BUSINESS OPPORTUNITY

CC-DEVA002-24

Department of the Interior

National Park Service
Death Valley National Park

A Concession Business Opportunity to Operate Lodging, Food and Beverage, Retail, RV Camping, and Other Services at Stovepipe Wells Village
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INTRODUCTION

SITE VISIT

The National Park Service (“Service”) will host a site visit for organizations interested in bidding on this opportunity on the date listed on the inside front cover of this Prospectus. The site visit provides interested persons, corporations, or other entities an overview of the concession operations along with a tour of the Concession Facilities assigned to the Concessioner under the Draft Contract. If you plan to attend the site visit and would like more information, please contact:

Sue Eibeck
Concessions Management Specialist
Interior Regions 8, 9, 10, and 12
sue_eibeck@nps.gov
(415) 623-2224

Please register for the site visit at least one day in advance. When registering, you must provide your name, the name of the organization interested in bidding that you represent, the primary contact for the organization, and the number of people in your party. Each interested Offeror is limited to five persons attending the site visit. All parties attending the site visit must disclose to the Service the names of the interested organizations engaging their services. All attendees must be over the age of eighteen. The Service will provide further information and additional directions by return email message to the primary contact.

NOTIFICATION OF INTENT TO PROPOSE

If you plan to submit a proposal in response to this solicitation, you must notify Commercial Services Specialist Sue Eibeck via email (sue_eibeck@nps.gov) no later than 12:00 p.m. Pacific Time on September 12, 2022. The Service will not accept proposals from entities that do not provide notice on or before September 12, 2022.

INFORMATION REGARDING THIS SOLICITATION

This document refers to Death Valley National Park as “Park.”

This Prospectus includes Service estimates of revenue and expenses to assist Offerors in developing financial projections. These estimates reflect Service assumptions based on planning decisions, historical concession...
operating data, industry standards, economic conditions, and comparable and competitive operations. The Service does not guarantee these projections will materialize and assumes no liability for their accuracy. Offerors must compile and present their own financial projections based on independent assumptions, due diligence, and industry knowledge.

Offerors must review all sections of this Prospectus, especially the terms and conditions of the Draft Concession Contract No. CC-DEVA002-24 (“Draft Contract”), including its exhibits, to determine the full scope of a future concessioner’s responsibilities. The Draft Contract with all exhibits appears in Part IV of this Prospectus. In the event of any inconsistency between the description of the terms contained in this Prospectus and the Draft Contract itself, the terms of the Draft Contract will control.


“Concessioner” refers to the entity that will be the concessioner under the Draft Contract.

“Existing Concessioner” refers to NEG282, LLC, the concessioner under the current concession contract CC-DEVA002-11 (“Existing Contract”). The Existing Contract, as amended, is available upon request.

The Service intends to award the Draft Contract around July 2023, or around six (6) months prior to the anticipated effective date when the Concessioner would commence operations (January 13, 2024). The Service intends to announce the selected Offeror around February 2023, or around eleven (11) months prior to award. Award of a concession contract does not occur until the competitive process has been completed and both the selected Offeror and the Service have signed the concession contract. While the Service will make every effort to meet this schedule, it is subject to change.

PROPOSALS

Part II of this Prospectus contains the instructions about completing proposals. Offerors must carefully read and comply with those instructions.

Part III of this Prospectus contains a Proposal Package that Offerors must complete in its entirety. The Proposal Package contains a required transmittal letter, five principal selection factors, and two secondary selection factors. Each selection factor identifies the minimum and maximum points the Service may award, depending on the quality of the response. The following paraphrases the information sought under each selection factor. The wording of the actual selection factors in the Proposal Package controls.

Principal Selection Factor 1 requires Offerors to describe how they will protect the resources of the Park, specifically employing environmentally appropriate maintenance.

Principal Selection Factor 2 requires Offerors to describe proposed improvements to improve the food and beverage services and proposed improvements to visitor viewscape.

