

Merryland Amusement Park - 2010

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Poor financial management and other factors contributed to the owner’s decision to close sell the park. Tony had investors, and they were ready to move. They wanted him to take action before the end of the quarter, even in the face of poor park performance—or, in this case, non-existent performance. Tony’s entrepreneurial magic was just what the enterprise needed, and it was a great fit for his passion for providing fun activities for underprivileged, disadvantaged, and disabled children. Three unique purchase options were now facing him, and the decision day had arrived. Choosing the right plan could make or break his career, his life, his reputation, and all of his personal relationships.

INTRODUCTION

Tony has to make a decision! The owners of Merryland Amusement Park, a derelict “50 acres of fun!” amusement park in Kansas City, have again put the attraction up for sale after several failed attempts to reopen the park. Merryland officially closed its entrance gates to the public in 2009. If Tony waits too long, his colossal theme park dream will vaporize. If he acts too quickly, he might get the keys to the Titanic.

Poor financial management and other factors contributed to the owner’s decision to close and sell the park. Tony has three investment options in front of him, and the investors associated with each are ready to move. All of them want him to take action quickly, even in the face of poor park performance—or, in this case, non-existent performance. Tony’s entrepreneurial magic is just what the amusement park needs, if not more of an entrepreneurial miracle. Moreover, it is the perfect fit for providing fun activities for disabled children—his personal passion.

Tony wants to buy the park, make the renovations, and reopen it under his man-

agement. Altria, a major corporation, has offered all the cash he needs to make the purchase. A local consortium of entrepreneurs gives him more control, but far less cash. And he can't overlook his own borrowing ability which could power a slow and steady upward growth. Regardless of the option, the decision day has arrived. Choosing the right option could make or break his career, his finances, his life, his reputation, and even his personal relationships.

MERRYLAND AMUSEMENT PARK

Kansas City, Kansas, is the site of Merryland, a local theme/fun park that originally opened in 1955. The park was started and managed for 33 years by Stanley Merry, a nephew of the man the park was named after. In 1988, Stanley Merry died and left the park to his only heir, his widowed daughter-in-law, Samantha Steinberg.

Samantha had little interest in owning, and much less in operating, an amusement park. Her second husband, Alan, took up the responsibility for most of the day-to-day operations. Though the couple had run it from 1988 to 2008, Samantha's heart was never into the business. Maintenance budgets and the total number of employees working there gradually eroded over time and were annually reduced to the detriment of the park's operations.

They simultaneously, however, kept annually increasing park entrance fees, "to suck every last dime we can get out of the park," according to Samantha. The same cost increases to patrons occurred with concessions. The Steinbergs had run Merryland for almost 20 years. Falling revenues and a noticeable degrading of the park's facilities prompted longtime owners Samantha and Alan Steinberg to put the amusement park up for sale in the fall of 2006, with an asking price of \$5.8 million for the 50 acre facility. 20 of those acres were still in woods and fields behind the 30 acre theme park area.

Two other groups tried unsuccessfully to take over the operations and keep Merryland going prior to the amusement park officially closing in 2009, but both found the refurbishing costs in addition to operating costs were far more than anticipated. Managing the rising liability insurance costs were equally challenging. In late 2007, Alan Steinberg, now 85, and Samantha Steinberg, herself 87 years old, again had full control of the park and put it on the market, attempting to sell it for a minimum of \$2 million this time around.

"It has to be cash," Samantha stated adamantly. "This time there is no leasing or holding the note." She did quickly add that she and her husband, however, would consider proposals to do something else with the undeveloped land, such as building a corporate headquarters, expanding the park, or some other kind of development opportunity.

Although Merryland only closed its doors in 2009, it has since become a target for vandals, with more than 20 break-ins recently reported. Police arrested two men a month ago after they found spray-painted swastikas and other graffiti on buildings. “They were really reckless,” Alan Steinberg lamented. “They turned over ticket booths, broke into the office, and threw furniture out the windows.”

TONY—ANOTHER HARD WORKING ENTREPRENEURIAL GUY

Born in Chesapeake, Virginia, Tony was raised in a strict Methodist family where he was well heeled in knowing right from wrong, and good from bad. He gained a strong work ethic from watching his parents pull themselves up by their own bootstraps. His dad carved success from a fifth grade education, but vowed he would make better educational opportunities available for his kids. Tony had the same “stick to it” attitude, was outgoing and intelligent, and could quickly galvanize a workforce around a specific target objective—then successfully achieve it.

He attended the University of Richmond with a double major in economics and accounting, and graduated with his bachelorette degree. He served as president of his fraternity, and improved the overall quality of the food, house services, negotiated better utility rates, and achieved all of it without having to increase monthly member rent rates. He liked the attention he received as a fraternity leader and brother, and engaged in his fair share of college pranks along the way. But, even in the midst of college life-style temptations, he never lost sight of his core values, and ultimately viewed the others around him in a “values centric” manner that always seem to direct him to do the right thing in his relationships with them. It also prevented him from going wrong directions, or too far down any wrong plan of action.

In the evenings he managed the snack counter in the university student commons. Not only was he well liked, he also displayed a bent for fixing things that were broken, or anything with an entrepreneurial flavor—even to the point of turning near disasters around while appearing to have a fun-loving time during every minute of the adventure. Even the snack counter had benefitted from his entrepreneurial giftings. He took its daily operation from break even to a sizably profitable venture in the eyes of the university in one semester due to some innovative marketing strategies and more savvy and efficient staffing patterns.

College offered Tony some freedom from his strict upbringing, but he was logical and practical in making decisions. He quit attending church because “it had no practical applicability to his daily life” as far as he could tell. But he also cared deeply about the people around him who were hurting, or in need of special help of some kind.

