

# **EnviroPure Express Wash, LLC Demos & Site Selection Presentation Outline**

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## **Express Wash Customer Demographics Survey Results (Information extracted from ICA survey)**

### **1. Age of Patron**

- **Less than 8% are under 30 years old**
- **Approx. 72% are between 30 and 60**
- **Approx. 20% are over 60 years of age**

### **2. Household Status**

- **Approx. 70% are members of a family**
- **Approx. 30% are single, non-family**

### **3. Household Size**

- **24% members of single family household**
- **41% members of two person household**
- **15% members of three person household**
- **10% members of four person household**
- **10% members of five or more person household**

### **4. Marital Status**

- **61% Married**
- **14% Never Married**
- **13% Divorced or Separated**
- **12% Widowed**

### **5. Home Ownership**

- **81% own their own home**

- **17% Rent**
- **2% Live free with others (Dependents of others)**

## **6. Dwelling Occupancy**

- **4% Mobil homes**
- **75% Single family detached**
- **5% Single family attached**
- **3% Duplex**
- **13% Apartments**

## **7. Annual Incomes**

- **11% Under \$15,000**
- **17% Between \$15,000 and \$25,000**
- **25% Between \$35,000 and \$40,000**
- **21% Between \$40,000 and \$60,000**
- **26% Over \$60,000**

## **8. Frequency of Washing in the Past Four Weeks**

- **34% Washed once**
- **26% Washed twice**
- **11% Washed more than twice**
- **29% Had not washed at all in the last four weeks**

## **Express Wash Site Selection Criteria**

- **Zoning – Currently zoned or able to be zoned for retail car wash operations**
- **Concurrency**
- **Property Dimensions – 45,000 SF target size with 40,000 traffic count...larger properties required with increased traffic counts**
- **Site Accessibility – Must have easy ingress and egress**
  - > **Turn Lanes**
  - > **U-turn”**
  - > **Corner**
  - > **Traffic Light**
  - > **Stop Signs**
- **Traffic Counts**

## **Site Evaluation Program – Excel Based**

- **Excel data input requirements**
- **Site locations on streets**

The area profile is the description of the adjacent and concurrent businesses located in the immediate area. Shopping is the most desirable class because surveys of wash customers indicate that many were in the area to shop for various goods and services when they decided to wash their vehicle in an un-planned purchase. There seems to be a corollary between shopping and a spontaneous purchase of a car wash service.

Business, Residential and Industrial follow in desirability with business being the second best area. Business is described as banking, medical, non-retail such as doctors, lawyers, accountants and other such professions.

Residential and Industrial classifications speak for themselves. Such areas are the least desirable areas.

Competition is defined as any car wash facility delivering like services within the trade area. EnviroPure's express model is defined as an exterior (outside wash service) with free vacuums; generally post-wash. Like services would include conveyORIZED operations delivering the same type services. It is highly unlikely that a directly competitive facility will be encountered because of the small quantity of express-type facilities in the Southern California marketplace.

For the purposes of evaluation, all car wash facilities should be mapped if found within a 5 mile radius of the proposed site so that awareness and consideration are given to all types of competition.

Facilities to be mapped should include coin operated self service, free standing in-bay automatics, conveyORIZED systems, hand wash facilities and all gasoline station facilities with car wash operations.

EnviroPure Express concept will be open 7:00 am until 9:00 pm seven days a week. When considering sites, attention should be given to any condition present that would preclude operations during planned hours. CC &Rs as well as other conditions may be present that may restrict the hours of operation to an unsatisfactory level making the site not acceptable.

In general, locations on the corner just down-stream of a traffic light or on the inside lot just before the corner lot are considered the best locations because traffic typically does not back up in front of the property impeding ingress or egress to the property. Additionally, vehicles stopping at the light prior to the property have "stare-time" during which purchase decisions are often made.

Inside or corner lots prior to or up-stream of the traffic light may be as desirable provided ingress and egress are not impaired. This may be accomplished by use of turn lanes and secondary egress back into non-traffic access roads. The primary concern is to determine whether standing traffic will impede the access to the property. If access is impeded, the lot will probably be unacceptable.

