. There are no parking or landscaping costs estimated because those are included in the lease.

Conclusion

HPC concludes that the proposed Antwerp family entertainment center is an economically viable development in the assumed location. New competition will inevitably materialize, but a well designed and operated large FEC should be able to establish itself in a dominant position in the Antwerp market and discourage the development of other large indoor facilities in the area.

Table 10

ESTIMATED ANTWERP FEC DEVELOPMENT COST
(US Dollars)

Description	Sales / Sq. Ft.	Cost Per Sq. Ft.	Sq. Ft.	Dollars
Improvements and Fixturization:				
Rides & Attractions				$3,045,016
Food and Beverage	300	200	2,917	583,333
Merch. & Amuse.	300	150	2,500	375,000
Subtotal				$4,003,350
Other Construction:				
Site Work				$289,349
Administrative Offices		50	1,000	50,000
Subtotal			1,000	$339,349
Soft Construction Cost:				
Supervision				$57,911
Professional Services	8.65%			500,927
Subtotal				$558,837
Pre-opening Costs:				
Pre-opening Marketing				$170,834
Pre-opening Salaries				51,250
Food & Merchandise Inventories				54,167
Uniforms & Supplies				34,167
Subtotal				$310,417
Other Costs:				
Parking				0
Landscaping				0
Subtotal				0
Contingency				$579,106
Totals				$5,791,060

Table 11

ESTIMATED ANTWERP FEC DEVELOPMENT COST
(Belgian Francs)

Description	Sales / m2	Cost Per m2	Square Meters	Belgian Francs
Improvements and Fixturization:				
Rides & Attractions				91,350,493
Food and Beverage	9,000	6,000	271	17,500,000
Merch. & Amuse.	9,000	4,500	232	11,250,000
Subtotal				120,100,493
Other Construction:				
Site Work				0
Administrative Offices		1,500	93	139,353
Subtotal			93	139,353
Soft Construction Cost:				
Supervision				1,737,175
Professional Services	8.65%			15,026,568
Subtotal				16,763,744
Pre-opening Costs:				
Pre-opening Marketing				5,124,996
Pre-opening Salaries				1,537,500
Food & Merchandise Inventories				1,624,998
Uniforms & Supplies				1,025,001
Subtotal				9,312,495
Other Costs:				
Parking				0
Landscaping				0
Subtotal				0
Contingency				17,371,755
Totals				163,687,840

HARRISON PRICE COMPANY

September 26, 1994

Mr. Rafael Eschenheimer
Bromley
Pronkenbergstraat 29b
2550 Kontich
Belgium

VIA FAX: 011-32-3-457 11 57

Dear Rafael:

Enclosed is some descriptive information on the concepts for the project if you decide to proceed with the GM plant site. I hope that this is what you need to make your presentation to the lessors. I didn't want to be too specific by providing operating and building cost numbers in case there are political implications. If you need additional information at this time, please call me.

I am proceeding to complete the report and will contact you in the next few days by phone or fax to discuss how we might complete the report without having to be site specific.

Sincerely,

Fred J. Cochrane /su

Fred J. Cochrane
Vice President

FJC:su

P.S. I am still waiting for the photos and will send them as soon as I can.

222 West 6th Street, Suite 1000, San Pedro, California 90731 Telephone (310) 521-1300 Fax (310) 521-1305

HARRISON PRICE COMPANY

ANTWERP INDOOR ENTERTAINMENT CENTER

Brief History of the Indoor Entertainment Center

Indoor entertainment centers are an evolution of the outdoor entertainment centers that were prevalent in local neighborhoods decades ago in the United States. Usually they were started as single or dual-activity operations such as a go-cart track and/or a miniature golf course, to which the operator would add features each season as allowed by availability of land, capital resources and market demand. Those facilities were often developed as interim uses for well located properties in the path of urban developed, or on properties that were being held for more intensive future use in existing urbanized environments. That genre has largely been replaced by higher-quality outdoor facilities that are pre-designed, have a specific theme, contain adequate space for future expansions and can cost several million dollars to develop. They are smaller than amusement parks and normally serve an area within 5 to 10 miles, or a 15 minute drive to the site.

The arcade portion of outdoor family entertainment centers is an indoor activity. The arcade has evolved from pinball machines to computer driven virtual reality games that provide interaction between the player and the image on the screen. Simulation rides combining film, computer graphics imagery, and motion bases can create an experience very close to the real thing in the mind of the user. These technologies were developed for the movie and aerospace industries initially, but are now applied to recreation projects. As the arcade became more important with more sophisticated games, the prospect of taking some of the traditional outdoor activities to an indoor environment became increasingly appealing, particularly in cold weather climates where the operating season is short. Hence the current scramble to "invent" the modern indoor FEC -- or, perhaps, transform the traditional stand-alone arcade from a dingy, noisy hangout for teenagers to a recreation center for all ages, and particularly for families.