TONY'S LOVE FOR THE SUMMER CAMP KIDS

Between his freshman and sophomore years, one of Tony's fraternity brothers hired him to work during the summer at an eastern Virginia youth camp. It didn't take long for Tony to again work his entrepreneurial magic. He was instrumental in helping the camp managers get a grip on cash flow and a better system of managing camp expenses. As he implemented his new marketing initiatives, they quickly measured increases in both new campers and the subsequent revenue generated from the steady increase in the number of camp attendees.

He was the leader, the hero, and garnished the attention once again. The campers loved the camp programs, the parents loved the camp, the camp managers loved Tony, and Tony discovered that he really, truly loved working with the kids. The camp finally had a brand identity in the marketplace, a focus, and was gaining a positive reputation throughout the community and state. Although Tony enjoyed working with the camp managers, he soon found that his one true camp love was working with the actual camper kids. He especially thrived from seeing kids with disabilities discover their obstacles and discover their unique talents. The corporate sponsorship opportunity he created significantly increased the number of kids who could finally attend the camp. Working with "his kids" would often cause him to tear up as he watched them learn about their special abilities and skills.

His love for the kids and his ability to make them happy made this the perfect summer job throughout his college career. Sure, the pay wasn't the best, but he got to work with his fraternity brothers. Tony was able to maintain as much fun off the clock as he had during the day with the kids. His "panty raid" attempts occasionally sparked the ire and disdain of the women counselors who felt he should have long outgrown such childish pranks.

Tony competed against the other camp counselors each year for the title of "camp record holder" for an array of competitive events. He would challenge the newer counselors to beat his record for distance hiking, or number of fish caught in one day, although inside he secretly hoped his records would last forever. Building a legacy was important to him, and this was a way he could be favorably remembered long past his tenure with the camp.

His crazy antics and legacy building continued on until his last summer brought him face to face with the new "iron woman" counselor. That was Jennifer, his former pastor's younger sister. Jennifer also attended the University of Richmond, and had been raised in a family steeped in Presbyterian traditionalism. She possessed equally strong core values, but saw the applicability of attending church on Sunday, and was not the least bit daunted or dented by the peer pressures encountered during college.

She had, in fact, remained active in the church and increased her activity by serving as a youth leader for her church's junior-high youth group.

That proved to be the only "common ground" upon which Tony could hold a conversation with her. Their mutual interest in helping disabled children accidentally led Tony and Jennifer to their first date—well, if you can call two polar opposites tolerating a cup of coffee in the presence of each other a "date." But the opposites attract under the laws of the universe, and Tony was most assuredly smitten by Jennifer's precocious obnoxious personality. She was pretty much totally unimpressed with everything about him.

Graduation from the university landed Tony the position of business manager for the camp. The work was fun, but didn't allow the level of daily involvement with the kids, and he sorely missed that. His position did, however, bring him into increased contact with Jennifer, and she actually seemed to be "warming" up to him. Managing a not-for-profit organization put a cap on his entrepreneurial drive, and prevented him from deriving financial dividends from the increased profits he brought to the operation. He was far more the capitalist, with the desire to be rewarded for a job well done. Without the creativity and opportunity to innovate, he quickly lost motivation—especially in light of the lack of financial gain.

TONY AS A SHOWBIZ PIZZA BUSINESS MANAGER

The job as a business manager for a Showbiz Pizza franchise in nearby Camden, Virginia, got his entrepreneurial DNA quickly engaged again. The franchise was a combination pizza parlor, game room, and bar. A local favorite for children's birthday parties and a place for area families to have their family night out, Tony was able to interact more frequently with kids again. During his three years as business manager, he implemented numerous small operational changes that increased corporate profitability. (See Table 1)

He entered into a lease agreement with a local vendor to develop the business model to lease the gaming equipment to all the Virginia Showbiz franchises. This enabled Showbiz to offer its owner/operators the most current games all while reducing operating and repair costs. He also shut the restaurant down at 10 p.m. to families and children, and reopened the bar operation an hour later until 2 a.m. for locals to drink, dance, carouse, play pool, play video games, and have good clean adult fun.

Tony continued to date Jennifer during this time, and she continued to be a positive influence and role model for Tony. She often had to compete, however, with his love for his entrepreneurial activities. She had more competition from ShowBiz than from the threat of "another woman." They still found time to spend together with the kids

they both loved to serve. During his second year at Showbiz, Tony asked Jennifer to marry him. After six long agonizing shifting-decision weeks, Jennifer said yes and they got engaged. Having graduated from the adverse influence of his fraternity brothers and the college environment, he began attending church again with Jennifer. After all, that had been a firm condition of their engagement.

Tony started helping Jennifer with her church youth group. Working with young people again and his engagement to Jennifer motivated Tony to evaluate his career aspirations and current job. He felt compelled to open and run a business exclusively to benefit disabled children and their families. With a pending marriage to Jennifer only a matter of months away, his next career step would be critically important, and he really, really wanted to ensure he made the right decision! When Tony heard that Merryland Amusement Park was up for sale from one of his fraternity brothers, he knew his dream job had arrived!

THE SALE OF MERRYLAND

During the unsuccessful sale attempt and subcontracted operation of Merryland, general park maintenance was neglected, and it became overgrown with weeds as it sits unused. Falling revenues were also attributed to the growing interest in non-traditional theme park attractions fueled by the cost of gasoline and increasingly tight economic conditions (see Table 2). Local real estate values, the lack of maintenance, and no new investment into the park resulted in steadily declining values from 2004 to 2008 (see Table 3).