In Principal Selection Factor 3, Offerors must describe their organizational structure and provide documentation to help the Service understand the offeror and its relationship to other entities. The Service does not score that information specifically but may use it to understand responses elsewhere in a proposal. Incomplete submissions may lead to a lower score elsewhere if the information submitted does not support claims made in response to specific subfactors in this and other selection factors. The Service has provided forms Offerors must complete depending on their organizational structure. The rest of this principal selection factor requires Offerors to describe their experience providing similar services, recruitment, training and retention of staff, and history and strategies to minimize violations and infractions.
In Principal Selection Factor 4, Offerors must provide documentation demonstrating that they have the financial resources to commence and carry-on operations under the Draft Contract. The Service has provided a business history form and Excel workbook Offerors must complete in providing responses to this selection factor.

In Principal Selection Factor 5, offerors must provide the franchise fee they will pay on gross receipts generated under the Draft Contract. Failure to agree to pay the minimum franchise fee set out in the selection factor will result in the Service finding the proposal non-responsive and ineligible for award of the Draft Contract.

Secondary Selection Factor 1 requires Offerors to describe their proposals for environmentally sustainable practices within the Concession Facilities.

Secondary Selection Factor 2 requires Offerors to describe their proposals for managing power outages that occur frequently due to environmental and location factors.

**DOING BUSINESS WITH THE NATIONAL PARK SERVICE**

The Service has worked with private parties to provide services to visitors dating back to the earliest times of national parks. Many of the iconic lodges and other structures found in America’s national parks were constructed and operated by private parties, and that relationship continues today.

We use the term “commercial visitor services” when generally describing services, benefits, and goods provided to visitors within an area of the National Park System by a third party for a fee. Simply put, the term “commercial visitor services” includes lodging, food and beverage, retail, marina operations, guided recreation, rental of equipment, experiential transportation, and similar services the National Park Service itself does not provide. Congress has passed several laws guiding the National Park Service in contracting with third parties to provide these services including the 1998 Act. The Service implemented regulations for many aspects of the law, primarily to set out the process for soliciting bids for new contracts and managing the concessioner’s investment in structures owned by the United States.

Working with the National Park Service in providing commercial visitor services differs from operating outside a park in several respects. By law, we approve rates to ensure park visitors do not pay higher fees for goods and services merely because such transactions occur within a park. Refer to the Draft Contract Operating Plan Section 3(B) for specific information on rate approval methodology. As with the private sector, concessioners must develop and follow environmental management programs, risk management programs, and similar programs to ensure operations comply with applicable laws. Our employees review the quality of concession operations and compliance with contract requirements including the maintenance of facilities.

Even with those regulatory actions, concessioners in national parks enjoy significant benefits. Many parks function as unique visitor destinations. Concessioners frequently operate with few, if any, in-park competitors, even though we do not grant exclusive rights to provide any visitor services. Although we oversee concessioner rates charged to the public, our processes ensure the rates are competitive with similar services near the operating locations. Our contract oversight reflects the best management practices of the private sector industries. We developed operating standards based on similar ones in the private sector to reflect best industry practices for the services required under the concession contracts.

For this opportunity, the Draft Contract requires the Concessioner to operate the lodge, food and beverage, retail, fuel station, and RV campground at Stovepipe Wells.

**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)

To learn more about the National Park Service, visit www.nps.gov. Additional information about Death Valley National Park is available at https://www.nps.gov/deva/index.htm.

DEATH VALLEY NATIONAL PARK

Established in 1933 as a national monument and later expanded and re-designated in 1994 as a national park, Death Valley is the largest U.S. national park outside of Alaska at 3.4 million acres. Nearly 1,000 miles of paved and dirt roads provide access to locations both popular and remote. The Service has designated 93% of the Park as protected wilderness. That wild country includes low valley floors with barren salt flats, rugged mountains rising as much as 11,000 feet, deep and winding canyons, and rolling sand dunes.

In the heart of the Mojave Desert and on the edge of the Great Basin, Death Valley is a land of extremes. Death Valley is the hottest, driest, and lowest place in North America. The Park is a world-renowned place for geologic study and for the biological study of organisms that demonstrate adaptations to physically extreme conditions. From the salts of Badwater Basin at 282 feet below sea level, to snow-kissed Telescope Peak at 11,049 feet, the Park offers a wide range of natural experiences for Park visitors.

