

CONCESSIONS PLANNING PROCESS

A. PURPOSE

The purpose of concessions planning is to guide and control the establishment and administration of commercial visitor services and facilities within a park area. In order to provide quality services at reasonable rates, concessions planning must be fully integrated into the National Park Service planning and decision-making process as it is implemented at all levels.

Concessions operations within a park must be viewed as a tool of management to be utilized to achieve the objective of that park. These objectives, and the actions taken to meet them, grow out of the overall park planning process and should be based on considerations such as visitor needs, the agency's ability to satisfy those needs, the resource itself and its carrying capacity. It is incumbent upon NPS to recognize legal and contractual obligations to the concessioner in order that he/she may have an opportunity to realize a reasonable return on investment. Without a reasonable margin of profit, visitor needs and services would be substantially compromised. As park objectives change, a corresponding revision in the concessions management program should occur to complement those objectives.

B. FUNDAMENTAL CRITERIA: "NECESSARY AND APPROPRIATE"

Within the framework of any concessions planning, a fundamental issue to be addressed concerns the determination as to what is "necessary and appropriate" for public use and enjoyment of a national park area as defined by the Concessions Policy Act of 1965 (Public Law 89-249).

It is the policy of the Congress that such development shall be limited to those that are necessary and appropriate for public use and enjoyment of the national park area in which they are located and that are consistent to the highest practicable degree with the preservation and conservation of the areas.

One of the primary difficulties in working with Public Law 89-249 lies in defining the terms "necessary and appropriate" so that they are compatible with environmental considerations, practical business management, local conditions, area visitation, and enabling legislation. Such factors tend to preclude a definitive system which would exactly fit every park situation and, in fact, suggest the need for a process which allows for specific area input, rather than a strict list of criteria.

The terms "necessary and appropriate" were not defined in the legislative history; however, it is reasonable to assume that Congress was drawing a parallel with the "use and preservation" mandate of the 1916 Act. Both the 1916 Organic Policy Act and the 1965 Concessions Policy Act place emphasis on the conservation and preservation of National Park System resources, while at the same time providing for their use in a wise and nonconsumptive manner.

For the purpose of carrying out the 1965 Act, the following definitions apply:

Necessary: required to meet the needs of the visitor/public.

Appropriate: compatible with the park's natural, cultural and/or recreational resource(s), recognizing the purpose of the established area.

### C. THE PROCESS

The decision that a concession is "necessary and appropriate" is reserved to designated levels of management (see Chapters 1, ¶D5 "Approval Authority," and 5, ¶D "Responsibilities/Role and Function" for specific authorities) and must be consistent with approved plans for the park area. Like other park planning decisions, it is the logical outgrowth of a process rather than a set of rules. Affirmative decisions are documented in the Fact Sheet or Prospectus. Negative decisions are documented as required.

Exhibit 1 to this chapter is a sequence for planning commercial services and facilities. The sequence provides a systematic approach to considering factors which affect the necessity and appropriateness of a given service or facility. It is similar to the NEPA documentation process, tailored to include economic and business concerns relating to concession operations. The steps are followed in order; if a proposed concession service fails to "pass" the first filter, one would continue to the next. Such a failure would indicate that the concession service in question is either not necessary or not appropriate to the area.

Concessions Planning Process

SEQUENCE FOR  
CONCESSIONS PLANNING DECISIONS

Proposed Service/Facility \_\_\_\_\_

Alternatives \_\_\_\_\_

FILTER PROCESS	SOURCE	POTENTIAL CONTACT
<u>Step 1.</u> What is the legislative background or subsequent regulations and policy which would affect the implementation of this service?	A. Organic Policy Act of 1916	Regional Compliance and Assistance _____
	B. Concessions Act (PL 89-249)	_____
	C. Enabling legislation	_____
	D. Legislative history	_____
	E. NPS Management Policy	_____
	F. Other	_____
<u>Step 2.</u> What is the area documentation which would influence implementation of this service?	A. General Management Plan (GMP)	Regional Chief of Planning _____
	B. Statement for Management	_____
	C. Outline of Planning Requirements	_____
	D. Development Concept Plan (DCP)	_____
	E. Environmental Assessment/Impact Statement (EA/EIS)	_____
	F. Transportation Study	_____
	G. Life/Safety Study	_____
	H. Other	_____
<u>Step 3.</u> Environmental Concerns. <sup>1/</sup> What impacts or effects would this service or the sites being considered have upon environmental concerns? Can they be mitigated?	A. Park Natural Resources Mgmt. Plan	Park and regional natural resources staff _____
	B. Endangered Species Act	_____
	C. Executive Orders 11988 and 11990; Floodplain Mgmt. and Protection of Wetlands	_____
	D. Other	_____