Other local patrons were more willing to make the longer drives to stay for several days or a week to the larger “mega” theme parks such as Six Flags St. Louis as a family vacation. Although there were no directly competing amusement parks in Kansas, the Steinbergs never seemed to fully grasp the significance of that opportunity (see Table 4). Consequently, small niche amusement centers based in malls had begun to spring up. The bigger, more lavish theme parks, however, offered highly attractive water parks, modern steel coasters, entertainers, and an endless array of promotions, discounts, and family fun “packages” that made it worth the several-hundred-mile drive to be thrilled and entertained (see Table 5).

Merryland’s lack of marketing and promotion in lieu of higher ticket prices further contributed to its own declining backyard patron interest. Alan and Samantha, unlike the previous owners, were far removed from the changing needs, wants, and desires of a new generation of amusement park children, teens, and adults that began to take shape in the early 1990s. Customer demographics had shifted, and Merryland didn’t shift with them.

The Steinbergs initiated a lawsuit against the interim operators. In the lawsuit, they listed Louie the Clown as one of the items damaged or taken from the park. The interim operators all said they knew nothing about the missing clown's whereabouts. The Steinbergs are also attempting to collect \$450,000 in back rent and damages, but the former operators have said that they don't owe anyone any rent for anything.

MERRYLAND'S SCREAMER ROLLERCOASTER

For residents of Kansas City, there was only one reason to go to Merryland—the roller coaster! Some people nicknamed it the “scream machine,” and with good reason. The history of the “*Screamer*” reflected a constant search for greater and more death-defying thrills.

Merryland Park's *Screamer* rollercoaster was a product of the Philadelphia Toboggan Company, and was one of the last surviving original wooden coasters designed by Herbert Paul Schmeck. Along with the *Screamer*, another of the trademark attractions was the park's Wurlitzer organ with Louie the Clown in front of it.

Patrons always loved the wooden coaster and would swear they noticed a big difference in the ride of Merryland's over others. While it wasn't all that tall and not as fast as those in other parks, Merryland's made up for all those shortcomings with its sway—the back and forth motion that created the “out-of-control” sense of pending disaster, especially on the curves. That was due primarily to the *Screamer*'s state-of-the-art wheel technology.

The *Screamer* was one of the first coasters to have some of the newly-developed coaster wheel technology of its day. Once underway, the different types of wheels on the coaster work together to keep the ride smooth. The running wheels guide the coaster on the track. The friction wheels control the lateral sway (movement to either side of the track) motion. The final set of wheels keeps the coaster on the track. Those would have kept it firmly glued to the rails even if it had been inverted. Improved compressed air brakes stopped the train as the ride ended, adding a somewhat last moment of unintentionally designed thrill. The *Screamer* provided a distinctively rough, noisy, and out-of-control feeling for its riders, and its reputation was known throughout Kansas.

TONY'S INTEREST IN MERRYLAND

Tony's mind is racing! Running a theme park would enable him to directly service the disabled kids and their families of Kansas and surrounding states. Additionally, he would have his own business where he could put his creativity and innovative marketing skills to work. And, he could derive compensation commensurate with the work and profits. He could achieve the independent financial success he had not

yet achieved, but still very much desired.

During his investigation into purchasing the park, he discovered that many of the rides were old and their deterioration was reflected on the company's balance sheets (See Table 3). Although antique rides are considered to be an attractive and uniquely distinguishing characteristic for a theme park, it also requires the rides to be in a high-quality refurbished condition. That was not the case for those at Merryland. Maintenance alone would not help their survival; a major renovation of all the rides along with the park's infrastructure would have to be undertaken.

New machinery along with several new primary attraction park rides would need to be purchased and installed. A major renovation of several classic rides had to also occur, and those were expensive to stay true to the original engineering designs, paint schemes, and operational format. Many of the replacement ride parts would have to be custom manufactured.

ROTATIONAL MOTION CONSULTANTS

Tony needed an amusement park ride expert, preferably a contractor who knew the industry and could visit Merryland with him. That's when he found Rotational Motion, a company based in Maryville, Tennessee. They sell all types of new and used amusement rides for theme parks, carnivals, family centers, and equipment for location based entertainment venues. They also have a large inventory of rides available for short- or long-term lease, and are willing to install/lease for a week, month or even up to a year.

James Millner, account representative with Rotational Motion arranged to meet Tony at Merryland on a crisp fall day. "The park is over 50 years old, but they have those old carousels and that big old roller-coaster," explained Tony, pointing at the permanently parked coaster train. "Obviously some people lack the appreciation for rollercoaster history. Sure, the rollercoaster looks as if it could fall apart at any given moment, but the locals say it's still one of the best rollercoasters they've ever ridden. This was one of those places you could go with your friends and family on weekends—and have fun!"

James spent two full days with Tony evaluating the rides, and his early estimates indicated the necessary renovations could not be done for anything less than \$5 million. Rotational Motion is a full service equipment rebuilder. They specialize in working with the best engineers in the industry to ensure all restoration work is done to current safety standards. Their modern company has the machine shops and fabrication facilities capable of working with rides in any state of deterioration. All their refurbishing work is conducted under the direction of structural and electrical

professional engineers. Their electrical system work always meets or exceeds current American Society for Testing and Materials (ASTM) standards.

They are considered to be the best in the industry when it comes to having the knowledge and ability to repair or completely refurbish rides from other manufacturers. They can produce any part an engineer can design. Once refurbished, they are capable of performing ongoing maintenance on refurbished equipment, and factory approved repairs on new equipment.