The mainstays of the outdoor family entertainment center, miniature golf and go-carts do not transfer well to indoor locations. The go-carts have been replaced by the interactive racing simulators. Miniature golf is usually included, but in a much scaled down version. Children's soft-play areas and downsized versions of amusement park and FEC rides are becoming more important to the indoor facilities as they attempt to create more family oriented environments. They are being designed to appeal to all age groups including teenagers and young adults, but the primary thrust is to create an exciting and safe place for parents or grandparents to take the kids. The reward for older adults is usually in watching the children or grandchildren enjoy themselves, although many opportunities to participate are also provided.

An indoor FEC can be a popular place to hold birthday parties and to celebrate special events such as graduations. Some operators generate as much as 35 percent of their total revenue from group activities. In some locations, a separate children's play area is created where children can be left under staff supervision for an hourly fee while their parents shop or use other facilities nearby.

Good quality fast-food service with a healthy menu is a must to attract repeat visits and the group market.

Potential Content and Size of a Family Entertainment Center in Antwerp

The Family Entertainment Center's size and content will be determined in part by the location chosen for development. It may be a stand-alone facility serving a sub-regional market or part of a larger complex with a regional drawing power. The two locations that would result in a regional draw in Antwerp are the downtown river front area and the popular Metropolis theater complex at or near the former GM plant. Either of these would allow exposure to a tourist market that would be less available in a suburban location. For purposes of this analysis, we will assume that a site in one of the prime areas can be obtained at a feasible rent level. At such a location, preliminary estimates are that an annual attendance of about 500,000 could be attracted, with 100,000 to 150,000 being overnight visitors to the area.

The composition of the crowd in that location would dictate a higher concentration of adult oriented activities to serve the tourist market. Nonetheless, the overall emphasis will remain on families in the regional resident market. An illustration of the type of facilities that may be included is as follows:

- Air Hockey
- Batting Cages
- Bowling - Small Scale
- Carousel
- Children's Bumper Cars
- Gift Shop
- Maze
- Miniature Golf
- Puppet Theater
- Shooting Gallery
- Video Games
- Virtual Reality Machines
- Arcade Games
- Birthday Party Rooms
- Bumper Cars
- Children's Soft Play
- Game Room
- Golf Simulation
- Midway Games
- Mini-Family Roller Coaster
- Redemption Games
- Sing-Along Recording Studio
- Video Simulation Rides

In addition to the above list, there are many other possible indoor attractions that could be included, and it will be important to refresh the project periodically as new attractions become available and repeat visitors tire of the equipment in place.

Food and beverage and merchandise facilities will be sized to meet the projected on-site crowd needs.

This FEC element of the project will require from 25,000 to 50,000 square feet of space depending on location and market served, and whether similar facilities exist in the area.

The Urban Entertainment Center Concept

The UEC concept is evolving as a composite of the larger indoor entertainment centers being developed and the festival shopping center format. Festival shopping centers are primarily food, beverage and entertainment, coupled with about half as much specialty retail space. Logo/signature merchandise stores represent an increasing component of retail space in this type of development. Much of the "entertainment element" of a festival center is the street scene created by vendors and street performers. The UEC seeks to maintain that appeal and reinforce it with a variety of high-tech attractions and performance venues offered under separate gate or cover charges. A concept that may fit well as a component of an Urban Entertainment Center is described in the following paragraphs.

RKO Studios, active in the movie and television industry since the 1930s, is creating a concept for an entertainment attraction based on their historical role in the movie industry and their desire to demonstrate the creativity and excitement of the industry to the general public in a live performance venue. The project will rely heavily on live entertainment and will hope to discover and develop new talent while bringing exciting performances to the audience. This show activity is supported by themed food and beverage operations. A brief description of the concept follows:

Most of the new generation of indoor entertainment centers stress computer and film based high-tech attractions. However, RKO facilities will downplay that technology and emphasize the movie business instead. Live entertainment will play a greater role and the themes will be related to old and new movies and performers. Potential attractions that could be included in an RKO project are: (This information is not to be disclosed to the public or the press)

Entertainment with gate

- The Projection Booth-Dramatic Karaoke
- Multimedia Theater-Interactive Theater
- Props & Dressings-Children's Play Area
- Enchanted Cottage-Children's Discovery Center
- Cineplex-6 to 12 Screens
- Ride Film Theater-Simulator Ride
- I Oughta Be In Pictures-Comedic Interactive Theater