Petroglyphs from thousands of years ago grace stone faces, while the contemporary Timbisha Shoshone continue to harvest the seeds of the mesquite and pinyon trees in the tradition of their ancestors. Thousands of abandoned mine shafts and adits hint at the tumultuous cycle of scam, boom, and bust that perpetuated across the Death Valley region well into the 20th Century. An elaborate Spanish-style mansion beckons visitors with tall tales of wealth and mystery at Scotty’s Castle.

Death Valley is famous as the hottest place on earth and driest place in North America. Furnace Creek holds the world record for highest air temperature. Summer temperatures often top 120°F (49°C) in the shade with overnight lows dipping into the 90s°F (mid-30s°C.) Average annual rainfall is less than 2 inches (5 cm), a fraction of what most deserts receive. Occasional thunderstorms, especially in late summer, can cause flash...
floods. In contrast to the extremes of summertime, winter and spring conditions are very pleasant. Winter daytime temperatures are mild in the low elevations, with cool nights that only occasionally reach freezing. Higher elevations are cooler than the low valley. Sunny skies are the norm in Death Valley, but winter storms and summer monsoons can bring cloud cover and rain. Wind is common in the desert, especially in the spring. Dust storms can suddenly blow up with approaching cold fronts. The following map summarizes the location of Death Valley National Park and the surrounding region.

Brief, unique events such as the March 2016 “super bloom” in which vast expanses of flowers bloomed throughout this normally arid and barren area can result in a dramatic, immediate increase in visitation to the Park. In March 2016, visitation doubled from the previous month as visitors flocked to see the unusual floral displays.

Exhibit 1. – Map of Death Valley National Park and Region

Source: National Park Service/Death Valley Chamber of Commerce

For additional information about Death Valley National Park please visit: https://www.nps.gov/deva/index.htm
CONCESSION OPPORTUNITY

Stovepipe Wells Village consists of an 83-unit hotel, a restaurant and lounge, a campground with RV sites, a general store and a gift shop. The Sand Dunes is the most popular attraction near Stovepipe Wells Village (two miles east on Highway 190). The dunes offer easy to moderate hikes with “dramatic light” in the morning and afternoon and good views under the moonlight. Other nearby attractions include Mosaic Canyon, Salt Creek and Titus Canyon.

The name “Stovepipe Wells” is derived from a stovepipe that was placed at the location of an important water well used by early prospectors. The prospectors placed the stovepipe to better mark the critically located well, which was continuously obscured by encroaching sand dunes.

In 1911, an engineer named Herbert (Bob) Eichbaum identified the opportunity for a resort hotel in the desert, capitalizing on the emerging automobile tourism trend. Eichbaum began construction of a toll road to facilitate travel from population centers in Southern California. Although Eichbaum had grander plans for his road, he was only able to reach Stovepipe Wells where shifting sands from the Mesquite Flat Sand Dunes stymied construction. The toll road terminated south of the current lobby and gift shop building. After the toll road was completed in 1926, the construction on the resort commenced. The first resort buildings were constructed south of the toll road and consisted of twenty open air bungalows and a restaurant. This made Stovepipe Wells Village the first hotel in what would become the Park.

The State of California purchased the toll road in 1934, and it is now CA-190. The road was subsequently realigned from the south of the hotel building to its present location on the north side. Over time, the visitor facilities have been extensively altered. Current hotel structures were primarily built in the 1950s and 1960s. Facilities at Stovepipe Wells were purchased by the Service in 1979 and have been operated by a concession contract since then.

Stovepipe Wells Village is located west of the intersection of Highway 190 and Highway 374. Travelers from the west pass through the village before heading north to Scotty’s Castle (currently closed with an estimated reopening of 2024), east to Beatty or south to Furnace Creek. Travelers from Beatty or Death Valley Junction do not pass through Stovepipe when heading to Scotty’s Castle or Furnace Creek.

DRAFT CONTRACT TERM

The Draft Contract has a term of ten (10) years with an estimated effective date of January 13, 2024. The effective date of the Draft Contract is subject to change prior to award if determined necessary by the Service. In such an event, the Service will change the expiration date of the Draft Contract to continue the same term length from any adjustment to the effective date. In addition, the Service may shorten the contract term if the Concessioner does not complete the required Concession Facilities Improvement Program (discussed later in this document) as required by the Draft Contract.