“This place should have closed 10 years ago based on the equipment condition,” lamented James. He continued, “Simple and old-fashioned are appealing qualities, but ragged, rusty, and scary aren’t. Merryland is proof this region must be highly resistant to change.”

Tony also explored options for the 20 acres of land behind the park. He reasoned that it could be sold to an expanding industrial park for about \$1 million, or perhaps leased for a long-term income option. Upon discussing the possibility of using the acreage for other purposes with the contractor, he noted that the land could also be used to expand the park by adding more rides or even a water park.

James explains that more rides, such as a scenic train ride, can be added for about \$1 million. He notes, however, that a water park will be considerably more expensive, costing upwards of \$10 million. Tony soon realizes the land parcel is not large enough to add both a water park and expand the park with new rides.

The Steinbergs sent Tony with a market psychographics report that had been prepared for them two years earlier by a local university marketing class. Tony believes the most important information in it is that kids under seven like simple rides while kids over seven (including adults) want a variety of rides including water-based attractions.

THE PURCHASE OPTIONS AVAILABLE TO TONY

Several organizations with ties to Kansas City have strong interest, albeit different motivations, for seeing Merryland continue. Each group, however, lacks amusement park management experience to adequately tackle the obstacles facing the operation. The Steinbergs did keep them informed of Tony’s interest, and they subsequently contacted him to discuss their various levels of interest. As Tony met with each, he soon found that three funding options are potentially good matches for the talents he can bring to Merryland.

● OPTION 1 –ALTRIA’S CASH OFFER TO PURCHASE

An executive for Altria had become aware of Tony’s growth performance with Show-

biz Pizza, and was genuinely impressed with his ability to build business, profits, and market share. They originally wanted Tony to work for them, but soon realized that he would fit best in an entrepreneurial setting. Their expansive U.S. market interests had them aware of Merryland, and it wasn't long before they became aware of Tony's interest in the amusement park. Such a venture would help diversify their corporate holdings while providing market penetration.

Altria meets with Tony and offers to carry the entire cost of the renovation and add a water park, something Altria deems necessary for the park to reopen as a profitable operation. Altria's finance executives place a call to Tony and offer to invest \$25 million for the existing park. That amount will include the purchase price, all the required renovations, and the new water park. Additionally, many of the park's attractions will be included in a new climate-controlled energy efficient "green dome" for year-round operation.

Tony is genuinely interested, but wants to know more about the company that is making such a lucrative offer. His research discovered that on January 27, 2003, Philip Morris Companies, Incorporated, changed its name to Altria Group, Inc. Philip Morris USA was a wholly-owned subsidiary of Altria Group. Even under this new name, Altria continued to own 100% of Philip Morris USA. In the fall of 2003, Philip Morris moved its headquarters from New York City to Richmond, Virginia.

Philip Morris USA had split from Philip Morris International in 2008. The resulting drop in cigarette exports motivated Philip Morris to plan a shutdown of its Concord, North Carolina, manufacturing facility and move all domestic production to Richmond. The shutdown is planned to be completed by 2010.

Some view the name change as an effort by Altria to deemphasize its historical association with tobacco products. Altria also formerly owned Kraft Foods, but spun the company off in March 2007 to focus on its tobacco business and products. Despite the problems that Altria faces, its sales continue to grow as evidenced by its 3rd quarter 2009 revenue increase of 5% to \$5.2 billion, primarily from higher sales of its Phillip Morris USA cigarette brands.

Altria Group has a 28.7% economic and voting interest in SABMiller, plc. the world's second-largest brewer. Several consumer groups, however, have called for boycotting all Miller Beer products to put pressure on Altria/Philip Morris to really end smoking by children and under-aged teens.

Altria's specific funding conditions are four-fold.

1. The park must promote only the Altria product line. This will include displaying the Altria name prominently around the park, having all of the rides and game kiosks offer prizes that emphasize the Altria product line, and banning the sale of all other competitors' products.
2. As manager, Tony must offer/honor free tickets and/or discounts to customers who mail in a certain number of points from Altria product cartons and packages.
3. The name of the park must be changed to Altria Gardens and Water Park.
4. Altria wants 10% of the gross profit. They agree to give Tony total control of operations, but insist that he consult with them before he makes any single expenditure over \$50,000. Altria will promote the theme park on its product packages and cartons during pre- and early-season promotions in March and April, and again during July for a fall push.

● **OPTION 2 - LOCAL BUSINESS ENTREPRENEUR'S CONSORTIUM**

A consortium of local Kansas City business entrepreneurs also contact Tony with an offer to purchase the park. Having grown up with Merryland as a part of their community life, strong feelings of nostalgia have motivated them to consider the investment to preserve Merryland as a historical site. Several of them are actively involved with the Kansas City Historical Preservation Society. In their discussions with Tony, they have laid out the following offer:

1. They will allow Tony to make the renovations to the existing park, and let Tony completely manage and control the daily operations.
2. These "venture capitalists" want 40% of the park's net income, but will give Tony total autonomy in running the park's day-to-day operations.
3. They also want the additional 20 acres of land signed over to their control for additional purposes they will not disclose. They state their primary interest in rebuilding the park is to offer the people of Kansas and surrounding states the same experience as they had while growing up.
4. Each of the investors currently runs at least one other business and guarantees park promotion and publicity through those existing enterprises.

● **OPTION 3 – GETTING A LOAN**

The final option Tony considers is getting a conventional business loan. One of his

former fraternity brothers is an investment banker in Norfolk, Virginia.

