

PART I

BUSINESS OPPORTUNITY

CC-STLI004-24

Department of the Interior

National Park Service

Statue of Liberty National Monument

**A Concession Business Opportunity for
Food and Beverage, Retail, and Other Services**

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TABLE OF CONTENTS

INTRODUCTION..... 4

 SITE VISIT 4

 NOTIFICATION OF INTENT TO PROPOSE 4

 INFORMATION REGARDING THIS SOLICITATION 4

 PROPOSALS 5

 DOING BUSINESS WITH THE NATIONAL PARK SERVICE..... 6

 THE NATIONAL PARK SERVICE AND ITS MISSION 7

ORIENTATION TO STATUE OF LIBERTY NATIONAL MONUMENT AND ELLIS ISLAND..... 9

CONCESSION OPPORTUNITY 10

 OVERVIEW 10

 DRAFT CONTRACT TERM 10

 REQUIRED AND AUTHORIZED SERVICES 10

 OVERVIEW OF REQUIRED SERVICES 11

 OTHER OPERATING CONSIDERATIONS 14

 ESTIMATED REVENUE AND EXPENSE PROJECTIONS..... 15

INVESTMENT ANALYSIS 17

 INITIAL INVESTMENT 17

 CONCESSION FACILITY IMPROVEMENT PROGRAM 18

 DEFERRED MAINTENANCE OF CONCESSION FACILITIES..... 19

 ONGOING FINANCIAL AND OPERATIONAL REQUIREMENTS 19

 LEASEHOLD SURRENDER INTEREST 20

INFORMATION ABOUT EXISTING CONCESSION CONTRACT OPERATIONS..... 21

 HISTORICAL REVENUES 21

LINKS TO ADDITIONAL INFORMATION 21

PREFERRED OFFEROR DETERMINATION 21

Note: Unless otherwise stated, the Service provided all images and data tables contained in this document.

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 organizations an overview of the concession operation along with a tour of the facilities assigned to the Concessioner under the Draft Contract. Each interested Offeror is limited to five persons attending the site visit, and all attendees must be over the age of eighteen. If you plan to attend the site visit and would like more information, please contact:

Ben Hanslin
 Chief of Concessions
 Statue of Liberty National Monument
 Phone: (646) 356-2108
 Email: Ben_Hanslin@nps.gov

Please register for the site visit at least one week 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. All parties attending the site visit must disclose to the Service the names of the interested organizations engaging their services. 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 Management Chief Judy Bassett via email NER_Concessions@nps.gov no later than 4:00 p.m. Eastern Time on March 10, 2023. **The Service will not accept proposals from entities that do not provide notice on or before March 10, 2023.**

INFORMATION REGARDING THIS SOLICITATION

In this document, the Service refers to the Statue of Liberty National Monument, which includes the Statue of Liberty, Liberty Island, and Ellis Island, as “the 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-STLI004-24 (“Draft Contract”), including its exhibits, to determine the full scope of the future

Draft Contract Term

12 Years

Projected Effective Date

May 1, 2024

Required Services

Retail, Food and Beverage, Coin-Operated Binoculars, Event Planning and Management

First Year of Operations (2024), Projected Range of Gross Receipts

\$37 million to \$41 million

Estimated Initial Investment (Year 0)

\$3.8 million

Estimated Real Property Investment (Year 2)

\$2.7 million

Minimum Franchise Fee

10.0% of gross receipts for gross receipts from \$0 to \$10,000,000, plus

22.0% of gross receipts for gross receipts from \$10,000,001 to \$25,000,000; plus

26.0% of gross receipts for gross receipts from \$25,000,001 to \$40,000,000; plus

35.0% of gross receipts for gross receipts greater than \$40,000,000

Component Renewal Reserve

0.1% of gross receipts

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.

Certain federal laws apply to this solicitation including the National Park Service Concessions Management Improvement Act of 1998 (Title IV, Public Law 105-391 and hereafter referred to as "the 1998 Act"), as implemented by regulations in 36 C.F.R. Part 51. Links to these are available online at the [NPS Commercial Services website](#). 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. Part 51 is available at the [Government Printing Office's Electronic Code of Federal Regulations website](#).

