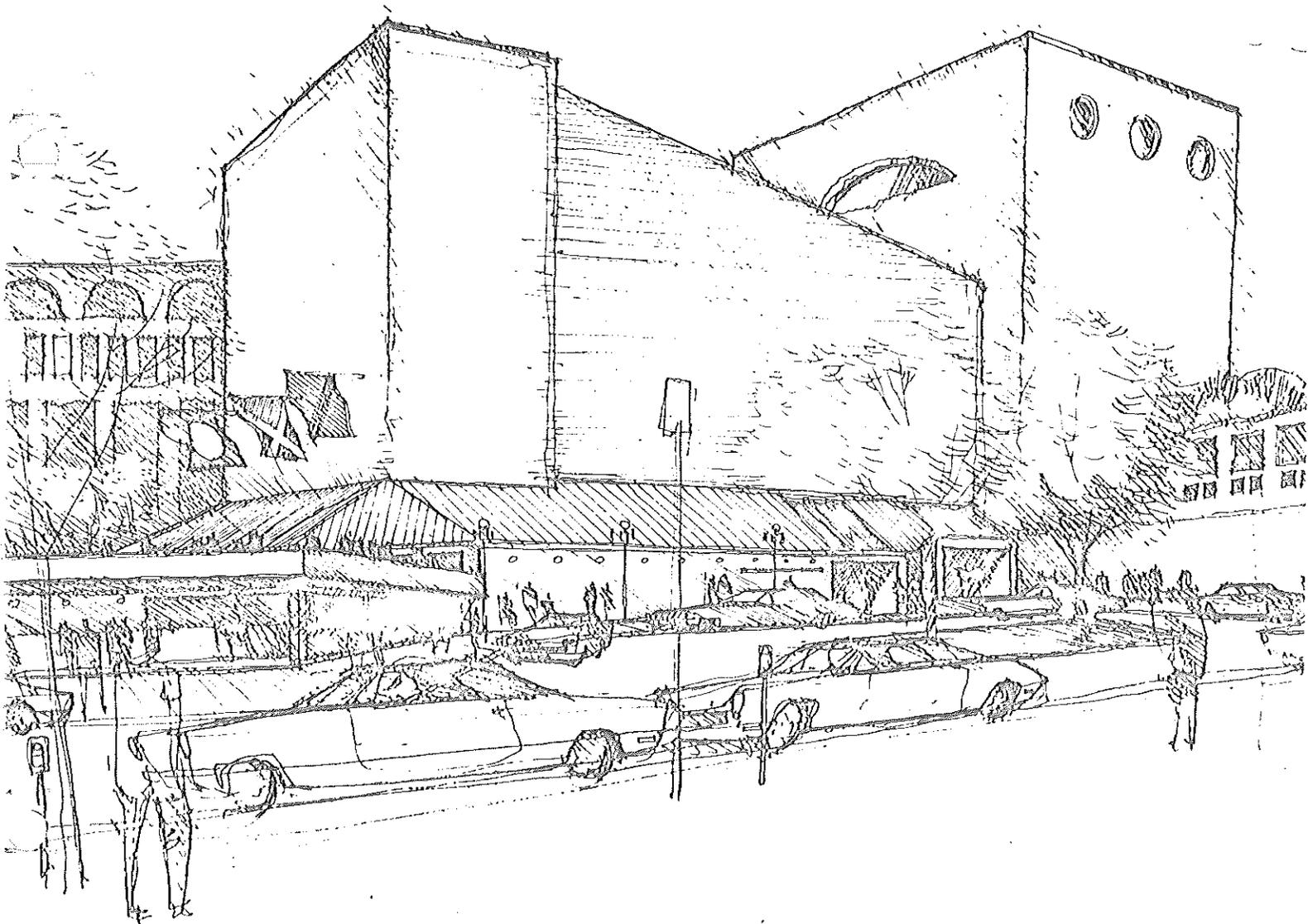


DOWN TOWN REVITALIZATION



The Overview

Basic to the problems encountered by redevelopment is the fear of a deteriorating city -- a city that has failed to attract new business downtown, a city that has lost several large downtown stores to the outskirts, a city that is coming under increasing pressure from regional shopping centers, a city where one redevelopment project has won a decrease and is in severe financial difficulty, a city where there is not the outward signs of interest, enthusiasm, and on-going projects, and investment, public and private, which are the hallmarks of a turn-around situation.

This situation need not be.

But it will require both private and public investment -- the former energized by the latter. It is the position of these three papers that there is a way to provide for the community exciting new ideas and public services which will benefit individuals themselves and the tax base of the city. The plan encompasses an all-year, open air skating rink in the heart of downtown, a youth center, an operating civic theatre, a place for arts, crafts, music and citizen participation. With one exception, all were

urged by the CDAP plan, and in the case of the one exception, the skating facility, the recommendation has been shifted in focus.