REQUIRED AND AUTHORIZED SERVICES

The Draft Contract includes the following required and authorized services (as defined by the Draft Contract).

Required Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Lodging</td>
<td>Stovepipe Wells Village</td>
</tr>
</tbody>
</table>
### Authorized Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Special Event Space Rentals</td>
<td>Stovepipe Wells Village</td>
</tr>
<tr>
<td>ii. Passes for use of pool or showers (by non-guests)</td>
<td>Stovepipe Wells Village</td>
</tr>
<tr>
<td>iii. Wireless internet (Wi-Fi)</td>
<td>Stovepipe Wells Campground, Sunset Campground, Furnace Creek Campground, Texas Springs Campground, and/or Mesquite Springs Campground</td>
</tr>
<tr>
<td>iv. Catering</td>
<td>Within the Area</td>
</tr>
</tbody>
</table>

*Source: National Park Service*

### OVERVIEW OF REQUIRED AND AUTHORIZED SERVICES

#### Lodging

*The Stovepipe Wells Hotel* is open year-round and provides midscale lodging consisting of 83 rooms in three room classifications: Patio (8 rooms), Standard (28 rooms) and Deluxe (47 rooms) rooms. The hotel is located adjacent to the restaurant, saloon, and gift shop operations, with the general store, campgrounds, and service station located directly across the road. The Service approves rates for lodging based on the Core Room Method. The Concessioneer will price 36 (core) of the rooms using the Service’s Comparability methods, and price 47 (non-core) rooms based on market conditions. See the Operating Plan, Exhibit B to the Draft Contract, for further details. The Concessioneer must also further differentiate the non-core rooms with upgraded case goods, soft goods, and amenities.
Campground

The RV Campground is open year-round and includes 14 sites, each with water, wastewater, and electrical hookups (full hookups). The RV campground is located adjacent to the general store and service station.

Food and Beverage

The Stovepipe Wells Restaurant is located adjacent to the hotel and provides family casual service with breakfast and dinner served daily, year-round. The 2,470 square-foot restaurant seats 136 guests and offers classic American fare, including grilled chicken, steaks, hamburgers, various soups and salads, and other items.

The Saloon, located next to the restaurant, currently serves lunch, dinner, and a limited bar menu daily, year-round. The saloon seats approximately 60 guests and offers a full-service bar with a range of cocktails, beer, and wine.

Retail

The General Store, located adjacent to the concession service station, is open daily, year-round and sells a variety of retail items including camping supplies, grocery, and premade food.

The Gift Shop, located next to the hotel front desk, is open daily, year-round and offers a range of gift and souvenir items. The Concessioner may also sell a limited amount of retail items, such as t-shirts, hats, and souvenirs at the saloon, primarily on the back wall area.
**Service Station**

The **Service Station** includes two double-sided gasoline dispensers, with a total of four gasoline nozzles (one per side), located next to the general store. The service station, open daily, year-round, with two fuel dispensers available 24-hours per day for credit card purchases. Historically, the station has only sold regular unleaded (87 octane) gasoline stored in an above-ground fuel tank.

**Employee Housing**

The Service assigns two employee dormitory buildings (one with 20 rooms, one with 14 rooms, and most rooms have the potential to be double occupancy); however, the Service currently only permits double occupancy in building 85495 which has 20 rooms. Additionally, there are RV sites, and one general
manager’s residence for the Concessioner at Death Valley National Park, all of which lie directly behind the hotel facilities. Offerors should note that the required Concessioner Facilities Improvement Program (see the Investment Analysis section of this document for further information) will require the Concessioner to rehabilitate the existing RV site area and develop 6 RV sites to allow for an improved environment for employees occupying RV sites.

**Authorized Services**

The Draft Contract allows the Concessioner to provide Special Events within assigned Concession Facilities, catering throughout the Park and wireless internet (Wi-Fi) in various Park campgrounds. The Service does not require the Concessioner to provide these services but will work with the Concessioner should the Concessioner choose to explore these opportunities.