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

"Existing Concessioner" refers to Evelyn Hill, Inc., the concessioner under Concession Contract TC- STLI004-21 ("Existing Contract"). The Existing Contract commenced on May 1, 2021, and expires on April 30, 2024. The prior Concession Contract CC-STLI004-09 ("Prior Contract") commenced on May 1, 2009, and ended on April 30, 2021. Both the Existing Contract and Prior Contract are available upon request.

The Service intends to award the Draft Contract around February 2024, or around three (3) months prior to the anticipated effective date when the Concessioner would commence operations (May 1, 2024). The Service intends to announce the selected Offeror around September 2023, or around five (5) 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 the Proposal Package 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 how the Concessioner will manage its operations in a manner that preserves historic facilities and the visitor experience.

Principal Selection Factor 2 requires Offerors to describe how they will provide some aspects of the required services, specifically improvements to the food and beverage operations.

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 this organizational structure 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. We provide forms that Offerors must complete depending on their organizational structure. The rest of this principal selection factor requires Offerors to describe their experience operating high volume fast casual and quick service dining operations, retail operations, and event planning and management operations, and their experience with infractions.

In Principal Selection Factor 4, Offerors must provide documentation demonstrating that they have the financial resources to commence and carry out 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 at least 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 initiatives they will implement as part of their waste minimization strategies and practices.

Secondary Selection Factor 2 requires Offerors to describe how they will manage special events at the Monument to preserve, respect, and protect park resources.



Pictured: Liberty Island Concession Building

Source: NPS

DOING BUSINESS WITH THE NATIONAL PARK SERVICE

The National Park 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 available 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 that 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 National Park Service Concessions Management Improvement Act of 1998. The National Park 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 visitors 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. 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 as monopolies even though we do not grant

exclusive rights to any visitor services. Although we approve rates, our processes ensure the rates are competitive with similar out-of-park services near the operating locations. For example, the similar out-of-park food and beverage operations used to approve rates for the Draft Contract's fast-casual food and beverage operations include Essen, The Intrepid Marketplace, the Cafeteria at the Museum of Natural History, and the Loeb Boathouse Express Cafe. 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 concession contracts.

For this opportunity, the Draft Contract requires the Concessioner to operate a mix of fast-casual and quick-service food operations and provide retail services at Liberty and Ellis Islands. In addition, the Draft Contract requires the Concessioner to offer event planning and management services at authorized locations on Liberty and Ellis Islands.



*Pictured: Liberty Island Servery and Patio
Source: NPS*

THE NATIONAL PARK SERVICE AND ITS MISSION

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

...conserve the scenery and natural and historic objects and wild life therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations. 54 U.S.C. § 100101(a)

Additionally, Congress has 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 Service cooperates with partners to extend the benefits of natural and cultural resource conservation and outdoor recreation throughout this country and the world. Visit the [National Park Service website](#) to learn more about the National Park Service. This site includes information about the Service's mission, policies, and individual park units.



ORIENTATION TO STATUE OF LIBERTY NATIONAL MONUMENT AND ELLIS ISLAND

The people of France gave the Statue of Liberty as a gift of friendship to the people of the United States. Located on Liberty Island, this universal symbol of freedom and democracy was dedicated on October 28, 1886, designated as a national monument in 1924, and restored for her centennial on July 4, 1986. The Service opened the new Statue of Liberty Museum on Liberty Island in 2019, allowing visitors to view historical artifacts previously on display in the pedestal as well as new exhibits and video presentations. More information about the museum is available at the [Statue of Liberty Museum website](#).

Ellis Island opened on January 1, 1892 and became the nation’s leading federal immigration station. The station operated until 1954 and processed more than 12 million immigrant steamship passengers. Restored after nearly 30 years of closure, Ellis Island’s Main Building opened as a museum on September 10, 1990. Today, about 40% of the United States’ population can trace its ancestry through Ellis Island. For additional information, visit the websites for the [Statue of Liberty](#) and [Ellis Island](#).