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FILTER PROCESS	SOURCE	POTENTIAL CONTACT
<p><u>Step 4. Cultural Concerns.</u><sup>1/</sup> What impacts or effects would this service have upon cultural resources?</p>	<p>A. National Historic Preservation Act, as amended                      B. Executive Order 11593, "Protection and Enhancement of the Cultural Environment"                      C. NPS-28, "Cultural Resources Management Guideline"                      D. Other</p>	<p>Regional Chief of Cultural Resources, or DSC Team                      Cultural Resource Specialist</p>
<p><u>Step 5. Demand Analysis.</u><sup>2/</sup> What is the demand for this service? Will this service enhance the park experience? Who wants it? Is there an alternative? Is it being provided outside the park?</p>	<p>A. Visitor Profile Statistics<sup>3/</sup>                      B. Public Involvement-Business, Environmental, User                      C. Market Analysis<sup>4/</sup>                      D. Enabling legislation/GMP</p>	<p>A. Park, Region, Statistical Office                      B. Regional Public Affairs                      C. WASO, DSC or Reg. Concessions                      D. Regional Chief of Planning</p>
<p><u>Step 6. Economic Feasibility Study</u><sup>5/</sup></p>	<p>A. Market Analysis (Step 5)                      B. Location/Site Analysis                      C. Refinement of Concept                      D. Financial Analysis</p>	<p>DSC Concessions Branch, Regional Office, Consultant, WASO</p>
<p><u>Step 7. Operating Conditions and Considerations</u></p>	<p>A. Condition of existing facilities                      B. Safety considerations                      C. Sanitation considerations                      D. Financial condition of concessioner                      E. Concession contract provisions/term                      F. Handicap access                      G. Special populations                      H. Use of historic structures</p>	

FILTER PROCESS	SOURCE	POTENTIAL CONTACT
<p><u>Step 8.</u> What are further potential constraints for such a service?</p>	<ul style="list-style-type: none"> <li>A. Local and national interest groups</li> <li>B. Congress</li> <li>C. Environmental groups</li> <li>D. Chamber of Commerce</li> <li>E. Budgetary (NPS Appropriations)</li> <li>F. Cost of Capital (availability and cost)</li> <li>G. Labor Market (Census data, local business)</li> <li>H. Location factors</li> </ul>	<hr/>
<p><u>Step 9.</u> Is the Service necessary and appropriate?</p>	<ul style="list-style-type: none"> <li>A. Approving authority.</li> </ul>	<hr/>

FOOTNOTES

- 1/ These concerns may be addressed twice if the site selection for a proposed facility is considered separately from the initial consideration of the proposed activity.
- 2/ There probably will be an informal indication of demand or proposed need which precedes and gives cause to go through this process. Step 5 is an in-depth analysis of this demand.
- 3/ Visitor Profile Statistics. Generally, the only visitation statistics available are counts. However, in some cases additional information may be available and is certainly helpful in planning. This would include: age, sex, income, size of party, length of stay, origin (i.e., zip code), other parks visited, what services used; further questions concerning opinions of services, additional needs, improvement of services could also be asked of the visitor to measure necessity.
- 4/ Market Analysis. A determination of visitor needs from the perspective of supply and demand. Generally, an inventory is made of existing services inside and outside of the park, and discussions are held with Chamber of Commerce officials and local businesses to determine if the available supply is meeting the demand. If ample supply exists in nearby locations outside of a park area, service inside the park is most likely unnecessary. Also gathered are relevant statistics, i.e., occupancy, number of visitors to the area, types of recreational activities, etc.
- 5/ Economic Feasibility Study. Along with the market analysis, location/site considerations are studied, the original concept(s) are then further refined, and a financial analysis is performed. Pro formas are prepared for the new proposals, projecting the profitability of an operation under predicted income and expense levels. Economic feasibility studies or a financial analysis are required prior to the issuance of a prospectus or fact sheet for a concession contract. See Chapter 3, Paragraph F for further discussion of economic feasibility studies.

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