

Business Opportunity
For Lodging, Food & Beverage, Retail,
Marina Services, Guest Transportation and
Mechanical Boat Portage Services
at Voyageurs National Park

CC-VOYA002-27

Department of the Interior

National Park Service

Contents

1	Introduction	1
1.1	Foreword	1
1.2	The National Park Service and its Mission	1
1.3	Voyageurs National Park Background and Mission	1
1.4	Location	2
1.5	Visitation	3
1.6	Kettle Falls	4
1.7	History of Kettle Falls Hotel	4
2	Operations	5
2.1	Required Services	5
2.2	Authorized Services	7
3	Operating Environment.....	8
3.1	Competition to Concessioner.....	8
3.2	Area-Specific Attributes Potentially Impacting Concession Operations	8
4	Investment Analysis	8
4.1	Personal Property.....	9
4.2	Start-up Costs and Working Capital	9
4.3	Leasehold Surrender Interest.....	9
4.4	Utilities	9
5	Financials.....	9
5.1	Concessioner Financial Projections.....	9
5.2	Gross Receipts by Department	10
5.3	Rates	10
5.4	NPS Financial Analysis.....	10
6	Additional Contract Terms	10
6.1	Preferred Offeror Determination	10
6.2	Term and Effective Date.....	10
7	Site Visit.....	11

1 Introduction

1.1 Foreword

This business opportunity describes in general terms the future business opportunity for the required services of Lodging, Food & Beverage, Retail, Marina Services, and Boat Portage Services within Voyageurs National Park ("Park").

Offerors are responsible for reviewing all sections of this Prospectus and, specifically, the terms and conditions of the attached Draft Contract, including its exhibits, to determine the full scope of a Concessioner's responsibilities under the Draft Contract.

The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (PL 105-391) as implemented by the Service in 36 C.F.R. Part 51. This Prospectus is issued under the authority of the National Park Service Concessions Management Improvement Act of 1998, 16 U.S.C. §§ 5951-5966, 112 Stat. 3503, Pub. L. 105-391 as implemented by 36 C.F.R. Part 51. In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, 36 C.F.R. Part 51 will control. In the event of any inconsistency between the terms of the attached Draft Contract and this Business Opportunity section, the attached Draft Contract will control.

1.2 The National Park Service and its Mission

In 1916, President Woodrow Wilson approved legislation creating the Service within the Department of the Interior. That legislation mandated that Congress created America's National Park Service to:

...conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations.

54 U.S.C. § 100101 (a)

Additionally, Congress declared that the National Park System should be:

...preserved and managed for the benefit and inspiration of all the people of the United States.... 54 U.S.C. § 100101 (b)

The overall mission of the NPS is the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage. To learn more about the NPS, visit www.nps.gov. This site includes information about the NPS, its mission, policies, and individual parks.

1.3 Voyageurs National Park Background and Mission

Voyageurs National Park is named for the voyageurs: French-Canadian canoe-men who traveled these waters in their birch-bark canoes from the Great Lakes to the interior of the eastern United States and Canada, transporting furs and trade goods. The historic waterway, magnificent scenery, geology, and rich cultural and natural resources give Voyageurs its national significance.

The mission of the Park is:

Voyageurs National Park preserves the landscapes and scenic waterways that shaped the route of the North American fur traders and defined the border between the United States and Canada. The park and its diverse resources

provide outstanding opportunities for outdoor recreation, scientific study, sportfishing, education, and appreciation of the Northwoods lakecountry setting.

To learn more about the Park, visit www.nps.gov/voya.

1.4 Location

Voyageurs National Park is located on the northern edge of Minnesota's border with 55 miles of the Park meandering along the Canadian border. Water dominates the landscape of Voyageurs, including four large lakes: Rainy, Kabetogama, Namakan, and Sand Point, which cover approximately 40-percent of the 218,054 acres of Voyageurs. Voyageurs is unique because it is a water-based national park with approximately 8 miles of road.



Exhibit 1 presents an area map that shows the Park and nearby landmarks. The Park is located approximately 5 hours north of Minneapolis-St. Paul on I-35 and Hwy 53, 3 hours north of Duluth on Hwy 53, and 4 hours south from Winnipeg, Manitoba.