Figure 1. Maps of New York City, Ellis Island, Liberty Island, and Jersey City



Source: Google Maps, National Park Service



CONCESSION OPPORTUNITY

OVERVIEW

On Liberty Island, the Concessioner will offer food and beverage service at the Liberty Café as well as at various other kiosks on the island. On Ellis Island, the Concessioner will offer food and beverage service at the Ellis Café, and at one additional kiosk location outside the Ellis Island Immigration Museum. The Concessioner will offer retail services and event planning and management services on both Liberty and Ellis Islands. In addition, the Concessioner will offer the coin-operated binoculars located at different assigned locations outside the retail area. The concession operation services a high volume of visitors to the Park. Estimates of future visitation to the Park are provided in Appendix A.5 with supporting information regarding visitation.

The Concessioner and its employees access Liberty and Ellis Island via ferry service. The Park’s authorized passenger ferry concessioner provides transportation service to the Concessioner on scheduled passenger runs and staff runs. On rare occasions, the Service may approve the passage of employees via the service bridge between Ellis Island and Liberty State Park in New Jersey with advance approval. Further information about freight to the islands is described below.

DRAFT CONTRACT TERM

The Draft Contract will have a term of twelve years with an estimated effective date of May 1, 2024. 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

Exhibit 1 below describes the required and authorized services as specified in the Draft Contract. The Concessioner must provide the required services. The Draft Contract has no authorized services. The Draft Contract, including its exhibits and attachments, contains details regarding the visitor services.

Exhibit 1. Draft Contract CC-STLI004-24 - Required and Authorized Services

Required Services	Location
Food and Beverage	Liberty Island, Ellis Island
Retail	Liberty Island, Ellis Island
Event Planning and Management	Liberty Island, Ellis Island
Coin-Operated Binoculars	Liberty Island, Ellis Island
Authorized Services	Location
None	

Source: National Park Service

The Service sets the operating standards and evaluates the Concessioner’s compliance as set out in the *Service Standards and Periodic Evaluations* available on the [NPS Commercial Services](#) website. The Service further defines the food and beverage services into distinct classifications, as described below and in the Operating Plan, Exhibit B to the Draft Contract.





*Pictured: Liberty Island Café Indoor Seating Area
Source: NPS*

OVERVIEW OF REQUIRED SERVICES

Food and Beverage

The Concessioner will operate food and beverage operations on a year-round, daily basis at Liberty and Ellis Islands. The Service will approve menus and administer rates using the core-menu methodology as described in the Concession Management Rate Administration Guide available at: <https://www.nps.gov/subjects/concessions/rate-administration.htm>. For reference, Appendix A.3 provides the current food and beverage core-menu and approved rates.

On Liberty Island, the Concessioner will provide quick service food and beverage service in the Liberty Café and quick service grab-and-go from four kiosks—from a kiosk located in the patio area adjacent to the café, from two kiosks on the plaza area near Flagpole Plaza, and from one kiosk located near the T dock, east of Lady Liberty.

On Ellis Island the Concessioner will provide food and beverage service at the Ellis Café within the Ellis Island Immigration Museum and at a small quick service grab-and-go outdoor kiosk adjacent to the Café's patio area. In the proposal package, Offerors will explain the level of service they propose for the Ellis Café (i.e., either quick service or fast casual).

Under the Draft Contract, the Concessioner will construct permanent patio enclosures for two of the food and beverage locations— around a portion of the outdoor patio area adjacent to the Liberty Café and around the upper terrace area adjacent to the Ellis Café.





Pictured: Ellis Café Servery

Source: NPS

Retail

The Park's retail offerings include separate operations managed by the Concessioner and the Park's cooperating association, Eastern National.

The Concessioner operates retail operations on a year-round, daily basis at Liberty and Ellis Islands.

The Concessioner will offer visitors gifts and souvenirs for sale within the 4,400-square-foot Liberty Island retail pavilion sales area and the 1,900-square-foot museum gift shop located in the Ellis Island Immigration Museum building. The merchandise sold will reflect the themes associated with each Island and their unique cultural and historic resources. Consequently, the Concessioner will ensure that most of the merchandise offered at Ellis Island will differ from what it offers at Liberty Island.