**ESTIMATED REVENUE AND EXPENSE PROJECTIONS**

**Lodging and RV Campground**

The exhibit below provides projected occupancy and average daily rates for the lodging and RV campground operations.

<table>
<thead>
<tr>
<th>Stovepipe Wells Hotel</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Room Nights</td>
<td>30,295</td>
</tr>
<tr>
<td>Occupied Room Nights</td>
<td>18,600 – 20,600</td>
</tr>
<tr>
<td>Occupancy Rate</td>
<td>61% – 68%</td>
</tr>
<tr>
<td>Average Daily Rate</td>
<td>$204.00 – $226.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stovepipe Wells RV Campsites (14-sites)</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available RV Campsite Nights</td>
<td>5,110</td>
</tr>
<tr>
<td>Occupied RV Campsite Nights</td>
<td>2,700 – 3,000</td>
</tr>
<tr>
<td>Occupancy Rate</td>
<td>53% – 59%</td>
</tr>
<tr>
<td>Average Daily Rate</td>
<td>$44.00 – $48.00</td>
</tr>
</tbody>
</table>

*Source: National Park Service*

**Food and Beverage**

The exhibit below provides projected revenue ranges for all food and beverage operations combined.

<table>
<thead>
<tr>
<th>Food and Beverage</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Revenue Range</td>
<td>$1,765,000 - $1,951,000</td>
</tr>
</tbody>
</table>

*Source: National Park Service*

**Retail**

The exhibit below provides projected revenue ranges for all retail operations combined.

<table>
<thead>
<tr>
<th>Retail</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Revenue Range</td>
<td>$2,296,000 - $2,537,000</td>
</tr>
</tbody>
</table>

*Source: National Park Service*
Service Station

The exhibit below provides projected service station operating statistics.

<table>
<thead>
<tr>
<th>Service Station</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Gallons of Fuel Sold</td>
<td>408,000 - 451,000</td>
</tr>
<tr>
<td>Average Price per Gallon</td>
<td>$3.66 - $4.04</td>
</tr>
</tbody>
</table>

Source: National Park Service

Total Departmental Gross Receipts

The exhibit below provides a summary of projected departmental revenues.

<table>
<thead>
<tr>
<th>Department</th>
<th>2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>$3,794,000 - $4,656,000</td>
</tr>
<tr>
<td>RV Campground</td>
<td>$119,000 - $144,000</td>
</tr>
<tr>
<td>Food and Beverage</td>
<td>$1,765,000 - $1,951,000</td>
</tr>
<tr>
<td>Retail</td>
<td>$2,296,000 - $2,537,000</td>
</tr>
<tr>
<td>Service Station</td>
<td>$1,493,000 - $1,822,000</td>
</tr>
<tr>
<td><strong>TOTAL GROSS RECEIPTS</strong></td>
<td><strong>$9,467,000 - $11,110,000</strong></td>
</tr>
</tbody>
</table>

Source: National Park Service

Departmental and Operating Expenses

The Service projects that most departmental and indirect expenses will be within industry average ranges.

FRANCHISE FEE

Offerors must agree to pay the minimum franchise fee, as set out in Principal Selection Factor 5 of the Proposal Package (Part III of this Prospectus), although Offerors may propose higher franchise fees in accordance with the terms of the Prospectus. In determining the minimum franchise fee, the Service, using available industry data, considered the probable value to the concessioner of the privileges granted by the Draft Contract. This probable value is based upon a reasonable opportunity for net profit in relation to capital invested and the obligations of the Draft Contract including anticipated revenues and expenses.

COMPONENT RENEWAL RESERVE

The Draft Contract requires the Concessioner to establish a Component Renewal Reserve to fund component renewal non-recurring within a seven-year timeframe as set out in Section 10(c) of the Draft Contract. The Concessioner must fund the Component Renewal Reserve under the Draft Contact by allocating two percent (2.0%) of the Concessioner’s annual gross receipts from the concession operations.

Component renewal projects must be verified and approved by NPS prior to commencing per the requirements of Exhibit H (Maintenance Plan) of the Draft Contract.