Entertainment without gate

- Academy Shorts Theater-Short Professional Films
- Radio Remote Broadcast Booth-Fantasy Broadcast
- Game Arcade-SEGA or Namco Operation
- Street Theater-Improv, Comedy, Mime

Food and beverage with entertainment

- Fred & Ginger's Big Band Dance Hall-Dancing
- EFX Restaurant-Continuous Special Effects
- RKO Movie Moments-Clips From Famous RKO Films
- Total Immersion Theater-Dinner Theater
- The Haunted Kitchen-Murder Mystery Dining
- Outtakes Comedy Club-Film Spoofs

Food and beverage

- The Commissary-Cafeteria Style Buffet
- The Roach Coach-Fast Food
- Mighty Joe Young Bar-Themed to the Movie
- Knute Rockne Sports Bar-Health and Sports Drinks

Retail merchandise

- Props and Make-up-Eva Gabor wigs etc.
- The Monkey's Paw-Exotics
- Screen Test-Glamour shots
- Launching Pad-Showcasing Young Musicians
- Deco To Go-Themed on a film
- RKO Store-RKO logo merchandise
- Record Store
- The Duke's Western Store or The Hopalong Cassidy Store

Flexible staging will be used to provide "sets" that can be changed frequently in sound stage format. Logo merchandise is expected to be a significant part of the concept

This project could be expected to draw between 750.000 to 1 million visitors annually in the Antwerp market on a downtown river front site or near Metropolis. It would require between, 50,000 and 90,000 square feet of space and can be done on more than one level, if necessary. It will require a significant tourist market and, therefore, it would not work in a suburban environment. RKO management is knowledgeable about Belgium and has expressed an interest in developing a project in the country. (this interest is preliminary and is not for publication)

Mutual Benefits for Adjacent Projects

Some of the attractions in the FEC would logically be included in the RKO concept, and the RKO plans include a multiplex theater complex with at least six screens if movie exhibitors are not in the immediate vicinity of a selected site. Duplication of existing facilities will be avoided. Obviously, a site near Metropolis would be advantageous to the RKO concept. Similarly, Metropolis should benefit from RKO in that more tourists would be drawn to the area and their visits would be somewhat counter cyclical to that of the resident population visiting Metropolis. Visitors to the FEC would be expected to provide an increase in visitation to the other entertainment facilities and enjoy an increase in its attendance as a result of this location proximity, but on a somewhat smaller scale. The relative interrelationship is probably proportional to the investment in each facility since all will appeal to a broad age range.

This is the essence of synergism, wherein the whole is larger than the sum of the individual parts. The current search for definition of the ultimate UEC is to maximize the motivation for residents and tourists to visit a destination because of the variety of its recreation offering. The ideal is achieved when the tourist and resident market is drawn repeatedly to the area to participate in a variety of venues, thereby extending their length of stay and total expenditures.

September 26, 1994

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Good quality fast-food service with a healthy menu is a must to attract repeat visits and the group market.

Potential Content and Size of a Family Entertainment Center in Antwerp

The Family Entertainment Center's size and content will be determined in part by the location chosen for development. It may be a stand-alone facility serving a sub-regional market or part of a larger complex with a regional drawing power. The two locations that would result in a regional draw in Antwerp are the downtown river front area and the popular Metropolis theater complex at or near the former GM plant. Either of these would allow exposure to a tourist market that would be less available in a suburban location. For purposes of this analysis, we will assume that a site in one of the prime areas can be obtained at a feasible rent level. At such a location, preliminary estimates are that an annual attendance of about 500,000 could be attracted, with 100,000 to 150,000 being overnight visitors to the area.

The composition of the crowd in that location would dictate a higher concentration of adult oriented activities to serve the tourist market. Nonetheless, the overall emphasis will remain on families in the regional resident market. An illustration of the type of facilities that may be included is as follows:

- Air Hockey
- Batting Cages
- Bowling - Small Scale
- Carousel
- Children's Bumper Cars
- Gift Shop
- Maze
- Miniature Golf
- Puppet Theater
- Shooting Gallery
- Video Games
- Virtual Reality Machines
- Arcade Games
- Birthday Party Rooms
- Bumper Cars
- Children's Soft Play
- Game Room
- Golf Simulation
- Midway Games
- Mini-Family Roller Coaster
- Redemption Games
- Sing-Along Recording Studio
- Video Simulation Rides

In addition to the above list, there are many other possible indoor attractions that could be included, and it will be important to refresh the project periodically as new attractions become available and repeat visitors tire of the equipment in place.

Food and beverage and merchandise facilities will be sized to meet the projected on-site crowd needs.