The Draft Contract requires the Concessioner to offer high quality items within a range of price points and limits the degree to which the Concessioner may offer multiple versions of similar types of items. For example, the Service prefers the Concessioner offer only one or two types of small items personalized with first names. As required by the Operating Plan, Exhibit B to the Draft Contract, the Concessioner will submit a proposed merchandise plan for the Service's review and approval.





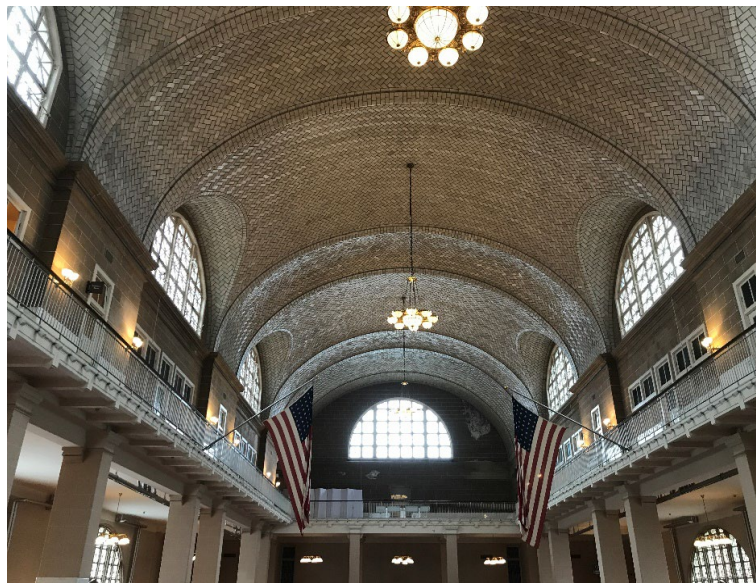
Pictured: Ellis Island Retail
Source: NPS

Coin-Operated Binoculars

The Concessioner must offer visitors coin-operated binoculars in designated locations on Liberty and Ellis Islands. Exhibit D to the Draft Contract designates the required locations for binoculars.

Event Planning and Management

The Draft Contract requires the Concessioner to offer event planning and management services to groups who wish to host Service-approved events in authorized locations on Liberty Island and within the Ellis Island Immigration Museum. Appendix A to the Operating Plan (Exhibit B to the Draft Contract) includes Service requirements associated with events held at the Park.