Minimum Wage

The Draft Contract is subject to the minimum wage for federal contractors established by Executive Order 14026 signed by President Biden on April 27, 2021, and its implementing regulations, including the applicable contract clause, codified at 29 C.F.R. Part 23, as well as the minimum wage requirements of the State of California.
The Service has considered the implications of the state and federal minimum wage requirements in the analysis of the minimum franchise fee and Offerors must consider the impacts of these federal and state minimum wage requirements when developing their financial projections. The Concessioner will be responsible for paying whichever minimum wage schedule is higher, the state or federal.

**Utility Expense**

The Service will provide water and wastewater service to Concession Facilities. From 2016-2019, the Existing Concessioner’s water usage averaged 7.3 million gallons annually and wastewater usage averaged 6.2 million gallons annually.

The Service charges utility users (including concessioners) the utility systems’ operating and maintenance costs and amortized cost of capital improvements to utility systems. The Service has reviewed projected actual operating and maintenance costs and amortized costs of capital improvements for these utility systems and services and developed not-to-exceed rates, which are the maximum rates the Concessioner will have to pay during the term of the Draft Contract. The not-to-exceed rate for the cost of water charged to the Concessioner in 2024 is $11.14 per thousand gallons. The not-to-exceed rate for the cost of wastewater charged to the Concessioner in 2024 is $4.85 per thousand gallons. The not-to-exceed rates for the contract term are in the Draft Operating Plan. Refer to Director’s Order 35B (included as an Appendix to this Prospectus) for more information. The Service has incorporated the not-to-exceed rates into its franchise fee calculation and will not approve a utility add-on.

The Concessioner will obtain electricity from Southern California Edison and other utilities from other suppliers.

**Insurance Requirements**

Exhibit I of the Draft Contract sets out the minimum insurance requirements for concession operations.

**INVESTMENT ANALYSIS**

**Initial and Other Investments**

As shown in the following exhibit, the total estimated required initial and other investments by the Concessioner as projected by the Service is **$3,291,000 in 2024 dollars**. This includes personal property, inventory, supplies, start-up costs (staff hiring, training, etc.), working capital (investment needed to cover expenses incurred in advance of offsetting revenues) and project investments.

<table>
<thead>
<tr>
<th>Item</th>
<th>Estimated Amount (2024 Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold Surrender Interest (LSI)</td>
<td>$0</td>
</tr>
<tr>
<td>Deferred Maintenance</td>
<td>$0</td>
</tr>
<tr>
<td>Personal Property</td>
<td>$1,269,000</td>
</tr>
<tr>
<td>Inventory</td>
<td>$453,000</td>
</tr>
<tr>
<td>Personal Property Improvement Program</td>
<td>$426,000</td>
</tr>
<tr>
<td>Start-up Costs</td>
<td>$434,000</td>
</tr>
<tr>
<td>Working Capital</td>
<td>$434,000</td>
</tr>
<tr>
<td>Concession Facilities Improvement Program</td>
<td>$275,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$3,291,000</strong></td>
</tr>
</tbody>
</table>

Source: National Park Service
Leasehold Surrender Interest

There is no required initial investment in Leasehold Surrender Interest.

Sections 15 and 16(a) of Exhibit A to the Draft Contract set forth the standard contract language for obtaining LSI for fixture installation and replacement and alternative language for waiving LSI in such fixture installations and replacements. Specifically, Section 15 covers obtaining LSI in fixtures in which the Concessioner has existing LSI and Section 16(a) covers obtaining LSI in fixtures in which no LSI exists. The Offeror’s Transmittal Letter, which is part of the Proposal Package, allows the Offeror to elect the use of the standard contract language or the alternative language, also known as the LSI Waiver Provision for Fixture Installation and Replacement.

The Service believes the Concessioner’s election to include the LSI Waiver Provision for Fixture Installation and Replacement in the Draft Contract will reduce the administrative burden on the Service and the Concessioner with respect to approval of fixture replacements, and approval and tracking of related costs and depreciation. The Service estimates fixture replacement expenditures to average approximately $104,000 per year, or an estimated total of $1,040,000 over the term of the Draft Contract. Waiving of LSI in fixture installations and replacements includes waiving LSI in fixtures included in any concessioner project, including CFIPs and projects in an Offeror’s proposal.