1. This friend believes Tony could get a loan for the purchase of the park without any difficulty, but he does not believe he can get the full amount needed to renovate Merryland and build the water park. An initial inquiry reveals that Tony could get \$9.2 million for the purchase and renovations.
2. His friend believes that if the park is profitable for the first two years, then he can obtain another \$10 million to build the water park. His friend, however, did not specify what is considered “profitable.”
3. Tony also knows full well that no bank in the world will give him total control to run the park. Indeed, his friend confirms this, indicating most financial institutions will want partial control of daily operations and decision making, and a lot of control in any long-term planning.

THE THINGS TO CONSIDER

The owners of Merryland Amusement Park, a derelict “*50 acres of fun!*” amusement park, have again put the attraction up for sale. Dorothy clicked her heels to return to Kansas. Those who have visited the Merryland Park area of Kansas say you’ll want to do the same after you’ve visited this one-time cattle town turned modern, booming city, where the spirit of the Old West lives on.

Those who leave the Kansas City area say other theme parks just aren’t the same. One of Tony’s fraternity brothers, Franklin, grew up in Kansas City and was a Merryland park regular. He explained to Tony, “Just last year I moved back to Virginia near the DC area, and I’ve been to parks around the United States—from California to Texas, Maryland to Virginia, Florida, and places in between. I still prefer, and horribly miss, my Merryland experience!”

Merryland Park was an integral part of Kansas City’s history, and it’s been a fine part of it (See Tables 6, 7, and 8). Where else could you ride a 50 plus year old coaster? The “old” part of that is the thrill. Merryland Park was dirt cheap, and a nice place to take children. It may have been considered a beginners theme park, but at those prices, how could you resist going without kids? It was a great place for first dates and senior citizens as well.

CONCLUSION

Tony is in love—with his dream, with the kids he serves, with Jennifer, and he’s falling head over heels for Merryland. He has considerable marketing experience and believes he brings valuable business savvy to the park, but that will be primarily

based on the specific type of park he actually opens. That, in turn, will be determined by the financing, which, in turn will ultimately determine:

- Who exactly are Merryland's customers?
- What are their needs, wants, and desires?
- What is the best way to market/advertise/promote the park to its consumers/customers?
- Is control of the operations really important for Tony as an entrepreneur?
- What is the right balance of control/risk for each of the purchase options?
- How will Tony's core values impact his ability to make important decisions?
- Is Tony's passion to help disabled kids overshadowing his ability to bring corporate life back to Merryland?

Tony walks into his office where he slides into his chair. Jennifer watches as he opens an "overnight" letter, takes it out, and slowly scans its contents. Sensing his pensive mood, she breaks the silence by probing, "So, do you want to be an entrepreneur?"

She pauses briefly as Tony looks up from the letter, at which time she continues. "Or do you want to be a business manager?" Tony glances back at the letter as she presses forward. "Or do you want to work with disabled kids?"

Tony sets the letter down on his desk and just stares at it. "According to that," said Tony, pointing to the letter, "I have to respond to the Steinbergs by next Friday. Otherwise, they intend to put Merryland up for sale on eBay—lock, stock and barrel—at a starting bid of \$1.6 million."

TABLE 1
INCOME STATEMENT FOR SHOWBIZ PIZZA

	2006	2007	2008
Sales Revenues	\$450,000.00	\$512,000.00	\$545,000.00
Cost of Goods Sold	\$312,000.00	\$332,000.00	\$345,000.00
Gross Margin	\$138,000.00	\$180,000.00	\$200,000.00
Operating Expense	\$113,000.00	\$143,000.00	\$155,000.00

Operating Income	\$25,000.00	\$37,000.00	\$45,000.00
Interest Expense	\$5,000.00	\$4,200.00	\$4,500.00
Net Income Before Taxes	\$20,000.00	\$32,800.00	\$40,500.00
Taxes	\$8,000.00	\$13,120.00	\$16,200.00
Net Income =	\$12,000.00	\$19,680.00	\$24,300.00

TABLE 2

MERRYLAND INCOME STATEMENTS FOR 2002-2008

	2004	2005	2006	2007	2008
Sales Revenues	1,245,000.00	1,450,000.00	1,253,000.00	1,020,000.00	890,000.00
Cost of Goods Sold	310,000.00	465,000.00	403,000.00	323,000.00	301,000.00
Gross Margin	935,000.00	985,000.00	850,000.00	697,000.00	589,000.00
Operating Expense	736,000.00	796,000.00	780,000.00	595,000.00	502,000.00
Operating Income	199,000.00	189,000.00	70,000.00	102,000.00	87,000.00
Interest Expense	15,000.00	18,000.00	15,000.00	12,000.00	9,500.00
Net Income Before Taxes	184,000.00	171,000.00	55,000.00	90,000.00	77,500.00
Taxes	73,600.00	68,400.00	22,000.00	36,000.00	31,000.00
Net Income	110,400.00	102,600.00	33,000.00	54,000.00	46,500.00
Key Financial Ratios					
	2004	2005	2006	2007	2008
Current Ratio	2.3	2.4	1.9	1.6	1.4
Total Asset Turnover Ratio	1.5	1.7	1.3	1.1	0.9
Net Profit Margin	0.089	0.071	0.026	0.053	0.052
Other Data					
	2004	2005	2006	2007	2008
Employees	10 full, 32 part	10 full, 35 part	8 full, 30 part	7 full, 25 part	5 full, 30 part
Maintenance Expenditures	54,000.00	44,000.00	45,000.00	36,000.00	29,000.00

Average Number of Rides Operating Per Day	22	22	20	19	15
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TABLE 3