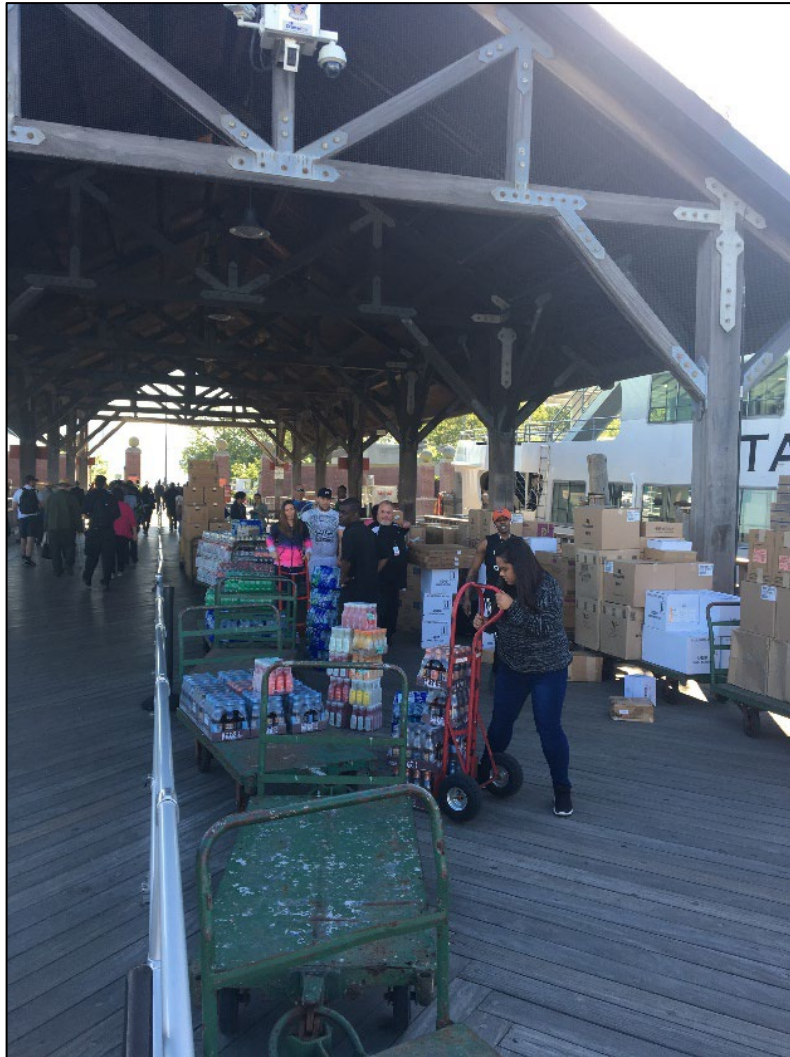


Pictured: Ellis Island Great Hall, Registry Room (Primary Event Venue)
Source: NPS

Most daytime events are small and connected to the Island's history in some way (e.g., naturalization ceremonies). Evening events take place on Ellis Island.

OTHER OPERATING CONSIDERATIONS

The Service limits the visitation capacity for Liberty Island. In general, visitors spend an average of approximately one hour and 15 minutes on Liberty Island. Pedestal and crown ticket holders typically stay longer while general admission visitors who do not go inside the statue have shorter stays.



Pictured: Liberty Island Dock freight delivery
Source: NPS

The Existing Concessioner relies on almost daily morning freight deliveries of inventory and supplies via truck across a service bridge between Ellis Island and Liberty State Park in New Jersey. The service bridge opens for deliveries at 6:00 am daily on weekdays. Weekend deliveries are limited. After delivery at Ellis Island, the Concessioner must transport these items for storage at Ellis Island or transfer them to a ferry for transport to Liberty Island prior to the Park opening to the public. Once on Liberty Island, the freight is off-loaded from the transporting ferry to a staging area, then shuttled to storage areas within the Liberty Island Concession Facilities.

After unloading from the ferry, the Existing Concessioner uses equipment consisting of hand trucks, freight wagons, pallet jacks, and electric tugs to transport items from the Liberty Island dock to the Concession Facilities. The Concessioner must store the equipment at the rear of the Concessions Building, the only available storage space on Liberty Island for this equipment.

The ferry docks do not have gradually sloping ramps and cranes are not available. Depending on tidal fluctuations, the ramp to the transporting ferry can be steep. If delayed, this delivery process can impede the visitor experience at Liberty Island. The Operating Plan, Exhibit B to the Draft Contract includes Service requirements for the Concessioner to remove all inventory, supplies, and equipment from the dock staging areas and store these items out of visitors' sight before the arrival of the first passenger ferry to Liberty Island. Exhibit D to the Draft Contract designates the freight delivery paths on Liberty and Ellis Islands.

Statue of Liberty Museum

The Statue of Liberty-Ellis Island Foundation and the Park recently constructed a 26,000 square foot Statue of Liberty Museum ("the Museum") on Liberty Island. The project was completed in May of 2019, and the Museum shares the story of the Statue's construction and history. The Service relocated many of the artifacts and display items from the statue pedestal into the Museum.

Those interested in hosting events within the Statue of Liberty Museum must coordinate with the Statue of Liberty-Ellis Island Foundation and Concessioner.

Capital Improvements at Liberty Island Concession Building

The Service intends to complete certain capital improvement projects throughout the Liberty Island Concession Building, some of which could require temporary closure of the Liberty Island concession operation. The Service will strive to minimize disruptions to the Concessioner's operations. However, the Service has not yet finalized the scope or schedule of completion for these projects.

ESTIMATED REVENUE AND EXPENSE PROJECTIONS

Visitor Use and Revenues

The following table presents total projected utilization and resulting revenues for most concession operations. The table presents information for 2026, after Concessioner completion of the Concession Facility Improvement Program (described below in the Investments Analysis section).