The basic elements of the plan include an outdoor skating rink to be run by the City Recreation Department, Arts, Crafts and Music to be run by a Commission on the Arts, professional theatre delegated to the Goodspeed Opera Foundation with a community board. The skating rink would break even, the Commission on the Arts appropriation would have to be worked out at an appropriate level of support, the Goodspeed plan would cost the city \$15,000 a year. In all cases, the city would maintain the facilities.

The bond issue referendum would be \$2,000,000. This is one-third the cost of what most cities are putting into urban renewal. The permissible borrowing of the city for urban renewal is currently \$7,080,288, the permissible borrowing capacity of the city for general purposes is \$12,819,398. Either categories could be used.

The Cost break out:

Youth Center	\$200,000
Theatre	750,000
Community Cultural Facilities	550,000
Skating Rink	500,000
TOTAL	<u>\$2,000,000</u>

The expenditure would also partially provide redevelopment credits for future projects.

During the past few months, because of the development of on-going programs, completion of the final CDAP report, and clarification of aims by the Redevelopment Agency, it would seem possible to take a fresh and productive look at the cultural needs of the community.

The recent changes that are pertinent include the development of a city-wide parking plan (especially its effect on the block bounded by College, Court and Main Streets), the delineation of certain goals by CDAP, and the abandonment of a plan to locate an inn surrounding the Middlesex Theatre.

This is a proposal for a referendum on a community culture center -- including a youth center -- to be completed in its first phase at a cost of \$1,500,000.

It envisions the restoration of the Middlesex Theatre and the creation of display and workshop spaces for all the arts, and the opening of a youth center in a manner that would fulfill completely or partially fourteen goals delineated by CDAP.

The three principal goals are CDAP Cultural Goals, 7, 8, and 9, which were described as:

GOAL 7: To encourage the integration of Wesleyan, Middlesex Community College and Middletown cultural events.

Objective A: To enable Wesleyan to develop a greater commitment to stimulating both indigenous and extra-Middletown events, by bringing Wesleyan events "down to Main Street" and avoiding conflicts in scheduling of events.

GOAL 8: To acquire or develop existing or new facilities for cultural use on "neutral ground" where both university and townspeople would feel comfortable.

Objective A: To provide a meeting ground for young and old, people of all races, college and townspeople.

Objective B: To provide opportunities for the individual to gain ability of artistic expression which now is reserved primarily for those with sufficient funds or more than usual talents.

GOAL 9: To provide a much greater financial commitment by the local government to the cultural life of its people with the provision of funds on a grant, matching, or seeding basis.

The CDAP goals envision a cultural center that should include a 1,000 seat community auditorium. This goal along with allied ones, is spelled out in the GOALS 7, 8, and 9 in the Cultural CDAP report, which is attached. In addition, a cultural center would help partially fulfill CDAP Cultural

Goals 1, 2, 4, 5, 6 and 11, and help meet inter-personal Goal 4, Economic Development Goal 1, and accomplish a part of Recreation Goal 4.

The central concept would involve a place for local and professional artistic, musical, and theatrical expression, mingling all ages. And the premise is that by a mixture of professional and amateur direction this can be brought about.

The center should include a youth center in the basement of the Middlesex Theatre, workshops and display areas in buildings around the theatre, and constitute the restoration of the theatre. Later, if desired, the portion of the theatre complex, now occupied by the Redevelopment Agency, could be incorporated. The latter restoration might be incorporated as a Stage Two undertaking. This would create a plan that could be followed, provide room for program expansion, reduce present expenditures.

Development of the city parking program would make available extensive parking next to the civic center, built around the Middlesex Theatre. It would also provide parking space for those using the new youth center.

Beneath the Middlesex Theatre lies a grand and extensive

space, which provides the intimacy desired by young people for dances, rapping and exchange of ideas. Because other rooms would be available for artistic, and musical expression, a complete complex could be created catering to all ages. The youth center on some nights could also be used for adult parties in connection with cultural events.

While it is estimated that the complete program would cost \$1,500,000 -- \$750,000 for the theatre restoration (which would also provide multi-use space) \$550,000 for workshop and display buildings, and \$200,000 for the youth center and associated services, the operating budgets of the recreational and workshop facilities have not been computed, and would depend upon the scale delineated. The operating budget for the theatre is contemplated as a city subsidy of an annual \$15,000 subsidy. Maintenance of the complex would be a city responsibility.

A suggested program for the theatre and its rationale, is attached. The following page contains a drawing of the facility.

The Skating Rink

It has long been the dream of many in the city to attract a downtown inn where people could stay, congregate, entertain.

At the present time it would not seem likely than an inn will be attracted by a developer without a special reason which would enable the city to merchandise itself.

It is suggested here than an outdoor, all-year, skating rink, located next to the inn would provide the catalyst that would make such an inn a reality. It would provide a center of action, day and night, it would provide visual interest for the inn environment, a sports outlet for the many who have now taken up skating, and a generator of business for the inn restaurant.