The evaluation of proposals will be neutral with respect to the Offeror’s election to include or exclude the LSI Waiver Provision for Fixture Installation and Replacement in the Draft Contract. That is, inclusion or exclusion by an Offeror of the LSI Waiver Provision for Fixture Installation and Replacement will have no effect on the Offeror’s evaluation score. See election in the Offeror’s Transmittal Letter.

Deferred Maintenance

The Service anticipates no Deferred Maintenance at the beginning of the Draft Contract.

Personal Property and Inventory

The estimated initial and other investment in personal property is $1,695,000 in 2024 dollars, in addition to $453,000 in inventory. The personal property estimate includes all necessary furniture, fixtures, and equipment used for all operations, concession administration, and support at Stovepipe Wells Village. The personal property estimate includes investments in personal property associated with the Personal Property Improvement Program project, which includes the replacement of all lodging room personal property with new property at the start of the Draft Contract at an estimated cost of $426,000. The Service assumes the Concessioner replaces personal property at the end of its useful life, as required by the Draft Contract. The initial estimated personal property investment, however, excludes personal property investments associated with the CFIP project discussed below. The costs associated with the CFIP project are in addition to the initial investment in personal property and inventory.

Personal Property Improvement Program

The Concessioner is required to undertake a Personal Property Improvement Program (PPIP) at the start of the Draft Contract to replace lodging room personal property with all new personal property in each of the 83 hotel rooms. The Concessioner must provide the new room furnishings that visually appeal to visitors using quality materials and craftsmanship. The Concessioner must present design concepts for the improved room furnishings to the Service for approval prior to replacement. The Service assumes that the Concessioner incurs these expenditures at the start of the Draft Contract in 2024. The Concessioner must differentiate the non-core rooms with upgraded case goods, soft goods, and amenities.
**Start-Up Costs and Working Capital**

At the start of the Draft Contract, the Concessioner will incur startup costs prior to commencing operations. Start-up costs include staff hiring, training that may involve compensation in addition to normal wages, systems implementation, legal support services, and marketing and advertising beyond normal annual expenditures. The Service assumes start-up costs to be approximately $434,000.

In addition to start-up costs, the Concessioner will need to invest a certain amount of working capital in the operation to cover that portion of the operation's expenses that the Concessioner will likely incur in advance of offsetting revenues. The Service assumes the Concessioner will invest another $434,000 in working capital at the outset of the Draft Contract.

**Concession Facilities Improvement Program**

The Draft Contract requires the Concessioner to undertake and complete a Concession Facilities Improvement Program (“CFIP”) for the following project:

- **Redevelopment of Employee RV Sites.** Under the Draft Contract the Concessioner will be required to improve the current employee RV campsites by redeveloping six full hook-up sites with landscaping and appropriate site furnishings such as picnic tables, grills, and fire rings. Some or all of this project may be eligible for LSI.

The following exhibit summarizes the timing and estimated costs for this CFIP project:

<table>
<thead>
<tr>
<th>Project</th>
<th>Estimated Start Date</th>
<th>Estimated End Date</th>
<th>Estimated Construction Cost</th>
<th>Estimated Personal Property Cost</th>
<th>Estimated Total Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redevelop employee RV sites</td>
<td>January 2024</td>
<td>December 2025</td>
<td>$254,000</td>
<td>$21,000</td>
<td>$275,000</td>
</tr>
</tbody>
</table>

Source: National Park Service

**EXISTING CONTRACT HISTORICAL DATA**

This section presents historical operating data and revenues for the Existing Contract (DEVA002-11).

**HISTORICAL REVENUES**

The following exhibit presents gross receipts by department from 2017 to 2021 for the Existing Contract. Total concession revenues declined by nearly 57% in 2020 due to the impacts associated with the COVID-19 pandemic. The pandemic resulted in temporary Park closures, with reductions in both domestic and international visitation. Concession revenues rebounded in 2021, with total revenues reaching $6,248,871, indicating a recovery from pandemic conditions in 2020. The Service anticipates that the impacts from the COVID-19 pandemic are temporary and as the effects of the pandemic subside, future concession financial performance is expected to return to and be consistent with pre-pandemic conditions.