MERRYLAND AMUSEMENT PARK BALANCE SHEETS 2005-2009

ASSETS	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Current Assets					
Cash	\$102,600	\$33,000	\$54,000	\$46,500	\$0
Other Current Assets	\$0	\$0	\$0	\$0	\$0
Total Current Assets =	\$102,600	33,000	\$54,000	\$46,500	\$0
PROPERTY, PLANT & EQUIPMENT	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Land	\$4,225,675	\$3,877,925	\$2,722,583	\$2,077,748	\$1,893,932
Land Improvements	\$37,500	\$32,250	\$25,500	\$5,000	\$0
Buildings	\$202,600	\$183,000	\$172,000	\$156,500	\$125,000
Equipment (Rides)	\$425,000	\$375,000	\$325,000	\$225,000	\$175,000
Total Prop Plnt & Eqmt =	\$4,890,775	\$4,468,175	\$3,245,083	\$2,464,248	\$2,193,932
Total Assets =	\$4,993,375	\$4,501,175	\$3,299,083	\$2,510,748	\$2,193,932
LIABILITIES & CAPITAL	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Current Liabilities					
Accounts Payable	\$75,702	\$80,950	\$68,064	\$89,325	\$98,783
Current Borrowing	\$72,146	\$75,388	\$72,466	\$74,539	\$107,414
Other Current Liabilities	\$26,723	\$28,943	\$24,889	\$29,385	\$31,845
Subtotal Current Liabilities	\$174,571	\$185,281	\$165,419	\$193,249	\$238,042
Short-term Liabilities	\$54,723	\$50,630	\$46,598	\$42,554	\$39,784
Total Liabilities =	\$229,294	\$235,911	\$212,017	\$235,803	\$277,826
Net Worth =	\$4,764,081	\$4,265,264	\$3,087,066	\$2,274,945	\$1,916,106

TABLE 4

KANSAS ENTERTAINMENT ATTRACTIONS

Name	Address	Facility Type	Attraction Description
All Star Adventures (East)	1010 N. Webb Road Wichita, KS	Amusement Park	Wichita's only amusement park with rides for kids and go karts.
David Traylor Zoo of Emporia	75 Soden Road Emporia, KS 66801	Zoo	The David Traylor Zoo provides an opportunity of cultural enrichment for the community and surrounding area while fulfilling the Zoo's obligations to conservation, education and recreation.
Rolling Hills Wildlife Adventure	625 N. Hedville Road Salina, KS 67401	Zoo	The facility brings you face-to-face with a rare white camel, an Indian rhino, a curious orangutan, an ornery aardvark or many of the other animals of the 100 plus species of wildlife at home in the zoo. Animals have spacious and naturalistic environments throughout 60 acres of beautifully landscaped park.
Sedgwick County Zoo	5555 Zoo Boulevard Wichita, KS 67212	Zoo	The Sedgwick County Zoological Society was established by the volunteer efforts of civic-minded citizens in 1963. The American and Asian farms opened as the only exhibits in 1971, and the Zoo has seen steady progress through the past three decades with major exhibits opening every few years.
Sunset Zoo	2333 Oak Street Manhattan, KS 66502	Zoo	The Sunset Zoo is a nice small town zoo. Most of the displays are modern and roomy. The zoo allows visitors to go into a number of the pens with just the instructions to stay on the paths.
Topeka Zoological Park	635 SW Gage Boulevard Topeka, KS 66606	Zoo	The zoo is a passport to discovering new and exciting worlds of adventure offering a wide variety of exotic animals for education and enjoyment.
Wild West World	7300 North Wild West Drive Valley Center, KS 67147	Theme Park	Featuring cowboys and Indians, Wild West World is the first major theme park in Kansas and the world's only one sporting an all-Western theme. The park opened in May 2007 and closed in July 2007. Its owners declared bankruptcy and were hoping to sell the park so that it could reopen. Those plans failed, however. The rides were sold to other parks.
Zonkers	20070 W. 151 st Street Olathe, KS 66061	Theme Park	Zonkers (previously Jeepers!) is an indoor theme park serving families with children of all ages. The park provides a diverse mix of arcade games and amusement rides built to scale for indoor use. Rides include the popular Python Pit (Roller Coaster), Yak Attack (Mini-Himalaya), Venetian Carousel, Train, and Banana Squadron (Airplane Ride).

TABLE 5
MISSOURI ENTERTAINMENT ATTRACTIONS

Name	Address	Facility Type	Attraction Description
Carousel Park	3834 W 7th Street Joplin, MO 64801	Amusement Park	This is a family fun park for young and old. Park features dozens of Amusement rides, two 18-hole miniature golf courses, multi-speed batting cages, the fastest go karts in the area, water-spraying bumper boats, an exciting indoor arcade, indoor and outdoor birthday party areas.
BigSurf	Hwy 54 and State Road Y Linn Creek, MO 65052	Water Park	Welcome to the Biggest, Fastest, Funnest, Safest, Cleanest, Number One-en-est Waves at the Lake of the Ozarks! Now in our 21st season! At Big Surf Waterpark, we are committed to providing a fun and safe environment for staff and families alike!
Dickerson Park Zoo	3043 North Fort Springfield, MO 65803	Zoo	Zoo is dedicated to enhancing our quality of life while preserving the abundance and diversity of life on earth by providing meaningful recreational experiences, educating the public through exhibition of animals, organized programs and activities that will increase awareness, appreciation of, and respect for nature, conserving animals and plants through the propagation and maintenance of zoo collections and involvement in the protection and management of natural areas and wild populations, and conducting scientific studies that add to our knowledge of the natural world.
Kansas City Zoo	6800 Zoo Drive Kansas City, MO 64132	Zoo	The zoo conserves and provides access to wildlife and to entertain and educate our visitors, to instill a sustained respect for nature. Zoo desires to always be known as one of the best zoos in the nation. It's a private not-for-profit with 202 acres with more than 1,000 animals.
Laser Storm	5217 NE Antioch Road Kansas City, MO 64119	Game Attraction	Laser tag games and parties for groups.
Oceans of Fun	4545 Worlds of Fun Avenue Kansas City, MO 64161	Water Park	The park has over 60-acres of drenching slides and water attractions. Oceans of Fun offers fun for the entire family. From 18 water slides to water attractions just for kids, there is a way for everyone to cool off!