Exhibit 1. Area Map



Source: National Park Service

1.5 Visitation

Voyageurs National Park is open year-round. During the warm months of summer, the Park is a destination for people who enjoy exploring by boat. The interconnected waterways and miles of shoreline offer unparalleled opportunities for water-based activities. During the cold northern winters, the Park is transformed into a world of white. Frozen lake surfaces provide access to people on snowmobiles, while trails through the forest welcome those exploring on snowshoes or cross-country skis.

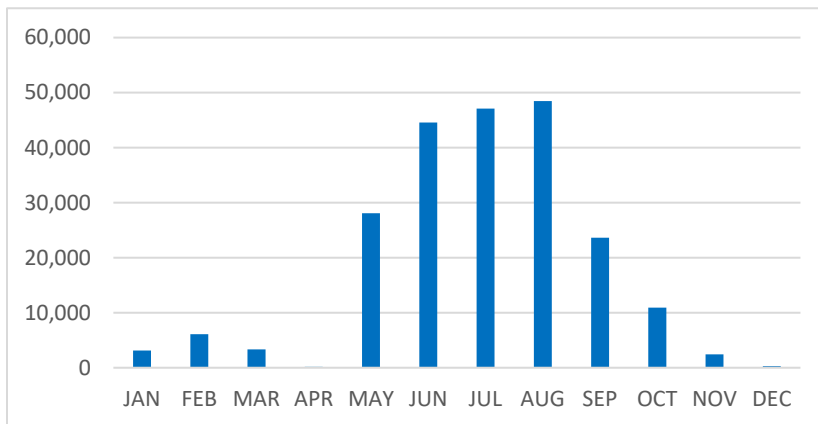


Exhibits 2 and 3 present annual and monthly recreational visitation to Voyageurs. The Kettle Falls operation is seasonal, opening in May on the Friday before the Minnesota state fishing opener and closing at the end of September. During this summer timeframe, Kettle Falls is the most visited location within the Park.

Exhibit 2. Annual Recreation Visitation to Voyageurs National Park, 2016-2025

Year	Recreational Visitation	Percentage Change
2016	241,912	1.5%
2017	237,250	-1.9%
2018	239,656	1.0%
2019	232,974	-2.8%
2020	263,091	12.9%
2021	243,042	-7.6%
2022	221,434	-8.9%
2023	220,825	-0.3%
2024	199,030	-9.9%
2025	206,326	3.7%