This FEC element of the project will require from 25,000 to 50,000 square feet of space depending on location and market served, and whether similar facilities exist in the area.

The Urban Entertainment Center Concept

The UEC concept is evolving as a composite of the larger indoor entertainment centers being developed and the festival shopping center format. Festival shopping centers are primarily food, beverage and entertainment, coupled with about half as much specialty retail space. Logo/signature merchandise stores represent an increasing component of retail space in this type of development. Much of the "entertainment element" of a festival center is the street scene created by vendors and street performers. The UEC seeks to maintain that appeal and reinforce it with a variety of high-tech attractions and performance venues offered under separate gate or cover charges. A concept that may fit well as a component of an Urban Entertainment Center is described in the following paragraphs.

RKO Studios, active in the movie and television industry since the 1930s, is creating a concept for an entertainment attraction based on their historical role in the movie industry and their desire to demonstrate the creativity and excitement of the industry to the general public in a live performance venue. The project will rely heavily on live entertainment and will hope to discover and develop new talent while bringing exciting performances to the audience. This show activity is supported by themed food and beverage operations. A brief description of the concept follows:

Most of the new generation of indoor entertainment centers stress computer and film based high-tech attractions. However, RKO facilities will downplay that technology and emphasize the movie business instead. Live entertainment will play a greater role and the themes will be related to old and new movies and performers. Potential attractions that could be included in an RKO project are: (This information is not to be disclosed to the public or the press)

Entertainment with gate

- The Projection Booth-Dramatic Karaoke
- Multimedia Theater-Interactive Theater
- Props & Dressings-Children's Play Area
- Enchanted Cottage-Children's Discovery Center
- Cineplex-6 to 12 Screens
- Ride Film Theater-Simulator Ride
- I Oughta Be In Pictures-Comedic Interactive Theater

Entertainment without gate

- Academy Shorts Theater-Short Professional Films
- Radio Remote Broadcast Booth-Fantasy Broadcast
- Game Arcade-SEGA or Namco Operation
- Street Theater-Improv, Comedy, Mime

Food and beverage with entertainment

- Fred & Ginger's Big Band Dance Hall-Dancing
- EFX Restaurant-Continuous Special Effects
- RKO Movie Moments-Clips From Famous RKO Films
- Total Immersion Theater-Dinner Theater
- The Haunted Kitchen-Murder Mystery Dining
- Outtakes Comedy Club-Film Spoofs

Food and beverage

- The Commissary-Cafeteria Style Buffet
- The Roach Coach-Fast Food
- Mighty Joe Young Bar-Themed to the Movie
- Knute Rockne Sports Bar-Health and Sports Drinks

Retail merchandise

- Props and Make-up-Eva Gabor wigs etc.
- The Monkey's Paw-Exotics
- Screen Test-Glamour shots
- Launching Pad-Showcasing Young Musicians
- Deco To Go-Themed on a film
- RKO Store-RKO logo merchandise
- Record Store
- The Duke's Western Store or The Hopalong Cassidy Store

Flexible staging will be used to provide "sets" that can be changed frequently in sound stage format. Logo merchandise is expected to be a significant part of the concept

This project could be expected to draw between 750.000 to 1 million visitors annually in the Antwerp market on a downtown river front site or near Metropolis. It would require between, 50,000 and 90,000 square feet of space and can be done on more than one level, if necessary. It will require a significant tourist market and, therefore, it would not work in a suburban environment. RKO management is knowledgeable about Belgium and has expressed an interest in developing a project in the country. (this interest is preliminary and is not for publication)

Mutual Benefits for Adjacent Projects

Some of the attractions in the FEC would logically be included in the RKO concept, and the RKO plans include a multiplex theater complex with at least six screens if movie exhibitors are not in the immediate vicinity of a selected site. Duplication of existing facilities will be avoided. Obviously, a site near Metropolis would be advantageous to the RKO concept. Similarly, Metropolis should benefit from RKO in that more tourists would be drawn to the area and their visits would be somewhat counter cyclical to that of the resident population visiting Metropolis. Visitors to the FEC would be expected to provide an increase in visitation to the other entertainment facilities and enjoy an increase in its attendance as a result of this location proximity, but on a somewhat smaller scale. The relative interrelationship is probably proportional to the investment in each facility since all will appeal to a broad age range.

This is the essence of synergism, wherein the whole is larger than the sum of the individual parts. The current search for definition of the ultimate UEC is to maximize the motivation for residents and tourists to visit a destination because of the variety of its recreation offering. The ideal is achieved when the tourist and resident market is drawn repeatedly to the area to participate in a variety of venues, thereby extending their length of stay and total expenditures.