Exhibit 2. Projected Use and Rate Ranges, Ellis Island and Liberty Island 2026

Service	Usage and Rate Ranges
Liberty Island	
2026 Food and Beverage Transactions – Liberty Café	400,000 - 440,000
2026 Average Transaction Value	\$20.75
2026 Visitors	3,780,000 - 4,180,000
2026 Food and Beverage Sales per Visitor – Liberty Island Kiosks	\$1.15
2026 Retail Transactions	400,000 - 440,000
2026 Average Transaction Value	\$41.75
Ellis Island	
2026 Food and Beverage Transactions – Ellis Café ¹	220,000 - 240,000
2026 Average Transaction Value	\$23.00
2026 Retail Transactions	100,000 - 110,000
2026 Average Transaction Value	\$28.50
Coin Operated Binoculars	
2026 Revenue	\$55,000 - \$61,000
Event Planning and Management	
2026 Revenue	\$2,150,000 - \$2,380,000
Gross Revenue	\$39,370,000 - \$43,510,000

¹Ellis Island kiosk revenues are included in Ellis Café revenues.

Source: National Park Service

Departmental and Indirect Expenses

Labor and Benefits

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 New York City.

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.

Offerors should take note of the staffing and certifications needed to deliver the services required by the Draft Contract. The Operating Plan, Exhibit B to the Draft Contract, includes specific operational requirements for the concession operation.

Freight Costs

The Existing Concessioner relies heavily on the Park's authorized passenger ferry concessioner for freight services. Currently, the Existing Concessioner has use of a service bridge between Jersey City Liberty State Park, New Jersey, and Ellis Island for deliveries of inventory and supplies to Ellis Island, but these supplies must still be transported via ferry to Liberty Island. The Concessioner will enter into a cost recovery agreement with the passenger ferry concessioner to transport freight from Ellis Island to Liberty Island.

Solid Waste Management

The Draft Contract prohibits the Concessioner from composting and processing recyclables within the Park. The elimination of these practices and associated equipment allows for additional storage space for the Concessioner. As a result, the Concessioner will transport its solid waste to a designated collection location on Ellis Island using its



on-island freight equipment and freight services agreement with the passenger ferry concessioner to transport solid waste from Liberty Island to Ellis Island. Solid waste removal will include landfill waste as well as recycling for plastics, glass, aluminum cans, paper, and cardboard.

Insurance Requirements

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

INVESTMENT ANALYSIS

INITIAL INVESTMENT

The Concessioner's total estimated required initial investment includes personal property, inventory, working capital, start-up costs, and operating supplies. The Offeror's proposal in response to Part III of this Prospectus should address how it intends to fund these items.

Personal Property

The Service estimates the initial personal property investment associated with the Draft Contract totals approximately \$1,411,000 in 2024 dollars. This total includes personal property such as furniture, trade fixtures, equipment, and vehicles.

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 including hiring staff, training, systems implementation, legal support services, and marketing and advertising.

In addition to any necessary investment in these activities, the Concessioner will need to invest a certain amount of cash to cover the first few months of operating expenses the Concessioner likely will incur.

The Service estimates the working capital requirement (including value of inventory) at approximately \$1,760,000, with inventory consisting of retail merchandise and food and beverage items.

The Service estimates the total required initial investment by the Concessioner is approximately \$3,809,000 in 2024 dollars. This includes investments for personal property, inventory and working capital, and other preopening expenses. Exhibit 3 summarizes the estimated initial investment at the start of the Draft Contract.

Exhibit 3. Estimated Initial Investment

	Estimated Amount (2024 Dollars)
Initial Personal Property	\$1,411,000
Inventory and Working Capital	\$1,760,000
Other Preopening Expenses	\$637,000
Total Initial Investment	\$3,809,000

Source: National Park Service

Additional Financial Requirements

In addition to the initial investment, the Draft Contract requires the Concessioner to complete the Concession Facilities Improvement Program ("CFIP") within the first two years of the Draft Contract (with a construction target of 2025 and operation commencement of 2026). The Offeror's proposal in response to Part III of this Prospectus should address how it intends to fund these items.



CONCESSION FACILITY IMPROVEMENT PROGRAM

This section describes the Concession Facility Improvement Program investments. Section 9(d) of the Draft Contract provides further information about requirements for the CFIP.