Exhibit 3. Voyageurs National Park Average Monthly Visitation, 2021-2025

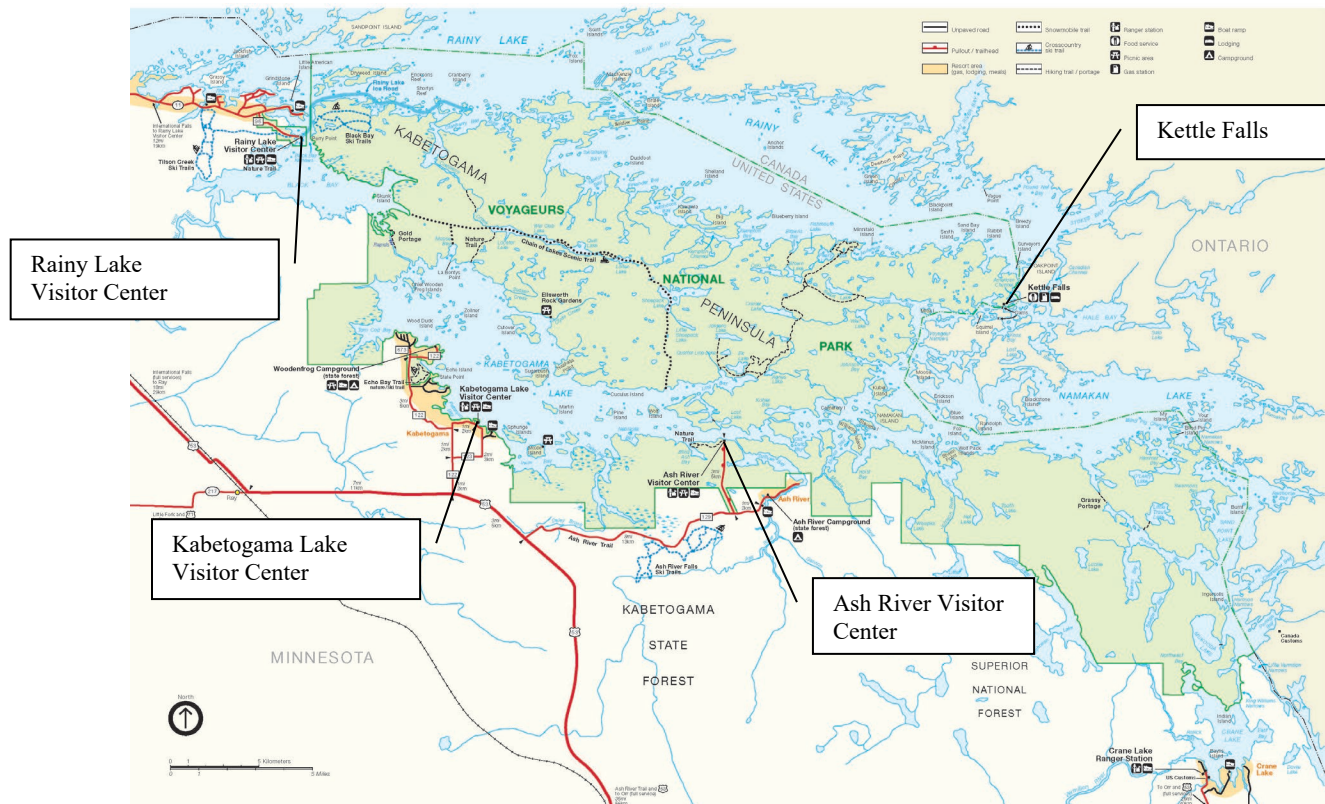


Source: NPS Public Use Statistics Website

1.6 Kettle Falls

Kettle Falls is located on the east end of Rainy Lake approximately 27 water miles from the Rainy Lake Visitor Center or 37 water miles from International Falls. It is only accessible by water or float plane, as shown in Exhibit 4. The Kettle Falls operation primarily uses the Ash River Visitor Center boat launch as the closest public point of entry.

Exhibit 4. Kettle Falls and Visitor Center Locations within Voyageurs National Park



1.7 History of Kettle Falls Hotel

The Kettle Falls Hotel is located within the Kettle Falls National Historic District and is listed on the National Register of Historic Places. The Kettle Falls district is significant for its association with national themes of transportation, industry, commerce, and recreation. The hotel was built in 1910 to accommodate lumberjacks, fishermen, construction workers on the Kettle Falls dam, and an increasing number of vacationers as word spread regarding the beauty of the area. Logging companies towed millions of board feet of timber over Kettle Falls during the area's historic logging period. When logging declined in the 1930s, Kettle Falls continued to thrive as an important visitor destination for recreation and tourism. The NPS acquired the hotel in 1978, and the hotel has been operated under a concession contract since that time. The NPS closed the hotel for major rehabilitation during the 1986 and 1987 season and reopened for the 1988 season.



Rehabilitation included construction of a new foundation, upgrading utility systems to meet NPS standards, new bathrooms and kitchen facilities, and painstaking reconstruction of the rolling bar room floor. The hotel had settled considerably over the years, and the rolling floors and skewed windows gave it a charm and appeal that became part of the attraction for visitors.

2 Operations

2.1 Required Services

Exhibit 5 presents a summary of visitor services required under the Draft Contract. In case of any inconsistency between this section and the Draft Contract, including its exhibits, the Draft Contract will control. Essential operating and maintenance requirements for each service are provided in the Operating Plan and Maintenance Plan, both of which are exhibits to the Draft Contract.