Inside lots on primary traffic roads are also acceptable. This lot is most desirable when the lot is highly visible to the passing traffic and not hidden by adjacent buildings or businesses.

In concurrence with the site's location on the street, the ease with which customers can enter and exit the site profoundly affects the volume of vehicles that will be processed at the facility. A site with otherwise good qualities such as visibility, high traffic counts and demographics, will not be successful if the ingress and egress at the site is difficult.

Easy in and out can best be valued by estimating the comfort level of patrons with children in the vehicle entering or exiting the facility. If the patron feels at ease with their children's safety entering and exiting the facility, this is an easy in and out. If they fear a complicated entrance, oncoming traffic or any other condition, the location will have difficulty.

Speed, turning lanes, location for U-turns, corners, traffic signals, stop signs and other traffic factors must be considered and detailed at each site for proper evaluation to take place. Safety and ease of ingress and egress are of the highest importance.

While stacking is not directly related to the site selection process, it should be discussed how queuing affects wash volume. The number of cars that can be stacked prior to the pay stations / gates and then between the pay station / gates and the beginning of the conveyor are directly related to the number of vehicles that can be processed at the site. Queuing prior to and after the gates provides an operating cushion by allowing the new or inexperienced customer time at the gates without affecting the actual utilization of the conveyor capacity. If customers take more time than usual to make their purchase, they create a "gap" in the queue between the gates and the conveyor. This can be overcome without volume penalties with proper queuing.

Ideally, two or three lanes with more than 10 cars prior to the gates and 5 cars after the gates are desirable. Sites will be designed to maximize these two criteria.

Please study the slides showing typical layouts on rectangular and square properties of approximately 45,000 square feet.

Locations should be sized to provide ample space for free, post-wash vacuum stalls. Typically, we have found that one in every three or four customers who visit the facility will avail themselves of the free vacuum.

For a location with a traffic count of 50,000 cars per day, we will see maximum hourly volumes in excess of 150 cars. At 150 cars per hour, the targeted number of vacuum stalls is 38 (1/4 of 150).

It should be noted that while there is a volume penalty paid if an insufficient number of vacuum positions are provided, this may be mitigated by changing the access to the vacuums from “controlled” to “uncontrolled”.

Controlled and uncontrolled simply means whether or not you must wash prior to gaining access to the vacuum area or if you can access the vacuum area at any time during hours of operation.

The number of “Auto Sentry” positions directly determines the maximum volumes that can be processed on site regardless of the volume capacity of the wash equipment. Each “Auto Sentry” is capable of processing 65 to 70 customer transactions per hour.

There will never be less than two “Auto Sentries” on any site because of the minimum volume requirements set by EnviroPure. Many locations will have three “Auto Sentries” and wash equipment must be matched for optimum operational volumes to be achieved.

Studies have indicated that many customers using the car wash facilities are impulse buyers. They stop in because they see the facility or the facility sign, make a subconscious judgment that their vehicle is in need of a wash service and pull into the facility to purchase the service. The level of spontaneity is believed to be greater for the exterior express than in the traditional full service facility because of the much shorter time requirement of the express. At 5 minutes, the customer can “fit it in” to their other activities whereas at 30 to 45 minutes, the full service limits spontaneity.

Visibility is critical in allowing for the spontaneous purchase. The customer must be able to see the facility, make their judgment and have time to pull into the facility.

Traffic speed, as with visibility, has a direct affect on the customer’s ability to make a spontaneous purchase as well as affecting their ease of ingress

and egress. Higher traffic speeds mean less opportunity to make the spontaneous purchase and it means less comfort exiting and entering traffic patterns.

Demographic data should be provided for three categories. The data should be taken from the “three mile ring” for the location.

Average Household Size is self explanatory. Enter the data from the survey.

% of population 25 to 65 may need to be calculated from more than one data field provided in most demographic reports.

% of Household with incomes greater than \$35,000 may also need to be calculated from more than one data field in the demographic report.

Base price of car wash will always be \$5.00.

Use a value of 100 for the “Wax-Polish” index.

At the pay station, put the \$11.00 service on the “Menu of Services” at the car driver’s eye level.

*Source: NS Corp Investor Package Nov. 2006, plus Division Mgr. Interview*