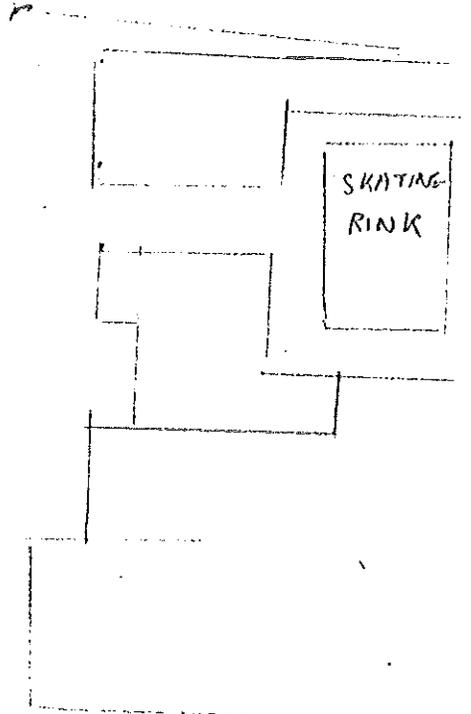
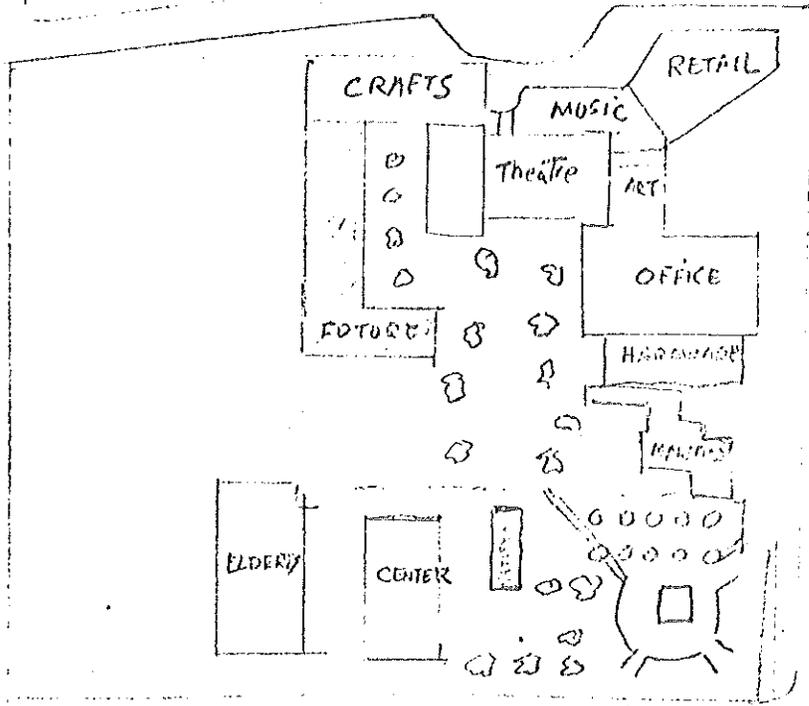
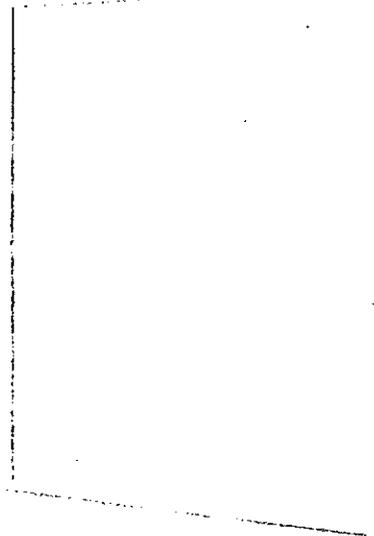
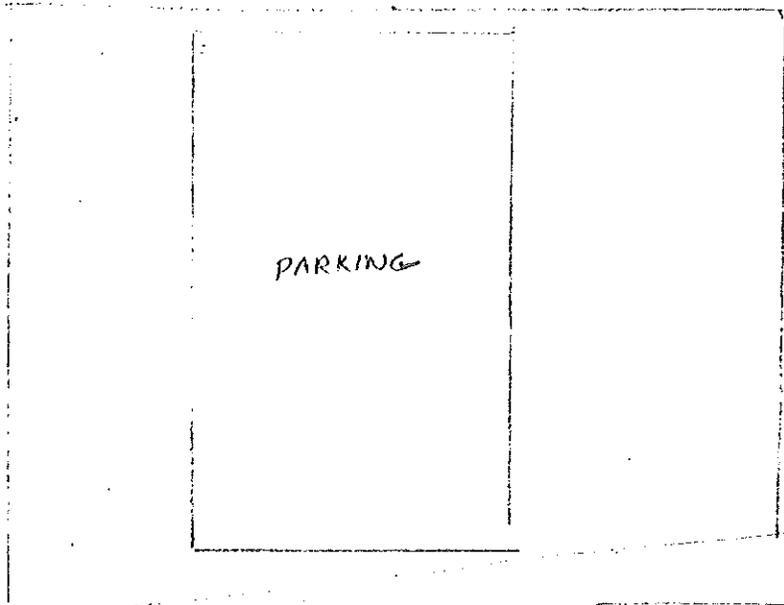
Although there are outdoor skating rinks running all year around the country, it might be necessary to exclude July and August due to the heat. The inn would convert this space to outdoor dining, in the manner of the Rockefeller Center, during this period.