Exhibit 5. Overview of Required Visitor Services

Service	Description
Lodging	• Kettle Falls Hotel rooms (12) • Villas (10 units in 3 villa buildings) located on Rainy Lake
Food and Beverage	Full service (3 meals/day) restaurant within Kettle Falls Hotel
Guest Transportation	• Round trip boat transportation to Kettle Falls from Ash River Visitor Center
Marina Services	• Fuel, oil, ice and bait sales • Boat and outboard motor rental • Overnight docking for hotel and villa guests
Retail	Souvenirs, visitor convenience items, and camping supply sales in the Trading Post and hotel lobby
Mechanical Boat Portage Services	Boat portage between boat launch sites at Rainy Lake and Namakan Lake (via an approximately half-mile gravel road bypassing the Kettle Falls dam)

2.1.1 Lodging

The hotel, located in Kettle Falls, retains its historic configuration with a series of guest rooms and shared bathrooms. Overnight guest accommodations at the hotel includes 12 simply furnished bedrooms with 3 shared bathrooms, all on the second floor. A manager's room and office are also located on the second floor along with a linen closet.

In addition, guest accommodations are provided within three villas. The villas are located along a loop road approximately 400 yards east of the hotel and along the shoreline of Rainy Lake. Two units contain four individual units which can be rented individually or by unlocking the door between two of the units to create a larger unit. There is a kitchenette in two of the units, and their adjoining units have a refrigerator and microwave. The third villa consists of just two units, which are similar to the four-unit villas in configuration.

Exhibit 6. Overnight Guest Use by Year

Calendar Year	Room Nights Available	Occupancy Rate	Rev/PAR*
2023	2,698	61%	\$80
2024	2,736	65%	\$82
2025	2,622	67%	\$96

*Revenue per available room

2.1.2 Food and Beverage

The dining room in the hotel accommodates seating for approximately 40 people with additional outdoor seating on a screened veranda. In addition, a bar room with authorized alcohol sales has table seating for approximately 16 people.

2.1.3 Guest Transportation

Round-trip boat transportation for hotel guests from the Ash River Visitor Center to Kettle Falls is required on an as-needed basis. The current concessioner also has golf carts to transport guests and their luggage from the dock to the hotel or villa as needed.

2.1.4 Marina Services

Marina service is provided along both the Rainy Lake and Namakan Lake shorelines within the Kettle Falls area for fuel, oil, ice and bait sales, boat and motor rental, and overnight docking for hotel and villa guests. Two 1,000-gallon fuel tanks are located near the Namakan Lake docks, and two 1,000-gallon fuel tanks are located near the Rainy

Lake docks. These fuel tanks are available to the Concessioner.

The current Concessioner owns eighteen boats of various configurations. The Service does not consider it essential to have this number of boats to be successful. The rental portion of this fleet is between 16' and 18' feet and are docked on the Rainy Lake side of the facility. A minimum of five rental boats and outboard motors is required.



Floating docks that can accommodate 25-30 small boats on Rainy Lake and 20-24 small boats on Namakan Lake are provided by the NPS to support access to the Kettle Falls area. There are also numerous canoes, kayaks, and stand-up paddleboards available for rent.

2.1.5 Retail Services

The Kettle Falls facility also includes a separate building known as the 'Trading Post' that is located within view of the Kettle Falls dam and the Namakan Lake shoreline. The current Concessioner uses this building to sell convenience items, local handcrafts, souvenirs, basic groceries, and camping supplies or boating supplies.

The current concessioner also sells a limited number of souvenirs, snacks, and visitor convenience items at the registration desk of the Hotel and in the bar.

2.1.6 Mechanical Boat Portage Services

A boat portage service is provided to meet public demand, using a concessioner-owned truck and trailer to transport boats over land between boat launch sites at Rainy Lake and Namakan Lake. This portage service allows boaters to safely bypass the Kettle Falls dam.

2.1.7 Employee Housing, Food Service, and Recreation

In addition to required visitor services, the Concessioner must provide housing, food service, and recreation for its employees residing in the Area. A fourth villa provides housing for up to 8 concession staff. The villa has four units that each include a kitchenette and bathroom, in addition to sleeping space that can house up to two staff each.

The Concessioner may charge employees an amount sufficient to recover the cost of providing these services and must ensure that room and board charges do not exceed a reasonable percentage of employee earnings.

