

SUMMARY OF BUSINESS OPPORTUNITY

The following summarizes the key elements of the business opportunity for the EVER001-16 Draft Contract. Should the facts and figures presented in the Summary differ from or contradict the Draft Contract in any way, the Draft Contract will prevail.

The existing Concessioner is Everglades National Park Boat Tours Inc., under CC-EVER002-08 (“Existing Contract”), a copy of which is included in the appendices to this Prospectus.

Nature of Business and Services Provided

The Draft Contract describes the following visitor services.

Exhibit S-1. Required and Authorized Services in the Draft Contract

Required Services	Location
Lodging	Flamingo
Camping	Flamingo and Long Pine Key
Boat Tours	Florida Bay and Whitewater Bay
Food & Beverage	Flamingo
Retail	Flamingo
Fuel Sales	Flamingo
Equipment Rentals	Flamingo
Marina Services including Houseboat Rentals	Flamingo
Boat Portage Service	Flamingo
Authorized Services	
Additional Lodging	Flamingo
Guided Fishing, Canoeing, and Sailing	Florida Bay and Whitewater Bay
Fish Cleaning and Freezing	Flamingo
Visitor Shuttle To Canoe Launch Sites	Flamingo
Mobile Food Service	Long Pine Key
Special Events	Flamingo and Long Pine Key
Chase/Tow Boat Service	Flamingo
Camping Set-up	Flamingo and Long Pine Key

Source: National Park Service

Concession Facilities Improvement Program (New Construction)

The Concessioner must undertake and complete a Concession Facilities Improvement Program (CFIP) costing no more than \$6,002,700 and no less than \$4,911,300, and have the real property improvements available for public use on or before December 1, 2018. The CFIP construction must meet Florida Building Code, Version 2014. The CFIP includes construction of 24 new elevated cottages, construction of foundations for 20 eco-tents, construction of an elevated family casual dining restaurant to contain retail space and an overnight accommodation check-in area not to exceed 4,000 square feet, and associated utilities upgrades, and other infrastructure, landscaping, and site work. The Concessioner must locate cottages near the site of the previous lodge, the eco-tents in the walk-in campground, and the restaurant near the cottages. The Concessioner should factor service areas (service laundry, linen storage, etc.) in its construction design. These cost estimates include the personal property required to operate the facilities.

The Service will pay down in full any Leasehold Surrender Interest obtained by the Concessioner up to \$5,000,000 upon completion of the CFIP and once the LSI amount is approved by the Service. LSI approval



typically occurs within six to nine months after the completion of the CFIP. If the approved LSI amount exceeds \$5,000,000, the Service intends, but is not obligated, to pay down the remaining amount no later than the end of the contract term.

Exhibit S-2. Estimated CFIP Construction Cost*

Description	Total Estimated Net Construction Cost
Studio Guest Cottages (4)	\$405,960
1-bedroom Guest Cottages (12)	\$1,438,200
2-bedroom Guest Cottages (8)	\$1,146,480
Cottage Area Infrastructure and Site work, ADA Ramp	\$783,360
Eco-tent Foundations (20) (tents are personal property)	\$102,000
Eco-tent Area Infrastructure and Site work	\$193,800
Maintenance Area Storage Unit	\$40,800
Restaurant with Retail and Lodging/Campground Check-in	\$1,346,400
Total Net Construction Cost	\$5,457,000

Source: National Park Service

*Amounts include personal property

Concession Facilities

An itemized chart and map showing assigned land and real property improvements (“Concession Facilities”) can be found in Exhibit D to the Draft Contract, which is presented in Part IV of this Prospectus. The Concessioner must provide maintenance, repairs, housekeeping, and grounds-keeping of the Concession Facilities, as provided in the Draft Contract and the Operating Plan, Exhibit B to the Draft Contract.

Estimate of Initial Investment

The next exhibit shows the Service’s estimate of the Concessioner’s required initial investment at the commencement of the Draft Contract in 2017 dollars. This includes new construction, personal property, inventory, deferred maintenance, start-up costs and working capital (staff hiring, training, etc.).

Exhibit S-3. Estimated Initial Investment¹

Item	Estimated Amount (2017 Dollars)
Concession Facilities Improvement Program (New Construction)	\$5,457,000
Leasehold Surrender Interest	\$0
Personal Property	\$1,393,320
Inventory Investment	\$88,740
Deferred Maintenance (2016 and 2017)	\$353,940
Start-up Costs and Working Capital	\$313,140
TOTAL	\$7,606,140

Source: National Park Service

¹ These estimates are not warranted by the Service and the Service is not bound by these estimated amounts. All Offerors are responsible for conducting their own due diligence and calculating their own initial investment estimates.



Leasehold Surrender Interest (LSI)

LSI is defined in the Draft Contract and its associated exhibits. There is no LSI in the Existing Contract.

As described above, the Service anticipates the Concessioner will incur LSI as a result of the required CFIP under the Draft Contract. The Service will pay down LSI obtained by the Concessioner up to \$5M upon completion of the CFIP and approval of the LSI amount by the Service. LSI approval typically occurs within six months after the Director's determination of cost. If the approved LSI amount exceeds \$5,000,000, the Service intends, but is not obligated, to pay down the remaining amount no later than the end of the contract term.

Annual Revenue

The following exhibit shows historical revenue from the operations under the Existing Contract (no lodging or campgrounds).

Exhibit S-4. Historical Annual Revenue			
	2013	2014	2015
Total Revenue	\$1,804,425	\$2,157,000	\$2,249,823

Source: National Park Service

Repair and Maintenance Reserve

The Draft Contract requires the Concessioner to establish a Repair and Maintenance Reserve for repair and maintenance projects non-recurring within a seven-year time frame. The Service estimates the contribution to this fund at approximately one percent (1%) of gross receipts per year dedicated to this reserve account.

Preferred Offeror Determination

The 1998 Concessions Act includes the limited right of preference in renewal for statutorily defined outfitter and guide services and small contracts. The Service has determined, pursuant to 36 C.F.R. Part 51, there is no "preferred offeror" who is eligible to exercise a right of preference for the award of the Draft Contract. The solicitation for commercial service is fully competitive.

Minimum Wage

The minimum wage for federal contractors established by Executive Order 13658 and 29 CFR Part 10 will apply to the Draft Contract and is included in the analysis of the minimum franchise fee. In estimating the minimum wage requirements of the Draft Contract and their impact on the minimum franchise fee, the Service estimated the Consumer Price Index for All Urban and Clerical Workers, U.S. City Average ("CPI-W") will increase annually by two and four tenths percent (2.4%) over the term of the Draft Contract. As stated in 29 C.F.R. Part 10, the actual minimum wage for federal contractors during the term of the Draft Contract will be evaluated each year by the United States Department of Labor based on the annual change in the CPI-W.

Franchise Fee

For the first two years of the contract the Service estimates a minimum franchise fee of approximately **one percent (1%)** of the annual gross receipts for the preceding year. For the remaining term of the contract the service estimates a minimum franchise fee of approximately **nine percent (9%)** of the annual gross receipts for the preceding year. Offerors, however, may propose a higher minimum franchise fee.



Contract Term

The term of the Draft Contract is twenty (20) years, the maximum length allowed by law. This term reflects the challenges with restarting the lodging operations and rebuilding the food and beverage and retail operations. The Service estimates a beginning date of August 1, 2017. If the Concessioner fails to complete the CFIP to the satisfaction of the Director within the time specified, then this Contract shall be for the term of five years until its expiration on or about July 31, 2022.