The idea is that the inn would be able to advertise a unique vacation-land atmosphere, attract the many

organizations devoted to skating and develop a special appeal. The inn would also be able to use the public facilities in the theatre for conventions, perhaps conduct small trade shows, and attract customers because of the theatre.

The city would thus have a total development package which would provide both citizen services, and support the needs of urban renewal.

Note: The recent report that 50,000 people have used the Wesleyan skating rink underlines the popularity of the sport. A whole new generation, because of the rink, is growing up. This, in time, will place such pressure on the Wesleyan rink (young hockey players even now have to report at 5:30 A.M. to win ice time) that another facility will be very much needed for recreation skating. The outdoor rink need not be the size of a hockey rink, although it could be so designed.



ACTION CODE: CUL 7-1

FUNCTION: Culture

COMPONENT: Administrative

PROGRAM: To encourage a coordinated cultural program involving Wesleyan, MCC, Middletown and Greater Middletown area events.

PURPOSE: To encourage integration of Wesleyan, MCC and Middletown events.

STEPS: 1. Establishment of a cultural agency and director.
2. Creation of support within the community for cultural programs.
3. Establishment of community cultural center.
4. Continuing development of Middletown cultural resources before an integrated schedule can become a reality.
5. Cooperation of cultural agency and those responsible for cultural events at Wesleyan, MCC and elsewhere.

WHEN: 1975

PRIORITY: C-3

BY WHOM: Cultural Agency

COSTS & FINANCIAL RESOURCES: Not applicable.

ACTION CODE: CUL 8-1

FUNCTION: Culture

COMPONENT: Physical

PROGRAM: To establish a center for community and cultural activities located in downtown area to provide easy access to using public and to aid in revitalization of downtown area.

PURPOSE: To provide a meeting ground for all segments of the community and to provide opportunities for artistic expression.

STEPS: 1. Development of community support for cultural programs by Cultural Agency.
2. Acquisition and renovation of existing building in downtown area having an area minimum of 10,000 square feet, most of which would be rooms 15 to 20 feet square, with at least one large hall for exhibitions and shows.
3. Staffing for programs of art instruction from personnel of local arts organizations and institutions of learning.
4. In addition to programs of instruction, exhibition of works of art, and an arts cooperative, the facility could be used for meetings of civic organizations or provide shelter for various community out-reach activities of the city, social service agencies, etc.
5. Overall supervision and control of center by Cultural Agency.

WHEN: 1974.

PRIORITY: A-3

BY WHOM: City of Middletown, as to physical facility; agency to operate.

COSTS & FINANCIAL RESOURCES: To be estimated depending upon facility. Acquisition and renovation; local, state & federal grants for community facilities. Programs to be mainly self-supporting but with some municipal support in order to involve disadvantaged. Operation costs such as rent, heat and light to be born by city.

ACTION CODE: CUL 8-2

FUNCTION: Culture

COMPONENT: Physical

PROGRAM: To establish an auditorium of 1,000 or more seats for community and commercial purposes, to serve cultural activities requiring large attendance, e.g., quality road shows, symphony orchestras, etc.

PURPOSE: To acquire or develop existing or new facilities for cultural use on "neutral ground."

- STEPS:
1. Such a facility cannot be provided until justified by increased community demand for such events.
 2. Such interest to be developed by cultural agency working with business and community organizations and individuals.
 3. Development of Middletown's cultural resources.
 4. Acquisition of existing facility, preferably in downtown area.
 5. Renovation either by municipal bond issue or by private entrepreneur with assurance of long-term, supportive contract to provide or guarantee operating capital and to assist in amortizing a private loan.
 6. Operational control of facility either by cultural agency or private entrepreneur with advice of cultural agency.

WHEN: Beyond June, 1975

PRIORITY: C-4

BY WHOM: City of Middletown with private owner-operator.

COSTS & FINANCIAL RESOURCES: \$200,000-\$600,000; municipal support for remodeling or operating guarantee.

ACTION CODE: CUL 9-1

FUNCTION: Culture

COMPONENT: Economic

PROGRAM: To initiate a program to attract and retain resident artists, writers and performers.

PURPOSE: To enrich the cultural life of the total community.

