

## SUMMARY OF BUSINESS OPPORTUNITY

This summary provides a synopsis of the key elements of the National Park Service (“Service”) Draft Concession Contract CC-GLBA001-14 (“Draft Contract”), which will authorize the operation of lodging, tour boat, food and beverage, retail and other services within Glacier Bay National Park and Preserve.

The Service has been given specific legislative authority to issue concession contracts, and the Draft Contract will be subject to that law. In the event of any inconsistency between the terms of the Draft Contract and this summary, the Draft Contract will control.

### ***Overview of Concession Services to be Required and Authorized***

The Business Opportunity section of this Prospectus describes the commercial visitor services Required and Authorized within the Draft Contract. The Concessioner must provide the Required services and may, at its option, provide the Authorized services. A summary of concession services Required and Authorized under the Draft Contract is provided below in Exhibit S-1.

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

<b>Required Services</b>
Lodging: Glacier Bay Lodge
Day Tour Boat Service: Daily tour of Glacier Bay
Food and Beverage: Glacier Bay Lodge restaurant
Retail: Lodge gift and sundry shop and Day Tour Boat gift and sundry sales
Ground Transportation: Scheduled service between Gustavus and Bartlett Cove
Fuel: Sale of marine gasoline and diesel fuel, camper stove fuel and common marine oils and lubricants
Camper Drop-Off: Daily drop-off and pick-up of campers and kayaks
Other Required Services: Baggage storage, Internet service, public showers and laundry
<b>Authorized Services</b>
Food and Beverage: Room service
Ground Transportation: “On-Demand” service between Gustavus and Bartlett Cove
Vehicle Fuel Service: Vehicle fuel sales
Other Authorized Services: Recreational equipment rental (excluding kayaks), vending machines, minor vessel repair and towing services, and booking services for area activities

*Source: National Park Service*

### ***Concession Facilities***

A land assignment map showing the Concession Facilities can be found in Exhibit D to the Draft Contract, Part IV of this Prospectus. The Concessioner will be responsible for maintenance, repairs, housekeeping, and grounds-keeping of the Concession Facilities, as provided in the Draft Contract.

The Glacier Bay Lodge Complex Historic District was determined eligible for listing in the National Register of Historic Places (NRHP) in 2011. It has yet to be officially nominated to the NRHP. The Concessioner will be required to follow established national procedures and practices to protect the historic resources of the district.



### **Estimate of Initial Investment**

Exhibit S-2 summarizes the estimated initial investment to be made by the Concessioner in 2014 dollars which is projected to be \$534,000 and includes the purchase of personal property, inventory, deferred maintenance, start-up costs, and working capital investment. Note: most of the Existing Concessioner's personal property will be transferred to the Service and assigned to the Concessioner at no cost under the Draft Contract. The figure in the exhibit below is an estimate of additional personal property that will need to be acquired.

<b>Exhibit S-2. Estimated Initial Investment</b>	
<b>Item</b>	<b>Estimated Amount (2014 Dollars)</b>
Leasehold Surrender Interest	\$0
Purchase of Personal Property	\$100,000
Inventory Investment	\$103,000
Deferred Maintenance (2014 and 2015)	\$231,000
Start-up Costs	\$100,000
<b>TOTAL</b>	<b>\$534,000</b>

*Source: National Park Service*

### **Leasehold Surrender Interest**

The Draft Contract provides that the Concessioner will obtain LSI in capital improvements it constructs in accordance with the terms of the Draft Contract. Upon contract termination or expiration, the Concessioner is entitled to compensation for its LSI as provided by the Draft Contract. LSI may also be extinguished during the term of the Draft Contract by payment of its value to the Concessioner by the Service.

### **Annual Revenue**

The Existing Concessioner's total revenue over the past three years is presented in the following exhibit.

<b>Exhibit S-3. Historical Revenue</b>			
	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total Revenue	\$1,765,510	\$2,007,527	\$1,975,597

*National Park Service*

### **Repair and Maintenance Reserve**

The Draft Contract requires the Concessioner to establish a Repair and Maintenance Reserve to be used for non-recurring repair and maintenance projects. The terms and conditions of the Repair and Maintenance Reserve are set out in the Draft Contract in Section 10(c). The Repair and Maintenance Reserve for the Draft Contract will represent **three percent (3.0%)** of gross receipts per year during the term of the Draft Contract.

### **Preferred Offeror Determination**

See the Proposal Instructions, Preferred Offeror Determinations, for a description of the preferences applicable to this solicitation.



**Contract Term**

The Draft Contract will be for a term of ten (10) years beginning on its effective date, estimated to be January 1, 2014. The effective date of the Draft Contract is subject to change prior to Contract award if determined necessary by the Service. If the effective date is modified, the expiration date of the Draft Contract will be changed to maintain a term length of 10 years.

**Franchise Fee**

The minimum franchise fee will be equal to **one percent (1.0%)** of the Concessioner's annual gross receipts for the preceding year. However, Offerors may propose a higher minimum franchise fee, as described more fully in the Proposal Package (included in part III of this Prospectus).

**Site Visit**

A one-day site visit of the concession operation along with a tour of Concession Facilities associated with the Draft Contract occurred on August 15, 2012. For more information, please contact the Chief of Commercial Visitor Services at (907) 697-2230.

