WED imagineering.
WED Enterprises, 1401 Flower Street, Glendale, California • 91201 • 245-8951

May 2, 1973

Mr. J. G. Rebeta
General Electric Company
570 Lexington Avenue
New York, N. Y. 10022

Dear Jim:

After reviewing the Carousel of Progress show and facility with our design and construction personnel, we now feel that the show will be operational by December 1974.

Attached are two copies of our proposal, which includes a not-to-exceed figure for construction of the total attraction to be billed as spent. For your information, we have also included our projected cash flow for the construction cost.

Looking forward to seeing you and Dave on the 16th.

Very truly yours,

Orlando Ferrante
Vice President,
Administration and Production

OF:le
enclosures

cc: John Hench

bcc w/attachments:
Rolf Anderson
Dave Kakita
Mel Melton
Neal McClure
Roger Powell
Donn Tatum
Card Walker

RECEIVED
MAY 3 1973
MEL MELTON'S OFFICE

GENERAL ELECTRIC ATTRACTION
ESTIMATED COST PROPOSAL
DISNEYLAND & WALT DISNEY WORLD

WED ENTERPRISES
MAY 1, 1973

PROPOSED

1. GENERAL ELECTRIC WILL SPONSOR NEW VERSION OF CARROUSEL OF PROGRESS AT WALT DISNEY WORLD FOR FIVE YEAR PERIOD STARTING CHRISTMAS 1974.

2. DISNEY WILL OPERATE GENERAL ELECTRIC THEATRE AT DISNEYLAND FROM JUNE 23 THROUGH SEPTEMBER 9, 1973 CHARGING GENERAL ELECTRIC FOR OPERATIONS AND MAINTENANCE COSTS ONLY.

COST TO GENERAL ELECTRIC

WALT DISNEY WORLD

CONSTRUCTION COSTS FOR TOTAL ATTRACTION
OPERATIONS AND MAINTENANCE - (ACTUAL COST)
AN ANNUAL FEE.

DISNEYLAND

OPERATIONS AND MAINTENANCE FROM JUNE 23 THROUGH SEPTEMBER 9, 1973.
(SEE PAYMENT SCHEDULE).

GENERAL ELECTRIC AT WALT DISNEY WORLD

ESTIMATED COST SUMMARY
(In Thousands)

CAPITAL CONTRIBUTION - TOTAL ATTRACTION (NOT TO EXCEED)	$ 7,400 (1)
OPERATIONS & MAINTENANCE (5 YEARS)	2,800 (2)
ANNUAL FEE (5 YEARS)	750
	$ 10,950

(1) To be billed as spent.

(2) Estimate only - pay actual cost.

GENERAL ELECTRIC AT WALT DISNEY WORLD

OPERATIONS & MAINTENANCE
ESTIMATED ANNUAL COSTS - BASED UPON 4,200 HOURS/YEAR

OPERATING LABOR	$180,000
REPAIR & MAINTENANCE	130,060
AIR CONDITIONING	80,000
ELECTRICITY	68,100
WARDROBE & CLEANING	13,000
PROPERTY TAXES	88,800
INSURANCE	6,660
TOTAL	$566,620
USE	$560,000

GENERAL ELECTRIC AT WALT DISNEY WORLD

ESTIMATED
OPERATING LABOR

9 ATTRACTION HOSTESSES @ $3.45 X 4200 HOURS	$130,200
1 ATTRACTION SUPERVISOR @ $4.70 X 4200 HOURS	19,740
	$149,940
USE	$150,000
PLUS 20% OVERHEAD	30,000
TOTAL	$180,000

GENERAL ELECTRIC AT WALT DISNEY WORLD

ESTIMATED
REPAIRS & MAINTENANCE

ESTIMATE BASED ON DISNEYLAND AND ADJUSTED FOR NO MODEL CITY, INCREASED HOURS AND LABOR RATES	$ 93,800
PLUS 20% OVERHEAD	18,760
TOTAL LABOR	$112,560
ESTIMATED MATERIAL COSTS	$ 17,500
TOTAL LABOR AND MATERIAL	$130,060

GENERAL ELECTRIC AT WALT DISNEY WORLD

ESTIMATED
UTILITY COSTS

ELECTRICITY

3,000,000 KWH X $0.0227/KWH = $68,100

AIR CONDITIONING & HEATING

350 TONS X $230/TON/YEAR = $80,000

GENERAL ELECTRIC AT WALT DISNEY WORLD

ESTIMATED
PROPERTY TAXES

CONSTRUCTION COST	$7,400,000
ADJUSTMENT	.60
NEGOTIATED VALUE	$4,440,000
PROPERTY TAX RATE	.02
AVERAGE ANNUAL PROPERTY TAX	$ 88,800

GENERAL ELECTRIC AT WALT DISNEY WORLD

ESTIMATED INSURANCE

CONSTRUCTION COSTS	$7,400,000
ADJUSTMENT	.60
BASIS FOR CALCULATING INSURANCE	$4,440,000
INSURANCE RATE	.0015
AVERAGE ANNUAL PREMIUM	$ 6,660

RATE PER $100 OF VALUE:

FIRE, ETC.	$0.05
PUBLIC LIABILITY	0.10
TOTAL	$0.15

GENERAL ELECTRIC PAYMENT SCHEDULE

(In Thousands)

		1	2	3	4	5	TOTAL
DISNEYLAND							
Operations & Maintenance (6/23 thru 9/9/73)							$ 125
WALT DISNEY WORLD							
Capital Payment Prior to Operational Date	$ 7,400	$ -	$ -	$ -	$ -	$ -	$ 7,400
Operations & Maintenance *		560	560	560	560	560	2,800
Annual Fee		150	150	150	150	150	750
	$ 7,400	$ 710	$ 710	$ 710	$ 710	$ 710	$10,950

* Does not include labor and Material escalation.

CAPITAL PAYMENT

Cash Flow

(In Thousands)

	1973	1974	1975	Total
CONSTRUCTION COSTS	$ 1,250	$ 5,400	$ 750	$ 7,400

SCHEDULE A

GENERAL ELECTRIC
CARROUSEL OF PROGRESS
WALT DISNEY WORLD

PROJECTION OF OPERATIONS AND MAINTENANCE REVENUES AND EXPENSES
(In Thousands)

	CONTRACT TERM					
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
General Electric Annual Payment Allocation to Walt Disney Productions for O & M per Proposal, May 1, 1973	$ 560	$ 560	$ 560	$ 560	$ 560	$ 2,800
Estimated O & M Expenses:						
Operations (1)	172	186	201	217	234	1,010
Maintenance (2)	130	140	152	164	177	763
Utilities (3)	148	160	173	186	201	868
Wardrobe	13	14	15	16	18	76
Property Taxes & Insurance (4)	97	102	107	112	118	536
Total Estimated O & M Expenses	560	602	648	695	748	3,253
Net Gain (Loss) to WDP	$ -0-	$(42)	$(88)	$(135)	$(188)	$(453)

(1) (9 people per hour X $3.45 + 1 supervisor X $4.70) X 4,200 hours = $150.M ($150 + $22 overhead) X 8% per year.
(2) $130 X 8% per year (avg. at D/L for last 5 years was $135 which included model city).
(3) WED Engineering estimate of electrical and air conditioning requirements X WDW utility rates X 8% per year.
(4) ($89 + $7) X 5% per year.

97

8/15/73