STEPS: 1. Development of community interest in cultural program by cultural agency.
2. Development of existing cultural resources.
3. Provision of facilities such as community center and auditorium which will attract talent and interest from outside the Middletown area.
4. Develop sponsoring agencies, such as Wesleyan, MCC, or private industries.
5. Involvement of such artists in residence in operation of community cultural centers and cultural life of community generally.

WHEN: Beyond June, 1975

PRIORITY: C-4

BY WHOM: Cultural Agency

COSTS & FINANCIAL RESOURCES: Varies with extent of program; Municipal and/or private grants.

If every significant feature of socioeconomic change in the nation is reflected in urban change, it must be noted that this varies amongst various communities, in part in accord with the desires of the residents. The size, functions and specializations of the City's linkages with the hinterland has an influence on its development, and on the jobs and incomes it provides for its residents. The special character of any city's growth is created in part by putting change to work in a given area. One of these changes -- the growth of cultural events -- can influence the make-up of a community, and residents of this area have signified (in a private poll taken for a leading institution) that these characteristics are highly desired. Their existence within Middlesex County has often been pointed to by the Middletown Chamber of Commerce in its publications and public promotional initiatives.

It may now be time to consider a new effort that will insure the presence of a great cultural asset, and build upon it. The asset is the live theatre that now exists in the area and can be expanded. The problem is to make such an effort financially successful.

In the past, although many citizens of Middletown have signified a wish to preserve the Middlesex Theatre, there was a legitimate fear that the theatre could become a "white elephant", standing unused. However, a plan has been developed that guarantees professional theatre, professionally managed by a group that has demonstrated artistic achievement and national leadership in the field of the lyric theatre.

The Board of Directors of the Goodspeed Opera House has indicated its wish to explore with the City a plan to bring live theatre to the Middlesex. The plan that is being discussed here is designed to aid the area, the arts, the urban development of Middletown, foster regional co-operation, and enhance the educational and artistic outreach of the community.

The proposal in its simplest form envisions bringing to a restored Middlesex Theatre -- for a one-week run in the summer -- each of the three shows produced by the Goodspeed Opera House. At the same time, the show would be videotaped to promote future subsidiary income

for performances on CATV outlets, which are now, in many situations, required to provide their own programming.

It should be noted that because a new show would be scheduled into the Middlesex Theatre every three weeks (after the completion of its run at the Goodspeed), various options would be presented. A smash hit could run for two weeks at the Middlesex. Or the Goodspeed could consider mounting four shows. Either option would increase the income to the Goodspeed Opera House.

The director of the Goodspeed would also become director of the Middlesex Theatre and would be in charge of directing and packaging fall, winter, and spring shows for the Middlesex Theatre.

It is estimated that at least 14 additional days of live theatre could be produced in this period, and that approximately 68 other community uses would be forthcoming. The latter are detailed later in this report.

An effort would be made to interest Wesleyan University in the program of education EVR productions

which would draw upon the faculty and the present and past fellows of the Center for the Humanities. EVR is a videotape capsule developed by CBS which can be inserted in a TV set and made to play back. If a company like Teleprompter could be persuaded to handle the technical production of the Wesleyan EVR effort, it would make possible the videotaping of Goodspeed Opera House and Middlesex Theatre productions as well. These would provide subsidiary income for both. It would also be possible to produce EVR capsules for home showings of the various shows, again adding to the subsidiary income of all.

The interest of Wesleyan University in the whole project would be auspicious and well motivated. The Hill Corporation, the development arm of the University, has long considered building an inn as a centerpiece of a large, 120 acre urban renewal project. A major question mark has been the ability of a 100-room to prosper in the absence of a major new activity center downtown. The presence of a functioning Middlesex Theatre, as a forum for live shows, television production, community events,

use by Middlesex Community College (which has expressed a major interest), an outlet for the talents of the elderly (housed in a nearby high rise building), programs for youngsters (rock groups), or oldsters (cooking schools), plus all the on-going community events, community concerts, circle theatre, Junior Matinees (who could use the theatre occasionally), adds up to a major installation which would provide a necessary night-life.

In addition, the Middlesex could become the only theatre in Connecticut equipped for TV production. This would facilitate the making of TV recordings, but it could open up the possibility of other uses by State TV stations. With the addition of equipment supplied by Middlesex Community College, courses in TV production could be taught which would acquaint students with studio production.

One of the objectives of the Middlesex Theatre, during the day, would be to contribute to an understanding of the flora, fauna, and fishlife of the Connecticut River National Park, by slide shows and movies. Small charges would be made for these showings, again for the tertiary purposes of attracting visitors to the City, providing a

daytime income and acquainting them with the offerings of the theatre.