<table>
<thead>
<tr>
<th>Department</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>$3,854,132</td>
<td>$3,538,310</td>
<td>$3,315,906</td>
<td>$1,234,189</td>
<td>$2,071,207</td>
</tr>
<tr>
<td>Retail</td>
<td>$2,412,171</td>
<td>$2,359,703</td>
<td>$2,188,360</td>
<td>$707,998</td>
<td>$1,108,703</td>
</tr>
<tr>
<td>Food and Beverage</td>
<td>$2,026,768</td>
<td>$1,964,391</td>
<td>$1,653,750</td>
<td>$961,798</td>
<td>$1,362,111</td>
</tr>
</tbody>
</table>
Over the period 2017-2021, the lodging and RV campground departments combined averaged 36% of total concession revenue, followed by retail (22%), food and beverage (21%), service station (19%), and all other (combined) at 2%.

Over the period 2017 to 2021, RV campground revenues have been included in total lodging revenues. This exhibit estimates the breakout of lodging and RV campground revenues for the period 2017-2021, based on historical revenue shares.

### PARK MANAGEMENT & PLANNING INFORMATION

#### PARK GENERAL MANAGEMENT PLANS

General Management Plans (GMPs) provide a basic foundation of park management including resource preservation and visitor services for 15 to 20 years.

Death Valley National Park most recently completed a GMP in 2002. For more information on the Death Valley GMP and other planning information, please visit: [https://www.nps.gov/deva/getinvolved/planning.htm](https://www.nps.gov/deva/getinvolved/planning.htm)

Planning documents for Stovepipe Wells were published in February 2022. Documents can be reviewed here: [Stovepipe Wells Planning](https://www.nps.gov/deva/getinvolved/planning.htm).

#### INFORMATION ABOUT HISTORIC VISITATION

#### PARK VISITATION TRENDS

The Service estimates recreation visitors primarily by using traffic counters placed across roadways within the Park. The exhibit below details historical annual recreation visitation to Death Valley National Park from 2008 to 2021.

<table>
<thead>
<tr>
<th>Year</th>
<th>Death Valley NP Visitors</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>871,938</td>
<td>-</td>
</tr>
<tr>
<td>2009</td>
<td>828,574</td>
<td>-5.0%</td>
</tr>
<tr>
<td>2010</td>
<td>984,775</td>
<td>18.9%</td>
</tr>
<tr>
<td>2011</td>
<td>946,867</td>
<td>-3.8%</td>
</tr>
<tr>
<td>2012</td>
<td>984,568</td>
<td>4.0%</td>
</tr>
<tr>
<td>2013</td>
<td>951,972</td>
<td>-3.3%</td>
</tr>
<tr>
<td>2014</td>
<td>1,101,312</td>
<td>15.7%</td>
</tr>
<tr>
<td>2015</td>
<td>1,154,843</td>
<td>4.9%</td>
</tr>
<tr>
<td>2016</td>
<td>1,296,283</td>
<td>12.2%</td>
</tr>
</tbody>
</table>
The COVID-19 pandemic beginning in 2020 had a significant adverse impact on Park visitation beginning in March 2020 and continuing through the end of the year, with 2020 visitation down nearly 921,000 visitors or -53% compared to 2019 visitation levels. However, visitation rebounded in 2021 with total visitation reaching nearly 1,147,000, an increase of nearly 40% over 2020 levels. Visitations in 2021, although significantly higher compared to 2020, remains down roughly 34% compared to pre-pandemic levels in 2019. The Service assumes visitation impacts from the pandemic are temporary and as the pandemic subsides, visitation will continue to recover to its long-term visitation growth trend.

Excluding the impacts to visitation caused by the COVID-19 pandemic in 2020 and 2021, annual visitation to the Park has increased at an average rate of 6.5% annually over the past decade (2010-2019). This is consistent with the overall increase in visitation to Las Vegas and growth in tourism spending in the region surrounding the Park during this period, again excluding the temporary impacts from the pandemic in 2020 and 2021.

### SEASONALITY OF PARK VISITATION

The exhibit below presents average monthly recreation visitation to Death Valley National Park over the five-year period 2015-2019 and the percent of annual visitors arriving each month.