The Concessioner must complete the CFIP to construct permanent coverings over and seasonal enclosures around a significant portion of the Liberty Café dining patio and the entire upper level of the Ellis Island dining terrace. The CFIP will allow for accommodating seating particularly during inclement weather at these busy food and beverage venues. The Concessioner’s CFIP costs must be not less than \$2,435,700 and not more than \$2,965,000 in 2025 dollars.

Exhibit 4. Summary of Capital Investment Costs and Schedule

Project	Estimated Start Date	Estimated End Date	Estimated Real Property Cost (2025 value dollars)
1. Liberty Island Café Patio Covering/Seasonal Enclosure	2025	2026	\$1,866,000
2. Ellis Island Café Terrace Covering/Seasonal Enclosure	2025	2026	\$829,000
Total Estimated Capital Investment Requirement			\$2,695,000¹

¹These projects may qualify for leasehold surrender interest (LSI). This is not a guarantee that the Concessioner will acquire LSI. LSI determination will be made after substantial completion, submittal of all required documentation, and Service review. See Exhibits A and F1 of the Draft Contract.

Source: National Park Service

1. Cover Liberty Café Patio

The Liberty Café is typically a busy operation for most of the year, as it serves as the primary food and beverage venue on Liberty Island. The Café is particularly crowded during inclement weather. The large outdoor patio area just outside of the Liberty Café offers an opportunity to accommodate additional food and beverage customers, particularly during inclement weather. Covering and seasonally enclosing part of the patio also will better accommodate guest demand, as some visitors will seek more personal space given today’s sensitivity to physical distancing. The availability of covered outdoor dining will further allow the Concessioner the flexibility to serve guests in an outdoor venue if indoor dining restrictions were to be temporarily reimplemented by New York City.

The Concessioner will design a covering and seasonal enclosure that conforms to the Secretary of the Interior’s Standards for the Treatment of Historic Properties (36 C.F.R. part 68). The Service will present the proposed design for the review and approval of the New York and New Jersey State Historic Preservation Officers.

2. Cover Ellis Café Upper Terrace

Similar to the Liberty Café, the Ellis Café also experiences crowding at most times of the year. Although the Ellis Café has a larger seating area than Liberty, at times the Ellis Café indoor seating area is inadequate for the demand the Café receives. Covering and seasonally enclosing the adjacent upper terrace area will allow for additional seating, particularly during inclement weather and better accommodate guest demand, as guests seek more personal space when dining in today’s pandemic-sensitive environment.

The Concessioner will design a covering and seasonal enclosure that conforms to the Secretary of the Interior’s Standards for the Treatment of Historic Properties. The Service will present the proposed design for the review and approval of the New York and New Jersey State Historic Preservation Officers.





Pictured L to R: Liberty patio to be partially covered and Ellis upper patio to be covered
 Source: NPS

DEFERRED MAINTENANCE OF CONCESSION FACILITIES

The Service anticipates no deferred maintenance at the beginning of the Draft Contract term.

ONGOING FINANCIAL AND OPERATIONAL REQUIREMENTS

In addition to the investments listed above, the Draft Contract includes the following requirements that are ongoing through the term of the Contract. The Offeror's proposal in response to Part III of this Prospectus should address how you intend to fund these items or account for them.

Repair and Maintenance of Concession Facilities

The Draft Contract requires the Concessioner to maintain the Concession Facilities (as defined in Section 2 of the Draft Contract) to the satisfaction of the Director. The Maintenance Plan (Exhibit H to the Draft Contract) has specific requirements about planning and executing the Concessioner's maintenance responsibilities.

Component Renewal Reserve

The Draft Contract requires the Concessioner to establish a Component Renewal Reserve to fund component renewal of Concession Facilities that is non-recurring within a seven-year time frame as set forth in Section 10(c) of the Draft Contract. The Concessioner must fund the Component Renewal Reserve under the Draft Contract by allocating to the Reserve **one-tenth of one percent (0.1%)** of the Concessioner's annual gross receipts. This establishes the minimum amount the Concessioner must expend on Component Renewal Reserve activities. As further explained in the Draft Contract, the Concessioner must expend sufficient additional monies, as needed beyond the Reserve, to maintain and repair the Concession Facilities to the satisfaction of the Director

Utilities

The Concessioner must contract with independent suppliers for phone, internet, propane, and solid waste and recyclables removal services. The Service provides electricity, water, and sewage. With the exception of the water used in the Liberty Island Retail Pavilion restrooms, the Service will charge the Concessioner monthly for these services in accordance with current regulations and policies. The Service will establish rates for these utilities annually, based on a yearly review of actual operating costs for utilities, and notify the Concessioner in writing at least 90 days prior to rate changes.