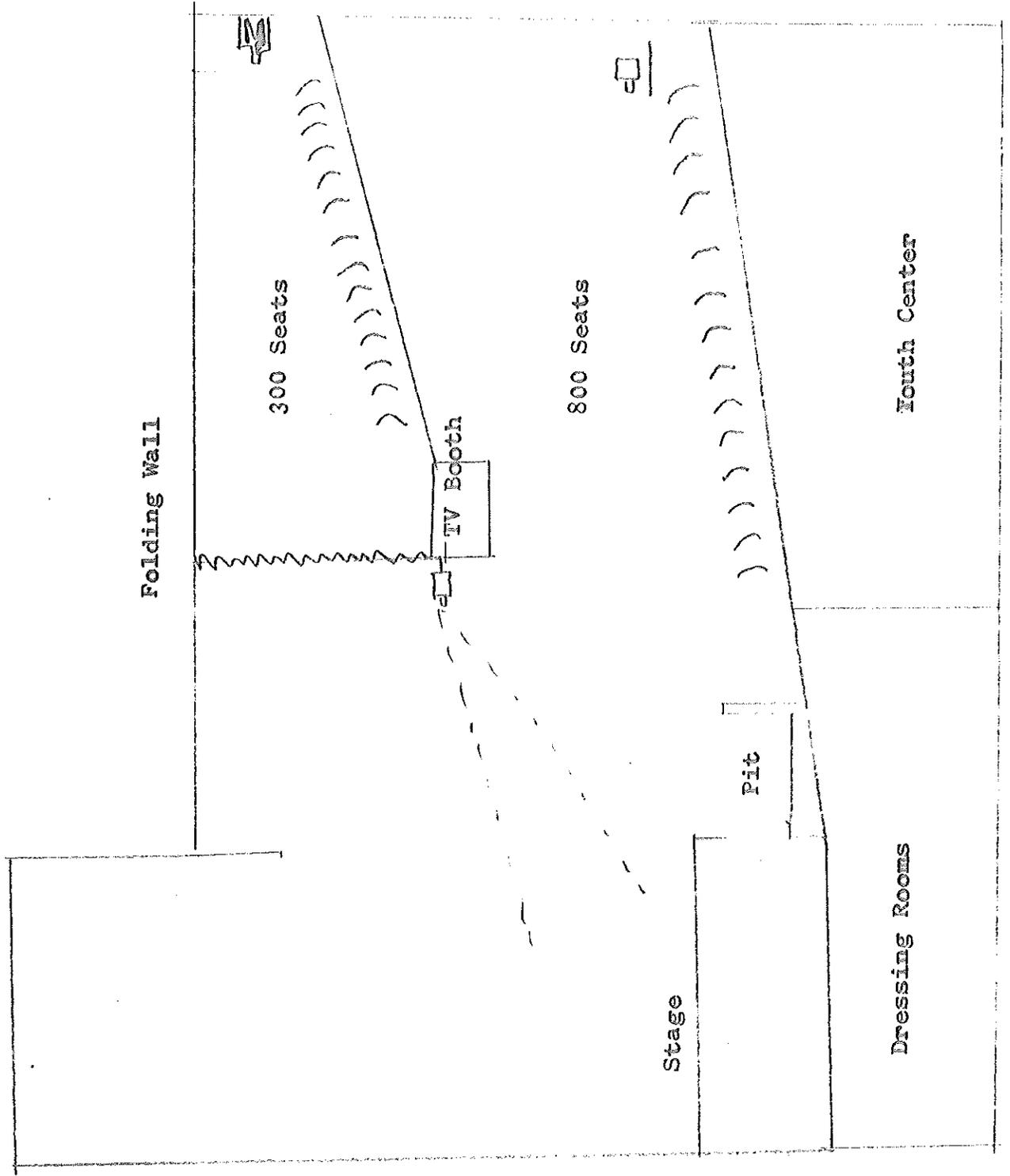
In presenting this plan, the hope is that many purposes would be served:

1. The revivification of downtown Middletown.
2. The intensification of activity to assure success of the inn and the urban renewal program.
3. The creation of a cultural resource in Middletown.
4. The preserving of an on-going live theatre on the environs of Middletown.
5. The provision of a theatre for Middlesex Community College.
6. The opportunity for Wesleyan to offer the skills of its faculty and fellows to a wider community.

7. The provision of a subsidiary income for both Goodspeed Opera House and the Middlesex Theatre.
8. The creation of a center attractive to national park visitors.
9. A place for community meetings and events.
10. The creation of the only theatre in Connecticut equipped for TV production.

The diagram on the following page is an illustration of the Middlesex Theatre, adapted in a manner that owes much to Jo Mielziner's satellite theatre as described in his book "The Shapes of Our Theatre". It envisions equipping the Middlesex for television production by providing the necessary camera locations. Live performances could be shown in the 300 seat satellite theatre upstairs, as could movies, slides. In the 300 seat theatre, shows could be shown simultaneously (which would not require recording), could be shown recorded during the live performances, or could be shown at a later date, or dates. Giant size screens for TV showings are now on the market. The individual performer shows on the new TV screen at more than twice life size.