2.2 Authorized Services

In addition to the required services presented above, the Concessioner will have discretion to provide services authorized under the Draft Contract, as presented in Exhibit 7. The Draft Contract, including its exhibits, provides details on these authorized services.

Exhibit 7. Overview of Authorized Services

Service	Location
On-site sale of alcoholic beverages	Kettle Falls Hotel
Fishing guide services	Kettle Falls Area
Kayak, canoe, and stand-up paddleboard rental (includes rentals with or without guide service)	Kettle Falls Area
North Canoe tours (upon park review and approval)	Kettle Falls Area
Vending machine operations (location, type, and number require park review and approval)	Kettle Falls Area
Lodging amenity services (includes massage services, nature-based wellness services, and special events)	Kettle Falls Hotel
Sack lunches, and/or "Grab-and-Go" food services	Kettle Falls Area
Water taxi service from Kettle Falls to park-approved destinations	Kettle Falls Area
Motorized boat-based tours (upon park review and approval)	Kettle Falls Area
Land-based interpretive tours within the Kettle Falls Area	Kettle Falls Area
Minor boat repair	Kettle Falls Area
Guest laundry service	Kettle Falls Hotel
Chase boat services	Kettle Falls Area
Delivery services from Kettle Falls to campers and houseboats	Voyageurs National Park

3 Operating Environment

3.1 Competition to Concessioner

While there are multiple land-based resorts in International Falls and along Rainy and Kabetogama Lakes, the unique experience that Kettle Falls offers precludes direct competition. Potential Offerors must conduct their own research to evaluate the indirect competitive environment.

3.2 Area-Specific Attributes Potentially Impacting Concession Operations

Exhibit 8 identifies several unique attributes of the Park that could potentially affect the concession operation. It is not intended to be an exhaustive listing of all unique attributes. Potential Offerors must conduct their own research to evaluate the operating environment.

Exhibit 8. Unique Attributes Potentially Impacting Concession Operations

Unique Attribute	Potential Impact to Concessioner
Water-based operation	There are no roads out to the Kettle Falls area. A Concessioner will have to rely on water transportation.
Ice Out Times	Due to the unpredictable nature of ice out before the start of the operating season, a concessioner may have short lead time for pre-opening procedures.

4 Investment Analysis

The Concessioner will be responsible for estimating and providing the initial investment necessary to begin operating the business and is responsible for their own financial projections based on their independent assumptions, due diligence, and industry knowledge. As shown in the exhibit below, the Service projects the Concessioner's total estimated initial investment at \$756,805. This includes personal property, inventory, supplies, start-up costs (staff hiring, training, etc.), and working capital (investment needed to cover expenses incurred in advance of offsetting revenues). The Service did not include any costs associated with authorized services in its initial investment estimate and does not guarantee these projections will materialize and assumes no liability for the investment figures provided. The Offeror must conduct its due diligence, producing its own financial projections and relying on its own financial assumptions. Exhibit 9 summarizes the estimated initial investment at the start of the Draft Contract.

Exhibit 9. Estimated Initial Investment

	Estimated Amount
Initial Personal Property	\$613,695
Inventory and Supplies	\$63,110
Working Capital	40,000
Start-up Costs	40,000
Total Initial Investment	\$756,805

Source: NPS

4.1 Personal Property

The Existing Contract does not require the Existing Concessioner to sell and transfer to its successor other property used or held for use in connection with the operation. Projected personal property investments include all personal property necessary for the operation of the required services, realizing Exhibit E includes some Service assigned personal property

4.2 Start-up Costs and Working Capital

At the start of the Draft Contract, the Concessioner will need to make a one-time investment in a range of activities to ramp up operations. These activities may include, but are not limited to, hiring staff, training (which may involve compensation for staff in addition to normal wages), systems implementation, legal support services, and marketing and advertising.

4.3 Leasehold Surrender Interest

There is no Leasehold Surrender Interest ("LSI") associated with the Existing Contract.

The Draft Contract does not allow for major rehabilitation of any assigned asset. Only fixture replacements as identified in the Maintenance Plan, Exhibit H will be allowed to any assigned facility and only upon Service approval prior to replacement.