Franchise Fees

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. The Concessioner must pay the franchise fee based on its gross receipts for the preceding year or portion of a year (with each such year commencing on May 1). 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.

The following describes the minimum franchise fee acceptable to the Service:

- 10.0% of gross receipts for gross receipts from \$0 to \$10,000,000; plus,
- 22.0% of gross receipts for gross receipts from \$10,000,001 to \$25,000,000; plus,
- 26.0% of gross receipts for gross receipts from \$25,000,001 and \$40,000,000; plus,
- 35.0% of gross receipts for gross receipts greater than \$40,000,000.

Example: A Concessioner with gross receipts (GR) of \$40,500,000 would pay \$8,375,000 in franchise fees as calculated below.

10.0% of GR from \$0 to \$10,000,000 (10% x \$10,000,000), plus	= \$1,000,000
22.0% of GR from \$10,000,001 to \$25,000,000 (22% x \$15,000,000), plus	= \$3,300,000
26.0% of GR from \$25,000,001 to \$40,000,000 (26% x \$15,000,000), plus	= \$3,900,000
<u>35.0% of GR greater than \$40,000,000 (35% x 500,000)</u>	<u>= \$175,000</u>

Total \$8,375,000. Using gross receipts of \$40,500,000 as an example, the effective franchise fee the Concessioner would pay for the year is 20.68%.

LEASEHOLD SURRENDER INTEREST

The Existing Concessioner does not have any leasehold surrender interest (LSI) under the Existing Contract. However, the Concessioner will be allowed to obtain LSI on eligible capital improvements which include the construction of new structures, additions to existing structures, major rehabilitation of existing structures, and replacement or installation of fixtures as outlined in the Draft Contract and Exhibits A (“Leasehold Surrender Interest”) and F1 (“Concessioner New Construction and Major Rehabilitation Project Procedures”) to the Draft Contract, subject to all requirements set forth therein.



INFORMATION ABOUT EXISTING CONCESSION CONTRACT OPERATIONS

HISTORICAL REVENUES

Exhibit 5 presents historical revenues subject to franchise fee from the operations under the Prior and Existing Contracts from 2019 through 2021.

Exhibit 5. Historical Gross Receipts by Service Offered and Franchise Fees

Department	2019	2020	2021
Food & Beverage	\$14,313,000	\$1,794,000	\$6,011,000
Retail	\$14,617,000	\$2,114,000	\$7,869,000
Event Planning & Management	\$1,942,000	\$55,000	\$525,000
Coin Operated Binoculars	\$53,000	\$5,000	\$11,000
Other ¹	\$883,000	\$244,000	\$499,000
Total²	\$31,808,000	\$4,213,000	\$14,915,000
Franchise Fee Paid³	\$6,680,000	\$885,000	\$1,846,000

¹ "Other" revenues are for photography and visitor storage lockers under the Prior Contract. The Draft Contract does not require or authorize photography and visitor storage lockers.

² Columns may not appear to add up to the total sum due to rounding.

³ Franchise fees were 21.0% of gross receipts under the Prior Contract through April 30, 2021. Beginning May 1, 2021, under the Existing Contract, franchise fees are tiered based on gross receipts.

Source: National Park Service

For the current Service-approved rates for food and beverages, see Appendix 3.

LINKS TO ADDITIONAL INFORMATION

Links to additional information are included in the Appendix Table of Contents to this Prospectus.

PREFERRED OFFEROR DETERMINATION

Section 403 of the National Park Service Concessions Improvement Act (P.L. 105-391) includes a preference for a preferred Offeror to the award of a qualified concession contract.

Under the provisions of 36 C.F.R. Part 51, Subparts E and F, the Service has determined that this is not a qualified concession contract, and, therefore, no preferred Offeror for this Draft Contract exists.