Middlesex Civic Center



Projection



TV Camera



The Middlesex Theatre could be in use a third of the year, or every three days, if the program envisioned on the following page took place. Many of the events described are already taking place in the community, but would be enhanced by higher box office receipts that would be possible at the Middlesex. In addition, productions would be facilitated because there is no theatre in town which can allow extreme rehearsal, standing scenery of continuing performances.

Rental charges by the Middlesex Theatre are projected here at \$28,900 for the first full year of operation. The charges are divided into several categories, commercial productions at ten per cent of the house receipts, charges to institutions (range 180 to 200 dollars a night), community events (range from 50 to 100 dollars a night with the majority at the higher figure), and a few events, such as public hearings, where no charge would be made. The plan does envision a small city subsidy, in accord with the original Chamber of Commerce plan.

In addition, it seems likely that other income could be produced by entrepreneurial effort, and by a share of subsidiary income from EVR productions (the latter installed with great conservativeness).

The Budget

INCOME:

Theatre Rental \$28,900

City Subsidy 15,000

Entrepreneurial effort (share
of profits of Goodspeed winter
productions at 50 per cent of
profit accumulated on each
show, after deduction of all
direct costs, including house
rental

10,000

Total

\$53,900

The Budget

EXPENSES:

Management Fee (to Goodspeed)	\$ 5,000
Heating and Air Conditioning	3,000
Electricity	1,000
Insurance	3,000
Janitorial	8,000
Maintenance (internal)	3,000
Telephone, postage	2,500
Travel, promotion	1,000
Miscellaneous	1,000
Advertising (Institutional Only)	<u>1,000</u>
Total	<u>\$28,500</u>

Uses of The Middlesex Theatre

	<u>Number of Nights</u>	<u>Income</u>
Goodspeed Opera Foundation Summer Productions	(18)	\$ 8,400
Goodspeed Opera Foundation Winter Productions	(14)	9,800
Middlesex Community College Theatrical Presentations	(7)	1,200
Wesleyan Events - Public	(4)	800
Wesleyan Events - College Only	(3)	600
Cooking Schools	(2)	200
Fashion Shows	(3)	300
Ski Movies	(1)	100
History of Art (Slide Shows)	(2)	200
Ballet	(2)	200
Circle Theatre	(2)	200
Portland Players	(2)	200
Theatre of the Deaf	(2)	200
Junior Matinees	(4)	800
Community Concerts	(3)	300
Film Series	(3)	300
Lecture Series	(3)	300
High School Plays	(3)	300
Public Hearings	(2)	0
High School Graduations (Inclement Weather)	(1)	0
Festival of the Arts	(3)	300

Uses of The Middlesex Theatre
(continued)

Programs by and for the elderly	(4)	\$ 200
Miscellaneous Hall Rental	(5)	500
Conference Rentals	(5)	500

THEATRE II (upstairs)

Income (including 16 mm films, slides conference rentals)		3,000
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TOTALS

(98)	\$28,900
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The Function of the Director
and the Undertakings of the Goodspeed Opera Foundation

The plan envisions the director of the Goodspeed Opera Foundation holding the same post at the Middlesex Theatre. His permanent office would continue to be at East Haddam. His responsibilities to the Middlesex would include producing winter, fall and spring shows (14 days) and arranging with community organizations to occupy the theatre on the other 66 days of operation.

Thus, the plan calls for 18 nights of operation under the summer Goodspeed plan (completely the responsibility of the Goodspeed Foundation), the operation of 14 days or more of the Goodspeed winter productions (in cooperation with a local Board), and the arrangements to rent the theatre to community or state organizations for the other 66 days (in cooperation with a local Board). If more than 14 days of theatre could be provided by the director in the spring, fall, and winter, this would be encouraged and would increase the operating excess of the theatre. The director would be hired by the Goodspeed Opera Foundation, which would have

The Function of the Director and the Undertakings
of the Goodspeed Opera Foundation. (continued)

a five-year contract with the Middlesex Theatre. The Goodspeed Foundation would be responsible for producing 18 nights of theatre in the summer and 14 in the winter, although these need not necessarily be shows first mounted at the Goodspeed Opera House.

During the summer season, the Middlesex Theatre is to be made available to the Goodspeed for 10 per cent of the house receipts, based on a "bare wall" rental. During the spring, fall and winter seasons, the Middlesex Theatre receives \$9,800 rental for 14 nights, plus 50 per cent of the net profits, plus 50 per cent of all subsidiary rights.

The Function of the City

The Goodspeed Opera Foundation would in a five year contract undertake certain responsibilities, namely 32 days of theatre and would work with the Middlesex Theatre Board of Trustees in encouraging community events. The Board would be appointed, 50 per cent by the Mayor, 25 per cent by the Goodspeed Opera House Chairman, and 25 per cent by the President of the Greater Middletown Chamber of Commerce.