Saint Louis Zoo	One Government Drive St. Louis, MO 63110	Zoo	The zoo conserves animals and their habitats through animal management, research, recreation, and educational programs that encourage the support and enrich the experience of the public. The zoo is an international leader in animal management, research, conservation, exhibits, education and guest experiences.
Silver Dollar City	399 Indian Point Road Branson, MO 65616	Theme Park	Park for all ages combines the wholesome family fun of a major theme park with the timeless appeal of crafts and a dedication to preserving 1880s Ozarks culture.
Six Flags St. Louis	P.O. Box 60 Eureka, MO 63025	Theme Park	Six Flags St. Louis is a major amusement park featuring eight themed lands of adventure. The six flags that fly over the park represent the countries and states that have influenced St. Louis history—France, Spain, Great Britain (which at one time had jurisdiction over the area), Illinois, Missouri and the U.S.A. The park features more than 40 attractions and game areas, more than 25 food outlets and gift shops, live shows and a tropical paradise water park called Hurricane Harbor.
Super Splash USA	5912 Lawn Avenue Kansas City, MO 64130	Water Park	Small-sized water park with a lot of nice things for the whole family to enjoy.
White Water	3505 W Highway 76 Branson, MO 65616	Water Park	White Water is Branson's only outdoor water park and features the largest selection of water rides and water attractions in the Ozarks. Attractions include water-blasters, super-soakers, speed water slides, and a wave pool. Kalani Towers is a 6-lane freefall and racing thrill slide with two 75-foot freefall drop lanes or four mat racing lanes over 310-feet long.
Worlds Of Fun	4545 NE Worlds of Fun Drive Kansas City, MO 64161	Theme Park	The park is themed around the Jules Verne book, <i>Around the World in Eighty Days</i> , and is divided into five major sections--Scandinavia, Africa, Europa, the Orient, and Americana. Rides, attractions, shops, shows, and restaurants are named according to the area theme. The park also has an attached water park called Oceans of Fun.

TABLE 6

2008 GENERAL KANSAS CITY, KS, POPULATION DEMOGRAPHICS

SUBJECT	NUMBER	%	SUBJECT	NUMBER	%
Total population =	146,866	100.0	HISPANIC, LATINO & RACE		
BY SEX AND AGE			Total population =	146,866	100.0
Male	71,769	48.9	Hispanic/ Latino (of any race)	24,639	16.8
Female	75,097	51.1	Mexican	20,597	14.0
Under 5 years	11,953	8.1	Puerto Rican	253	0.2
5 to 9 years	11,868	8.1	Cuban	178	0.1
10 to 14 years	11,388	7.8	Other Hispanic or Latino	3,611	2.5
15 to 19 years	11,314	7.7	Not Hispanic or Latino	122,227	83.2
20 to 24 years	10,975	7.5	White alone	71,870	48.9
25 to 34 years	21,341	14.5			
35 to 44 years	21,946	14.9	HOUSEHOLD BY TYPE		
45 to 54 years	17,717	12.1	Total households =	55,500	100.0
55 to 59 years	6,253	4.3	Family households (families)	36,226	65.3
60 to 64 years	5,072	3.5	W/own children <18 yrs	18,032	32.5
65 to 74 years	8,973	6.1	Married-couple family	22,878	41.2
75 to 84 years	6,056	4.1	W/own children <18 yrs	10,246	18.5
85 years and over	2,010	1.4	Female householder, no husband present	10,108	18.2
Median age (years)	32.3	(X)	W/own children under 18	6,176	11.1
18 years and over	104,917	71.4	Nonfamily households	19,274	34.7
Male	50,196	34.2	Householder living alone	16,180	29.2
Female	54,721	37.3	Householder 65 yrs/over	5,512	9.9
21 years and over	98,122	66.8	Households with individuals under 18 years	20,826	37.5
62 years and over	19,964	13.6	Households with individuals 65 years & over	12,720	22.9
65 years and over	17,039	11.6	Average household size	2.62	(X)
Male	6,830	4.7	Average family size	3.25	(X)
Female	10,209	7.0			
RACE			SCHOOL ENROLLMENT		
One race	142,481	97.0	Popltn >3 years in school	39,564	100.0
White	81,910	55.8	Nursery school, preschool	2,812	7.1
Black or African American	44,240	30.1	Kindergarten	2,286	5.8
Am. Indian/Alaska Native	1,103	0.8	Elementary school (1-8)	19,158	48.4
Asian	2,527	1.7	High school (grades 9-12)	8,804	22.3
Asian Indian	219	0.1	College or graduate school	6,504	16.4
Chinese	250	0.2	EDUCATIONAL ATTNMNT.		
Filipino	107	0.1	Population 25 years & over	89,540	100.0
Japanese	35	-	Less than 9th grade	8,132	9.1
Korean	134	0.1	9th to 12th grade, no diploma	15,671	17.5
Vietnamese	206	0.1	High school grad/ equivalent	30,780	34.4
Other Asian	1,576	1.1	Some college, no degree	19,580	21.9
Native Hawaiian/Pac. Isldr	56	-	Associate degree	4,922	5.5
Native Hawaiian	16	-	Bachelor's degree	6,566	7.3
Guamanian or Chamorro	11	-	Graduate/ prfsl. degree	3,889	4.3
Samoa	21	-	% high school grad or higher	73.4	(X)
Other Pacific Islander	8	-	% bachelor's degree/ higher	11.7	(X)
Some other race	12,645	8.6	- Represents zero or rounds to zero.		
Two or more races	4,385	3.0	(X) Not applicable.		