4.4 Utilities

The NPS manages and provides all water and wastewater services at Kettle Falls. Electricity is metered and billed through the NPS based on existing North Star Electric Co-operative rates.

The Service bills the Concessioner in accordance with Applicable Laws, including the Service's policy that includes DO 35B, which requires utility rates charged to the Concessioner reflect actual costs incurred by the Service. The Service approved a utility waiver that reduced the utility costs to a previous lower rate. The lower rate excludes upcoming capital improvements which would yield higher rates for water, wastewater and electricity. The Service developed not-to-exceed rates, which are the maximum rates the Concessioner will have to pay during the term of the Draft Contract. The following table lists the not-to-exceed rates for the term of the Draft Contract.

Exhibit 10. Projected Water and Wastewater Charges per 1000 gallons, and Electricity Rates per kWh

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Water	58.09	59.81	61.60	63.47	65.40	67.43	69.52	71.71	73.97	76.33
Wastewater	77.70	79.18	80.71	82.30	83.95	85.67	87.46	89.32	91.26	93.27
Electricity	.19	.20	.20	.21	.22	.22	.23	.24	.25	.26

Electricity is currently metered and billed through the NPS based on existing North Star Electric Co-operative rates.

5 Financials

5.1 Concessioner Financial Projections

The Proposal Package of this Prospectus requires Offerors to develop financial projections based upon the services under the Draft Contract. Offerors should exercise caution in using the historical information and NPS estimates. The NPS will not provide financial projections. Each Offeror must

conduct its due diligence, producing its own financial projections and relying on its own financial assumptions.

5.2 Gross Receipts by Department

Exhibit 11 presents historical concession receipts by department for the past three years.

Exhibit 11. Gross Receipts by Department

Gross Receipts	2023	2024	2025
Lodging	\$215,366	\$225,150	\$250,700
Restaurant	\$199,113	\$201,982	\$214,883
Bar	\$143,575	\$148,633	\$136,802
Retail	\$150,119	\$171,247	\$162,829
Marina	\$112,856	\$116,586	\$111,611
Transportation*	\$30,854	\$33,096	\$36,660
Portage	\$23,120	\$28,628	\$26,835
TOTAL	\$875,003	\$925,322	\$940,272

*Note: Transportation column represents income generated from transporting hotel guests to and from Kettle Falls Hotel

5.3 Rates

The Park ensures that the Concessioner's rates and charges to the public are commensurate with the level of services and facilities provided, and are reasonable, justified, and comparable with similar facilities and services provided in the private sector. The NPS will determine the reasonableness of rates based upon the NPS Concession Management Rate Approval Guide and the 2024 Rate Administration Guide Addendum. The Operating Plan (Exhibit B to the Draft Contract) describes the rate approval methods by service type. Generally, rates are based on comparison with like services provided by the private sector, under similar circumstances and in the same general geographic region. The Superintendent approves all rates.

5.4 NPS Financial Analysis

The Draft Contract requires a minimum franchise fee of 0% (zero percent) of annual gross receipts. Offerors may propose a higher franchise fee in accordance with the terms of this Prospectus.

The NPS performed a franchise fee analysis to establish the minimum franchise fee, which considered historical financial information as well as projections for the term of the contract. The NPS considers franchise fee analysis as confidential and does not release copies.

6 Additional Contract Terms

6.1 Preferred Offeror Determination

The NPS has determined that the Existing Concessioner is not a Preferred Offeror for this Draft Contract pursuant to the terms of 36 C.F.R. Part 51.

6.2 Term and Effective Date

The Draft Contract is for a term of 10 years beginning on its effective date, which is estimated to be January 1, 2027. The effective date of the Draft Contract may change prior to contract award if determined necessary by the NPS. The expiration date of the Draft Contract will be

changed accordingly if a material adjustment is made to the effective date that significantly affects the business opportunity.

7 Site Visit

A pre-solicitation site visit was held on September 29, 2025. All Offerors are encouraged to become familiar with the operating conditions involved and become acquainted with the details required to operate this type of service.