The City would undertake to restore (estimated cost \$650,000) and maintain the Middlesex Theatre, and provide a subsidy of \$15,000 a year under the Chamber millage plan for the necessary period. The budgetary year before the theatre opens, the City will reserve \$10,000 so that the opening cash reserves of the theatre would reach \$25,000. The Middlesex Board of Trustees would be non-profit, and it would be understood that should the Board be able to undertake maintenance charges in excess of \$3,000, or relinquish its subsidy, it shall do so.

It should be understood that artistic control

The Function of the City. (continued)

rests with the Goodspeed director on all ventures put
on in association with the Goodspeed.

Advantages to the City

It should be emphasized that in addition to assisting in the success of urban renewal, and creating a cultural resource in the City, the Middlesex Theatre proposal will qualify the City for federal assistance.

Now that Middletown is moving ahead with a plan to expand redevelopment to the North End, the need for renewal credits is confirmed. It is possible that a major share, or perhaps even the entire development cost of the theatre restoration would be granted as a credit, just as the parking garage became a full credit under the first redevelopment project. Thus, because the City must provide either cash or credits for North End renewal, the refurbishing of the theatre would, in fact, cost the City a fractional part of the total cost -- or it might even cost the City nothing.

A Brief Report on EVR

An EVR system consists of a plastic cartridge containing film which is inserted into a portable player somewhat larger than a portable phonograph. The player is easily connected to a home television set and plays through the TV set. It is expected that the impact on the entertainment market in the United States will be similar to that of the invention of the phonograph record.

Although it should be noted that while many firms are going on the market with a home rebroadcast mechanism for TV (and not all are compatible) for the purpose of simplicity we are discussing here the CBS system which is called EVR.

It, or its facsimile, will have several markets. The first of these is professional broadcasting because its reproduction quality, due to electronic coding, is better than regular film and is more predictable in its color fidelity. The second market is television commercials. The third market is the sports and movie market, and the fourth market is the industrial/educational market.

(A Brief Report on EVR)

General Electric has recently announced that it is setting up a major subsidiary to enter the entertainment business and it is significant that both GE and Motorola will pay CBS a commercial royalty of 5 per cent on players.

EVR film is much cheaper than any other substitute, and can be re-recorded at the rate of 20 seconds for every 20 minutes of production time. These two factors highly influence the cheapness of the price. In addition, one cartridge can be used with any number of TV sets which contributes a high potential for educational or sales training uses. It is expected that advertisers will also make use of the new media by subsidizing the cartridge and selling a home show for \$2 to \$3.

From the standpoint of the Middlesex Theatre, the most important point is that a new market will be created for live theatre, plays, musicals, opera and ballet. There will be a demand for both new shows and old shows, and when these are mounted

for the purpose of the legitimate theatre, a new source of subsidiary income will become available. It is possible that because of the Middlesex's proximity to New York, and cheaper production costs, the theatre might be used for production in connection with EVR.

To get some idea of what the impact of the new media could be, it should be realized that thousands of phonograph records are produced each year. But only 42 new shows were mounted, per year, on Broadway during the last few years. There seems little question that a market will be created for all the great old shows, and that their revival will be enhanced. The production of just one cassette of a hit show, with a portion of the royalties going to the Middlesex, would provide major subsidiary income.

The Years Ahead

This report essentially discusses the operation of the Middlesex Theatre in its first year. The budget calls for \$3,000 of internal maintenance (replacing lights, re-upholstery, carpet cleaning, and minor house purchases) but does not provide for exterior or architectural maintenance. It is assumed that in the first year, after restoration, these costs would be virtually nil. For future years, it is assumed that what we refer to as external maintenance (which includes things like plumbing and boilers) would be the responsibility of the City if these could not be paid for by the Middlesex (the method of making that determination would have to be worked out). But the aim is to expand the income of the Middlesex where possible and relieve the City of the maintenance burden.

There are many ways to do this. It should be noted that the plan calls for only 14 days of productions which would yield a share of the profits to the Middlesex. The rest of the time the theatre is merely rented out with no share of the profits. It would be the aim to expand

(The Years Ahead)

the number of days where the theatre would share in profits, seek foundation support, develop a supporting citizen constituency, and strive for subsidiary income from EVR. It should be noted that the possibilities of profit in the latter undertaking could be immense if a hit show were marketed on a cartridge through EVR. Assuming a 10 per cent royalty and half a million sales (many records become golden records in the sense that they sell a million copies), the royalty would be in the neighborhood of \$300,000. Sale of 50,000 cartridges, which is the more likely occurrence, would produce \$30,000 in subsidiary income.

For a number of reasons, it would be expected that in the second, third, fourth and fifth year of operation, and on from there, additional sources of income would be developed. It should also be expected that costs will increase; it seems likely that the net could be increased.