TABLE 7

2008 KANSAS CITY MARRIAGE STATUS, INCOME, & EMPLOYMENT DATA

SUBJECT	NUMBER	%	SUBJECT	NUMBER	%
MARITAL STATUS			DISABILITY STATUS OF THE CIVILIAN NON-INSTITUTIONALIZED POPULATION		
Population 15 years and over	111,531	100.0	Population 5 to 20 years	36,723	100.0
Never married	33,889	30.4	With a disability	3,569	9.7
Now married, except separated	51,863	46.5	Population 21 to 64 years	81,013	100.0
Separated	3,049	2.7	With a disability	21,334	26.3
Widowed	8,166	7.3	Percent employed	54.7	(X)
Female	6,653	6.0	No disability	59,679	73.7
Divorced	14,564	13.1	Percent employed	74.4	(X)
Female	8,243	7.4	Population 65 years and over	16,381	100.0
GRANDPARENTS AS CAREGIVERS			With a disability	8,289	50.6
Grandparent living in household w/ one or more grandkids <18 yrs	4,643	100.0	EMPLOYMENT STATUS		
Grandparent responsible for grandchildren	2,210	47.6	Population 16 years and over	109,206	100.0
VETERAN STATUS			In labor force	68,858	63.1
Civilian pop. 18 years & over	104,921	100.0	Civilian labor force	68,791	63.0
Civilian veterans	13,780	13.1	Employed	62,940	57.6
			Unemployed	5,851	5.4
INCOME			% of civilian labor force	8.5	(X)
Households	55,533	100.0	Armed Forces	67	0.1
Less than \$10,000	7,289	13.1	Not in labor force	40,348	36.9
\$10,000 to \$14,999	4,310	7.8	Females 16 years and over	56,961	100.0
\$15,000 to \$24,999	8,784	15.8	In labor force	32,977	57.9
\$25,000 to \$34,999	8,694	15.7	Civilian labor force	32,968	57.9
\$35,000 to \$49,999	9,962	17.9	Employed	30,301	53.2
\$50,000 to \$74,999	9,683	17.4	Own children < 6 years	13,044	100.0
\$75,000 to \$99,999	4,222	7.6	All parents in family in labor force	7,737	59.3
\$100,000 to \$149,999	2,005	3.6			
\$150,000 to \$199,999	280	0.5	INCOME		
\$200,000 or more	304	0.5	Families	36,581	100.0
Median household income (dollars) [†]	33,011	(X)	Less than \$10,000	3,064	8.4
With earnings	43,921	79.1	\$10,000 to \$14,999	1,903	5.2
Mean earnings (dollars) [†]	41,825	(X)	\$15,000 to \$24,999	5,208	14.2
With Social Security income	14,879	26.8	\$25,000 to \$34,999	5,718	15.6
Mean So. Sec. income (dollars) [†]	10,923	(X)	\$35,000 to \$49,999	7,257	19.8
W/Supplemental Security Income	3,063	5.5	\$50,000 to \$74,999	7,773	21.2

Mean Supplemental Security Income (dollars) ¹	5,774	(X)	\$75,000 to \$99,999	3,561	9.7
With public assistance income	2,545	4.6	\$100,000 to \$149,999	1,649	4.5
Mean public assistance income (dollars) ¹	2,492	(X)	\$150,000 to \$199,999	225	0.6
With retirement income	8,804	15.9	\$200,000 or more	223	0.6
Mean retirement income (dollars) ¹	14,900	(X)	Median family income (dollars)	39,491	(X)
Median earnings (dollars):			Per capita income (dollars) ¹	15,737	(X)
Male full-time, year-round workers	30,992	(X)	¹ If the denominator of a mean value or per capita value is less than 30, then that value is calculated using a rounded aggregate in the numerator.		
Female full-time, year-round workers	24,543	(X)	- Represents zero or rounds to zero. (X) Not applicable.		

TABLE 8

KANSAS EMPLOYMENT SUMMARY BY INDUSTRY

	2008	2009	Level Change	Percent Change
Total Nonfarm	1,384,042	1,387,871	3,829	0.3%
Production Sectors	260,502	260,838	336	0.1%
Natural Resources, Mining & Cons.	74,329	75,006	677	0.9%
Manufacturing	186,073	185,333	-740	-0.4%
Durable Goods	120,175	120,431	256	0.2%
Non-Durable Goods	65,898	64,901	-997	-1.5%
Trade, Transportation & Utilities	261,824	258,253	-3,571	-1.4%
Wholesale Trade	60,476	60,895	419	0.7%
Retail Trade	147,394	144,713	-2,681	-1.8%
Transportation & Utilities	53,954	52,645	-1,309	-2.4%
Service Sectors	601,921	607,922	6,001	1.0%
Information	40,614	39,179	-1,435	-3.5%
Financial Activities	74,139	74,963	824	1.1%
Professional & Business Services	147,037	149,603	2,566	1.7%
Educational & Health Services	172,545	175,496	2,951	1.7%
Leisure & Hospitality	115,457	116,230	773	0.7%
Other Services	52,129	52,451	322	0.6%
Government	259,795	260,858	1,063	0.4%

*Annual values are derived from average quarterly observations and projections. Detail may not sum to total due to rounding.